



The National Childminding Association

(Limited by Guarantee)

**Trustees' Annual Report and Consolidated Financial Statements
for the year ended 31 March 2007**

Registered number: 02060964

Charity number: 295981

Contents

The National Childminding Association (NCMA)	3
Our charity	4
Structure, governance and management	5
Supporting our members	8
Raising quality	10
Delivering through partnership	11
Continually improving	12
Statement of the Trustees' responsibilities.....	15
Independent auditor's report to the members of the National Childminding Association	16
Consolidated statement of financial activities year ended 31 March 2007	17
Consolidated balance sheet at 31 March 2007.....	18
Balance sheet at 31 March 2007	19
Consolidated cash flow statement year ended 31 March 2007	20
Notes to the consolidated cash flow statement.....	20
Notes to the financial statements	22

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
Trustees	S Dawson Chair J Mason Vice chair L Armitage S Edwards P Elliott S Hudd P Johnston
Company secretary	Wendy Hayward
Auditors	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
Bankers	The Cooperative Bank Bank of Scotland PO Box 101 14-16 Cockspur Street 1 Balloon Street London SW1Y 5BL Manchester M60 4EP
Solicitors	Wrigleys 19 Cookridge Street Leeds LS2 3AG

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 2007. 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

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 and 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.

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 two subsidiaries, NCMA Services Limited and NCMA Development & Support Limited.

Organisational structure

The National Childminding Association employs over 400 staff across England and Wales.

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

NCMA has 33 offices across two countries which it either leases or owns. Almost 100 staff members are based in local authority offices as part of NCMA's partnership working with local government and 59 members of staff work from home offices.

Governance

The Trustees of the charity during the year under review and to the date the accounts were approved were:

S Dawson	Re-appointed 30 September 2005	Chair
L Armitage	Appointed 30 September 2006	
S Edwards	Re-appointed 30 September 2006	
P Elliott	Re-appointed 30 September 2006	Finance and Audit Committee member
S Hudd	Appointed 30 September 2006	Finance and Audit Committee member
P Johnston	Re-appointed 30 September 2006	Chair, Finance and Audit Committee
J Mason	Re-appointed 30 September 2006	Vice Chair, Board
R Ashman	Resigned 30 September 2006	
A-M Gerrard	Resigned 30 September 2006	
S Kent	Resigned 30 September 2006	
H King	Resigned 30 September 2006	
F Park	Resigned 30 September 2006	
P Smith	Resigned 30 September 2006	
M Wallace	Resigned 30 September 2006	
C Watts	Resigned 21 August 2006	

In 2005–06 the Association introduced a new governance structure to ensure it better met the Charity Commission's guidance, Hallmarks of an Effective Charity, composed of:

- a 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;
- a smaller Board of Trustees, which is responsible for governing the Association, details of whom are given above.

The end of the 2006–07 financial year saw the successful conclusion of NCMA's transition to this new structure. The Board now has places for up to five trustees who are registered childminders or nannies and for up to five trustees who come from other backgrounds and are supportive of home-based childcare. Promotions via NCMA's websites, mailings to NCMA's contacts and national advertising resulted in NCMA

successfully recruiting a new Board, the members of which were formally appointed at the 2006 Annual General Meeting (AGM) on 30 September 2006. Work continues to encourage more applications so NCMA achieves its full complement of Trustees.

The Chair of NCMA is chair of both the Board and the National Policy Forum. They will always be a home-based childcarer, thereby ensuring the Board has a majority of childminders or nannies informing its decision-making. Decisions are based on a majority vote, with the Chair casting the deciding vote in the case of an equal split.

Early in the 2006–07 financial year NCMA's 10 membership regions each elected two NCMA members as their National Policy Forum (NPF) representatives. These NPF representatives serve a two-year term which commenced on 30 September 2006, when they were approved as members of the company by the Trustees.

This year also saw NCMA's Trustees establish a Finance and Audit Committee (F&AC) to report and make recommendations to the Trustees in respect of financial matters. Its terms of reference allow for up to four Trustees and up to two independent members. The Trustees have elected a Chair of the Finance and Audit Committee as well as two other Trustee members but recruitment continues for at least one further independent member.

With a significant number of new Trustees and NPF representatives, induction and training was of particular importance during this financial year. Following their appointment on 30 September 2006, the new Trustees and National Policy Forum representatives took part in a workshop introducing them to their new roles and responsibilities. All Trustees and NPF representatives also received an induction pack and on-going support throughout the year.

Training continues for both the NPF and Trustees and, at the end of this financial year, the Trustees agreed to ensure that the Board remains fit for purpose by undertaking an annual development programme; conducting an annual skills audit of trustees; formalising its power of delegation; and exploring how it could set up systems to appraise its own performance and that of its Chair. This work will be done during 2007–08.

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 Regional Directors (North, South, Central) and Director, Wales, every two months as NCMA's Senior Management Team and, together, they are responsible for the development and delivery of NCMA's childcare policy and strategy, in consultation with the National Policy Forum.

This structure replaced NCMA's previous senior management team structure in February 2007 as part of a wider review of NCMA's strategic management following the Trustees' approval of the new strategic plan.

NCMA's senior managers are as follows:

L Bayram	Chief Executive	Appointed 12 December 2005
C Farrell	Director, Finance and Corporate Services	Appointed 1 February 2007
A Fletcher	Director, Communications	Appointed 1 February 2007
G le Grove	Director, Wales	Appointed 1 February 2007
B Hemming	Director, North	Appointed 1 February 2007
S Stephens	Director, Human Resources	Appointed 1 February 2007
M Pearson	Director, Operations	Appointed 1 February 2007

C Rice	Director, Membership and Professional Development	Appointed 1 February 2007
S Sprott	Director, Central	Appointed 1 February 2007
G Thomas	Director, South	Appointed 1 February 2007

Our achievements and successes

With the first-ever Childcare Act set to change the shape of childcare and early years services in England and Wales, this last year has seen NCMA supporting registered childminders, nannies, local authorities and many of its other stakeholders to understand their new responsibilities under the Act and how – through these requirements – children and families will benefit.

With so much change in the childcare world it was timely that this year saw the end of NCMA's current strategic plan (2004–2007) and the development of our new five-year strategic plan. Consulting with key volunteers, staff, members and partners at national and local level, NCMA's Trustees and Senior Management Team developed the new plan over the summer of 2006. In it they set out NCMA's vision, mission and the four strategic objectives that the Association will work towards between 2007–12. Underpinning this, the Trustees agreed an organisational workplan for 2007–08 (stating the key actions NCMA will take to progress its strategic objectives) and set a series of national targets to help them track NCMA's progress. A summary of the strategic plan is available at www.ncma.org.uk and, as well as reflecting on our achievements in the last year, this annual report sets out our new strategic objectives.

Supporting our members

Our members are the Association. Without their input to help shape our work and their collective voice to support how we influence decision-makers, NCMA would not be as successful as it is. Conversely, NCMA's members rely on NCMA to provide them with information and advice to help them support the children in their care to reach their full potential.

The majority of our members are registered childminders who care for small groups of children aged from birth to 8 years old, plus some older children. They provide childcare, play, learning and family support to the children in their care. NCMA also offers membership to other childcarers who work in family homes – nannies, and over-7s childminders who only care for children aged 8 and over. In addition to these members, NCMA offers membership to not-for-profit organisations who work with childminders, for example, local authorities. We also welcome parents and other individuals who support the work of the Association as members.

We set ourselves a stretching target for 2006-07: to have 75 per cent of registered childminders in England and Wales belonging to NCMA. At March 2007, 64 per cent of registered childminders in England were members of NCMA and 83 per cent of childminders in Wales belonged to NCMA.

Our achievements in 2006–07

New benefits of membership

This year NCMA introduced several new membership benefits, including:

- a new emergency legal line for members needing representation at short notice
- a free copy of NCMA's guide to child protection, *Safeguarding Children*
- the opportunity for childminders to promote their vacancies via www.childcareplaces.co.uk. Only childminders who are members of NCMA can access this service.

Information and advice

One of NCMA's most important activities is informing our members of any changes in the childcare world, to help them provide high-quality childcare, play, learning and family support. During the year, many highly-significant changes to the childcare world have taken place or been announced, including forthcoming changes to the way in which Ofsted registers childminders and the launch of a voluntary childcare register for nannies. NCMA members all receive a quarterly membership magazine, a handbook full of business advice and information, regular news through our website at www.ncma.org.uk, access to our freephone Information Line and, from summer 2006, the chance to sign up to NCMA's new monthly e-newsletter.

Influencing their Association

NCMA's new governance structure gives members greater opportunities to voice their opinions and discuss important childcare topics. At a local level, NCMA's National Policy Forum representatives have sought views from local members to input into a wide variety of policy consultations and service developments throughout the year. NCMA has responded to consultations on local authorities' requirement to provide sufficient childcare, the standards required for the new Early Years Professional status and highlighted its priorities to government as it undertook its comprehensive spending review.

Key volunteers and staff have worked together to shape local Regional Forums which members can attend free of charge to debate issues of national and local concern. These Regional Forums will be held three times a year in each of NCMA's 10 membership regions. Members' views are then brought back to the National Policy Forum (NPF) by their elected representatives for national discussion. Ultimately, this helps the NPF make recommendations to NCMA's Trustees on the Association's childcare policies. Volunteers in NCMA's East Midlands membership region held the NCMA's first Regional Forum in March 2007. Their experiences will inform the training and guidance that each of NCMA's 10 volunteer regional committees will receive, to support them to organise their own Regional Forums.

Alongside this, NCMA held its first new-style annual policy debate at the Association's national conference in November 2006. Resolutions proposed by NCMA members were published in the membership magazine and votes were taken by post and in person at the debate itself. Resolutions covered topics from proposed new membership benefits to the format of Ofsted inspection reports.

Further recognition by parents

NCMA continues to offer parents information and advice on home-based childcare and to promote the benefits of care in a home setting. This is done in many ways at both a local and national level by NCMA staff and key volunteers (working in partnership with local authorities, schools, children's information services and others) and by childminders and nannies themselves.

This year NCMA invested in advertising to reach new parents it had not been in touch with before, for example via the Royal College of Midwives publication for new parents. However, the majority of awareness-raising activity remains via the media. Between April 2006 and March 2007 NCMA achieved coverage in 27 parenting media, including parenting magazines, websites and national family press.

NCMA's freephone Information Line continued to be heavily used, taking 12,774 calls between April 2006 and March 2007. Of these, 2085 were from parents, accounting for 16 per cent of the calls. Of the remaining calls, 8570 were taken from childminders (of which 1480 were non-members) and 1341 were from prospective childminders.

All this has contributed to a marked increase in parents' recognition and use of childminding. In January 2007 NCMA conducted its second annual parental awareness and use survey. It found that 84 per cent of parents were able to suggest childminders as a form of childcare without being prompted, compared with fewer than half as many (40 per cent) a year before. Statistics for use of types of childcare also showed an increase. Unprompted, nine per cent of parents recalled using a childminder in 2007 compared with only 6.9 per cent of parents the year before.

Our target for 2006–07 was to increase the unprompted awareness by parents of NCMA and what it does by five per cent which has been substantially met as shown by the figures gathered during the parental awareness survey.

What will we do in the future?

In our 2007–2012 strategic plan, we have set an objective 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.

As well as continuing to work with local authorities and other organisations supporting childminders and nannies (see working in partnership), we plan to further enhance the membership service NCMA offers and use it to support them further develop as professionals. During 2007–08 we will, among other things:

- Research members' needs and requirements to inform the development of new membership services, for example e-learning.
- Develop a new membership and training database that will help us better to stay in touch with, and understand, our members.
- Relaunch NCMA's website to include more information and advice.
- Continue to provide members with existing products they find valuable, such as Who Minds? membership magazine.
- Organise the 2007 annual conference and policy debate to enable members to come together and discuss issues affecting them.
- Promote NCMA and the support it offers to existing and potential members.

How will we measure our success?

We will be evaluating our activity by:

- 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.
- Retaining consistent level of not-for-profit Quality Partner members.
- Establishing baseline data of the number of nannies in England and Wales, so that we can set targets for the recruitment and support of nannies in coming years.

Raising quality

Raising the quality of the childcare provided by registered childminders and nannies is central to our vision of ensuring 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 childcarer is, the higher the quality of the care they provide to the children they look after.

This aim is shared by government, which is encouraging higher standards through a number of programmes, including Flying Start in Wales and Every Child Matters in England.

Our achievements in 2006–07

Increased take-up of level 3 training

NCMA wants to increase the number of registered childminders and nannies holding a relevant level 3 qualification – a commitment shared by NCMA's members who called for it to be a mandatory requirement within five years of a childminder becoming registered.

Figures from NCMA's Membership Survey 2007 indicate that around a quarter (26.2 per cent) of childminders now hold a relevant level 3 qualification. With this baseline established, we can now work towards increasing the number of childminders with level 3 qualifications (see plan for next year's activity).

Our target for 2006–07 was to increase the percentage of registered childminders who hold a relevant level 3 qualification from 14 per cent to 30 per cent. While we fell slightly short of this target (26.2 per cent), we were delighted that, as of March 2007, 4844 childminders and nannies were working towards, or had completed, either their level 3 Certificate in Childminding Practice (3177) or the new, level 3 qualification, the Diploma in Home-based Childcare (1667).

Influenced training

This year has also seen NCMA invest time ensuring that future training will be relevant to childminders and nannies. With new learning and regulation frameworks being launched in 2008, NCMA has worked with the Department for Education and Skills, the Welsh Assembly Government and local government to ensure that the materials and training planned to induct and introduce childcarers to these new frameworks during 2007–08 is accessible and relevant to the needs of childminders, as well as centre-based childcare providers.

We have started to train NCMA tutors to identify potential childminders requiring basic skills support to become registered. The tutors will signpost these childminders to appropriate help, as well as working directly with them. This work will continue to roll out during the next financial year.

Increased the number of childminders undertaking quality assurance

NCMA runs two quality assurance schemes which encourage childminders and nannies to reflect on their working practice and develop their childcare and business skills. The uptake of both the Quality First, and Children Come First schemes has increased during 2006–07. Over 1280 childminders have now completed the Quality First programme and a further 4112 are enrolled on the scheme.

Our target for 2006–07 was to increase the number of childminders in quality assurance schemes from 10 per cent to 20 per cent, which we have achieved. NCMA's 2007 membership survey found that 21 per cent were part of a Children Come First childminding network, while 19 per cent were working towards Quality First. A further seven per cent were working towards other quality assurance schemes.

Increased the number of childminders who are accredited to deliver early education

Every 3- and 4-year-old child is entitled to free early years education, funded by the government. Only registered childminders who have been accredited through a quality-assured network are able to offer this funded service. NCMA works to encourage local authorities and national government to fund more of these networks so that a greater number of registered childminders can provide this service to the children in their

care if they wish to. In March 2007, 20 per cent of childminders on networks quality assured by NCMA's Children Come First scheme were accredited to deliver early years education. This compares with 17 per cent in September 2005.

What will we do in the future?

In our 2007–2012 strategic plan we have set an objective to support all registered childminders and nannies to continue to raise the quality of their practice.

In 2008 the childcare world will see new early years learning and development frameworks in England and Wales which all registered providers, including childminders, will be expected to demonstrate they can deliver against at inspection, and an increasing number of childminders and nannies will have the opportunity to gain a level 3 childcare qualification.

All this will mean that increasingly, registered childminders and nannies will need to continuously improve through training and quality assurance. NCMA will support them by developing and delivering training and quality assurance programmes and by working with local authorities to make sure their training is accessible. In addition, we will continue to work with government agencies and local authorities to make sure their plans include childminders and nannies. Our long-term goal remains to support all registered childminders and nannies to achieve a level 3 qualification. During 2007–08 we will, among other things:

- Investigate the types of training undertaken by our members.
- Work with other agencies to develop a professional training pathway for registered childminders so they can achieve a level 3 qualification and above.
- Train more NCMA tutors in Skills for Life packages to support people with basic skills requirements.
- Update NCMA training and quality assurance packages to reflect the Early Years Foundation Stage (EYFS) and Early Years Foundation Phase (EYFP).
- Inform and update members about EYFS and EYFP.
- Work with local authorities to ensure EYFS/EYFP training is accessible to childminders.
- Offer training to childminders, to support their work with parents as part of the Parents, Early Years and Learning (PEAL) project.

How will we judge our success?

In England we will monitor the number of registered childminders achieving “good” or “outstanding” grades from Ofsted to see that this is maintained at 64 per cent or above. In Wales, we will monitor the number of registered childminders passing CSSIW inspections to see that this is maintained at 90 per cent or above.

We will also work towards the goal of raising the number of NCMA childminder and nanny members holding a relevant level 3 qualification (or higher) from 26 per cent to 60 per cent by 2012.

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 they are inclusive of home-based childcare. Comparing government documents issued just a few years ago with those being published today, it can be seen that NCMA has already had a significant impact on childcare strategies, with childminders now being included in government plans, and their unique working arrangements increasingly recognised. However, as local authorities take on new duties under the Childcare Act, for example, to ensure sufficient childcare is provided to families, it remains vital that we ensure they, and other key stakeholders, are aware of the valuable work of childminders and nannies and how they can support the Every Child Matters agenda.

How we did in 2006–07

Continued involvement at local level

NCMA works in a variety of ways with every local authority in England and Wales to support them to deliver the information, support and training they hold as a “retained function” or duty to provide to registered childminders. In many instances, either via strategic advice or innovative service delivery, NCMA is contracted by a local authority to deliver this support to registered childminders so they can better provide high quality childcare, play, learning and family support. This year NCMA ran 120 projects in England and Wales, generating over £11 million in project income.

Delivery of national partnerships

NCMA is considered a strategic partner of both central government and the Welsh Assembly Government and works in partnership with both to deliver support to registered childminders at a national level.

In England this year, NCMA received a grant of £1.9 million from the Department for Education and Skills and successfully delivered its aims to:

- develop more robust childminding networks based around children's centres and extended schools
- develop opportunities for home-based childcarers to access professional support and continuous professional development
- support local authorities in their role to work with childminders to drive up the quality of their service and to put in place training opportunities for more to achieve a level 3 qualification
- support local authorities in their recruitment and retention strategies for childminders
- to support parental choice and awareness of quality home-based services.

In Wales NCMA received funding of £279,383 through a contract with the Welsh Assembly Government, to induct and train all new registered childminders. As a result NCMA Wales delivered introductory training in home-based childcare, first aid and food hygiene to all new registered childminders in Wales.

Partnerships with regulators

Both in England and Wales, NCMA works in partnership with childcare regulators (Ofsted and the Care and Social Services Inspectorate Wales respectively) and the government departments issuing legislation relevant to childminders, to ensure that the needs of registered childminders are considered in the inspection and regulation process. This year, for example, NCMA successfully persuaded Ofsted to alter the way it recorded complaints within inspection reports following a resolution from the 2006 Annual Policy Debate.

Working with children's centres and extended schools

We see children's centres and extended schools (integrated children's centres and community schools in Wales) as playing a key role in integrating childminders into their work, so that more families can find out about the childcare, learning, play and family support that they offer. This year much of NCMA's focus has been on working with local authorities to ensure these new centres and schools are inclusive of home-based childcare. In February 2007 NCMA published its first survey of the extent to which children's centres were working with childminders, in which 87 per cent reported that they did. Our annual membership survey revealed that 30 per cent of our members were working with extended/community schools.

What will we do in the future?

In our 2007–2012 strategic plan, we have set an objective to ensure key stakeholders are aware of, and integrate, registered childminders and nannies into national and local childcare strategies in England and Wales. During 2007–08 we will, among other things:

- Produce research on home-based childcare to influence childcare/early years policy.
- Promote and encourage partnerships with others working in children's services.
- Enable volunteers to help shape NCMA childcare policies through Regional Forums and support other volunteer activity.
- Work in partnership with local authorities, through service level agreements, to ensure home-based childcare is integrated into their plans.
- Promote home-based childcare to parents, government, and others.

How will we judge our success?

Each year NCMA will aim to work with all local authorities in England and Wales to integrate registered childminders and nannies into their childcare strategies.

Continually improving

As a charity, professional association and employer, NCMA has a responsibility to ensure that it continues to function effectively and make the best use of the funding it receives. We do this through continually seeking to improve our systems and processes.

Our achievements in 2006–07

This year we have taken time to step back from the day-to-day business of our charity to review the way we work and our effectiveness, both in terms of NCMA's strategic planning process and – underpinning this – the management structures and systems we will need to deliver our new strategic plan.

E-investment

Early in 2006 NCMA started the process of scoping an ICT strategy that will improve its current systems and support the Association in improving how it interacts with its members and other key stakeholders, as well as helping us to think more strategically and creatively about how technology can support the achievement of NCMA's objectives. This work has established the requirements for a new, customer-relationship management system, the first stage of which will be developed during the next financial year.

Staff development

As an Investor in People approved organisation, NCMA has this year developed a new learning and development strategy to help NCMA ensure its staff are supported in their roles. NCMA also launched a new people management framework so that managers can more easily reflect on their own personal development in this area. We have also continued to invest in our programme of in-house training.

Financial prudence

During the 2005–06 financial year, NCMA purchased its new head office in Bromley, Kent. This investment was managed (alongside significant reductions in the level of funding NCMA received from the Department for Education and Skills) by reducing expenditure in some areas and on-going financial prudence during 2006–07. This ensured the Association continued to operate successfully within the limits of its funding.

Equally important to its success has been NCMA's securing of sufficient income to support it in achieving its objectives. NCMA's total turnover increased again this year to £16.9 million, a two per cent increase on last year.

Looking to the future, NCMA managers undertook a stringent budgeting process during early 2007 which will pay dividends during the coming 2007–08 financial year. This revised process, developed alongside NCMA's new strategic plan, very clearly sets out the key activities considered vital to the Association's aims and budgets for them accordingly.

Managing risk

During the year, as part of the regular programme of trustee training and development, the Trustees have led an exercise to identify and assess the major risks to which they believe the charity is exposed. They will continue to review their findings in the light of changing circumstances and monitor the systems that have been put in place to manage them.

NCMA believes that the charity should hold 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 2007, 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 £1.87 million. This is just short of the Trustees' policy level, calculated at £2 million and represents a significant improvement in general reserve levels from 2005–06. The results for the year end and financial position of the company is shown in the financial statements. Income increased from £16.5 million in 2005–06 to £16.9million in 2006–07. This was as a result of increased income across several streams including membership, grants and training. The charity made efforts to reduce its core costs as part of a reorganisation process during the year and expenditure fell from £16.9 million to £16.5 million. This resulted in a surplus of £370,000 compared with a £315,000 deficit in 2005–06, thus increasing the total amount of funds held to £5.1 million from £4.8 million.

What will we do in the future?

In our 2007–2012 strategic plan, we have set a strategic objective continually to improve NCMA's systems and processes to ensure it remains fit for purpose. During 2007–08 we will, among other things:

- Deliver improvements to NCMA's ICT systems. This will help to make sure we work efficiently and better stay in touch with our members and other stakeholders.
- Develop a learning and development plan for staff and volunteers that supports NCMA objectives and prioritises performance management.
- Establish an internal audit function to add value to NCMA's operations in all areas.
- Review NCMA's existing funding strategy to develop a fundraising strategy.
- Support effective governance processes including a skills audit of Trustees, development programme, defined powers of delegation and Annual General Meeting.

- Update and deliver NCMA's safeguarding children strategy and action plan to ensure that all staff are aware of their responsibilities regarding the protection of children.

How will we judge our success?

We will measure our success in this area by tracking the following areas and their successful achievement.

- NCMA mitigates financial, operational and compliance risk by undertaking an annual risk assessment and implementing any resulting actions
- NCMA builds reserves level to six months of unrestricted charitable expenditure
- NCMA manages business activities within budget, maintaining breakeven year end position.

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.


So far as each Trustee is aware at the time the report was approved:

- there is no relevant audit information of which the company's auditors are unaware; and the company has taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

Auditors

The auditors, haysmacintyre, will be proposed for re-appointment in accordance with Section 385 of the companies Act 1985.

The financial statements were approved by the Board of Trustees on 14 July 2007 and signed on its behalf by:



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 financial statements of The National Childminding Association Limited for the year ended 31 March 2007 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheet, the Consolidated Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

As described in the Statement of Trustees' Responsibilities, the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The trustees are also directors of The National Childminding Association Limited for the purposes of company law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK 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 judgements 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.

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charitable Company's and Group's affairs as at 31 March 2007 and of its incoming resources and application of resources in the year then ended, including its income and expenditure;
- the financial statements have been properly prepared in accordance with the Companies Act; and
- the information given in the Trustees' Report is consistent with the financial statements.

haysmacintyre
Chartered Accountants
Registered Auditors

14 July 2007

Fairfax House
15 Fulwood Place, London WC1V 6AY

Consolidated statement of financial activities year ended 31 March 2007

	Note	Unrestricted £	Restricted £	Total funds 2007 £	Total funds 2006 £
INCOMING RESOURCES					
Activities in furtherance of: charity's objects:					
Membership		2,083,343	-	2,083,343	1,954,519
National Assembly for Wales grant		279,383	-	279,383	234,238
Projects		-	11,467,265	11,467,265	11,843,152
Training grants and fees		847,301	-	847,301	385,258
Activities for generating funds					
Advertising		68,001	-	68,001	51,643
Trading income					
Sales		1,298,311	-	1,298,311	1,270,921
Commissions		78,550	-	78,550	81,266
Rental income		269,731	-	269,731	150,043
Other	2b	379,633	-	379,633	457,042
Interest income	2a	125,877	-	125,877	117,017
Total incoming resources		<u>5,430,130</u>	<u>11,467,265</u>	<u>16,897,395</u>	<u>16,545,099</u>
RESOURCES EXPENDED					
Cost of generating funds:					
Interest costs		345,210	-	345,210	255,316
Fundraising		234,608	-	234,608	234,897
Merchandising and other trading costs		1,028,344	-	1,028,344	934,530
		<u>1,608,162</u>	<u>0</u>	<u>1,608,162</u>	<u>1,424,743</u>
Charitable expenditure					
Supporting our members		3,270,902	-	3,270,902	3,121,482
Delivering through partnership		-	10,255,888	10,255,888	11,431,345
Raising quality		715,144	-	715,144	417,705
New Product Development		660,814	-	660,814	422,032
		<u>4,646,860</u>	<u>10,255,888</u>	<u>14,902,748</u>	<u>15,392,564</u>
Governance costs		16,724	-	16,724	43,380
Total resources expended	3	<u>6,271,746</u>	<u>10,255,888</u>	<u>16,527,634</u>	<u>16,860,687</u>
Net (outgoing)/incoming resources before transfers		(841,616)	1,211,377	369,761	(315,588)
Transfers between funds	16	1,884,563	(1,884,563)	-	-
Net incoming/(outgoing) resources for the year		<u>1,042,947</u>	<u>(673,186)</u>	<u>369,761</u>	<u>(315,588)</u>
Balances carried forward at 31 March 2006		<u>2,992,379</u>	<u>1,774,725</u>	<u>4,767,104</u>	<u>5,082,692</u>
Balances carried forward at 31 March 2007	16	<u>4,035,326</u>	<u>1,101,539</u>	<u>5,136,865</u>	<u>4,767,104</u>

All amounts relate to continuing activities.
Notes to the financial statements can be found on page 22 to 28.

Consolidated balance sheet at 31 March 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible assets	6		7,803,942		8,051,197
CURRENT ASSETS					
Stocks	8	149,537		95,530	
Debtors	9	1,829,902		2,462,121	
Cash at bank and in hand		3,196,241		2,377,133	
			<u>5,175,680</u>	<u>4,934,784</u>	
CREDITORS: amounts falling due within one year	10	(2,286,674)		(2,574,996)	
NET CURRENT ASSETS			<u>2,889,006</u>		<u>2,359,788</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,692,948		10,410,985
CREDITORS: amounts falling due after one year	11		(5,556,083)		(5,643,881)
NET ASSETS			<u>5,136,865</u>		<u>4,767,104</u>
FUNDS					
Unrestricted			4,023,113		2,980,159
- General	16				
- Designated	16		-		-
- Trading	16		12,213		12,220
Restricted	16		1,101,539		1,774,725
			<u>5,136,865</u>		<u>4,767,104</u>

Notes to the financial statements can be found on page 22 to 28.

The financial statements were approved by the Board of Trustees on 14 July 2007 and signed on its behalf by:



Susanna Dawson, Trustee
Chair, NCMA Board and National Policy Forum



Pat Johnston, Trustee
Chair, Finance and Audit Committee

Balance sheet at 31 March 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible assets	6		7,803,942		8,051,197
Investments	7		5		5
			<u>7,803,947</u>		<u>8,051,202</u>
CURRENT ASSETS					
Debtors	9	1,682,935		3,139,157	
Cash at bank and in hand		3,193,473		1,629,454	
		<u>4,876,408</u>		<u>4,768,611</u>	
CREDITORS: amounts falling due within one year	10	(1,999,529)		(2,421,048)	
NET CURRENT ASSETS			<u>2,876,879</u>		<u>2,347,563</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,680,826		10,398,765
CREDITORS: amounts falling due after one year	11		(5,556,083)		(5,643,881)
NET ASSETS			<u>5,124,743</u>		<u>4,754,884</u>
FUNDS					
Unrestricted - General	16		4,023,204		2,980,159
- Designated	16		-		-
Restricted	16		1,101,539		1,774,725
			<u>5,124,743</u>		<u>4,754,884</u>

Notes to the financial statements can be found on page 22 to 28.

The financial statements were approved by the Board of Trustees on 14 July 2007 and signed on its behalf by:



Susanna Dawson, Trustee
Chair, NCMA Board and National Policy Forum



Pat Johnston, Trustee
Chair, Finance and Audit Committee

Consolidated cash flow statement year ended 31 March 2007

	Note	2007 £	2006 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	1,216,593	885,072
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	2	(219,333)	(138,299)
CAPITAL EXPENDITURE	2	(47,248)	(8,003,802)
INCREASE/(DECREASE) IN CASH BEFORE FINANCING		950,012	(7,257,029)
FINANCING	2	(130,904)	5,778,426
INCREASE/(DECREASE) IN CASH AFTER FINANCING		819,108	(1,478,603)

Notes to the consolidated cash flow statement

1. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2007 £	2006 £
Net resources for the year	369,761	(315,588)
Depreciation charges	294,503	250,241
Interest income	(125,877)	(117,017)
Interest expense	345,210	255,316
Increase/(decrease) in stocks	(54,007)	47,789
Decrease in debtors	632,224	47,717
(Decrease)/Increase in creditors	(245,221)	716,614
Net cash inflow from operating activities	1,216,593	885,072
2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	125,877	117,017
Interest paid	(345,210)	(255,316)
Net cash outflow for returns on investments and servicing of finance	(219,333)	(138,299)
Capital expenditure		
Acquisition of tangible fixed assets	(47,248)	(8,003,802)
Net cash outflow for capital expenditure	(47,248)	(8,003,802)
Financing		
New secured loan received	-	5,800,000
Repayment of secured loan	(130,904)	(21,574)
	(130,904)	5,778,426

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2006 £	Cash Flow £	At 31 March 2007 £
Cash at bank and in hand	2,377,133	819,108	3,196,241
Debt due within 1 year	(134,545)	43,106	(91,439)
Debt due over 1 year	(5,643,881)	87,798	(5,556,083)
	<u>£(3,401,293)</u>	<u>950,012</u>	<u>£(2,451,281)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2007 £	2006 £
Increase/(decrease) in cash in the year	819,108	(1,478,603)
Cash outflow from repayment of bank loan	130,904	21,574
Cash inflow from new bank loan	-	(5,800,000)
	<u>950,012</u>	<u>(7,257,029)</u>
	<u>(3,401,293)</u>	<u>3,855,736</u>
	<u>£(2,451,281)</u>	<u>£(3,401,293)</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 Statement of Recommended Practice "Accounting and Reporting by Charities", (SORP 2005) and with applicable accounting standards.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. 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 304 of the SORP.

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.

Membership income comprises subscriptions and childminding insurance, which are accounted for on a receipts basis.

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.

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 Pensions

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

1. f 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

	2007	2006
	£	£
2a) Interest income		
Bank interest	125,877	117,017
	<u>125,877</u>	<u>117,017</u>
2b) Other income		
Royalties and franchise income	150,505	140,015
Network approval income	48,280	40,189
Annual conference income	78,639	69,021
Other	102,209	207,817
	<u>379,633</u>	<u>457,042</u>

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Direct	Allocated	2007	2006
	£	Costs	support	£	£
		£	costs		
			£		
Cost of generating funds					
Interest costs	-	345,210	-	345,210	255,316
Fundraising costs	155,842	63,329	15,437	234,608	234,897
Merchandising and other trading costs	310,192	718,152	-	1,028,344	934,530
	<u>466,034</u>	<u>1,126,691</u>	<u>15,437</u>	<u>1,608,162</u>	<u>1,424,743</u>
Charitable expenditure					
Supporting our members	2,004,111	1,230,129	36,662	3,270,902	3,121,482
Delivering through partnership	6,418,461	3,206,447	630,980	10,255,888	11,431,345
Raising quality	516,279	177,639	21,226	715,144	417,705
New Product Development	546,932	113,882	-	660,814	422,032
	<u>9,485,783</u>	<u>4,728,097</u>	<u>688,868</u>	<u>14,902,748</u>	<u>15,392,564</u>
Governance costs	-	16,724	-	16,724	43,380
	<u>9,951,817</u>	<u>5,871,511</u>	<u>704,305</u>	<u>16,527,634</u>	<u>16,860,687</u>

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

Resources expended include:

	2007	2006
	£	£
Support costs (including management and administration)		
Staff costs allocated to activities	1,033,007	899,809
Costs directly attributable to activities	361,935	181,565
Costs allocated to activities	704,305	785,765
	<u>2,099,247</u>	<u>1,867,139</u>

Support costs are allocated as follows:

	Fundraising £	Supporting our members £	Delivering through partnership £	Raising quality £
Allocated staff costs	22,641	53,774	925,461	31,132
Allocated costs:				
Head Office	9,365	22,241	382,779	12,876
Human Resources	1,247	2,961	50,965	1,714
Finance	445	1,058	18,203	612
IT	2,992	7,106	122,297	4,114
Chief Executive	1,388	3,296	56,736	1,910
	<u>15,437</u>	<u>36,662</u>	<u>630,980</u>	<u>21,226</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

	2007 £	2006 £
Wages and salaries	9,196,986	8,884,503
Social security costs	862,428	854,997
Pension costs	355,879	323,790
	<u>10,415,293</u>	<u>10,063,290</u>

The average number of employees during the year was:

	Number	Number
NCMA Services Ltd	5	7
Operational, administration and finance	403	426
Tutors	76	76
	<u>484</u>	<u>509</u>

During the year under review 12 Trustees received reimbursements for attending meetings amounting to £3,001.

	2007 Number	2006 Number
The number of employees whose emoluments exceeded £50,000 was:		
£50,000 - £60,000	2	-
£60,000 - £70,000	1	1
£70,000 - £80,000	-	-
	<u>-</u>	<u>-</u>

4. RESOURCES EXPENDED

	2007	2006
	£	£
The resources expended include:		
Depreciation	294,503	250,241
Operating lease rentals – land and buildings	294,568	383,208
Auditors' remuneration – audit	15,000	15,000
Chairperson's emoluments	5,030	4,890
	<u> </u>	<u> </u>

5. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2007. As a registered charity, the Association is not liable to taxation on any of its income or on any surpluses from the disposal of assets.

6. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Freehold property	Building refurbishments	Furniture & equipment	Computer equipment	Total
	£	£	£	£	£
COST					
At 1 April 2006	6,920,209	989,963	364,466	516,581	8,791,219
Additions	-	20,923	8,139	18,186	47,248
Disposals	-	(69,286)	-	-	(69,286)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2007	6,920,209	941,600	372,605	534,767	8,769,181
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION					
At 1 April 2006	48,599	142,578	152,082	396,763	740,022
Charge for year	58,366	103,942	58,704	73,491	294,503
Eliminated on disposal	-	(69,286)	-	-	(69,286)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2007	106,965	177,234	210,786	470,254	965,239
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE					
At 31 March 2007	6,813,244	764,366	161,819	64,513	7,803,942
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2006	6,871,610	847,385	212,384	119,818	8,051,197
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. FIXED ASSET INVESTMENTS

	£
NET BOOK VALUE	
At 1 April 2007 and 31 March 2006	5
	<u> </u>
NET BOOK VALUE	
At 31 March 2007	5
	<u> </u>
At 31 March 2006	5
	<u> </u>
	2007
	£
Unlisted investments	5
	<u> </u>
	2006
	£
	5
	<u> </u>

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%
NCMA Development and Support Limited	England	Dormant	Ordinary 100%

8. STOCKS

	2007 £	2006 £
Stock of publications, etc	149,537	95,530

9. DEBTORS: Amounts falling due within one year

	Group £	2007 Charity £	Group £	2006 Charity £
Trade debtors	1,565,116	1,438,538	2,159,383	1,869,269
Amounts owed by subsidiaries	-	-	-	995,549
Sundry debtors	-	-	1,373	1,372
Prepayments	264,786	244,397	301,365	272,967
	<u>1,829,902</u>	<u>1,682,935</u>	<u>2,462,121</u>	<u>3,139,157</u>

10. CREDITORS: Amounts falling due within one year

	Group	2007 Charity	Group	2006 Charity
Bank loans	91,439	91,439	134,545	134,545
Trade creditors	443,711	408,795	605,463	605,463
Project income in advance	519,051	519,051	824,299	824,299
Other creditors	16,462	16,462	16,717	12,951
Social security and other taxes	746,693	704,694	646,548	508,798
Accruals and deferred income	469,318	259,088	347,424	334,992
	<u>2,286,674</u>	<u>1,999,529</u>	<u>2,574,996</u>	<u>2,421,048</u>

11. CREDITORS: Amounts falling due after one year

	Group	2007 Charity	Group	2006 Charity
Bank loans	5,556,083	5,556,083	5,643,881	5,643,881

The loans are repayable as follows:

Within 1 year	91,439	91,439	134,545	134,545
Between one and two years	97,349	97,349	91,439	91,439
Between two and five years	331,449	331,449	311,328	311,328
After five years	5,127,285	5,127,285	5,241,114	5,241,114
	<u>5,647,522</u>	<u>5,647,522</u>	<u>5,778,426</u>	<u>5,778,426</u>

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 between 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 COMPANIES

	NCMA Services Ltd £	NCMA Development and Support Ltd £	Total 2007 £	Total 2006 £
RESULTS				
TURNOVER	1,298,311	-	1,298,311	1,270,921
Net profit before Gift Aid Gifted to NCMA	349,246 (349,246)	- -	349,246 (349,246)	419,642 (419,642)
Net profits retained in subsidiary	-	-	-	-
Profit brought forward at 31 March	10,620	1,595	12,215	12,215
Profit carried forward at 31 March	10,620	1,595	12,215	12,215
Called up share capital	3	2	5	5
Total funds	10,623	1,597	12,220	12,220

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted general £	Unrestricted designated £	Restricted £	Total £
Represented by:				
Fixed assets	7,803,942	-	-	7,803,942
Stocks	149,537	-	-	149,537
Debtors	632,601	-	1,197,301	1,829,902
Cash at bank and in hand	2,772,952	-	423,289	3,196,241
Creditors	(7,323,706)	-	(519,051)	(7,842,757)
	4,035,326	-	1,101,539	5,136,865

16. ANALYSIS OF MOVEMENTS IN FUNDS

	Balance at 1 April 2006 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2007 £
Unrestricted:					
General	2,992,379	5,430,130	(6,271,746)	1,884,563	4,035,326
Designated	-	-	-	-	-
	<u>2,992,379</u>	<u>5,430,130</u>	<u>(6,271,746)</u>	<u>1,884,563</u>	<u>4,035,326</u>
Restricted:					
DfES	-	1,900,000	(1,900,000)	-	-
National projects	-	-	-	-	-
	<u>-</u>	<u>1,900,000</u>	<u>(1,900,000)</u>	<u>-</u>	<u>-</u>
Welsh projects	165,602	1,473,735	(1,049,754)	(405,981)	183,602
English projects	1,609,123	8,093,530	(7,306,134)	(1,478,582)	917,937
	<u>1,774,725</u>	<u>9,567,265</u>	<u>(8,355,888)</u>	<u>(1,884,563)</u>	<u>1,101,539</u>
Local authority projects	1,774,725	9,567,265	(8,355,888)	(1,884,563)	1,101,539
	<u>1,774,725</u>	<u>9,567,265</u>	<u>(8,355,888)</u>	<u>(1,884,563)</u>	<u>1,101,539</u>
TOTAL	<u><u>4,767,104</u></u>	<u><u>16,897,395</u></u>	<u><u>(16,527,634)</u></u>	<u><u>-</u></u>	<u><u>5,136,865</u></u>

Restricted income funds

Restricted funds represent the surpluses and deficits on government and local authority funded projects. The projects often span several years and any surpluses or deficits are expected to be utilised or recovered over the period of the project.

Transfers between funds

Transfers represent core costs accounted for within unrestricted funds by the charity, which are recovered in restricted project funding.

18 FINANCIAL COMMITMENTS

	Land and Buildings £	2007 Other £	Land and Buildings £	2006 Other £
Group				
Expiry date				
Within one year	232,707	-	238,434	-
Between two and five years	501,089	-	659,811	-
After five year	242,522	-	316,507	-
	<u>976,318</u>	<u>-</u>	<u>1,214,752</u>	<u>-</u>
As at 31 March 2007	<u><u>976,318</u></u>	<u><u>-</u></u>	<u><u>1,214,752</u></u>	<u><u>-</u></u>