



**The National Childminding Association**

**(Limited by Guarantee)**

**Trustees' Annual Report and Consolidated Financial Statements  
for the year ended 31 March 2008**

Registered number: 02060964  
Charity number: 295981

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**The National Childminding Association (NCMA)**

<b>Registered office</b>	Royal Court 81 Tweedy Road Bromley Kent BR1 1TG	
<b>Registered number</b>	02060964 (England and Wales)	
<b>Registered charity number</b>	295981	
<b>Chief executive</b>	L Bayram	
<b>Trustees</b>	S Dawson J Mason P Elliott S Hudd P Johnston	Chair Vice Chair  F&A Chair
<b>Company secretary</b>	Wendy Hayward	
<b>Auditors</b>	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY	
<b>Bankers</b>	The Cooperative Bank PO Box 101 1 Balloon Street Manchester M60 4EP	Bank of Scotland 14–16 Cockspur Street London SW1Y 5BL
<b>Solicitors</b>	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 2008. 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 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 31 offices across two countries. Almost 100 staff are based in local authority offices as part of NCMA's partnership working with local government and 58 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 Re-appointed 29 September 2007	Chair
L Armitage	Appointed 30 September 2006 Resigned 26 April 2008	
S Edwards	Re-appointed 30 September 2006 Resigned 26 April 2008	
P Elliott	Re-appointed 30 September 2006 Re-appointed 29 September 2007	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
Anita Kerwin-Nye	Appointed 29 September 2007 Resigned 19 July 2008	

Since the end of the 2006/07 financial year, NCMA's governance structure has been comprised of:

- 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 above.

2007/08 has been the first full year that the Board and National Policy Forum (NPF) have been in operation.

### NCMA's Board

NCMA's Board is comprised of up to 10 volunteers, plus NCMA's Chair. It has places for up to five Trustees who have an expertise in home-based childcare and five for Trustees with expertise in other areas such as finance, marketing and human resources. All Board members must be supportive of home-based childcare.

The Chair of NCMA is chair of both the Board and the National Policy Forum and will always be a person with home-based childcare experience. This thereby ensures the Board has a majority of individuals with home-based childcare experience 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.

The Board meets a minimum of four times a year, with provision for additional meetings if necessary. At NCMA's 2007 Annual General Meeting (AGM) NCMA's Trustees also approved a new form of quorum for Board meetings, to ensure that meetings can take place despite the absence of certain Trustees.

At time of publication, NCMA had vacancies on its Board. However, these were successfully promoted via NCMA's websites, mailings to NCMA's contacts, articles within NCMA's membership magazine and national advertising during the year, with seven individuals applying. Four of these individuals have been recommended by the Board's Recruitment and Selection Committee to be ratified at the 2008 AGM. If ratified, these individuals will fill all but two remaining Trustee places.

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 – a new innovation in 2008 – 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, which in the past has run workshops covering:

- understanding financial information
- leadership and governance
- effective decision-making.

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.

The Board has a subsidiary committee – the Finance and Audit Committee (F&AC) – which makes recommendations to the Board on 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. The F&AC meets at least three times a year.

This year saw the Board undertake a major piece of work to define its Powers of Delegation. In this, Trustees have 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 will now 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 two-year term and are responsible for sharing the views of their region – gathered at Regional Forums 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 are not due for re-election until the 2008 Annual Regional Meetings.

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 Forum meetings. 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.

### **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.

This structure replaced NCMA's previous senior management team structure in February 2007, as part of a wider review of NCMA's strategic management that identified how best to support NCMA to deliver its new strategic plan.

NCMA's senior managers at 31 March 2008 were as follows:

L Bayram	Chief Executive	Appointed 12 December 2005
D Burch	Interim Director, Finance and Corporate Services (maternity cover)	Appointed 29 October 2007
I Dalzell	Interim Director, Membership and Professional Development	Appointed 3 March 2008
C Farrell	Director, Finance and Corporate Services	Appointed 1 February 2007
A Fletcher	Director, Communications	Appointed 1 February 2007
C Fletcher	Director, Wales	Appointed 1 September 2007
B Hemming	Director, North	Appointed 1 February 2007
I Sandford	Interim Director, Human Resources	Appointed 28 August 2007
M Pearson	Director, Operations	Appointed 1 February 2007
S Sprott	Director, Central	Appointed 1 February 2007
G Thomas	Director, South	Appointed 1 February 2007

## **Our achievements and successes**

This financial year saw the launch of NCMA's new five-year strategic plan. It is never easy to encompass the work of such a large charity – currently made up of almost 50,000 members, the majority of whom provide childcare in a home setting to over 200,000 children; over 1000 volunteers; and over 350 staff – but, in discussions around the plan, it became clear that everyone working for NCMA has one unifying vision – that every child reaches their full potential.

Everyone working in childcare knows that 2010 is the deadline for the delivery of many of Government's goals as set out in both the 10-year childcare strategy and Flying Start. There is still much to be done to support this work but NCMA wanted its new strategic plan to look beyond 2010 to help set the future agenda for childcare and early years. The strategic plan will guide NCMA through the next five years of what will be both exciting and challenging times in children's services, including childcare.

To ensure progress was made towards NCMA's five year strategy, NCMA's workplan for 2007/08 gave clear direction for the year, with key actions to enable the Association to track its progress. The focus in 2007/08 was on ensuring NCMA is prepared for the future and providing members with improved services that supported them to deliver the best possible childcare.

## **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 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.

NCMA's strategic objective in this area was 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 68 per cent of childminders in England, and 85 per cent of childminders in Wales during 2007/08.
- Retaining consistent level of not-for-profit Quality Partner members.
  - Result: The number of Quality Partners fell by four. So, although NCMA did not fully achieve this target in 2007/08, the reduction was minimal.
- Establishing baseline data of the number of nannies in England and Wales, so that NCMA can set targets for the recruitment and support of nannies in coming years.
  - Result: NCMA identified that 120,000 individuals in the UK are registered as nannies for tax purposes. This information has informed its targets for recruitment of nanny members in 2008/09.

## **Our achievements in 2007/08**

### Understanding our members

One of NCMA's goals this year was to get to know our childminder members better; to research their needs and requirements to inform the development of new membership services, to ensure that the Association offers members the support and development they need to provide the best possible care to children.

NCMA undertook research with current and former childminder members as well as childminders who had never joined NCMA. This explored NCMA's membership offer, seeking views on what they like about it and what could be improved.

In addition, NCMA's annual membership survey gave NCMA fuller details on NCMA members' working life. Encouragingly, when consulted on NCMA's membership offer, 84 per cent of NCMA members reported that NCMA was either "excellent" or "good" at providing support with these figures being irrespective of the number of years they had been childminding. Over 88 per cent of members had used an NCMA service (in addition to membership and holding insurance) during the year. Many highlighted a wide range of different

ways NCMA could further improve its member offer to childminders including making its helpline more accessible and making some products available online.

#### A compelling membership offer

Following the research phase, a compelling membership offer for NCMA's registered childminder members was developed towards the end of 2007/08 and NCMA will introduce a number of improvements to the way it supports registered childminders as well as nannies over the coming months.

These include improved access to information and support (such as through extended opening times for our helplines), the phased introduction of additional products and services to support childminders and nannies in running their businesses, and increased regular communication with members via e-newsletters, membership magazine *Who Minds?* and telephone contact.

NCMA is also now reviewing the systems it uses to deliver services to members to improve efficiency, increase capacity and ensure that NCMA remains compliant with relevant regulation. All of this additional work should not only improve the support NCMA members receive but, in turn, encourage more of them to remain members for longer.

#### Better communication

It is important that NCMA is able to communicate effectively with all those who are interested in or have a role to play in supporting home-based childcare and 2007/08 has seen significant work undertaken to improve the variety of ways NCMA communicates with its varied stakeholders.

A substantial undertaking has been the development of a new membership and training database for the Association. The new system will enable NCMA to communicate more efficiently with its members (and non-members) and will eventually enable NCMA to offer members a wider range of contact points and tailored information to ensure they are receiving information of interest (both via the website and direct).

Development and testing to ensure the system is robust and meets both NCMA, and its members', needs was underway at 31 March 2008 and the new system is expected to go live in the summer of 2008.

Another important element of this improved communication was NCMA's relaunch of its website in March 2008. The site had been in its previous format for over 10 years and the new site has met with very positive feedback. It provides NCMA – and home-based childcare – with a more professional shop window. It gives visitors clearer navigation, search functions and increased accessibility options meeting the globally recognised W3C accessibility standard. This, along with the launch of the new membership database in summer 2008, will enable NCMA to offer further services to members online, making it even more accessible.

NCMA continues to provide members with regular information through its quarterly membership magazine, *Who Minds?* and members' handbook, updated in early 2008.

Monthly email-based briefings are sent to more than 13,000 subscribers – childminders, volunteers, parents, other childcarers, nannies, staff and local authority workers.

#### Influencing their Association

The NCMA Annual Conference is an important event for policy debate and enabling members to come together and discuss issues affecting them. The 2007 conference was held in November in Torquay and was very successful in terms of delegate satisfaction and feedback, with a busy exhibition, well-received speakers and full workshops.

During the conference, attending members were able to take part in a debate on the future of childminding – childminding in 2020 – to share their views on how they felt the profession may develop. Members also debated resolutions proposed at the Annual Policy Debate, the results of which shape NCMA's childcare policy. Resolutions are promoted through NCMA's membership magazine in advance and members not attending the debate submit postal votes.

NCMA also encourages feedback on issues of urgency, in addition to its annual policy debate and Regional Forums. For example, NCMA gathered members' views on a proposed increase to inspection fees in England.

### **What will we do in the future?**

During 2008–09 NCMA will:

- Deliver NCMA's compelling member offer to registered childminders (enhancements such as extended helpline hours, e-services, e-newsletter) throughout the year
- Review and deliver an improved offer to nanny members
- Review and deliver an improved offer to local authorities
- Review current membership fee structure to identify future improvement
- Deliver member recruitment and retention strategies to ensure targets are achieved, utilising both direct promotion and the work of NCMA field staff and volunteers
- Develop a childminding champion role to support NCMA to promote its membership offer and services in hard to reach local authorities
- Deliver an interactive website to support e-services for members
- Deliver the new customer relationship management (CRM) database to improve how we support members and individual on NCMA training
- Regularly assess and monitor members' needs
- Review content of, and improve frequency of, communication with members including increasing the frequency of our membership magazine Who Minds?
- Investigate new potential member markets
- Organise 2008 national conference and policy debate.

### **How will we measure our success?**

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

### **Raising quality**

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

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 KPIs for this area of its work:

- The number of registered childminders achieving "good" or "outstanding" grades from Ofsted is maintained at 64 per cent or above from 2007 to 2012.
  - Result: 57 per cent of childminders achieved a "good" or "outstanding" grade.
- The number of registered childminders passing CSSIW inspection is maintained at 90 per cent or above from 2007 to 2012.
  - Result: 97 per cent of childminders passed CSSIW inspection.
- 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: NCMA's research shows that 36 per cent of NCMA childcarer members now hold a relevant level 3 qualification or above.

### **Our achievements in 2007/08**

#### Developing a professional training pathway

The first stage in developing a professional training pathway is to understand the types of training undertaken by our members. The 2008 annual membership survey found that the number of NCMA childminder members holding a relevant level 3 qualification now stands at 36 per cent; which is a significant rise from 26 per cent in 2007 and well on the way to NCMA's target of 60 per cent by 2012.

Training within the children's workforce is currently undergoing a complete restructure to develop an Integrated Qualifications Framework which will enable people within the workforce to more easily demonstrate their skills when transferring between roles; and NCMA continues to work with its partners – including the Children's Workforce Development Council and local authorities – to ensure that the training needs of registered childminders and nannies are reflected in these plans.

In particular NCMA has worked with these and other agencies to ensure that a professional training pathway for registered childminders is mapped that enables them to achieve a level 3 qualification and, if they wish, go on to undertake Early Years Professional Status or further specialist training to support them in their work.

NCMA continues to offer training to childminders and CACHE, the awarding body for the Diploma in Home-based Childcare, recently assessed the quality of NCMA's work as a learning provider and CACHE centre. This reported that NCMA demonstrated "complete adherence to regulatory criteria"; the best possible outcome. This is excellent news and demonstrates that, despite the challenges faced by NCMA's geographically dispersed and diverse centre, NCMA delivers a very high standard of training.

#### Skills for Life training

A lack of basic skills has been identified as a barrier to some entering the childcare workforce and results in a failure to register – either causing potential applicants to give up or care for children illegally. With funding from the Children's Workforce Development Council (CWDC), NCMA has trained over 190 tutors in awareness of students' basic skills needs. On identifying that a student may need additional support to complete a course, tutors understand which local agencies to signpost them to.

#### Supporting members with the Early Years Foundation Stage (EYFS)

September 2008 will see a change in the way registered childminders are inspected and regulated in England with the introduction on the Early Years Foundation Stage (EYFS). NCMA helps to provide information and training to support childminders through this change. A number of publications have been updated and revised to reflect EYFS including the tutor resources for the Diploma in Home-Based Childcare. In addition, the Active Learning workbook has been published to help childminders recognise how much of what they already do meets EYFS requirements. More than 25,000 copies have been sold with continuing interest. NCMA has also kept members and staff informed about EYFS through regular articles in Who Minds?; briefing sheets; the e-newsletter; and workshops for registered childminders, delivered where local authorities have funded NCMA to do so.

NCMA's work with local authorities to ensure EYFS training is accessible to childminders has resulted in direct delivery of EYFS awareness training on behalf of local authorities which proved popular, with local authorities contracting with NCMA to deliver some or all of this training. NCMA also meets with Early Years Entitlement Pathfinder local authorities to discuss how NCMA Children Come First networks could be developed to support cost-effective delivery of the EYFS.

Childminders offering early years education in Wales have also been supported by NCMA during the change to the Foundation Phase, the Welsh Assembly's requirements for 3-7 year olds. Work has been ongoing with NCMA providing regular input into the documentation and guidance, as well as attending meetings to discuss the implementation of the Foundation Phase and training.

In England, with the move to the Early Years Foundation Stage approaching in September 2008, NCMA responded to all consultations relating to the change, met regularly with Ofsted and worked in partnership with them to influence the proposed inspection process, by piloting the new self-evaluation form with childminders.

#### Partnership with parents

Childminders and nannies can only help children reach their full potential if they work in partnership with the children's parents or guardian. To support childminders in particular to further improve their practice, NCMA this year trained over 900 childminders in this specialised work by working in partnership with other organisations to deliver the Parents, Early Years and Learning (PEAL) project. The aim of PEAL is to help all childcare workers find out why it's important for parents to play a part in their children's learning and offer ideas about how this can work in practice. It particularly focuses on working with parents from disadvantaged areas. This project was funded by the Department for Children, Schools and Families (DCSF) and managed jointly by the National Children's Bureau and Parenting UK.

NCMA also ran a project, funded by the Welsh Assembly Government, with Elizabeth Jarman Ltd., specialists in developing effective learning environments. The project included the delivery of a customised training and development programme to 10 network coordinators and 50 registered childminders within approved Children Come First networks in Wales. These childminders are then encouraged to pass the learning on to parents. The roll-out of the programme in 2008/09 will help local authorities to achieve targets

on improving children's speaking and listening skills who will then be better able to share this knowledge with the families they support.

### **What will we do in the future?**

- Improve monitoring and data collection of NCMA training and workshops participants
- Develop methods to involve children and young people in development of NCMA work
- Work with English local authorities to ensure they deliver EYFS training to registered childminders, including the direct delivery of training by NCMA
- Produce EYFS resources
- Produce version of Active Learning suitable for Wales
- Work with Welsh local authorities to ensure Foundation Phase and Flying Start training is accessible
- Review and – either in partnership or through direct delivery – meet training needs of registered childminders in England and Wales
- Update Diploma in Home-based Childcare to reflect the Early Years Foundation Stage and Foundation Phase
- Review Quality First and scope to link it to a more flexible Children Come First network model that would enable more childminders to benefit from a network quality improvement approach
- Scope potential for NCMA to increase its training activity through partnership and/or increasing its direct training delivery (including e-learning) to inform 2009/10 planning
- Make funding applications to deliver Diploma in Home-based Childcare/level 3 training.

### **How will we judge our success?**

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

### **Delivering through partnership**

Over the last few years NCMA has had a significant impact on the representation of childminders and nannies, ensuring that their unique working environment is taken into account when developing guidance and government policies for childcare.

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 and how they can support the Every Child Matters agenda.

This year NCMA ran projects in England and Wales, generating over £9.7 million in project income.

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: At 31 March 2008 NCMA was working with 170 of the 171 local authorities in England and Wales.

### Partnership with children's services

NCMA has continued to promote and encourage partnership with others working in children's services at all levels.

Children's centres and extended schools (integrated children's centres and community schools in Wales) play an important role in integrating childminders into their work, and while there is still room for improvement, progress is being made – 42 per cent of childminders have reported that they are filling their places through children's centres and 33 per cent through extended schools. Also, the second annual children's centres research project has provided encouraging results, with 90.5 per cent of children's centres stating they engage with childminders in some way – a 3 per cent rise on last year.

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

As well as responding to relevant consultations and regular briefing meetings with officials, highlights include NCMA's presence at all of the political party conferences, hosting partnership fringe events with Daycare Trust, National Day Nurseries Association (NDNA), Pre-School Learning Alliance (PLA) and 4Children. NCMA also continued to represent home-based on a number of government and other organisational advisory groups including the Children's Workforce Development Council; the **Care Council for Wales**, National Children's Bureau; National Council of Voluntary Child Care Organisations (NCVCCO); Ofsted Consultative Forum and DCSF Early Years Stakeholder Group

In addition to awareness raising, NCMA has actively campaigned on behalf of its members during 2007/08, including a campaign against the Government's consultation proposals to increase childcare registration fees. NCMA focussed on mobilising registered childminders to respond to the consultation, as well as conducting behind the scenes lobbying of ministers and officials and joint media working with other childcare organisations. Over 1500 childminders informed us that they had responded, following an NCMA e-campaign to all members who had provided their email. NCMA can assume the final number was much higher as we were made aware of petitions and individuals encouraging members of their childminding group to respond. In addition, NCMA held a number of meetings with key officials to brief them on NCMA's position and the potential detrimental impact. The government has since decided not to press ahead with the proposed substantial rise in fees.

#### Volunteer activity

Since March 2007, Regional Forums have been held three times a year in each of NCMA's 10 membership regions to give members a regular opportunity to share their views and shape NCMA's childcare policies and work. Members' views are then brought back to the National Policy Forum (NPF) by their elected representatives for further discussion and decision. The forums, organised by volunteers on our regional organising committees, are working well, reaching more members, highlighting important issues and providing useful feedback. On average 35 members attended each forum and some committees attracted significant numbers – up to 75 in one region. This surpasses NCMA's target attendance for the first year of their introduction. The issues Forums have debated in the last year have included the key challenges with delivering the EYFS in a home setting, publication of childminder's personal details on Ofsted new registers and NCMA's membership offer.

Other volunteer activity has been supported by variety of methods including articles in Who Minds?, regional support to encourage feedback and email correspondence.

#### Partnership with local authorities

Meetings have been held with 90 per cent of local authorities to offer to collaborate and help deliver their workforce strategy, to ensure home-based childcare is integrated into their plans. 93.5 per cent of NCMA contracts met their required targets.

NCMA is now a partner in the National Children's Bureau's successful consortium bid to set up and run the new Centre for Excellence in Outcomes – a new DCSF-funded body that will support local authorities in England to demonstrate the impact of their work with children and families, using the outcomes-based accounting model. As well as helping to increase NCMA's profile with England local authorities (especially at Director of Children Services level), this involvement will also provide NCMA with knowledge and expertise it can use to develop its own outcomes-based accounting approach.

#### Promoting home-based childcare

The theme for National Childminding Week 2007 was Supporting Families. To support community events and childminders and nannies promoting themselves, NCMA provided each of its members with a badge and a pack of flyers so they could promote registered childminding and their own services. NCMA was able to achieve a high level of coverage for National Childminding Week by securing celebrity support from Arabella Weir. This resulted in 78 regional and national mentions of the Week in June alone.

Other opportunities to promote home-based childcare included exhibiting at a wide range of conferences and events, securing significant media coverage including a significant number of positive mentions in the parenting and trade press and a variety of local promotional opportunities

#### **What will we do in the future?**

- Identify and manage new and existing relationships in government departments and agencies ongoing to March 2009
- Conduct research to influence policy development
- Revise and develop sales materials to support staff to promote NCMA services to local authorities

- Develop profiles of each local authority, including their home-based childcare workforce, to assess strengths and weaknesses of their approach to home-based childcare
- Work with 75 per cent of local authorities in England to raise awareness of potential for childminders to provide childcare for disabled children and the need to support this through appropriate training
- Continue to lobby for agreed policy objectives including mandatory level 3 and child protection training
- Seek and, if successful, deliver service level agreements in support of NCMA objectives
- Develop and deliver a volunteer strategy in partnership with NCMA's National Policy Forum, key volunteers, groups and associations, including agreed targets for engagement
- Deliver marketing strategy to promote home-based childcare to key stakeholders (parents, national and local government, members and potential new members).

### **How will we judge our success?**

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

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 and resulting actions.
  - Assessment completed for 2007/08.

Performance against budget, liquidity ratios and reserves cover are monitored on a monthly basis.

### **Our achievements in 2007-08**

Following our review in 2006-07 of the way we work and our effectiveness, we have put in place the management structures and systems needed to carry out our strategic plan for 2007–2012. Achievements in this area include:

- Agreeing NCMA's key milestones, that set out how the Board believes NCMA will achieve its strategic objectives by 2012 and using them to monitor progress on an annual basis
- Determining the Board's Powers of Delegation stating the areas of NCMA strategy Trustees will retain control of and the areas they will delegate to individual committees, the Chair or Chief Executive.
- Improvements to NCMA's information communication technology systems, including a new customer relationship management system
- Health and safety training rolled out to all staff and a comprehensive suite of management training to help NCMA managers meet the requirements of NCMA's new People Management Framework
- Retention of NCMA's Investors in People status for a further three years
- New management structures and systems in our Membership and Professional Development department that will support NCMA to better deliver improvements to its membership activities and in our core-funded Operations department that will help us to respond to changes in local authority commissioning by improving our focus on income generation and promotion, and on performance and quality management
- Improvements to NCMA governance procedures including a new Board evaluation system to assess whole Board as well as individual trustee performance and the introduction of an internal audit function.
- Development of a funding diversification strategy to ensure NCMA has a strong financial base in the future

### **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 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 2008, 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 £2.4 million. This is £0.4 million over the Trustees' policy level, calculated at £2 million and represents a significant improvement in general reserve levels from 2006–07. Whilst this is somewhat higher than the target level the Trustees are satisfied that the level of free reserves is not excessive, taking into account short term uncertainty over government funding (local and national) and the overall economic environment, and will be reviewed again at the end of the next financial year by the Trustees.

The results for the year end and financial position of the company is shown in the financial statements. Income decreased from £16.9 million in 2006–07 to £16.8million in 2007–08. The charity continued to reduce its core costs during the year and expenditure fell from £16.5 million to £16.1 million. This resulted in a surplus of £700,000 compared with a £370,000 surplus in 2006–07, thus increasing the total amount of funds held to £5.8 million from £5.1 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 2008–09 we will, among other things:

- Undertake ISO 9001 assessment and aim to achieve this quality standard
- Review NCMA's current strategic and annual planning process to identify areas for further improvement
- Support NCMA managers to champion a culture of effective performance management
- Review NCMA's learning and development strategy to ensure it continues to supports organisational goals, including the development of effective evaluation methods
- Deliver a learning and development plan that supports skills and knowledge enhancement across NCMA
- Review NCMA's information and consultation strategy for staff
- Support the Board's new internal audit function and implement agreed actions
- Develop NCMA's technical infrastructure to support mobile working and provide effective access to NCMA's new database and other systems
- Deliver NCMA safeguarding children action plan
- Define NCMA equality and diversity strategy and deliver resulting actions
- Develop and embed an organisation-wide impact assessment framework, utilising the outcomes-based reporting approach
- Undertake a scoping study to identify how NCMA can improve its reporting to local authority funders
- To update NCMA intranet to both improve internal communication and save staff time and expenditure on existing HR and finance processes.

### **How will we judge our success?**

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

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 and maintains reserves levels to six months of unrestricted charitable expenditure
- NCMA manages business activities within budget, maintaining breakeven year end position.

## 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 2007/08.

While we cannot mention every organisation the Association has worked with during 2007/08, 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; 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.

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 19 July 2008 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 2008 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 2008 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**

19 July 2008

**Fairfax House**  
**15 Fulwood Place, London WC1V 6AY**

## Consolidated statement of financial activities year ended 31 March 2008

	Note	Unrestricted £	Restricted £	Total funds 2008 £	Total funds 2007 £
<b>INCOMING RESOURCES</b>					
<b>Activities in furtherance of: charity's objects:</b>					
Membership		2,275,425	-	2,275,425	2,083,343
National Assembly for Wales grant		329,590	-	329,590	279,383
Projects		-	10,792,936	10,792,936	11,467,265
Training grants and fees		1,129,422	-	1,129,422	847,301
<b>Activities for generating funds</b>					
Advertising		57,649	-	57,649	68,001
Trading income					
Sales		1,313,661	-	1,313,661	1,298,311
Commissions		86,274	-	86,274	78,550
Rental income		161,420	-	161,420	269,731
Other	2b	349,746	-	349,746	379,633
<b>Interest income</b>	2a	269,453	-	269,453	125,877
<b>Total incoming resources</b>		<u>5,972,640</u>	<u>10,792,936</u>	<u>16,765,576</u>	<u>16,897,395</u>
<b>RESOURCES EXPENDED</b>					
<b>Cost of generating funds:</b>					
Interest costs		356,792	-	356,792	345,210
Fundraising		175,935	-	175,935	234,608
Merchandising and other trading costs		869,422	-	869,422	1,028,344
		<u>1,402,149</u>	<u>-</u>	<u>1,402,149</u>	<u>1,608,162</u>
<b>Charitable expenditure</b>					
Supporting our members		2,946,853	-	2,946,853	3,255,402
Delivering through partnership		-	10,490,206	10,490,206	10,255,888
Raising quality		638,906	-	638,906	715,144
New product development		562,083	-	562,083	660,814
		<u>4,147,842</u>	<u>10,490,206</u>	<u>14,638,048</u>	<u>14,887,248</u>
<b>Governance costs</b>		25,163	-	25,163	32,224
<b>Total resources expended</b>	3	<u>5,575,155</u>	<u>10,490,206</u>	<u>16,065,361</u>	<u>16,527,634</u>
<b>Net incoming resources before transfers</b>		397,485	302,730	700,215	369,761
<b>Transfers between funds</b>	16	730,966	(730,966)	-	-
<b>Net incoming resources for the year</b>		<u>1,128,451</u>	<u>(428,236)</u>	<u>700,215</u>	<u>369,761</u>
<b>Balances carried forward at 31 March 2007</b>		<u>4,035,326</u>	<u>1,101,539</u>	<u>5,136,865</u>	<u>4,767,104</u>
<b>Balances carried forward at 31 March 2008</b>	16	<u>5,163,777</u>	<u>673,303</u>	<u>5,837,080</u>	<u>5,136,865</u>

All amounts relate to continuing activities.

Notes to the financial statements can be found on page 23 to 29.

**Consolidated balance sheet at 31 March 2008**

	Note	£	2008 £	£	2007 £
<b>FIXED ASSETS</b>					
Tangible assets	6		1,799,630		7,803,942
Investment assets	7		5,866,183		-
			<u>7,665,813</u>		<u>7,803,942</u>
<b>CURRENT ASSETS</b>					
Stocks	8	117,986		149,537	
Debtors	9	1,237,312		1,829,902	
Cash at bank and in hand		5,147,272		3,196,241	
		<u>6,502,570</u>		<u>5,175,680</u>	
<b>CREDITORS: amounts falling due within one year</b>	10	(2,866,413)		(2,286,674)	
<b>NET CURRENT ASSETS</b>			<u>3,636,157</u>		<u>2,889,006</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			11,301,970		10,692,948
<b>CREDITORS: amounts falling due after one year</b>	11		(5,464,890)		(5,556,083)
<b>NET ASSETS</b>			<u><u>5,837,080</u></u>		<u><u>5,136,865</u></u>
<b>FUNDS</b>					
Unrestricted - General	16		5,151,655		4,023,204
- Designated	16		-		-
- Trading	16		12,122		12,122
Restricted	16		673,303		1,101,539
			<u>5,837,080</u>		<u>5,136,865</u>

Notes to the financial statements can be found on page 23 to 29.

The financial statements were approved by the Board of Trustees on 19 July 2008 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 2008**

	Note	£	2008 £	£	2007 £
<b>FIXED ASSETS</b>					
Tangible assets	6		1,799,630		7,803,942
Investments	7		5,866,188		5
			<u>7,665,818</u>		<u>7,803,947</u>
<b>CURRENT ASSETS</b>					
Debtors	9	1,090,120		1,682,935	
Cash at bank and in hand		5,142,617		3,193,473	
		<u>6,232,737</u>		<u>4,876,408</u>	
<b>CREDITORS: amounts falling due within one year</b>	10	(2,608,709)		(1,999,529)	
<b>NET CURRENT ASSETS</b>			<u>3,624,028</u>		<u>2,876,879</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			11,289,846		10,680,826
<b>CREDITORS: amounts falling due after one year</b>	11		(5,464,890)		(5,556,083)
<b>NET ASSETS</b>			<u>5,824,956</u>		<u>5,124,743</u>
<b>FUNDS</b>					
Unrestricted - General	16		5,151,653		4,023,204
- Designated	16		-		-
Restricted	16		673,303		1,101,539
			<u>5,824,956</u>		<u>5,124,743</u>

Notes to the financial statements can be found on page 23 to 29.

The financial statements were approved by the Board of Trustees on 19 July 2008 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 2008**

	Note	2008 £	2007 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	1	2,254,479	1,216,593
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	2	(87,339)	(219,333)
<b>CAPITAL EXPENDITURE</b>	2	(130,826)	(47,248)
<b>INCREASE/(DECREASE) IN CASH BEFORE FINANCING</b>		2,036,314	950,012
<b>FINANCING</b>	2	(85,283)	(130,904)
<b>INCREASE/(DECREASE) IN CASH AFTER FINANCING</b>		1,951,031	819,108

**Notes to the consolidated cash flow statement**

<b>1. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2008 £</b>	<b>2007 £</b>
Net resources for the year	700,215	369,761
Depreciation charges	268,953	294,503
Interest income	(269,453)	(125,877)
Interest expense	356,792	345,210
Decrease/(increase) in stocks	31,551	(54,007)
Decrease in debtors	592,595	632,224
Increase/(decrease) in creditors	573,826	(245,221)
Net cash inflow from operating activities	2,254,479	1,216,593
<b>2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT</b>	<b>2008 £</b>	<b>2007 £</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	269,453	125,877
Interest paid	(356,792)	(345,210)
Net cash outflow for returns on investments and servicing of finance	(87,339)	(219,333)
<b>Capital expenditure</b>		
Acquisition of tangible fixed assets	(130,826)	(47,248)
Net cash outflow for capital expenditure	(130,826)	(47,248)
<b>Financing</b>		
New secured loan received	-	-
Repayment of secured loan	(85,283)	(130,904)
	(91,196)	(130,904)

### 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2007 £	Cash Flow £	At 31 March 2008 £
Cash at bank and in hand	3,196,241	1,951,031	5,147,272
Debt due within one year	(91,439)	(5,910)	(97,349)
Debt due over one year	(5,556,083)	91,193	(5,464,890)
	<u>(2,451,281)</u>	<u>2,036,314</u>	<u>(414,967)</u>

#### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2008 £	2007 £
Increase in cash in the year	1,951,031	819,108
Cash outflow from repayment of bank loan	85,283	130,904
	<u>2,036,314</u>	<u>950,012</u>
	<u>(2,451,281)</u>	<u>(3,401,293)</u>
	<u>(414,967)</u>	<u>(2,451,281)</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 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 397 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 Investment Property

The investment property is externally valued every five years. In the intervening years the investment property is valued by the Trustees 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 Pensions

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

#### 1. g 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

	2008 £	2007 £
<b>2a) Interest income</b>		
Bank interest	269,453	125,877
	<u>269,453</u>	<u>125,877</u>
<b>2b) Other income</b>		
Royalties and franchise income	181,288	150,505
Network approval income	31,642	48,280
Annual conference income	64,247	78,639
Other	72,569	102,209
	<u>349,746</u>	<u>379,633</u>

## 3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Direct Costs £	Allocated support costs £	2008 £	2007 £
<b>Cost of generating funds</b>					
Interest costs	-	356,792	-	356,792	345,210
Fundraising costs	96,263	56,429	23,243	175,935	234,608
Merchandising and other trading costs	297,311	572,111	-	869,422	1,028,344
	<u>393,574</u>	<u>985,332</u>	<u>23,243</u>	<u>1,402,149</u>	<u>1,608,162</u>
<b>Charitable expenditure</b>					
Supporting our members	1,846,808	1,043,599	56,446	2,946,853	3,255,402
Delivering through partnership	6,627,166	2,896,810	966,230	10,490,206	10,255,888
Raising quality	329,052	276,650	33,204	638,906	715,144
New product development	449,676	112,407	-	562,083	660,814
	<u>9,252,702</u>	<u>4,329,466</u>	<u>1,055,880</u>	<u>14,638,048</u>	<u>14,887,248</u>
<b>Governance costs</b>	-	25,163	-	25,163	32,224
	<u>9,646,276</u>	<u>5,339,962</u>	<u>1,079,123</u>	<u>16,065,361</u>	<u>16,527,634</u>

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

**Resources expended****include:**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Support costs (including management and administration)</b>		
Staff costs allocated to activities	1,108,759	1,033,007
Costs directly attributable to activities	365,656	361,935
Costs allocated to activities	1,079,123	704,305
	<u>2,553,538</u>	<u>2,099,247</u>

**Support costs are allocated as follows:**

	<b>Fundraising</b>	<b>Supporting our</b>	<b>Delivering through</b>	<b>Raising quality</b>
	<b>£</b>	<b>members</b>	<b>partnership</b>	<b>£</b>
		<b>£</b>	<b>£</b>	
Allocated staff costs	23,881	57,996	992,766	34,116
	<u>23,881</u>	<u>57,996</u>	<u>992,766</u>	<u>34,116</u>
<b>Allocated costs:</b>				
Head Office	7,801	18,944	324,278	11,144
Human Resources	10,419	25,302	433,118	14,884
Finance	762	1,850	31,662	1,088
IT	3,046	7,398	126,647	4,352
Chief Executive	1,215	2,952	50,525	1,736
	<u>23,243</u>	<u>56,446</u>	<u>966,230</u>	<u>33,204</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**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	8,681,418	9,196,986
Social security costs	818,357	862,428
Pension costs	346,394	355,879
	<u>9,846,169</u>	<u>10,415,293</u>

The average number of employees during the year was:

	<b>Number</b>	<b>Number</b>
NCMA Services Ltd		5
Operational, administration and finance	374	403
Tutors	110	76
	<u>484</u>	<u>484</u>

**During the year under review 8 Trustees received reimbursements for attending meetings amounting to £2967(2007-£3001)**

	<b>2008</b>	<b>2007</b>
The number of employees whose emoluments exceeded £50,000 was:	<b>Number</b>	<b>Number</b>
£50,000 - £60,000	4	2
£60,000 - £70,000	1	1
£70,000 - £80,000	1	-
	<u>          </u>	<u>          </u>

#### 4. RESOURCES EXPENDED

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
The resources expended include:		
Depreciation	268,953	294,503
Operating lease rentals – land and buildings	281,304	294,568
Auditors' remuneration – audit	16,300	15,500
Chair and Chair of Finance and Audit emoluments	10,650	10,250
	<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 2008. As a registered charity, the Association is entitled to tax relief under s505, ICTA1988

#### 6. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	<b>Freehold</b>	<b>Building</b>	<b>Furniture &amp;</b>	<b>Computer</b>	<b>Total</b>
	<b>property</b>	<b>refurbishments</b>	<b>equipment</b>	<b>equipment</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>					
At 1 April 2007	6,920,209	941,600	372,605	534,767	8,769,181
Additions	-	7,479	4,113	119,234	130,826
Disposals	-	-	-	-	-
Reclassification as an investment property(note 7)	(5,237,293)	(628,890)	-	-	(5,866,183)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2008	1,682,916	320,189	376,718	654,001	3,033,824
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>DEPRECIATION</b>					
At 1 April 2007	106,965	177,234	210,786	470,254	965,239
Charge for year	58,526	104,493	52,138	53,798	268,955
Eliminated on disposal	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2008	165,491	281,727	262,924	524,052	1,234,194
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET BOOK VALUE</b>					
At 31 March 2008	1,517,425	38,462	113,794	129,949	1,799,630
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
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>

#### 7. FIXED ASSET INVESTMENTS

	<b>Group</b> £	<b>2008</b> <b>Charity</b> £	<b>Group</b> £	<b>2007</b> <b>Charity</b> £
<b>NET BOOK VALUE</b>				
Investment property	5,866,183	5,866,183	-	-
Unlisted Investment	-	5	-	5
<b>NET BOOK VALUE</b>	<u>5,866,183</u>	<u>5,866,188</u>	<u>-</u>	<u>5</u>

Following the Trustees' decision to let a significant proportion of the charity's freehold property in Bromley, the proportion of the building let has been transferred from "tangible fixed assets" to "investment property". A valuation from Cluttons was obtained in connection with the granting of the lease which indicated that the valuation of the leased part is not materially different from the book value. Accordingly, no unrecognised gain or loss arose from the reclassification. In accordance with SSAP19, the asset will be held in the financial statements at market value.

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

<b>Name</b>	<b>Country of incorporation</b>	<b>Nature of business</b>	<b>Shares held</b>
NCMA Services Limited	England	Sale of NCMA publications and promotional items	Ordinary 100%
NCMA Development and Support Limited	England	Dormant	Ordinary 100%

#### 8. STOCKS

	<b>2008</b> £	<b>2007</b> £
Stock of publications, etc	<u>117,986</u>	<u>149,537</u>

#### 9. DEBTORS: Amounts falling due within one year

	<b>Group</b> £	<b>2008</b> <b>Charity</b> £	<b>Group</b> £	<b>2007</b> <b>Charity</b> £
Trade debtors	1,067,821	895,875	1,565,116	1,438,538
Prepayments	169,491	194,245	264,786	244,397
	<u>1,237,312</u>	<u>1,090,120</u>	<u>1,829,902</u>	<u>1,682,935</u>

#### 10. CREDITORS: Amounts falling due within one year

	<b>Group</b>	<b>2008</b> <b>Charity</b>	<b>Group</b>	<b>2007</b> <b>Charity</b>
Bank loans	97,349	97,349	91,439	91,439
Trade creditors	409,303	373,891	443,711	408,795
Project income in advance	1,030,451	1,030,451	519,051	519,051
Other creditors	15,668	15,668	16,462	16,462
Social security and other taxes	632,992	601,784	746,693	704,694
Accruals and deferred income	680,650	489,566	469,318	259,088
	<u>2,866,413</u>	<u>2,608,709</u>	<u>2,286,674</u>	<u>1,999,529</u>

#### 11. CREDITORS: Amounts falling due after one year

	<b>Group</b>	<b>2008 Charity</b>	<b>Group</b>	<b>2007 Charity</b>
Bank loans	5,464,890	5,464,890	5,556,083	5,556,083
The loans are repayable as follows:				
Within 1 year	97,349	97,349	91,439	91,439
Between one and two years	103,640	103,640	97,349	97,349
Between two and five years	352,872	352,872	331,449	331,449
After five years	5,008,378	5,008,378	5,127,285	5,127,285
	<u>5,562,239</u>	<u>5,562,239</u>	<u>5,647,522</u>	<u>5,647,522</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**

	<b>NCMA Services Ltd £</b>	<b>NCMA Development and Support Ltd £</b>	<b>Total 2008 £</b>	<b>Total 2007 £</b>
<b>RESULTS</b>				
<b>TURNOVER</b>	1,313,575	-	1,313,575	1,298,311
Net profit before Gift Aid	531,848	-	531,848	349,246
Gifted to NCMA	(531,848)	-	(531,848)	(349,246)
<b>Net profits retained in subsidiary</b>	-	-	-	-
Profit brought forward at 31 March	10,620	1,595	12,215	12,215
Profit carried forward at 31 March	10,620	1,502	12,122	12,215
Called up share capital	3	2	5	5
<b>Total funds</b>	<u>10,623</u>	<u>1,504</u>	<u>12,127</u>	<u>12,220</u>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted general £</b>	<b>Unrestricted designated £</b>	<b>Restricted £</b>	<b>Total £</b>
Represented by:				
Fixed assets	7,665,813	-	-	7,665,813
Stocks	117,986	-	-	117,986
Debtors	615,240	-	622,072	1,237,312
Cash at bank and in hand	4,065,590	-	1,081,682	5,147,272

Creditors	(7,300,852)	-	(1,030,451)	(8,331,303)
	<u>5,163,777</u>	<u>-</u>	<u>673,303</u>	<u>5,837,080</u>

## 16. ANALYSIS OF MOVEMENTS IN FUNDS

	Balance at 1 April 2007 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2008 £
<b>Unrestricted:</b>					
General	4,035,326	5,972,640	(5,575,155)	730,966	5,163,777
Designated					
	<u>4,035,326</u>	<u>5,972,640</u>	<u>(5,575,155)</u>	<u>730,966</u>	<u>5,163,777</u>
<b>Restricted:</b>					
DfES	-	1,800,000	(1,800,000)		-
National projects	-				-
	<u>-</u>	<u>1,800,000</u>	<u>(1,800,000)</u>		<u>-</u>
Welsh projects	183,602	1,481,148	(1,489,637)	(54,987)	120,126
English projects	917,937	7,511,788	(7,200,569)	(675,979)	553,177
	<u>1,101,539</u>	<u>8,992,936</u>	<u>(8,690,206)</u>	<u>(730,966)</u>	<u>673,303</u>
Local authority projects					
<b>TOTAL</b>	<u>5,136,865</u>	<u>16,765,576</u>	<u>(16,065,361)</u>	<u>-</u>	<u>5,837,080</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.

## 17 OPERATING LEASE COMMITMENTS

	2008 Land and Buildings £	2007 Land and Buildings £
Group		
Expiry date		
Within one year	249,676	232,707
Between two and five years	477,471	501,089
After five year	182,307	242,522
	<u>909,454</u>	<u>976,318</u>
As at 31 March 2008		