



The National Childminding Association

(Limited by Guarantee)

Trustees' Annual Report and Consolidated Financial Statements for the year ended 31 March 2009

Registered number: 02060964

Charity number: 295981

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THE NATIONAL CHILDMINDING ASSOCIATION (NCMA)

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Registered charity number 295981

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

Our charity

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

NCMA's vision

Our vision is that every child reaches their full potential.

NCMA's mission

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

NCMA's beliefs

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

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

NCMA's values

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

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

NCMA's approach

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

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

NCMA's charitable objectives

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

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

OUR ACHIEVEMENTS AND SUCCESSES

2010 is the deadline for the delivery of many of the 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's strategic plan looks beyond 2010 to help set the future agenda for childcare and early years. The strategic plan will continue to guide NCMA to 2012, through an exciting and challenging time for childcare, and children's services as a whole.

NCMA's unifying vision – that every child reaches their full potential – has continued to drive the Association forward this year, and supporting our members to achieve this is vital. With that in mind, one of our most important areas of success this year has been an improved service for our members, including extended information line hours and a revised, more frequent membership magazine. Another important area of achievement has been support for all registered childminders in England with the Early Years Foundation Stage (EYFS), which was implemented in September 2008.

Other successes included the development of a robust childminding network model which benefits not only childminders but children and their families too. NCMA provided direct childminding support to all but two local authorities in England and Wales; and we have developed a funding diversification strategy which works towards the Association's future sustainability.

Our immediate key areas of work for 2009/10 include:

- supporting members through the current recession
- implementing a volunteer strategy
- developing e-services for our members
- carrying out research into the benefits of home-based childcare
- increasing our marketing of home-based childcare to parents
- carrying out plans to influence the manifestos of all political parties in the run up to a general election.

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

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

RAISING QUALITY

Raising the quality of the childcare provided by registered childminders and nannies is central to 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.

This year, NCMA has supported all registered childminders to prepare for the Early Years Foundation Stage (EYFS) in England by delivering training, and producing a range of free resources. We have also developed a new robust childminding network model that will support many more childminders to become accredited or to deliver community services. We have persuaded the DCSF to include a commitment to increase the number of these networks in its Next Steps childcare strategy. Also, we secured Train to Gain funding from the Learning and Skills Council, to enable more childminders to achieve a Level 3 qualification.

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: 59 per cent of childminders achieved a “good” or “outstanding” grade which is two per cent higher than last year.
- The number of registered childminders passing CSSIW inspection is maintained at 90 per cent or above from 2007 to 2012.
 - Result: 100 per cent of childminders passed CSSIW inspection, which is a three per cent increase on last year.
- The number of NCMA childminder/nanny members holding a relevant level 3 qualification or above increases from 28 per cent to 60 per cent by 2012.
 - Result: NCMA's research shows that 45 per cent of NCMA childcarer members now hold a relevant level 3 qualification or above, a significant nine per cent increase on last year.

Our achievements in 2008/09

Developing a robust childminding network

NCMA has reviewed the current Children Come First childminding network model to make it more flexible, so that more childminders can access the support of a network coordinator, and more parents can access their children's free early education entitlement with an accredited network childminder. A network can also offer childcare and family support services including caring for children of teen parents while they return to work or training; as well as provide respite care and specialist support services for disabled children and their families and for families “in need”. NCMA has made significant progress with promoting childminding networks as a crucial professional development tool. The Next Steps for Early Learning and Childcare, published by the Government in 2009, highlights the importance of all local authorities to commit to establishing a childminding network. In addition, in opening its consultation on the future Code of Practice for the provision of the free early education entitlement, the Government indicated its intention of placing in statutory guidance a requirement on local authorities to offer a network. There are currently 106 local authorities operating childminding networks, 88 of which are accredited to offer early years education.

Train to Gain

Over 250 more childminders are accessing Level 3 qualifications with Train to Gain funding. NCMA will be providing the training in the North West; and in the North East region, 10 per cent of the childminders have achieved Level 3 with NCMA training.

Supporting members with the Early Years Foundation Stage (EYFS)

In June, NCMA produced a stand-alone publication for all registered childminders to prepare for the introduction of EYFS. Ofsted distributed the publication, EYFS Getting Started, to all registered childminders in England, not just NCMA members.

NCMA has launched a new Being Self-Reflective toolkit that will support childminders in preparing for their inspection and help them consider how best to use the Ofsted's online self-evaluation form. Funded by the Children's Workforce Development Council, the resource is available as a download from the NCMA website. NCMA also developed a series of workshops supporting childminders with the EYFS to help local authorities with the volume of childminders that needed to be trained. NCMA has registered with CACHE to deliver the EYFS certificate and has secured the first two contracts for delivery.

Communication-Friendly Spaces

Almost 300 childminders and 40 facilitators across England and Wales were trained in the concept of "communication-friendly spaces", as created by Elizabeth Jarman Training Ltd. Specific training materials were developed for the home-based sector.

Following the training, there was a bilingual exhibition at the Senedd celebrating the work of childminders in Wales on the project. Six months after the project, trained childminders were evaluated and over 60 per cent identified that the children's communication, both verbal and non-verbal, had increased as a result of the changes they had made.

Extending Skills for Life

Work with Learn Direct has been undertaken in Kent and Derbyshire (with plans for Portsmouth and Southampton) to extend Skills for Life training and, in particular, e-learning for childminders, making sure that they are equipped with all the skills they need to run their business and meet the requirements of EYFS.

What will we do in the future?

During 2009/10, NCMA will:

- assess the most cost-effective way to deliver the NCMA training strategy to childminders and nannies.
- develop an online quality improvement tool for childminders and nannies.
- keep NCMA's professional development products up to date with the latest changes in childcare.
- work with local authorities in England and Wales to ensure they deliver appropriate training to registered childminders, including access to Level 3, EYFS and Foundation Phase training.
- pilot the development of an NVQ assessment centre.

How will we judge our success?

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

DELIVERING THROUGH PARTNERSHIP

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

This year NCMA ran projects in England and Wales, generating over £9.4 million in project income. We have worked with all but two local authorities in England and Wales, to provide direct childminding support, training and networks.

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 2009 NCMA was working with 169 of the 171 local authorities in England and Wales.

Our achievements in 2008/09

Planning for change

NCMA continues to lobby and update the political parties in England and Wales on policies and changes in childcare. In partnership with the other childcare organisations, NCMA was represented at the three main political party conferences in September. NCMA, led by the support of members, was influential in persuading Ofsted to retain the status quo in not publishing individual childminder's address details on its website.

In 2008, a Department for Children, Schools and Families (DCSF) consultation proposed an increase of over 600 per cent to the cost of some inspection and registration fees. NCMA's strong response to these proposals resulted in just a £5 annual increase until 2010. NCMA will continue to work with the DCSF to ensure that the long-term plan for fees is fair. Also, as a strategic partner with the DCSF, NCMA has helped nationally to deliver a wide range of initiatives to support home-based childcare.

Partnership with children's services

NCMA has continued to promote and encourage partnership working with others working in children's services at all levels. Children's centres continue to play an important role in integrating childminders into their work. According to 2009 NCMA research, 92.6 per cent of children's centres reported working with childminders, which represents a two per cent rise since last year. The NCMA contact programme with key stakeholders continues to raise awareness of home-based childcare, with other childcare charities, government and other partners.

Partnership with local authorities

In a recent survey, 93 per cent of local authorities were satisfied or highly satisfied with the NCMA services that they had received and 76 per cent indicated that the services had been useful or very useful. There was a 45 per cent response rate of all local authorities.

Staff have been assessing how they can best use their resources to focus on those authorities which could improve the services they offer to childminders. This has involved creating a typology of local authorities showing where the authorities are supporting childminders well and where improvements could be made.

NCMA met the delivery targets on 94 per cent of the local authority contracts.

Working with families of disabled children

With one-to-one care, and the support a community network provides, childminders are ideally placed to look after disabled children. NCMA has contacted local authorities with Aiming High for Disabled Children funding to raise awareness of how childminding could support families with disabled children. At least 110 childminding networks provide care for disabled children with 93 of these providing respite care. And overall, 16 per cent of NCMA members are caring for disabled children or those with special educational needs, which represents an increase on previous years.

Promoting home-based childcare

National Childminding Week was held during June 2008 and focused on the role registered childminders and nannies play in supporting children's language, literacy and creativity. NCMA secured the support of poet and children's author Roger McGough to promote the week, and produced a range of materials for children and childminders to use. There was substantial press coverage, with over 150 press articles mentioning the Week.

Other opportunities to promote home-based childcare included exhibiting at a wide range of conferences and events, securing significant media coverage, including a number of positive mentions in the parenting and trade press and a variety of local promotional opportunities. The 2009 parental awareness survey showed that 70 per cent of parents were aware of childminders. This is a slight increase on the 2008 figures.

New this year, is NCMA's Core Message Framework which helps NCMA present a consistent, professional public face, which will give greater impact.

Volunteer development

A volunteer strategy has been developed following consideration of: the size of NCMA's volunteer community; the motivations, barriers and challenges to volunteering at NCMA; and the needs of volunteers in terms of information, support and development. Ensuring NCMA not only supports existing volunteers but grows new communities of volunteers, the strategy's four priorities are:

- increasing direct support for volunteers
- developing new volunteers in new roles
- recruiting, retaining and rewarding volunteers
- managing risk through effective policies and procedures.

In addition, the first childminding champions have been recruited and have started work. In most of the areas targeted, their work has initially focused on promoting childminding within the local authority area. They have additional targets to increase NCMA membership by developing relationships with the childminders in areas where there has been little NCMA presence.

What will we do in the future?

In 2009/10, NCMA will:

- use its research on local authority services and support for home-based childcare to identify need and focus resources, including childminding champions, to enhance services for registered childminders.
- deliver the Welsh Assembly contract including recruiting childminders; monitoring diversity; delivering the Welsh Language Scheme and contributing to All Wales quality assurance scheme development.

- deliver DCSF strategic grant including promoting robust networks to local authorities; supporting childminders to offer flexible, inclusive services; ensuring home-based childcare is integrated into local authority children centres and securing opportunities for childminders to achieve appropriate level 3 qualifications.
- conduct research to influence decision-makers including: children's centres engagement with childminders; NCMA membership survey; benefits of home-based childcare for children and families; research on NCMA membership and how it supports high quality childcare; desk review of evidence of two-year-olds' experience in home-based childcare.
- deliver the volunteer strategy to promote NCMA to key stakeholders
- develop a marketing campaign to inform parents of the benefits of home-based childcare, where possible working in partnership with existing parents' organisations.
- develop and deliver an election strategy to ensure all English political parties understand the needs of home-based childcare and, where possible, develop manifesto commitments that support it.

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 as further KPIs set by each department.

SUPPORTING OUR MEMBERS

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

This year, we have improved our service to all our members, including a new-look Who Minds? magazine, which is now being published six times a year. We have retained a similar number of members to the year before, despite a fall in the numbers of registered childminders. We have worked with partners to research the views and needs of nannies and used the findings to inform our revised nanny membership offer.

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 65 per cent of childminders in England and Wales during 2008/09.
- NCMA annually retains 256 not-for-profit Quality Partner members.
 - Result: NCMA has 349 Quality Partners, exceeding the target.
- NCMA has a target of 150 nanny members (rising to 1000 for 09/10).
 - Result: NCMA has 166 nanny members, exceeding the target and representing an increase on last year's 135 members.

Our achievements in 2008/09

Understanding our members

Despite a fall in overall childminder numbers in England and Wales, NCMA members have remained steady and according to the 2009 NCMA members' survey, they are satisfied with the service NCMA provides. Over three-quarters of members (79 per cent) felt that they would be 'very likely' to recommend NCMA to a colleague, with most of the remainder (17 per cent) saying they would be 'fairly likely' to do so. The NCMA membership benefit that they appreciate the most is public liability insurance, with 47 per cent indicating that this was the best of the five benefits that were rated.

NCMA's new Customer Relationship Management (CRM) system went live in March 2009. The way information is managed is now improved and will help NCMA understand its members better. It will improve the way we engage with them and help the Association make better business decisions.

Promoting NCMA services to members

NCMA has developed the services it offers to members in five distinct areas: support, promote, protect, develop, save. NCMA supported its members by: extending the information line opening hours; updating business paperwork; and replacing the annually updated, printed members' handbook with online factsheets available year round and continually updated. NCMA promoted the professionalism of home-based childcarers in a wide-range of media, and by lobbying government and other associations. Members are protected with the delivery of new insurance products and enhanced legal support, and can develop their careers with the expansion of training opportunities and EYFS support. They can also save money on discounted services and products.

Developing nanny membership

Research done in partnership with Children's Workforce Development Council (CWDC) has helped NCMA to refocus its current nanny membership offer so that it can encourage more nannies to join and benefit from its services. Planned improvements being considered include tailor-made insurance packages, training programmes, and legal support.

Better communication

A refreshed Who Minds? – NCMA's membership magazine – was published in March 2009. As well as a new look and new advertising, the magazine now has a greater focus on the childminder or nanny as a childcare practitioner. It has plenty of practical and business advice and more in-depth features and real-life case studies. It is now being produced six times a year, instead of four.

The new website is now established and NCMA has, for the first time, begun to map and monitor visits to the website and to gather robust data on its use. This will help as more member services move online and our marketing activity focuses on website use. There has been continued positive feedback from users.

Influencing their association

The NCMA Annual Conference is an important event for policy debate and enables members to come together and discuss issues affecting them. The 2008 conference in Southport was very successful in terms of delegate satisfaction and feedback, with a busy exhibition, well-received speakers and full workshops.

Regional Forums were held across England and in Wales in May, September and February, with large numbers of members attending. Forums discussed a range of important issues, including the barriers to childminder recruitment and retention, the future of quality improvement networks, a review of NCMA's Quality Standards and the issue of devolution in Wales. These forums and subsequent meetings of the National Policy Forum have significantly influenced NCMA's work to support registered childminders and nannies and its advocacy work to positively position home-based childcare to government and other stakeholders.

Campaign successes

NCMA campaigns on issues affecting childminders that members vote on at the annual conference. Over the last year, NCMA has helped to secure a number of successes on resolutions passed at previous conferences, including:

- a more transparent grading judgement. With the introduction of new registration requirements Ofsted will be able to award outstanding grades to registered childminders who have areas for improvement. This means that small areas for improvement will no longer preclude an outstanding grade.
- a commitment from Ofsted to send childminders their inspection reports before publishing them on the website, enabling providers to check for accuracy.

In addition, NCMA has secured wider successes through its lobbying and advocacy work. For example, The Department for Children, Schools and Families chose not to press ahead with plans to significantly increase fee levels for registration in England and reallocate subsidies locally, following opposition from NCMA and its members. Instead, the government committed to more modest increases in the immediate future. In addition, the Government's Next Steps for Early Learning and Childcare, published in 2009, expressed aspirations of establishing childminding networks in all local authorities in England and exploring the possibility of all childminders accessing a level 3 qualification in the future – issues that NCMA and its members have campaigned on for some time.

What will we do in the future?

During 2009/10, NCMA will:

- increase our marketing of home-based childcare to parents and other decision-makers, so more families value and choose home-based care.
- deliver a compelling member offer to registered childminders.
- deliver a compelling member offer to nannies.
- deliver member recruitment and retention strategies.
- work with affinity partners to improve member benefits.
- deliver more online services to members.

How will we judge our success?

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

CONTINUALLY IMPROVING

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

This year, NCMA has delivered a comprehensive programme of learning and development support including workshops, online training and coaching so staff were supported in what, for many, were new roles. We have also launched our information and consultation strategy, and begun to progress this work, and secured a further two years of strategic funding from DCSF (to complement that already secured from the Welsh Assembly Government last year), all of which will be used to support home-based childcare in England and Wales; and established the final elements of our funding diversification plan, by developing our fundraising strategy, securing a tenant for Royal Court, implementing our membership strategy and reviewing how we broaden sources of statutory funding.

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.
 - Result: Assessment completed for 2008/09.

Our achievements in 2008/09

Governance developments

In establishing Regional Organising Committees (ROCs) at Annual Regional Meetings in May, the last component of NCMA's governance reorganisation was completed. This was supported by the introduction of a volunteer induction pack of material for all key volunteers serving as officers on ROCs or as National Policy Forum members.

Internal developments

NCMA's new Information and Consultation strategy, developed in partnership with the Staff Forum, has been finalised. The strategy outlines mechanisms and channels that will enable an effective flow of information across NCMA, for example, departmental updates, briefings, internal updates, focus groups, and online and telephone surveys.

NCMA invested in a range of learning and development activities, including training for managers on high performing teams, financial management training and the roll out of online training to support staff with core Microsoft Office skills.

Involving children

The project to investigate how NCMA can engage children in helping it to shape its work has been completed. We have decided to pilot a guided observation technique around the issue of safeguarding, seeking children's input into what makes them feel safe in a setting, and/or what children most enjoy about being cared for by a childminder.

Conflict of interest

NCMA has an established Conflicts of Interest Policy which applies to the Senior Management Team (SMT). The policy is intended to assist the SMT in identifying and managing conflicts of interest in a way that will be in NCMA's best interest. As it is impossible to avoid conflicts of interest completely, this policy, along with its annual declaration of interest form, provides ways in which conflicts can be managed effectively.

Internal audit

In 2008, as part of its risk management activities, NCMA appointed independent internal auditors to undertake a series of reviews linked to the Association's Risk Register. During 2008/2009, Grant Thornton completed two internal audits with work underway for a further two reports, and a programme of four audits planned for 2009/2010.

ISO9001

NCMA is currently undertaking assessment for ISO9001 accreditation. ISO9001 is the internationally recognised standard for an organisation's internal quality management and will help NCMA to improve internal working, morale and motivation, raise customer satisfaction and loyalty and increase profitability.

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.

Reserves

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 2009, 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 £2.5 million. This is £0.4 million over the Trustees' policy level, calculated at £2.1 million. Whilst this is higher than the target level the Trustees are satisfied that the level of free reserves is not excessive, taking into account continued short term uncertainty over government funding (local and national) and the overall economic environment.

Financial Review

NCMA's total turnover for the year was £15.6m million, down £1.2m (over 6%) on last year. This was largely due to a decline in restricted income reflecting slightly reduced spend by local authorities and a reduction in the DCSF grant. The charity continued to reduce its costs during the year and expenditure fell from £16.1 million to £15.2 million.

Unrealised loss on investment property.

The investment asset element of the head office property referred to as Royal Court required a revaluation in line with accounting standards. This has resulted in an unrealised loss of £2,753,168 being charged to the 2008/9 financial statements. This reflects the impact of the economic climate on the commercial office rental market. The Trustees are satisfied that this property continues to be a strong asset for the Association and its future, as evidenced by the successful securing of a long term lease with tenant taking up occupancy in May 2009. The value of the investment asset will be reviewed on a yearly basis.

What we will do in the future?

In 2009/10, NCMA will:

- maintain the risk register to ensure NCMA has robust financial, operational and compliance risk management procedures in place.
- review compliance procedures across key systems and process to support NCMA's quality management function (ISO9001).
- progress implementation of Business Continuity Plan critical actions, including a remote data centre to host business critical systems.
- support the Board to define NCMA's diversity and inclusion strategy.
- develop a strategic planning process to support the Board to engage all stakeholders in development of its new strategic plan (2012 onwards).
- deliver a learning and development plan to support improving staff skills and knowledge.
- deliver the safeguarding children action plan, ensuring systems to support NCMA and its members to prepare for the Vetting and Barring Scheme.
- review statutory funding sources to identify new income and develop partnerships to build consortia to apply for the funding or to work collaboratively in other ways.
- implement the fundraising strategy to secure income from trusts and foundations.
- NCMA has built up reserves equivalent to over eight months of unrestricted charitable expenditure in line with recommendations above excluding the unrealised investment loss detailed below.

How will we judge our success?

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

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 although it is in the process of dissolving NCMA Development and Support.

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 Collins	Appointed 31 January 2009
S Dawson	Chair
A Downs	Appointed 27 September 2008
P Elliott	Finance and Audit Committee member
S Hudd	Finance and Audit Committee member
P Johnston	Chair, Finance and Audit Committee
J Mason	Vice Chair, Board
E Moore	Appointed 27 September 2008 Finance and Audit Committee member
D Williams	Appointed 27 September 2008

NCMA's governance structure comprises:

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

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 relevant areas. 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 aims to give the Board 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 time of publication, NCMA had two 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. Seven individuals completed applications and four were shortlisted for interview by the Board's Recruitment and Selection Committee. Following the interview process two successful candidates were chosen who will be put forward to be ratified at the 2009 AGM. If ratified, the Board will have a full complement of members.

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 – new 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. Trustees also have the opportunity to attend relevant governance conferences and events.

The Board has a subsidiary committee – the Finance and Audit Committee (F&AC) – which makes recommendations to the Board on financial and governance matters. Its terms of reference allow for up to four Trustees and up to two independent members. The Board elected four Trustees to sit on the F&AC, one of whom was elected as Chair. One independent member has been recruited and the Chair has been elected as well as three of the Trustee members and one independent member. Efforts continue to recruit one other independent member. The F&AC meets at least three times a year.

The Board defined its Powers of Delegation in 2007-08, in which the Trustees set out the areas of decision making and strategy they wish to retain control of and the areas they have delegated to individual committees, the Chair or Chief Executive. This Power of Delegation was reviewed in 2008-09 and will continue to be reviewed on an annual basis.

National Policy Forum

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

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

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

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

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.

NCMA's senior managers at 31 March 2009 were as follows:

L Bayram	Chief Executive	
S Bird	Director, Human Resources	Appointed 23 June 2008
J Danks	Director, Membership and Professional Development	
C Farrell	Director, Finance and Corporate Services	
A Fletcher	Director, Communications	
C Fletcher	Director, Wales	
B Hemming	Director, North	
I Sandford	Interim Director, Human Resources (maternity cover)	Re-appointed 1 February 2009
M Pearson	Director, Operations	
S Sprott	Director, Central	
G Thomas	Director, South	

THANKS AND ACKNOWLEDGEMENTS

NCMA would like to thank everyone who has supported our work, from our members and key volunteers, to government departments, local authorities, funding bodies and partner organisations who have played a part in helping us achieve our aims during 2008/09.

While we cannot mention every organisation the Association has worked with during 2008/09, 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 18 July 2009 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 2009 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 2009 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

Fairfax House
15 Fulwood Place
London
WC1V 6AY

18 July 2009

Consolidated statement of financial activities year ended 31 March 2009

	Note	Unrestricted £	Restricted £	Total funds 2009 £	Total funds 2008 £
INCOMING RESOURCES					
Activities in furtherance of: charity's objects:					
Membership		2,305,650		2,305,650	2,275,425
National Assembly for Wales grant		308,660		308,660	329,590
Projects			10,041,853	10,041,853	10,792,936
Training grants and fees		1,041,017		1,041,017	1,129,422
Activities for generating funds					
Advertising		51,242		51,242	57,649
Trading income					
Sales		1,091,179		1,091,179	1,313,661
Commissions		99,540		99,540	86,274
Rental income		39,647		39,647	161,420
Other	2b	450,763		450,763	349,746
Interest income	2a	218,787		218,787	269,453
Total incoming resources		<u>5,606,485</u>	<u>10,041,853</u>	<u>15,648,338</u>	<u>16,765,576</u>
RESOURCES EXPENDED					
Cost of generating funds:					
Interest costs		302,696		302,696	356,792
Fundraising		180,932		180,932	175,935
Merchandising and other trading costs		795,091		795,091	869,422
		<u>1,278,719</u>	<u>-</u>	<u>1,278,719</u>	<u>1,402,149</u>
Charitable expenditure					
Supporting our members		3,159,266		3,159,266	2,946,853
Delivering through partnership			9,584,265	9,584,265	10,490,206
Raising quality		623,470		623,470	638,906
New product development		542,514		542,514	562,083
		<u>4,325,250</u>	<u>9,584,265</u>	<u>13,909,515</u>	<u>14,638,048</u>
Governance costs		32,786		32,786	25,163
Total resources expended	3	<u>5,636,755</u>	<u>9,584,265</u>	<u>15,221,020</u>	<u>16,065,361</u>
Net incoming resources before recognised losses		(30,270)	457,588	427,318	700,215
Unrealised loss on fixed asset investment		<u>(2,753,168)</u>		<u>(2,753,168)</u>	<u>-</u>
Net movement in funds before transfers		(2,783,438)	457,588	(2,325,850)	700,215
Transfers between funds	16	294,825	(294,825)	-	-
Net movement in funds for the year		(2,488,613)	162,763	(2,325,850)	700,215
Balances carried forward at 31 March 2008		<u>5,163,777</u>	<u>673,303</u>	<u>5,837,080</u>	<u>5,136,865</u>
Balances carried forward at 31 March 2009	16	<u>2,675,164</u>	<u>836,066</u>	<u>3,511,230</u>	<u>5,837,080</u>

All amounts relate to continuing activities.

Notes to the financial statements can be found on page 31 to 41.

Consolidated balance sheet at 31 March 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible assets	6		1,930,082		1,799,630
Investment assets	7		3,720,000		5,866,183
			<u>5,650,082</u>		<u>7,665,813</u>
CURRENT ASSETS					
Stocks	8	170,316		117,986	
Debtors	9	1,571,371		1,237,312	
Cash at bank and in hand		4,400,952		5,147,272	
		<u>6,142,639</u>		<u>6,502,570</u>	
CREDITORS: amounts falling due within one year	10	(2,947,048)		(2,866,413)	
		<u> </u>		<u> </u>	
NET CURRENT ASSETS			3,195,591		3,636,157
			<u> </u>		<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			8,845,673		11,301,970
CREDITORS: amounts falling due after one year	11		(5,334,443)		(5,464,890)
			<u> </u>		<u> </u>
NET ASSETS			<u>3,511,230</u>		<u>5,837,080</u>
			<u> </u>		<u> </u>
FUNDS					
Unrestricted - General	16		2,664,544		5,151,655
- Trading	16		10,620		12,122
Restricted	16		836,066		673,303
			<u>3,511,230</u>		<u>5,837,080</u>
			<u> </u>		<u> </u>

Notes to the financial statements can be found on page 31 to 41.

The financial statements were approved by the Board of Trustees on 18 July 2009 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 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible assets	6		1,930,082		1,799,630
Investments	7		3,720,005		5,866,188
			<u>5,650,087</u>		<u>7,665,818</u>
CURRENT ASSETS					
Debtors	9	1,514,410		1,090,120	
Cash at bank and in hand		4,400,952		5,142,617	
			<u>5,915,362</u>	<u>6,232,737</u>	
CREDITORS: amounts falling due within one year	10	(2,730,396)		(2,608,709)	
			<u>3,184,966</u>		<u>3,624,028</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			8,835,053		11,289,846
CREDITORS: amounts falling due after one year	11		(5,334,443)		(5,464,890)
			<u>3,500,610</u>		<u>5,824,956</u>
NET ASSETS					
FUNDS					
Unrestricted - General	16		2,664,544		5,151,653
Restricted	16		836,066		673,303
			<u>3,500,610</u>		<u>5,824,956</u>

Notes to the financial statements can be found on page 31 to 41.

The financial statements were approved by the Board of Trustees on 18 July 2009 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 2009

	Note	2009 £	2008 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	407,920	2,254,479
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	2	(83,909)	(87,339)
CAPITAL EXPENDITURE	2	(968,493)	(130,826)
INCREASE/(DECREASE) IN CASH BEFORE FINANCING		(644,482)	2,036,314
FINANCING	2	(124,156)	(85,283)
INCREASE/(DECREASE) IN CASH AFTER FINANCING		(768,638)	1,951,031

Notes to the consolidated cash flow statement

1. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2009	2008
	£	£
Net resources for the year before recognised losses	427,318	700,215
Depreciation charges	231,055	268,953
Interest income	(218,787)	(269,453)
Interest expense	302,696	356,792
(Increase) / decrease in stocks	(52,330)	31,551
(Increase) / decrease in debtors	(334,059)	592,595
Increase in creditors	52,227	573,826
	<u>407,920</u>	<u>2,254,479</u>
Net cash inflow from operating activities	<u><u>407,920</u></u>	<u><u>2,254,479</u></u>
2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT	2009	2008
	£	£
Returns on investments and servicing of finance		
Interest received	218,787	269,453
Interest paid	(302,696)	(356,792)
	<u>(83,909)</u>	<u>(87,339)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(83,909)</u></u>	<u><u>(87,339)</u></u>
Capital expenditure		
Acquisition of tangible fixed assets and investment property	(968,483)	(130,826)
	<u>(968,493)</u>	<u>(130,826)</u>
Net cash outflow for capital expenditure	<u><u>(968,493)</u></u>	<u><u>(130,826)</u></u>
Financing		
Repayment of secured loan	(124,156)	(85,283)
	<u>(124,156)</u>	<u>(85,283)</u>
Net cash outflow for financing	<u><u>(124,156)</u></u>	<u><u>(85,283)</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April	Cash	At 31
	2008	Flow	March
	£	£	2009
			£
Cash at bank and in hand	5,147,272	(746,320)	4,400,952
Bank overdraft	-	(22,318)	(22,318)
Debt due within one year	(97,349)	(6,291)	(103,640)
Debt due over one year	(5,464,890)	130,447	(5,334,443)
	<u>(414,967)</u>	<u>(644,482)</u>	<u>(1,059,449)</u>
	<u><u>(414,967)</u></u>	<u><u>(644,482)</u></u>	<u><u>(1,059,449)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009 £	2008 £
Increase in cash in the year	(768,638)	1,951,031
Cash outflow from repayment of bank loan	124,156	85,283
	<u>(644,482)</u>	<u>2,036,314</u>
Opening cash available to service debt	(414,967)	(2,451,281)
	<u>(1,059,449)</u>	<u>(414,967)</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

	2009	2008
	£	£
2a) Interest income		
Bank interest	218,787	269,453
	<u>218,787</u>	<u>269,453</u>
	<u><u>218,787</u></u>	<u><u>269,453</u></u>
2b) Other income		
Royalties and franchise income	278,809	181,288
Network approval income	42,470	31,642
Annual conference income	62,059	64,247
Other	67,425	72,569
	<u>450,763</u>	<u>349,746</u>
	<u><u>450,763</u></u>	<u><u>349,746</u></u>

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Direct Costs £	Allocated support costs £	2009 £	2008 £
Cost of generating funds					
Interest costs	-	302,696	-	302,696	356,792
Fundraising costs	138,549	12,692	29,691	180,932	175,935
Merchandising and other trading costs	244,362	550,729	-	795,091	869,422
	<u>382,911</u>	<u>866,117</u>	<u>29,691</u>	<u>1,278,719</u>	<u>1,402,149</u>
Charitable expenditure					
Supporting our members	2,236,852	866,331	56,083	3,159,266	2,946,853
Delivering through partnership	6,491,045	2,205,790	887,430	9,584,265	10,490,206
Raising quality	226,239	380,736	16,495	623,470	638,906
New product development	401,037	141,477	-	542,514	562,083
	<u>9,355,173</u>	<u>3,594,334</u>	<u>960,008</u>	<u>13,909,515</u>	<u>14,638,048</u>
Governance costs	-	32,786	-	32,786	25,163
	<u>9,738,084</u>	<u>4,493,237</u>	<u>989,699</u>	<u>15,221,020</u>	<u>16,065,361</u>

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

Resources expended include:

	2009	2008
	£	£
Support costs (including management and administration)		
Staff costs allocated to activities	1,574,365	1,108,759
Costs directly attributable to activities	335,482	365,656
Costs allocated to activities	989,699	1,079,123
	<u>2,899,546</u>	<u>2,553,538</u>

Support costs are allocated as follows:

	Fundraising	Supporting our	Delivering through	Raising quality
	£	members	partnership	quality
	£	£	£	£
Allocated staff costs	47,231	89,214	1,411,681	26,239
	<u>47,231</u>	<u>89,214</u>	<u>1,411,681</u>	<u>26,239</u>
Allocated costs:				
Head Office	15,487	29,254	462,901	8,604
Human Resources	910	1,719	27,199	506
Finance	1,819	3,436	54,368	1,011
IT	11,094	20,955	331,582	6,163
Chief Executive	380	719	11,380	212
	<u>29,690</u>	<u>56,083</u>	<u>887,430</u>	<u>16,496</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

	2009	2008
	£	£
Wages and salaries	8,701,256	8,681,418
Social security costs	740,265	818,357
Pension costs	296,563	346,394
	<u>9,738,084</u>	<u>9,846,169</u>

The average number of employees during the year was:

	Number	Number
NCMA Services Ltd		
Operational, administration and finance	332	374
Tutors	130	110
	<u>462</u>	<u>484</u>

During the year under review 8 Trustees received reimbursements for attending meetings amounting to £16,637. Also, honorariums of £19,505 in total were paid to the Chair, F&A Chair and Company Secretary.

	2009	2008
	Number	Number
The number of employees whose emoluments exceeded £50,000 was:		
£60,000 - £70,000	1	1
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
	<u>1</u>	<u>1</u>

4. RESOURCES EXPENDED

	2009	2008
	£	£
The resources expended include:		
Depreciation	231,055	268,953
Operating lease rentals – land and buildings	312,457	281,304
Auditors' remuneration – audit	16,300	16,300
Chair and Chair of Finance and Audit and Company Secretary emoluments	19,505	10,650
	<u>231,055</u>	<u>268,953</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2009. As a registered charity, the Association is entitled to tax relief under s505, ICTA1988

6. TANGIBLE FIXED ASSETS – GROUP AND CHARITY 2009

	Freehold property £	Building refurbishments £	Furniture & equipment £	Computer equipment £	Total £
COST					
At 1 April 2008	1,682,916	320,189	376,718	654,001	3,033,824
Additions	-	199,322	81,568	80,616	361,506
Disposals	-	-	-	(8,986)	(8,986)
At 31 March 2009	1,682,916	519,511	458,286	725,631	3,386,344
DEPRECIATION					
At 1 April 2008	165,491	281,727	262,924	524,052	1,234,194
Charge for year	14,203	55,238	69,993	91,620	231,054
Eliminated on disposal	-	-	-	(8,986)	(8,986)
At 31 March 2009	179,694	336,965	332,917	606,686	1,456,262
NET BOOK VALUE					
At 31 March 2009	1,503,222	182,546	125,369	118,945	1,930,082
At 31 March 2008	1,517,425	38,462	113,794	129,949	1,799,630

7. FIXED ASSET INVESTMENTS

	Group £	Charity £
NET BOOK VALUE		
Investment Property		
At 1 April 2008	5,866,183	5,866,183
Additions	606,985	606,985
Revaluation to market value	(2,753,168)	(2,753,168)
Investment property at 31 March 2009	3,720,000	3,720,000
Unlisted Investment		5
TOTAL NET BOOK VALUE	3,720,000	3,720,005

7. Fixed Asset investment (continued)

A valuation from Cluttons was obtained in March 2009 which indicated that the valuation was materially different from the book value, after additions of £606,985 during the year. Accordingly, an unrecognised loss of £2,753,168 arose on revaluation.

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	In the process of being wound up.	Ordinary 100%

8. STOCKS

	Group 2009 £	Group 2008 £
Stock of publications, etc	170,316	117,986

9. DEBTORS: Amounts falling due within one year

	2009 Group £	Charity £	2008 Group £	Charity £
Trade debtors	1,427,369	1,370,408	1,067,821	895,875
Prepayments	144,002	144,002	169,491	194,245
	<u>1,571,371</u>	<u>1,514,410</u>	<u>1,237,312</u>	<u>1,090,120</u>

10. CREDITORS: Amounts falling due within one year

	2009		2008	
	Group	Charity	Group	Charity
Bank overdraft	22,318	-	-	-
Bank loans	103,640	103,640	97,349	97,349
Trade creditors	838,685	722,320	409,303	373,891
Amounts owed to subsidiary	-	183,039	-	-
Project income in advance	896,596	896,596	1,030,451	1,030,451
Other creditors	11,741	11,741	15,668	15,668
Social security and other taxes	420,789	403,924	632,992	601,784
Accruals and deferred income	653,280	409,136	680,650	489,566
	<u>2,947,049</u>	<u>2,730,396</u>	<u>2,866,413</u>	<u>2,608,709</u>

11. CREDITORS: Amounts falling due after one year

	2009		2008	
	Group	Charity	Group	Charity
Bank loans	<u>5,334,443</u>	<u>5,334,443</u>	<u>5,464,890</u>	<u>5,464,890</u>
The total bank loans are repayable as follows:				
Within one year	103,640	103,640	97,349	97,349
Between one and two years	110,339	110,339	103,640	103,640
Between two and five years	375,680	375,680	352,872	352,872
After five years	<u>4,848,424</u>	<u>4,848,424</u>	<u>5,008,378</u>	<u>5,008,378</u>
	<u>5,438,083</u>	<u>5,438,083</u>	<u>5,562,239</u>	<u>5,562,239</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 2009 £	Total 2008 £
RESULTS				
TURNOVER	1,091,179	-	1,091,179	1,313,575
Net profit before Gift Aid Gifted to NCMA	396,338 (396,338)	- -	396,338 (396,338)	531,848 (531,848)
Net profits retained in subsidiary	-	-	-	-
Profit brought forward at 31 March 2008	10,620	1,502	12,122	12,215
Profit carried forward at 31 March 2009	10,620	-	10,620	12,122
Called up share capital	5	-	5	5
Total funds	10,625	-	10,625	12,127

Note: NCMA Development and Support Ltd is in the process of being wound up.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted general £	Restricted £	Total £
Represented by:			
Fixed assets	5,650,083	-	5,650,083
Stocks	170,316	-	170,316
Debtors	399,422	1,171,949	1,571,371
Cash at bank and in hand	3,840,239	560,713	4,400,952
Creditors	(7,384,896)	(896,596)	(8,281,492)
	2,675,164	836,066	3,511,230

16. ANALYSIS OF MOVEMENTS IN FUNDS

	Balance at 1 April 2008 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2009 £
Unrestricted:					
General	5,163,777	5,606,485	(8,389,923)	294,825	2,675,164
Designated					
	<u>5,163,777</u>	<u>5,606,485</u>	<u>(8,389,923)</u>	<u>294,825</u>	<u>2,675,164</u>
Restricted:					
DfES	-	1,700,000	(1,700,000)	-	-
National projects	-			-	-
	<u>-</u>	<u>1,700,000</u>	<u>(1,700,000)</u>	<u>-</u>	<u>-</u>
Welsh projects	120,126	1,128,405	(820,415)	(375,663)	52,453
English projects	553,177	7,213,448	(7,063,850)	80,838	783,613
	<u>673,303</u>	<u>8,341,853</u>	<u>(7,884,265)</u>	<u>(294,825)</u>	<u>836,066</u>
Local authority projects	673,303	8,341,853	(7,884,265)	(294,825)	836,066
	<u>673,303</u>	<u>8,341,853</u>	<u>(7,884,265)</u>	<u>(294,825)</u>	<u>836,066</u>
TOTAL	<u><u>5,837,080</u></u>	<u><u>15,648,338</u></u>	<u><u>(17,974,188)</u></u>	<u><u>-</u></u>	<u><u>3,511,230</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.

17 OPERATING LEASE COMMITMENTS

	2009	2008
	Land and	Land and
	Buildings	Buildings
	£	£
Group		
Expiry date		
Within one year	249,676	249,676
Between two and five years	410,102	477,471
After five year	-	182,307
	<hr/>	<hr/>
As at 31 March 2009	659,778	909,454
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