



The National Childminding Association

(Limited by Guarantee)

Trustees' Annual Report and Consolidated Financial Statements for the year ended 31 March 2010

Registered number: 02060964

Charity number: 295981

Contents

The National Childminding Association (NCMA)	3
Trustees' Report:	
Our charity	4
Our achievements and successes	5
Raising quality	6
Delivering through partnership	8
Supporting our members	11
Continually improving	13
Financial Review	15
Structure, governance and management	17
Thanks and acknowledgements	19
Statement of the Trustees' responsibilities	20
Independent auditor's report to the members of the National Childminding Association	21
Consolidated statement of financial activities year ended 31 March 2010	23
Consolidated balance sheet at 31 March 2010	24
Balance sheet at 31 March 2010	25
Consolidated cash flow statement year ended 31 March 2010	26
Notes to the financial statements	27

The National Childminding Association (NCMA)

Registered office Royal Court
81 Tweedy Road
Bromley
Kent
BR1 1TG

Registered number 02060964 (England and Wales)

Registered charity number 295981

Chief executive L Bayram

Interim joint chief executives C Farrell and A Fletcher

Trustees

S Dawson	Chair
J Mason	Vice Chair
S Collins	
A Downs	resigned 24 October 2009
P Elliott	
S Hudd	
P Johnston	F&A Chair
E Moore	
D Williams	resigned 17 July 2010
C Galbraith	appointed 26 September 2009 / resigned 3 March 2010
A Lodge	appointed 26 September 2009

Company secretary W Hayward resigned 18 July 2009
S Waterman appointed 18 July 2009

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The Board of Trustees of the charity (also referred to as the Trustees within this document), who are also directors of NCMA for the purpose of company law, present their report and financial statements for the year ended 31 March 2009. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities issued in March 2005 (SORP 2005), in preparing the annual report and financial statements of the charity.

Our charity

NCMA (the National Childminding Association) is a charity and professional association. We believe every child should reach their full potential and, since 1977, have worked with registered childminders and nannies, as well as other individuals and organisations, such as local and national government, to ensure families in every community in England and Wales have access to high-quality, home-based childcare, play, learning and family support.

NCMA's vision

Our vision is that every child reaches their full potential.

NCMA's mission

NCMA's mission is to ensure that families in every community have access to high-quality, home-based childcare, play, learning and family support so they can help their children reach their full potential.

NCMA's beliefs

NCMA believes that children of all ages benefit from home-based childcare, play and learning because it is:

- consistent – a child is cared for by the same registered childminder or nanny each day, often over a number of years
- flexible – for example, a registered childminder or nanny can care for a child whose parents work atypical hours and can provide full, as well as wraparound, childcare
- inclusive – a registered childminder or nanny can care for children of different ages and abilities together in family groups
- community-focussed – a registered childminder or nanny can reflect the needs of local communities and enable the children they care for to be part of their local community
- personalised – a registered childminder or nanny can meet the needs of individual children and families, such as teen parents or disabled children
- supportive – babies and younger children, especially, do best in home-based childcare because they are cared for in smaller groups and by the same registered childminder or nanny each day.

NCMA's values

NCMA's values guide all its staff and volunteers in how they make decisions about the work they do to support children, families, registered childminders and nannies. They are:

- a commitment to children, their rights, wellbeing and development
- inclusion and equality of opportunity
- membership involvement
- a commitment to high-quality services
- empowerment of all registered childminders and nannies to develop as excellent practitioners.

NCMA's approach

We achieve our vision and mission by working in partnership with:

- children and families, so they are aware of, and have access to, high-quality, home-based childcare, play, learning and family support
- registered childminders and nannies to ensure they have the information, support and training they need to provide high-quality childcare, play, learning and family support to the children and families in their care
- government, local authorities, regulators and other organisations in England and Wales who influence the delivery of children's services, to ensure they are inclusive of home-based childcare.

NCMA's charitable objectives

The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing NCMA's aims and objectives and in planning future activities. NCMA's charitable objectives, as set out in its Memorandum and Articles, are to:

- promote the provision of facilities for the daily care, recreation and education of children, particularly of children under the age of 8 years, and to promote the observance of good standards of childminding by the parents of such children and all persons and organisations providing such facilities and;
- to advance the education and training of childminders and other persons and organisations providing day care facilities for children and particularly children under the age of 8 years and to conduct research into all aspects of the care, recreation and education of such children and publish the useful results of such research.

Our achievements and successes

NCMA's current strategic plan will continue to guide NCMA to 2012, through an exciting and challenging time for childcare, and children's services as a whole. NCMA will be working closely with the new government to make sure that home-based childcare stays firmly at the top of the political agenda, whilst defining NCMA strategy beyond 2012.

The focus has been on continuing to improve our member offer to childminders, re-defining our nanny membership offer, supporting our valuable volunteer community and promoting home-based childcare to parents and others. We have also taken time to define our training and professional development support to both members and the wider childminder and nanny community.

All of this has meant NCMA has continued to drive forward its vision – that every child reaches their full potential – by supporting its members and the wider home-based community to provide high quality childcare and early learning to the children in their care.

Looking to the future, our immediate key areas of work for 2010/11 include:

- continuing to market home-based childcare as a parental choice and childminding as a profession
- supporting childminders and nannies with the home-based childcare unit of the new Level 3 Diploma for the Children and Young People's Workforce
- ensuring the new government understands and supports home-based childcare
- influencing the review of the Early Years Foundation Stage (EYFS) in England

- delivering further improvements in services to members
- implementing our new professional development strategy
- defining our strategy beyond 2012

All of our work continues to be defined by NCMA's strategic objectives for 2007-2012, which are:

- to support registered childminders and nannies in raising the quality of their practice, by ensuring NCMA remains the leading professional association for registered childminders, nannies and all those who work with them (including assistants, local authority workers and parents).
- to support **all** registered childminders and nannies to continue to raise the quality of their practice.
- to deliver through partnership to ensure key stakeholders are aware of and integrate registered childminders and nannies into national and local childcare strategies in England and Wales.
- to continually improve NCMA's systems and processes to ensure it remains fit for purpose.

Raising quality

Raising the quality of the childcare provided by registered childminders and nannies is central to ensuring that every child reaches their full potential. We do this by working to ensure all childminders and nannies (not just our members) have access to training, quality improvement programmes and other support because research shows the more qualified a child carer is, the higher the quality of the care they provide to the children they look after.

This year, NCMA has influenced the development of the new Level 3 Diploma for the Children and Young People's Workforce that is being introduced in September 2010 so it now includes a home-based childcare unit. NCMA is now providing information, supporting childminders and delivering training on the new qualification. The organisation has also developed an NVQ assessment centre in the north of England and carried out research with local authorities to assess progress in meeting the Government's aspiration that all childcare professionals hold a relevant level 3 qualification. The quality of NCMA training and support to childminders has also been recognised this year with three awards: a CACHE Grade One for training quality, the Matrix Award for quality of information, and a Third Sector Engagement Award for its Buckinghamshire Community Childminding Network.

NCMA's strategic objective for this area is to support all registered childminders and nannies to raise the quality of their practice. NCMA set three Board-level key performance indicators (KPIs) for this area of its work:

- The number of registered childminders in England achieving "good" or "outstanding" grades from Ofsted is maintained at 64 per cent or above from 2007 to 2012.
 - Result: 66 per cent of registered childminders in England achieved "good" or "outstanding" grades from Ofsted for 2009/10; a two per cent increase on the target, and a significant seven per cent increase on last year.
- The number of NCMA childminder/nanny members holding a relevant level 3 qualification or above increases from 28 per cent to 60 per cent by 2012.
 - Result: 50 per cent of NCMA childminder/nanny members now hold a relevant level 3 qualification, which is a five per cent increase on last year.

Our achievements in 2009/10

NVQ assessment centre

With Learning and Skills Council Train to Gain funding, an NCMA CACHE Assessment Centre has been developed as a pilot project. It supports the delivery of a programme of National Vocational Qualifications (NVQs) Level 3 in Children's Care and Learning (CCLD) and at the end of March 2010 learners had registered to complete the NVQ in CCLD Level 3, six candidates for the assessor's qualification, and three candidates for the verifiers' award. The pilot will continue until the end of August 2011

Quality improvement networks

A childminding network is made up of a group of registered childminders who are supported by a network coordinator. Networks can be accredited enabling childminders to offer the government-funded early years education entitlement to families. A network can also offer childcare and family support services, including caring for children of teenage parents while they return to work or training; as well as provide respite care and specialist support services for disabled children and their families and for families "in need".

Over the last year, NCMA has been working closely with the government to develop guidance for a flexible quality improvement model enabling every local authority to develop a network that can provide effective support and continuous professional development for all childminders in their area. There was an open consultation on the guidance, which closed in June 2010.

There are currently 102 local authorities operating childminding networks, 92 of which are accredited to offer early years education.

Training research

NCMA received additional funding this year to, among others things, research childminder training. The aim was to better understand local authority plans to provide qualification-related training to childminders in light of the new level 3 qualification; childminder views on training; and exploring the factors that enable childminders to undertake further training/qualifications, or prevent them from doing so.

Member qualifications

The 2010 NCMA Membership Survey undertaken in January and February 2010 found just over three-quarters of members had undertaken relevant training since March 2009; half of all childminders surveyed held a level three qualification or above, an increase on last year; 48 per cent said that they were part of a formal childminding network or a quality assurance scheme; and 37 per cent have received specific training in caring for disabled children and those with special educational needs.

Gail Hall Memorial Fund

This year The Gail Hall Memorial Fund (which offers bursaries to members of NCMA so that they can take training in caring and working with disabled children and children with special educational needs) funded 28 childminders to undertake courses such as British Sign Language, Makaton and Working with Attention Deficit Hyperactivity Disorder (ADHD).

What will we do in the future?

In 2010/11, NCMA will:

- support members with the launch of the home-based unit of the new qualification: Level 3 Diploma for the Children and Young People's Workforce

- continuously improve the benefits, value and appeal of our products and services to childminders and nannies to both retain our current members and encourage more to join
- deliver and implement a comprehensive professional development strategy to support childminders and nannies to raise the quality of their practice
- implement a marketing programme to promote new flexible childminding quality improvement products, including childminding networks across both England and Wales

How will we judge our success?

NCMA will monitor progress against the workplan on a quarterly basis and continue to track progress against the three Board-level key performance indicators (KPIs) set for this objective as well as further KPIs set by each department.

Delivering through partnership

As well as working directly with childminders and nannies, NCMA also works in partnership with government, local authorities, regulators, and other organisations in England and Wales who influence the delivery of children's services to ensure that they include home-based childcare. It remains vital that NCMA ensures that local authorities and other key stakeholders are aware of the valuable work of childminders and nannies.

This year NCMA ran projects in England and Wales, generating over £10 million in project income. We have worked with all but two local authorities in England and Wales, to provide direct childminding support, training and networks. A profile has been produced for every local authority, helping NCMA to target support appropriately.

NCMA will be seeking to develop new partnerships this year. In particular we will look to ensure the commercial companies now contracted by Ofsted to deliver early years inspections in England understand childminding settings, so that registered childminders receive consistent inspections.

NCMA's strategic objective for this area is to ensure key stakeholders are aware of and integrate registered childminders and nannies into national and local childcare strategies in England and Wales. NCMA set one Board-level target for this area of its work:

- Each year, NCMA works with all local authorities in England and Wales to integrate registered childminders and nannies into their childcare strategies.
 - Result: NCMA worked with 172 out of 174 local authorities in 2009/10.

Our achievements in 2009/10

Planning for change

NCMA continues to lobby and update the political parties in England and Wales, and developed a manifesto in the run up to the 2010 general election. The manifesto was launched on 18 March 2010 at the House of Commons with politicians attending from the three main parties along with a number of NCMA members and some of the children they look after. The manifesto called on prospective parliamentary candidates to commit to improve the accessibility, quality, affordability and recognition of home-based childcare.

NCMA continues to take part in relevant consultations, and has delivered comments and opinions on the funding of 2-year-olds in childcare, the early years entitlement single funding formula, and reciprocal childcare arrangements between friends, all of which have a direct impact on childminding.

Partnership with children's services

NCMA has continued to promote and encourage partnership working with others working in children's services at all levels. Children's centres continue to play an important role in involving childminders in their work. According to 2010 NCMA research, 95 per cent of children's centres reported that childminders accessed the centre and 63 per cent of children's centres are linked to a childminding network. NCMA will be assessing how centres work with childminders and gathering examples of good practice to support staff in partnership working.

The NCMA contact programme with stakeholders continues to raise awareness of home-based childcare with other childcare charities, government and other partners.

NCMA was also asked to join a new working group, established by the Department for Children, Schools and Families (now the Department for Education (DfE)) to look at the impact of the recession on childcare providers nationally and to explore what can be done to support them during this time. NCMA hopes that this group will continue under the DfE.

Partnership with local authorities

NCMA works in partnership with local authorities to help deliver quality local childcare and early education services. For example, by coordinating childminding networks that meet the childcare needs of a specific area; by delivering specialised training to childminders; or through offering consultancy services to local authorities.

In a recent survey 95 per cent of local authorities were satisfied or highly satisfied with the NCMA services that they had received, which is a two per cent increase on last year. 92 per cent of local authority service level agreements and contracts met their targets, representing an increase of two per cent on the target for the year.

Thanks to funding from the DCSF (now the Department for Education (DfE)), all local authorities in England were offered two days of NCMA consultancy:

- support families to access the childcare they need
- improve outcomes for children by developing a highly qualified home-based childcare workforce
- narrow the gap for disadvantaged and vulnerable families by raising the quality and scope of childminding practice
- promote integrated working and childcare initiatives

104 local authorities accepted the offer of the two days consultancy. Encouragingly, the service triggered further consultancy work, and some local authorities where NCMA has had little contact previously are now expressing a view that NCMA can support their thinking in developing strategies for childminding.

NCMA staff in Wales have been working closely with local authorities to encourage them to provide funding for an introductory course which all prospective childminders are required to pass before registration with the Care and Social Services Inspectorate Wales (CSSIW). Most local authorities in Wales have now agreed to fund the training.

Also, in May 2009, NCMA representatives were invited to give oral evidence to the National Assembly's Legislative Committee on the proposed Measure relating to child poverty.

Working with families of disabled children

With one-to-one care, and the support a community network provides, childminders are ideally placed to look after disabled children. Overall, 16 per cent of NCMA members are caring for disabled children or those with special educational needs.

NCMA has developed a Right Support “toolkit” (a booklet containing information and relevant case studies) and seminar series to provide resources to local authorities and tutors delivering training for childminders on looking after disabled children.

NCMA has also published a research report into Childcare for Disabled Children and Young People in Wales to give a greater understanding of why disabled children in Wales are much less likely to take up childcare places than other children, particularly looking at the barriers to offering childcare to disabled children. The report found that parents of disabled children wanted to use childcare, but the overwhelming majority had difficulty finding settings that were accessible. Cost and funding were seen as significant barriers both to parents of disabled children and to childcare providers.

Volunteer development

NCMA volunteers play many vital roles, for example gathering members’ views on important topics, contributing to NCMA’s consultation responses, and offering training and informal sessions to other members within their region. NCMA has developed a volunteer strategy this year that sets out how we could improve the support we give our volunteers, and considerable progress has already been made with delivering the strategy. This includes improved communication mechanisms with volunteers, new guidance and support materials, and the defining of new volunteer roles.

A new Volunteer Development Conference was held in London in June 2009 which, among other things, provided training sessions on presentation skills and financial procedures; highlighted NCMA priorities for the year ahead and celebrated the achievements of our volunteers. Feedback from delegates was overwhelmingly positive.

What will we do in the future?

In 2010/11, NCMA will:

- continue to ensure that national governments and policy makers in England and Wales understand the value of home-based childcare and reflect it in childcare strategies
- work with the new inspection providers to ensure all inspectors are fully aware of the unique nature of childminding settings
- develop a strong evidence base through research to inform NCMA’s work
- deliver DfE and Welsh Assembly Government strategic grants, ensuring that impact is understood to inform any future submissions
- deliver the action plan to prepare NCMA Cymru for potential devolution beyond 2012
- roll out the next phase of our marketing strategy to widen understanding of NCMA and home-based childcare and promote childminding as a career

How will we judge our success?

NCMA will monitor progress against the workplan on a quarterly basis and continue to track progress against the Board-level key performance indicator (KPI) set for this objective as well as further KPIs set by each department.

Supporting our members

The majority of NCMA members are registered childminders who provide childcare, play, learning, and family support to the children in their care. Other members include nannies, over-7s childminders, not-for-profit organisations and parents.

This year we have improved our service to all our members with an online members only area (My NCMA), a direct debit system for members to pay their subscriptions, and the introduction of NCMA Saver, helping members save money in high street stores.

NCMA's strategic objective in this area is to support registered childminders and nannies in raising the quality of their practice by ensuring NCMA remains the leading professional association for registered childminders, nannies and those who work with them.

NCMA set three Board-level key performance indicators (KPIs) to monitor progress against this strategic objective:

- Ensuring the number of NCMA registered childminder members retained annually equates to 60 per cent or more of the total registered childminder population in England and Wales.
 - Result: NCMA members accounted for 65 per cent of childminders in England and Wales during 2009/10
- NCMA annually retains 256 not-for-profit Quality Partner members.
 - Result: NCMA has 294 Quality partner members.
- NCMA has a target of 150 nanny members (rising to 600 for 10/11.)
 - Result: NCMA has 309 nanny members.

Our achievements in 2009/10

Understanding our members

Against a backdrop of a decline in the number of registered childminders in England, NCMA has managed to retain the majority of its members losing just 3.4 per cent in our overall membership in the year. This meant our “market share” grew to 65.4 per cent of all registered childminders

According to the 2010 NCMA Membership Survey, over 80 per cent of members felt that they would be “very likely” to recommend NCMA to a colleague. This represents a three per cent increase on the last year's figure.

NCMA has continued to inform the development of its membership offer to childminders and nannies by researching members' needs and preferences via surveys, panels and focus groups.

Improving the membership offer

NCMA has delivered a number of improvements to the membership offer this year, resulting in 8,700 new members. The improvements included:

- the launch of My NCMA, a members only area of the NCMA website, which has a record of the individual member's personal details, factsheets to download, as well as current and archived articles from Who Minds? magazine
- NCMA's membership magazine increased its publication from four to six issues a year to provide members with more support and information on a more frequent basis.

- a range of up-to-date factsheets available to download from NCMA's website and exclusive to members on topics related to: business issues, transport, personal development, health and safety, and employment.
- additional insurance products
- a new email communication programme
- an increased range of discounts at high street stores through NCMA Saver
- the ability to pay by direct debit

The 2010 NCMA Membership Survey identified Public Liability Insurance (PLI) as the most valued membership benefit, with Who Minds? as the second most valued membership benefit.

Developing nanny membership

NCMA has redeveloped the nanny membership package following joint research with the Children's Workforce Development Council. The package includes a nanny telephone support line, tailored factsheets on employment support, nanny legal line, and a dedicated area of the website. To date, we have 309 nanny members.

Influencing their Association

The NCMA Annual Conference is an important event, allowing members to come together and discuss the issues affecting them through the policy debate. The 2009 conference in Leeds was sold out. It was a great success with guest speakers and interactive workshops which included: building a healthy future for children and families; advice on working towards the best inspection outcome; sharing books and rhymes; communicating effectively with children; and baby signing. Author Annabel Karmel spoke about her work promoting healthy eating for children.

New products and services

The first meeting of a new Product Advisory Group took place in January 2010. Made up of NCMA staff, childminder and nanny members, the group will review existing NCMA products and services and make recommendations for new areas of improvement or development.

Promoting home-based childcare and the work of NCMA members

Our campaign to promote home-based childcare to parents has included:

- a short professionally produced film, Home from Home (aimed at parents considering childcare options and promoting the work of NCMA members) distributed to a wide audience through various outlets such as: children's centres, childminders, local authorities, and NCMA microsite, YouTube and other relevant websites
- a Home from Home leaflet highlighting the advantages of home-based childcare
- a media campaign aimed at the national parenting press as well as local media
- targeted partnerships with websites aimed at parents
- volunteers and childminding champions promoting childminding in their area.

Home from Home was also the theme for National Childminding Week, held during June 2009, when hundreds of events were organised by members and volunteers across England and Wales. The week generated over 60 mentions in the regional and national press.

What will we do in the future?

In 2010/11, NCMA will:

- further improve our membership offer to childminders to both retain existing members and recruit new members
- continue to promote nanny membership
- build on the marketing activities to continue to promote home-based childcare to parents

How will we judge our success?

NCMA will monitor progress against the workplan on a quarterly basis and continue to track progress against the three Board-level key performance indicators (KPIs) set for this objective as well as further KPIs set by each department.

Continually improving

As a charity, professional association and employer, NCMA has a responsibility to ensure that it continues to function effectively and makes the best use of the funding it receives. We do this through continually seeking to improve how we work. This year we will be focussing on planning for the future strategically, taking into account the change in government and supporting both childminders and the organisation following the economic recession.

This year, NCMA defined its internal communications strategy and secured ISO9001 accreditation for internal quality management.

NCMA's strategic objective for this area is to continually improve NCMA's systems and processes to ensure it remains fit for purpose. NCMA set one Board-level target for this area of its work:

- NCMA mitigates financial, operational and compliance risk throughout the life of the strategic plan by undertaking an annual risk assessment and implementing any mitigating actions.
 - Result: Assessment completed for 2009/10.

Our achievements in 2009/10

Governance developments

In 2009, NCMA completed an internal audit on our governance processes, which demonstrated that the current processes are robust. NCMA continued to invest in training and development of Board members.

Health and safety training

NCMA has continued to deliver a rolling programme of Health and Safety training to maintain compliance. This has included:

- consolidating all policies, procedures and supporting documents on the staff intranet
- updating Health and Safety policies and procedures to encompass casual workers and volunteers
- delivering a training programme for line managers so they can complete risk assessments for home workers and all external venues.

Internal developments

A new Internal Communications Strategy aims to improve the quality and communication of information shared internally. Part of the related action plan includes the production of a new monthly electronic newsletter to all staff. Produced by the Communications Department, the first edition of "Inside Story" was emailed to all NCMA staff in December.

“Working at NCMA” sessions across the organisation allowed staff the opportunity to have their say about what they liked about working at NCMA and what they felt could be improved. A comprehensive action plan was finalised and communicated to all staff.

Safeguarding children strategy

NCMA has developed an updated Safeguarding Strategy for 2010-13. The strategy proposes a new Safeguarding Advisor role within NCMA, and proposed ways that NCMA could work to promote safeguarding in the home-based sector.

Child protection survey

NCMA was asked by the Department of Children, Schools and Families (now the Department for Education) to conduct an online survey with childminders on the subject of child protection, as part of a large-scale piece of research into child protection across all early years settings. The aims of this research are to gain a better understanding of current knowledge and practice in the area of child protection, to ascertain how confident members feel in addressing child protection issues, and to identify areas where members feel they would benefit from further support.

ISO9001

NCMA achieved accreditation for the ISO9001 which is valid for 12 months before a review in February 2011. ISO9001 is the internationally recognised standard for an organisation’s internal quality management and helps NCMA to improve internal working, morale and motivation, raise customer satisfaction and loyalty and increase profitability.

In-house solicitor

NCMA has now selected and appointed an in-house solicitor who is reviewing existing contractual arrangements with local authority partners, as well as considering all other commercial contracts with the Association.

What will we do in the future?

In 2010/11, NCMA will:

- continue to diversify our sources of income from statutory and non-statutory sources
- continue to implement plans to effectively manage risk within NCMA
- progress the new strategic plan
- progress the updated safeguarding children strategy
- continue to ensure that NCMA is effectively governed and complies with its responsibilities under charity law
- implement the Working at NCMA Action Plan

How will we judge our success?

NCMA will monitor progress against the workplan on a quarterly basis and continue to track progress against the Board-level key performance indicator (KPI) set for this objective as well as further KPIs set by each department.

Financial Review

NCMA's total income for the year was £16m million, up £0.3 million on last year. Considering the economic operating environment in England and Wales this is a reasonable result. Increases in income from membership and in particular on the rental of part of the headquarters building in Bromley more than offset a decline in trading and interest income.

The expenditure during the year increased from £15.2 million to £15.9 million reflecting increased spending against restricted income as well as general cost pressures. Expenditure was 1.5% below target and this tracked the slightly reduced income. Most of the savings were made on projects where income and expenditure tend to move up or down in parallel. The net incoming resources are, however, reduced from the previous few years which suggests pressure will remain on NCMA to control core expenditure carefully in 2010/11.

Going Concern

The company has cash resources and has no requirement for additional external funding. The trustees have a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

Reserves Policy

Under the requirements of the Statement of Recommended Practice for Accounting and Reporting for Charities 2005, NCMA segregates its funds into those which are restricted and those which are unrestricted

NCMA believes that the charity should hold free reserves because, in addition to membership subscriptions, it is dependent on statutory funding where contracts and service level agreements provide for significant fluctuations in cash flows. The demands on working capital are therefore higher than would normally be expected and the Trustees have therefore set their reserves policy at six months unrestricted charitable expenditure.

As at 31 March 2010, free reserves, as defined by the Charity Commission as unrestricted funds less those funds tied up in fixed assets (net of related loans), amounted to £2.2 million. This is £0.1 million over the Trustees' policy level, calculated at £2.1 million. Whilst this is higher than the target level the Trustees are satisfied that the level of free reserves is not excessive, taking into account continued short term uncertainty over government funding (local and national) and the overall economic environment.

Risk management and internal control

The Trustees have overall responsibility for ensuring the organisation operates an appropriate system of controls, financial or otherwise, to provide reasonable assurance that:

- the charity is operating efficiently and effectively
- proper records are maintained and information financial or otherwise, used within the charity or for publication is reliable
- the charity complies with the relevant laws and regulation

The Finance and Audit committee is responsible for monitoring the effectiveness of internal controls and reports to the board on such monitoring. This is achieved through:

- reviewing the nature and scope of the external audit and any matters arising, for attention of the management team. Any significant findings or identified risks are examined so appropriate action can be taken.
- reviewing and approving the annual internal audit plan, considering and approving the areas of the organisation that are subject to review, approving the scope of such reviews and considering the findings
- reviewing NCMA's risk register, risk management and compliance with mitigating actions as necessary

The systems of control operated within NCMA are designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- a strategic plan
- annual budget and cash flow forecast
- regular consideration by the Trustees of actual results compared with budget or any reforecast
- an identification of, and management of, risk
- a regular review of financial policies

The key risks that have been identified by NCMA's business strategy are changes in government policy on early years which reduces the influence NCMA has through working through partnership and raising quality; changes to legislation affecting the operations of NCMA and maintaining a high standard of service delivery.

Investment Property

The investment property at Royal Court in Bromley is annually valued by a member of The Royal Institution of Chartered Surveyors, on the basis of the Open Market Value, with any surplus/deficit being shown within the Statement of Financial Activities as an unrealised gain/loss. In accordance with the Statement of Standard Accounting Policy 19, no depreciation is provided on the investment property. During the year the market value of the investment element of the Royal Court building increased by £280K.

Structure, governance and management

Governing document

The charity is established under the Companies Act and is governed by its Memorandum and Articles of Association. The company wholly owns a subsidiary, NCMA Services Limited and dissolved its other subsidiary, NCMA Development & Support Limited last year.

Organisational structure

The National Childminding Association employs over 350 staff across England and Wales.

NCMA is divided into 10 regions for the purposes of its membership – nine in England – and Wales. For staffing purposes, NCMA's 10 member regions are allocated to four staffing divisions – Central, South, North and Wales.

NCMA has 15 offices across two countries. Almost 129 staff are based in local authority offices as part of NCMA's partnership working with local government and 78 members of staff work from home offices.

Governance

NCMA's governance structure comprises:

- an elected National Policy Forum, which is made up of two elected NCMA members from each of its 10 membership regions, to advise on NCMA's childcare policy and work, and;
- an elected Board of Trustees, which is responsible for governing the Association, details of whom are given on p 3.

NCMA's Board

NCMA's Board comprises of up to 10 Trustees including the Chair. The aim is to have a balance of expertise and skills on the Board, with half having home-based childcare as their main area of expertise, and the other half bringing expertise in finance, marketing, strategic planning and other relevant areas. All trustees must be supportive of homebased childcare.

The Board meets a minimum of five times a year, with provision for additional meetings if necessary.

Trustee vacancies are promoted via NCMA's websites, mailings to NCMA's contacts, emails to NCMA's members and advertisements in relevant national publications. The 2010 recruitment campaign generated over 40 requests from individuals for information packs, with 12 completing applications leading to five being shortlisted for interview. Following the interview process, two successful candidates were chosen who will be put forward to be ratified at the 2010 Annual General Meeting.

All new Board members attend an induction meeting and receive a file of information which helps them to become familiar with their new role. In addition, all Trustees complete an annual skills audit and take part in an evaluation process, designed by the Trustees, to help identify both their individual and collective learning and development needs. These needs are used to inform the annual Board Development Programme.

In addition to this, new Trustees receive ongoing support from the Chair and Vice Chair as well as advice and information updates from the Company Secretary and NCMA staff. Trustees also have the opportunity to attend relevant governance conferences and events.

The Board has a subsidiary committee – the Finance and Audit Committee (F&AC) – which makes recommendations to the Board on financial and governance matters. Its terms of reference allow for up to four Trustees and up to two independent members. The Board elected three Trustees to sit on the

F&AC, one of whom was elected as Chair. Two independent members have been recruited to the F&AC. The F&AC meets at least four times a year.

The Board defined its Powers of Delegation in 2007-08, in which the Trustees set out the areas of decision making and strategy they wish to retain control of and the areas they have delegated to individual committees, the Chair or Chief Executive. This Power of Delegation was reviewed in January 2010 and will continue to be reviewed on an annual basis.

National Policy Forum

NCMA's National Policy Forum advises on NCMA's childcare policy and consists of up to 20 volunteers plus NCMA's Chair. NCMA's 10 membership regions each elect two NCMA members as their National Policy Forum (NPF) representatives. These NPF representatives serve a maximum of two, two-year terms and are responsible for sharing the views of their region – gathered at Regional Forums held throughout England and in Wales and anecdotally – with NCMA at a national level and feedback NPF decisions at a local level.

As the NPF was first introduced in 2006, the majority of NPF positions were re-elected in the 2008 Annual Regional Meetings (ARMs). Whilst NPF members are elected at their ARMs, their term of office commences at the close of the AGM that year and runs until the close of the AGM two years later.

The NPF meets three times a year, just after Regional Forums. NPF representatives also attend NCMA's AGM and Annual Conference. Together with NCMA's Board, the NPF representatives make up NCMA legal company membership.

As with the Board, all NPF representatives attend an induction meeting and receive a file of information which helps them to become familiar with their new role. Ongoing training is also held as part of NPF meetings and NPF representatives receive support from the Chair as well as advice and information updates from the Company Secretary and NCMA staff.

Disability Discrimination Policy

NCMA is required by the Disability Discrimination Act not to treat disabled people less favourably in recruitment and employment. The association takes this requirement very seriously and has been awarded the Two Ticks symbol. This demonstrates that NCMA is a good employer for disabled people.

Management

NCMA's Directors' Group – which meets once a month – is responsible for the development and delivery of NCMA's organisational policy and strategy under the direction of the Trustees. The Directors' Group is chaired by the Chief Executive and includes the Directors for Communications, Finance and Corporate Services, Human Resources, Membership and Professional Development, and Operations. The Directors' Group members meet with the Divisional Directors (North, South, Central and Wales) every two months as NCMA's Senior Management Team. Together, they are responsible for the development and delivery of NCMA's childcare policy and strategy, in consultation with the National Policy Forum.

L Bayram	Chief Executive (extended leave from June 2009 to June 2010)
C Farrell	Interim Joint Chief Executive (extended leave cover)
A Fletcher	Interim Joint Chief Executive (extended leave cover)
S Bird	Director, Human Resources
D Burch	Interim Director, Finance and Corporate Services

I Dalzell	Interim Director, Membership and Professional Development
C Fletcher	Director, Wales
B Hemming	Director, North
I Marratt	Interim Director, Communications
M Pearson	Director, Operations
S Sprott	Director, Central
G Thomas	Director, South

Thanks and acknowledgements

NCMA would like to thank everyone who has supported our work, from our members and key volunteers, to government departments, local authorities, funding bodies and partner organisations who have played a part in helping us achieve our aims during 2009/10.

While we cannot mention every organisation the Association has worked with during 2009/10, NCMA would like to acknowledge the following local authorities which have funded or contracted NCMA.

Anglesey; Bath & North East Somerset; Bedfordshire; Birmingham; Blaenau Gwent; Bournemouth; Bradford; Brent; Bridgend; Brighton/Hove; Buckinghamshire; Bury; Caerphilly; Cambridgeshire; Cardiff; Carmarthen; Ceredigion; City of York; Conway; Cornwall; Coventry; Croydon; Darlington; Denbighshire; Derby City; Doncaster; Dorset; Ealing; East Sussex; Essex; Flintshire; Gloucestershire; Gwynedd; Hackney; Hampshire; Haringey; Herefordshire; Hertfordshire; Hounslow; Isles of Scilly; Kent; Kirklees; Lancashire; Leeds; Leicester City; Lincolnshire; Luton; Manchester CC; Medway Towns; Merthyr Tydfil; Milton Keynes; Neath Port Talbot; Newport; North Tyneside; North Yorkshire; Nottingham City; Nottinghamshire; Peterborough; Portsmouth; Powys; Redbridge; Rhondda Cynon Taff; Richmond; Salford; Solihull; Somerset; South Gloucestershire; Southampton; Southend; Staffordshire; Sutton; Swansea; Thurrock; Torbay; Torfaen; Vale of Glamorgan; Waltham Forest; Wandsworth; West Sussex; Wigan; Wrexham

NCMA also received funding and support from:

Avon & Somerset Police Authority; CWLWM; Department for Children, Schools and Families (now Department for Education); Genesis Wales Project; Government Office North East; Learning & Skills Councils covering Tees Valley and Tyne and Wear; Welsh Assembly Government (WAG); Welsh Assembly Government Children and Families Division, Education and Life Long Learning and the Department for Innovations and Networks.

Statement of the Trustees' responsibilities

Company law requires the Trustees (who are also directors of the charitable company for the purposes of company law) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In determining how amounts are presented within items in the statement of financial activities and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

Provision of information to auditors:

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as he/she is aware there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish the company's auditor is aware of the information.

Auditors

During the year, haysmacintyre resigned as auditor and Horwath Clark Whitehill LLP was appointed as the company's auditor in their place. Horwath Clark Whitehill LLP has expressed its willingness to continue as auditor for the next financial year.



S Dawson

Chair, NCMA Board and National Policy Forum

Independent auditor's report to the members of the National Childminding Association

We have audited the group and parent company financial statements of the National Childminding Association for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 20. These financial statements have been prepared in accordance with the accounting policies set out therein.

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 trustees and auditors

The trustees' (who are also the directors of the National Childminding Association for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under the Companies Act 2006 and report to you in accordance with that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you if in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with those records, if we have not received all the information and explanations we require for our audit or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report on pages 4 – 20 and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

Basis of opinion

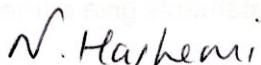
We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



Naziar Hashemi
Senior Statutory Auditor

For and on behalf of
Horwath Clark Whitehill LLP
Statutory Auditor
St Brides House
10 Salisbury Square
London EC4Y 8EH

20 July 2010

Consolidated statement of financial activities year ended 31 March 2010

	Note	Unrestricted £	Restricted £	Total funds 2010 £	Total funds 2009 £
INCOMING RESOURCES					
Activities in furtherance of: charity's objects:					
Membership		2,429,506		2,429,506	2,305,650
National Assembly for Wales grant		294,340		294,340	308,660
Projects			10,006,604	10,006,604	10,041,853
Training grants and fees		1,154,376		1,154,376	1,041,017
Activities for generating funds					
Advertising		94,354		94,354	51,242
Trading income					
Sales		934,027		934,027	1,091,179
Commissions		115,831		115,831	99,540
Rental income		448,178		448,178	39,647
Other	2b	470,502		470,502	450,763
Interest income	2a	24,149		24,149	218,787
Total incoming resources		5,965,263	10,006,604	15,971,867	15,648,338
RESOURCES EXPENDED					
Cost of generating funds:					
Interest costs		190,637		190,637	302,696
Fundraising		343,822		343,822	180,932
Merchandising and other trading costs		517,278		517,278	795,091
		1,051,737	-	1,051,737	1,278,719
Charitable expenditure					
Supporting our members		3,432,954		3,432,954	3,159,266
Delivering through partnership			10,000,105	10,000,105	9,584,265
Raising quality		796,170		796,170	623,470
New product development		583,999		583,999	542,514
		4,813,123	10,000,105	14,813,228	13,909,515
Governance costs		16,311		16,311	32,786
Total resources expended	3	5,881,171	10,000,105	15,881,276	15,221,020
Net incoming resources before gains/(losses)		84,092	6,499	90,591	427,318
Unrealised gain/(loss) on fixed asset investment		280,000		280,000	(2,753,168)
Net movement in funds for the year		364,092	6,499	370,591	(2,325,850)
Balances brought forward at 31 March 2009		2,675,164	836,066	3,511,230	5,837,080
Balances carried forward at 31 March 2010	16	3,039,256	842,565	3,881,821	3,511,230

All amounts relate to continuing activities.

Notes to the financial statements can be found on pages 27 to 37.

Consolidated balance sheet at 31 March 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	6		2,130,852		1,930,084
Investment assets	7		4,000,000		3,720,000
			<u>6,130,852</u>		<u>5,650,084</u>
CURRENT ASSETS					
Stocks	8	110,749		170,316	
Debtors	9	1,513,735		1,571,371	
Cash at bank and in hand		3,997,488		4,400,952	
		<u>5,621,972</u>		<u>6,142,639</u>	
CREDITORS: amounts falling due within one year	10	(2,695,841)		(2,947,050)	
			<u>2,926,131</u>		<u>3,195,589</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			9,056,983		8,845,673
CREDITORS: amounts falling due after one year	11		(5,175,162)		(5,334,443)
NET ASSETS			<u><u>3,881,821</u></u>		<u><u>3,511,230</u></u>
FUNDS					
Unrestricted			3,028,636		2,664,544
- General	16		10,620		10,620
- Trading			<u>3,039,256</u>		<u>2,675,164</u>
Restricted	16		842,565		836,066
			<u><u>3,881,821</u></u>		<u><u>3,511,230</u></u>

Notes to the financial statements can be found on page 27 to 37.

The financial statements were approved and authorised for issue by the Board of Trustees on 17 July 2010 and signed on its behalf by:



Susanna Dawson, Trustee
Chair, NCMA Board and National Policy Forum
Company Number :02060964



Pat Johnston, Trustee
Chair, Finance and Audit Committee

Balance sheet at 31 March 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	6		2,130,852		1,930,084
Investments	7		4,000,003		3,720,005
			<u>6,130,855</u>		<u>5,650,089</u>
CURRENT ASSETS					
Debtors	9	1,567,252		1,514,410	
Cash at bank and in hand		3,994,159		4,400,952	
		<u>5,561,411</u>		<u>5,915,362</u>	
CREDITORS: amounts falling due within one year	10	<u>(2,645,897)</u>		<u>(2,730,398)</u>	
NET CURRENT ASSETS			<u>2,915,514</u>		<u>3,184,964</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			9,046,369		8,835,053
CREDITORS: amounts falling due after one year	11		<u>(5,175,162)</u>		<u>(5,334,443)</u>
NET ASSETS			<u><u>3,871,207</u></u>		<u><u>3,500,610</u></u>
FUNDS					
Unrestricted - General	16		3,028,642		2,664,544
Restricted	16		842,565		836,066
			<u>3,871,207</u>		<u>3,500,610</u>

Notes to the financial statements can be found on page 27 to 37.

The financial statements were approved and authorised for issue by the Board of Trustees on 17 July 2010 and signed on its behalf by:



Susanna Dawson, Trustee
Chair, NCMA Board and National Policy Forum
Company Number: 02060964



Pat Johnston, Trustee
Chair, Finance and Audit Committee

Consolidated cash flow statement year ended 31 March 2010

	Note	2010 £	2009 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	336,575	407,920
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	19	(166,488)	(83,909)
CAPITAL EXPENDITURE	19	(398,651)	(968,493)
DECREASE IN CASH BEFORE FINANCING		<u>(228,564)</u>	<u>(644,482)</u>
FINANCING	19	(152,582)	(124,156)
DECREASE IN CASH AFTER FINANCING		<u><u>(381,146)</u></u>	<u><u>(768,638)</u></u>

Notes to the financial statements

1. ACCOUNTING POLICIES

1. a Accounting convention

The financial statements have been prepared on the historical cost basis of accounting. The financial statements have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice "Accounting and Reporting by Charities", (SORP 2005) and with applicable accounting standards.

The SOFA and balance sheet consolidate the financial statements of the charity and its active subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

A separate statement of financial activities (SOFA) is not presented because the charity has taken advantage of the provisions of paragraph 397 of the SORP. The net incoming resources of the charity were £90,591 (2009:£427,318).

1. b Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. No amounts are included in the financial statements for services donated by volunteers.

Project income and all other income is accounted for on an accrued basis and therefore includes income paid in arrears, but excludes income received in advance.

1. c Resources expended

Resources expended are included in the SOFA on an accruals basis, inclusive of any VAT which cannot be recovered. All direct expenditure is directly incurred in respect of the relevant activity. Costs attributable to staff working on more than one project or activity are allocated on the basis of time spent. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with use of resources.

Governance costs, separately identified, relate to the general running of the charity as opposed to costs of fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

1. d Tangible fixed assets

All tangible fixed assets are included in the balance sheet at cost, less related accumulated depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land and buildings – two per cent on cost of the building element.

Building refurbishments – over the term of the lease or 10 per cent on cost.

Furniture and equipment – 20 per cent on cost.

Computer equipment – 33 per cent on cost.

Items of equipment costing less than £500 are not treated as fixed assets, but are fully written off in the year of purchase

1.e Investment Property

The investment property is externally valued every year on the basis of the Open Market Value, with any surplus/deficit being shown within the Statement of Financial Activities as an unrealised gain/loss. In accordance with the Statement of Standard Accounting Policy 19, no depreciation is provided on the investment property.

1. f Stocks

Stock is stated at the lower of average cost or net realisable value. Stock consists of new goods held by NCMA Services Limited.

1. g Operating Leases

Rentals applicable to operating leases are charged to the Consolidated Statement of Financial Activities in the period to which the cost relates.

1. h Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are included in staff costs in the financial statements.

1. i Fund accounting

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

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

Restricted funds are funds which are used in accordance with the specific instructions imposed by the funding body or which have been raised by the charity for particular purposes.

2. INCOMING RESOURCES

2a) Interest income

Bank interest

	2010	2009
	£	£
	24,149	218,787
	<u>24,149</u>	<u>218,787</u>
	<u><u>24,149</u></u>	<u><u>218,787</u></u>

2b) Other income	2010	2009
	£	£
Royalties and franchise income	264,049	278,809
Network approval income	42,522	42,470
Annual conference income	44,366	62,059
Other	119,565	67,425
	<u>470,502</u>	<u>450,763</u>

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Direct Costs	Allocated support costs	2010	2009
	£	£	£	£	£
Cost of generating funds					
Interest costs		190,637		190,637	302,696
Fundraising costs	246,495	9,906	87,421	343,822	180,932
Merchandising and other trading costs		517,278		517,278	795,091
	<u>246,495</u>	<u>717,821</u>	<u>87,421</u>	<u>1,051,737</u>	<u>1,278,719</u>
Charitable expenditure					
Supporting our members	1,955,446	1,364,590	112,918	3,432,954	3,159,266
Delivering through partnership	1,195,592	7,908,451	896,062	10,000,105	9,584,265
Raising quality	203,901	544,916	47,353	796,170	623,470
New product development	448,353	135,646	-	583,999	542,514
	<u>3,803,292</u>	<u>9,953,603</u>	<u>1,056,333</u>	<u>14,813,228</u>	<u>13,909,515</u>
Governance costs		16,311		16,311	32,786
	<u>4,049,787</u>	<u>10,687,735</u>	<u>1,143,754</u>	<u>15,881,276</u>	<u>15,221,020</u>

Staff costs include both direct staff costs and allocated support staff costs. Direct costs include directly attributable support costs.

Resources expended include:

	2010	2009
	£	£
Support costs (including management and administration)		
Staff costs allocated to activities	1,526,081	1,574,365
Costs directly attributable to activities	206,947	335,482
Costs allocated to activities	1,143,754	989,699
	<u>2,876,782</u>	<u>2,899,546</u>

Support costs are allocated as follows:

	Fundraising	Supporting our members	Delivering through partnership	Raising quality	Total 2010
	£	£	£	£	£
Allocated staff costs	116,643	150,664	1,195,592	63,182	1,526,081
Allocated costs:					
Head Office	42,329	54,676	433,873	22,928	553,806
Human Resources	4,051	5,233	41,527	2,195	53,006
Finance	4,181	5,400	42,854	2,265	54,700
IT	36,102	46,632	370,047	19,555	472,336
Chief Executive	757	978	7,761	410	9,906
	<u>87,420</u>	<u>112,919</u>	<u>896,062</u>	<u>47,353</u>	<u>1,143,754</u>

Basis for allocation of support costs and allocated staff costs:

Head office - headcount

Human Resources - headcount

Finance - non-salaried expenditure

IT - number of computers

Chief Executive - headcount

3a. STAFF COSTS

	2010 £	2009 £
Wages and salaries	8,904,001	8,701,256
Social security costs	781,568	740,265
Pension costs	305,897	296,563
	<u>9,991,466</u>	<u>9,738,084</u>

The average number of employees during the year was:	Number	Number
Operational, administration and finance	341	332
Tutors	68	130
	<u>409</u>	<u>462</u>

During the year under review 6 Trustees received reimbursements for attending meetings amounting to £13,166 (2009: 6 Trustees: £16,637). Also in accordance with the memorandum and articles of association, honorariums of £19,492 (2009:£19,505) in total were paid to the Chair, F&A Chair and Company Secretary.

	2010 Number	2009 Number
The number of employees whose emoluments exceeded £60,000 were:		
£60,000 - £70,000	3	1
£70,000 - £80,000	-	-
£80,000 - £90,000	-	1
	<u>3</u>	<u>2</u>

All the higher paid employees shown belong to a defined contribution scheme that NCMA operates for all employees. The assets of the scheme are held separately from those of the charity, being invested with Standard Life, Friends Provident and Legal and General. The total pension cost shown above of £305,897 represents contributions payable by NCMA, of which £10,986 related to the three higher paid employees..

4. RESOURCES EXPENDED

	2010 £	2009 £
The resources expended include:		
Depreciation	197,883	231,055
Operating lease rentals – land and buildings	325,499	312,457
Auditors' remuneration – audit	17,500	16,300
Chair and Chair of Finance and Audit and Company Secretary emoluments	19,492	19,505
	<u>560,374</u>	<u>589,317</u>

5. TAXATION
Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2010. As a registered charity, the Association is entitled to tax relief under s505, ICTA1988

6. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Freehold property £	Building refurbishments £	Furniture & equipment £	Computer equipment £	Total £
COST					
At 1 April 2009	1,682,916	519,511	458,286	725,631	3,386,344
Additions	-	270,541	1,582	126,528	398,651
Disposals	-	-	5,025	4,000	9,025
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2010	1,682,916	790,052	454,843	848,159	3,775,970
DEPRECIATION					
At 1 April 2009	179,694	336,965	332,916	606,685	1,456,260
Charge for year	11,490	51,630	50,536	84,227	197,883
Eliminated on disposal	-	-	5,025	4,000	9,025
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2010	191,184	388,595	378,427	686,912	1,645,118
NET BOOK VALUE					
At 31 March 2010	1,491,732	401,457	76,416	161,247	2,130,852
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	1,503,222	182,546	125,370	118,946	1,930,084
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

7. FIXED ASSET INVESTMENT

	Group £	Charity £
NET BOOK VALUE		
Investment Property		
At 1 April 2009	3,720,000	3,720,000
Revaluation to market value	280,000	280,000
	<hr/>	<hr/>
Investment property at 31 March 2010	4,000,000	4,000,000
	<hr/>	<hr/>
Unlisted Investment		3
	<hr/>	<hr/>
TOTAL NET BOOK VALUE	4,000,000	4,000,003
	<hr/>	<hr/>

7. Fixed Asset investment (continued)

A valuation from Cluttons (Member of the Royal Institute of Chartered Surveyors) was obtained in March 2010 which indicated that the valuation was materially different from the book value. Accordingly, an unrecognised gain of £280,000 arose on revaluation. The valuation was on the basis of current market value on an existing use basis.

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Name	Country of incorporation	Nature of business	Shares held
NCMA Services Limited	England	Sale of NCMA publications and promotional items.	Ordinary 100%

8. STOCKS

	Group 2010 £	Group 2009 £
Stock of publications, etc	110,749	170,316

9. DEBTORS: Amounts falling due within one year

	2010 Group £	Charity £	2009 Group £	Charity £
Trade debtors	1,288,633	1,233,555	1,427,369	1,370,408
Amounts due from subsidiary company	-	108,595	-	-
Prepayments	225,102	225,102	144,002	144,002
	<u>1,513,735</u>	<u>1,567,252</u>	<u>1,571,371</u>	<u>1,514,410</u>

10. CREDITORS: Amounts falling due within one year

	2010 Group	Charity	2009 Group	Charity
Bank overdraft	-	-	22,318	-
Bank loans	110,339	110,339	103,640	103,640
Trade creditors	590,097	589,790	838,685	722,320
Amounts owed to subsidiary	-	-	-	183,039
Project income in advance	695,932	695,932	896,596	896,596
Other creditors	7,603	7,599	11,740	11,740
Social security and other taxes	618,099	582,013	420,789	403,924
Accruals	615,001	601,454	643,531	399,388
Deferred income	58,770	58,770	9,751	9,751
	<u>2,695,841</u>	<u>2,645,897</u>	<u>2,947,050</u>	<u>2,730,398</u>

10 a. Movement on deferred income

	2010 Group	Charity	2009 Group	Charity
Deferred income brought forward	9,751	9,751	-	-
Released in the year	(9,751)	(9,751)	-	-
Deferred in the year	58,770	58,770	9,751	9,751
	<u>58,770</u>	<u>58,770</u>	<u>9,751</u>	<u>9,751</u>

11. CREDITORS: Amounts falling due after one year

	2010 Group	Charity	2009 Group	Charity
Bank loans	5,175,162	5,175,162	5,334,443	5,334,443
	<u>5,175,162</u>	<u>5,175,162</u>	<u>5,334,443</u>	<u>5,334,443</u>
The total bank loans are repayable as follows:				
Within one year	110,339	110,339	103,640	103,640
Between one and two years	117,470	117,470	110,339	110,339
Between two and five years	399,964	399,964	375,680	375,680
After five years	4,657,728	4,657,728	4,848,424	4,848,424
	<u>5,285,501</u>	<u>5,285,501</u>	<u>5,438,083</u>	<u>5,438,083</u>

The bank loans are secured on the property situated at Royal Court, 81 Tweedy Road, Bromley, Kent, BR1 1TG and shown in Tangible and Investment assets in the balance sheet.

The remaining term of the bank loan is 20 years and comprises of fixed and variable interest rate elements.

12. RELATED PARTY DISCLOSURES

The company's only related party transactions are with its subsidiary company NCMA Services Limited. The charity has taken advantage of the exemption permitted under Financial Reporting Standard 8 not to disclose transactions and balances with wholly owned subsidiaries.

13. GUARANTEE STATUS

The company is limited by guarantee, which means that each of its company members undertakes to contribute to the assets of the company in the event of a winding up such amount as may be required, not exceeding one pound. The company has a maximum of 31 members consisting of up to 11 Trustees (including) NCMA's Chair and up to 20 National Policy Forum representatives.

14. SUBSIDIARY COMPANY

RESULTS	NCMA Services Ltd	
	2010	2009
	£	£
TURNOVER	934,027	1,091,179
	<u> </u>	<u> </u>
Net profit before Gift Aid	309,703	396,338
Gifted to NCMA	(309,703)	(396,338)
	<u> </u>	<u> </u>
Net profits retained in subsidiary	-	-
Profit brought forward at 31 March 2009	10,620	10,620
	<u> </u>	<u> </u>
Profit carried forward at 31 March 2010	10,620	10,620
Called up share capital	3	3
	<u> </u>	<u> </u>
Total funds	<u>10,623</u>	<u>10,623</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Represented by:	Unrestricted general	Restricted	Total
	£	£	£
Fixed assets	6,130,852	-	6,130,852
Stocks	110,749	-	110,749
Debtors	321,037	1,192,698	1,513,735
Cash at bank and in hand	3,651,689	345,799	3,997,488
Creditors	(7,175,071)	(695,932)	(7,871,003)
	<u>3,039,256</u>	<u>842,565</u>	<u>3,881,821</u>

16. ANALYSIS OF MOVEMENTS IN FUNDS

	Balance at 1 April 2009 £	Income and Gains £	Expenditure £	Balance at 31 March 2010 £
Unrestricted:				
General	2,675,164	6,245,263	(5,881,171)	3,039,256
	<u>2,675,164</u>	<u>6,245,263</u>	<u>(5,881,171)</u>	<u>3,039,256</u>
Restricted:				
DfES	-	1,489,800	(1,489,800)	-
	<u>-</u>	<u>1,489,800</u>	<u>(1,489,800)</u>	<u>-</u>
Welsh projects	52,453	855,429	(895,848)	12,034
English projects	783,613	7,661,375	(7,614,457)	830,531
	<u>836,066</u>	<u>8,516,804</u>	<u>(8,510,305)</u>	<u>842,565</u>
Local authority projects				
TOTAL	<u><u>3,511,230</u></u>	<u><u>16,251,867</u></u>	<u><u>(15,881,276)</u></u>	<u><u>3,881,821</u></u>

17. OPERATING LEASE COMMITMENTS

	2010 Land and Buildings £	2009 Land and Buildings £
Group		
Expiry date		
Within one year	263,962	249,676
Between two and five years	382,331	410,102
	<u>646,293</u>	<u>659,778</u>

18. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Net resources for the year before recognised losses	90,591	427,318
Depreciation charges	197,883	231,055
Interest income	(24,149)	(218,787)
Interest expense	190,637	302,696
(Increase) / decrease in stocks	59,567	(52,330)
(Increase) / decrease in debtors	57,636	(334,059)
Increase / (decrease) in creditors	(235,590)	52,027
	<u>336,575</u>	<u>407,920</u>
Net cash inflow from operating activities	<u><u>336,575</u></u>	<u><u>407,920</u></u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	24,149	218,787
Interest paid	(190,637)	(302,696)
	<u> </u>	<u> </u>
Net cash outflow for returns on investments and servicing of finance	(166,488)	(83,909)
	<u> </u>	<u> </u>
Capital expenditure		
Acquisition of tangible fixed assets and investment property	(398,651)	(968,493)
	<u> </u>	<u> </u>
Net cash outflow for capital expenditure	(398,651)	(968,493)
	<u> </u>	<u> </u>
Financing		
Repayment of secured loan	(152,582)	(124,156)
	<u> </u>	<u> </u>
Net cash outflow for financing	(152,582)	(124,156)
	<u> </u>	<u> </u>

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2009 £	Cash Flow £	At 31 March 2010 £
Cash at bank and in hand	4,400,952	(403,464)	3,997,488
Bank overdraft	(22,318)	22,318	0
Debt due within one year	(103,640)	(6,699)	(110,339)
Debt due over one year	(5,334,443)	159,281	(5,175,162)
	<u> </u>	<u> </u>	<u> </u>
	(1,059,449)	(228,564)	(1,288,013)
	<u> </u>	<u> </u>	<u> </u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010 £	2009 £
Increase / decrease in cash in the year	(381,146)	(768,638)
Cash outflow from repayment of bank loan	152,582	124,156
	<u> </u>	<u> </u>
	(228,564)	(644,482)
	<u> </u>	<u> </u>
Opening cash available to service debt	(1,059,449)	(414,967)
	<u> </u>	<u> </u>
	(1,288,013)	(1,059,449)
	<u> </u>	<u> </u>

