

NATIONAL DAY NURSERIES ASSOCIATION

England & Wales · Charity number 1078275

Details

Status Registered

Legal form Charitable company

Company number [03738616](#)

Registered 1999-11-18

Register [View on the Charity Commission register](#)

Contact

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National Early Years Enterprise Cen
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Website www.ndna.org.uk

Activities

Objects: 2.1 The object of the Charity is to enhance the development and education of children in their early years, through the provision of support services to private voluntary and independent organisations who are delivering education and care to said children and in doing so to develop, encourage and maintain high standards in education and care for the benefit of the children, their family unit and their local community. 2.2 In carrying out its objects the Charity shall promote equality of opportunity for all sections of the community, both in its own affairs and in society generally. 2.3 Nothing in these Articles shall authorise an application of the property of the Charity for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005.

Activities: The object of National Day Nurseries Association is to support the delivery of quality care and early learning for children.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Economic/community Development/employment
- **Who:** Children/young People

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,426,236	£3,860,351	£2,062,035	70
2024-03-31	£2,732,415	£3,335,034	£2,496,150	56
2023-03-31	£2,933,520	£2,879,408	£3,098,769	54
2022-03-31	£3,018,551	£2,796,559	£3,032,857	52
2021-03-31	£2,820,755	£2,577,190	£2,782,265	55

Trustees

Name	Role	Appointed
COURTENEY ANN DONALDSON		2011-06-29
DAVID AMBROSE POULSOM		2016-11-30
HAZEL MOODY		
Jane Elizabeth Haywood		2012-12-05
Kathryn Elaine Sagar		2026-03-11
Matthew Dawson		2026-03-11
Nikola Masters		2023-11-22
Philip Siddell		2018-05-22
Sarah Elizabeth Sanger		2026-03-11
Susan Hill		2023-11-22

NATIONAL DAY NURSERY ASSOCIATION

England & Wales - Charity number 1078275

Accounts



National Day Nurseries Association

National Day Nurseries Association

(A charitable company limited by guarantee)

Financial Statements for the year ended 31 March 2025

Company registration No. 03738616

Registered charity No. 1078275 (England & Wales)

SCO40610 (Scotland)

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National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

Name	National Day Nurseries Association (NDNA)
Company number	03738616
Charity number	1078275 (England and Wales) / SCO40610 (Scotland)
Registered office	National Early Years Enterprise Centre, Longbow Close, Huddersfield, HD2 1GQ
Scotland office	Edward House, 199 Sauchiehall Street, Glasgow, G2 3EX
Wales office	3 Connaught House, Riverside Business Park, Benarth Road, Conwy, LL32 8UB
Website	www.ndna.org.uk
Auditor	BHP LLP, New Chartford House, Centurion Way, Cleckheaton, BD19 3QB
Bankers	NatWest Bank, Commercial Banking, 2 nd Floor, 8 Market Place, Huddersfield, HD1 2AN
Solicitors	Lupton Fawcett, Yorkshire House, East Parade, Leeds, LS1 5BD

Board of trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are referred to as the trustees. The trustees report includes requirements of the Directors' report as required by company law. The trustees who served during the year were as follows:

Sarah Steel (Chair)	(resigned 29 January 2025)
Jane Haywood (Chair)	(Chair from 29 January 2025; Vice Chair until 29 January 2025)
Courteney Donaldson (Vice Chair)	(Vice Chair from 29 January 2025)
Hazel Moody	
David Smyllie	(resigned 21 May 2025)
Dave Poulson (Treasurer)	
Philip Siddell	
Lesley Dawson	
Susan Hill	
Nikola Masters	

Chief Executive	Purnima Tanuku (until 30 March 2025) Tim McLachlan (from 20 January 2025)
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Company Secretary	Purnima Tanuku (until 31 March 2025) Tim McLachlan (from 31 March 2025)
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Executive Chair	Purnima Tanuku (from 31 March 2025)
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Senior Management Team	Dr Sara Bonetti (until 13 December 2024) Jonathan Broadbery Cara Brundle Gayle Seekins Alan Wadsworth Stella Ziolkowski
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Qualifying third party indemnity provisions

The charity purchased insurance for liabilities incurred by its trustees in carrying out their duties.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

Structure, Governance and Management

Governing document

National Day Nurseries Association is a company limited by guarantee governed by its Memorandum and Articles of Association dated 20 September 1999 with the latest amendment in 2022. It is registered as a charity with the Charity Commission in England and Wales and with the Office of the Scottish Charity Regulator in Scotland.

Appointment of trustees

The Strategic Board currently comprises 8 trustees including a Chair and Vice Chair. They represent the membership across England, Scotland, and Wales. Three are co-opted from wider sectors to support the work of the Board and add special expertise.

At every Annual General Meeting, one-third of the Board is subject to retirement by rotation. Nominations are invited through advertising in Nursery News and elections held to appoint new trustees. If there are no other nominations and the retiring trustee is willing, they will be reappointed for a further term of office with agreement by the Board.

Trustee induction and training

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. They meet key employees of the charity and are encouraged to attend external training events as appropriate. A two-day board strategy event and training is held annually.

Organisation

The strategic board administers the charity and meets at least 6 times a year in person or virtually. Three policy advisory boards, made up of providers and early years experts, advise the strategic board on policy issues specific to the 3 nations. The Chief Executive, Tim McLachlan, is appointed by the strategic board to manage the day-to-day operation of the charity. The Chief Executive has delegated authority for dealing with matters such as finance and employment.

Risk management

There is a robust risk assessment and management process established. This includes:

- Reviewing and monitoring both the strategic and operational risks the charity may face.
- Establishment of systems and procedures to measure and control risks identified.
- Implementation of control measures to minimise any potential impact on the charity if risks materialise.

A 'traffic-light' risk reporting system is in use linking the organisation's performance monitoring framework and financial performance.

The principal risk and uncertainty facing the charity is a volatile economic climate affecting both the sector and NDNA. High inflation impacts business costs and household expenditure and may impact demand for providers. At the same time, public spending cuts result in funded childcare places coming under pressure and a reduction in income from central government and local authority contracts, along with increased competition for all services and contracts. Our strategy for managing this risk has enabled us to achieve a balanced portfolio of income streams by focusing on developing a wider customer base in the UK and beyond and building a portfolio to suit their needs.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

Objectives and activities

NDNA's vision and mission

The charity's vision is for all children and families to flourish through high quality early childhood education and care.

The charity's mission is to lead and empower the sector so that nurseries and the early years workforce deliver sustainable, high quality early childhood education and care.

NDNA's aims and objectives for the year

The strategic aims NDNA set out for 2024/25 were:

- **Promote and defend** the value of early education and the providers & practitioners who deliver it.
- Represent members, as the strongest and **voice of the early years sector** across the UK.
- **Influence policy** development and delivery by lobbying governments in England, Scotland & Wales.
- Provide access to the **support, products, and services** the sector needs to continually improve quality and practice, in the best interests of children.
- **Manage a strong and sustainable charity**, futureproofing NDNA so we can continue to support our Vision, Mission, and Goals.

Promote and defend ... – NDNA's #Firstfiveyearscount campaign continued to celebrate the early years sector and all they do to make the first five years of a child's life count. A new campaign video demonstrated the difference a good nursery can make to the lives of children and families, running across all NDNA channels, with a reach of 223k people. Whilst continuing to increase understanding of the importance of the early childhood education, improve the perception of the early years workforce as educators of children aged 0-5 and address the recruitment and retention crisis, NDNA also highlighted the growing problem of underfunding, the financial pressures facing nurseries and the likely impact of this on children and families. Campaign activity included NDNA's 'week of action' in February 2025 and a renewed focus on underfunding, as nurseries faced increased financial pressure from mounting costs and increased NICs from April 2025.

... voice of the early years sector ... – As the voice of the 23,200 strong nursery sector, NDNA is an integral part of the lives of more than a million young children and their families. The charity provides information, training and advice, which supports nurseries - and the 390,000 people who work in them - to deliver world-class early learning and childcare. Working closely with local and national governments in England, Scotland, and Wales, we deliver a comprehensive programme of policy work. Conducting our own research, we campaign on the cost, choice, and quality of childcare to benefit children, their families, nurseries, and the economy.

Influence policy ... the General Election in July 2024 presented an opportunity to shape the future direction of childcare policy, especially in England. Under the new Labour Government there were several policy changes which NDNA had been lobbying for including: a shift in focus to early education including a newly appointed Minister for Early Education, a removal of the word 'free' from the Government's description of funded childcare and a review of Ofsted's role and single word judgement. NDNA lobbying also saw the Department for Education commit to increasing funding in line with statutory wage increases, average wage growth and inflation. In Wales, funding rates had been stagnant for three years. Work with the Welsh Government saw an hourly rate increase proposed which was further increased as the Welsh Liberal Democrats secured a Budget deal. In Scotland NDNA celebrated 20 years of supporting the sector with our first ever Children's Rights Award, presented by Minister Don-Innes at a special celebratory event.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

... support, products and services ... – In line with our vision and mission, NDNA provide a wide range of support services to members which includes accredited and non-accredited training programmes through a variety of modes e.g. face-to-face and online via the NDNA Early Years Development Zone, live virtual classroom, and webinars; events and conferences; publications; Quality Counts and Millie's Mark accreditation, Physical Activity and Nutrition Coordinators (PANCos) accredited qualification and a range of Champions programmes supporting children's mathematical, language and communication and SEND development and in addition a range of resources to support improved practice via myNDNA. Support services are developed using research-based evidence to support the early years workforce with ongoing professional development enabling them to continually reflect on their practice. Research evidence tells us that ongoing development and support helps practitioners to improve the quality of their practice, which in turn improves children's developmental experiences. NDNA also invested in the development of the Institute of Early Years Education. This offer provides a wealth of CPD opportunities, a reflective tool to enable practitioners to self-evaluate the impact of CPD and a place to store achievements. As part of our support services, we also provide information and support to child-carers and parents via our website and myNDNA. This is also accessible to practitioners to enable them to work with parents to extend learning from the setting into the home.

"I liked how much detailed got put into it as it definitely gave me a better understanding"
- Scotland: Introduction to Child Protection (Early Years Development Zone)

Manage a strong & sustainable charity ... – Effective delivery of the charity's mission is only possible if we are financially sustainable to support the sector. We manage our resources carefully and everyone plays an active part in the business planning process. The strategic challenges facing NDNA are discussed at Board level and all staff are involved in developing the business plan. Ultimate responsibility for decision-making rests with the Board, supported by the Chief Executive and Senior Management Team.

The charity has a wholly owned dormant subsidiary, NDNA Services Limited.

NDNA does not fundraise from the public.

Shaping the future of early education and care

A General Election in 2024 presented an opportunity to shape political parties' pledges on the future direction of childcare policy. NDNA had laid the groundwork with a Blueprint for Early Education and Care developed with academics, sector experts, providers and parent groups. The organisation turned these principles into direct policy asks in a Manifesto for Early Education and Care. At the same time, the Government's promised expansion began in two phases. From April 2024, all working parents of 2-year-olds were able to access 15 hours per week. From September 2024, all working parents of children aged 9 months were added to this, accessing 15 hours per week for the first time. The main political parties pledged to maintain this commitment.

Under the new Labour Government there were several policy changes which NDNA had been lobbying for including: a shift in focus to early education including a newly appointed Minister for Early Education, a removal of the word 'free' from the Government's description of funded childcare and a review of Ofsted's role and single word judgement. NDNA lobbying also saw the Department for Education commit to increasing funding in line with statutory wage increases, average wage growth and inflation. However, wider Government policy will cause significant challenges for the sector as changes to employer's National Insurance Contributions and above inflation increases to National Living and Minimum Wages expected to increase staffing costs by around £2,600 per employee. None of which have been factored into spending decisions by governments in England, Scotland or Wales.

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For the year ended 31 March 2025

The Scottish Government's Budget in December 2024 committed to continuing to expand the funded offer to two-year-olds, starting with those on the lowest income. It also continued to fund work in six areas to pilot childcare systems from nine months to the end of primary school. The Minister for Children, Young People and the Promise, Natalie Don-Innes, presented NDNA Scotland's inaugural Children's Rights Award at a celebration event for NDNA's 20th Anniversary of working in Scotland. At the same time NDNA Scotland supported the work of our networks in Edinburgh and Falkirk to challenge local authority decision which undermined the principles of parental choice and provider neutrality in the delivery of 1140 hours of funded ELC.

The Welsh Government entered into the final phase of the expansion of funded childcare to all two-year-olds through the Flying Start programme in 2024/25. This was supported by an announcement that the relief for nurseries from Business Rates would be made permanent. Evidence from NDNA Cymru members was part of the Welsh Government's business case for making this decision. Following three years of stagnant funding rates for the Childcare Offer and early education hours, the draft Budget in December proposed a 20% increase in funding from £5.00 per hour to £6.00. Evidence from NDNA Cymru showed this would still not cover costs for the majority of providers and following a Budget deal with the Welsh Liberal Democrats, this rate was increased to £6.40 per hour – a 28% increase.

To ensure the pressures on providers were well understood against a backdrop of expected expansion of offers to families, rising demand and ongoing increases to operating costs, NDNA conducted a series of research with providers about costs, staffing challenges and sustainability. These showed that, 92% of providers in England, and 89% of those in Wales said that the funding they receive for three and four-year-old funded places do not cover their costs. As a result, a worrying 82% of respondents from Wales and 76% of respondents from England said they were operating at a loss or just breaking even.

With ongoing workforce pressures facing providers NDNA also conducted research on readiness for the expansion in England. We found that 70% of nurseries did not have the staffing they need to operate at maximum capacity and that the average nursery was carrying 4.2 FTE vacancies. If these shortages were addressed the average nursery could offer 13 additional places with the DfE estimating that 70,000 additional places would need to be created by September 2025. The greatest staff shortages were identified as being among the Level 3 qualified staff.

Other NDNA research that, in the financial year 2022-23, £65 million of early years budgets remained unspent at the end of the financial year. The main use of these unspent funds was to off-set deficits in other parts of the schools budget, especially the High Needs Block. This has been an issue ever since the funded childcare policy was expanded and shows the need to tackle overspends on SEND and for reform of the childcare funding system.

Across the year NDNA supported our members to engage with consultations and responded on their behalf to three consultations in Scotland, three consultations in Wales and six consultations in England. These ranged from changes to joint inspections in Scotland, a new evidence-based route to counting in ratios in England, funding rate calculations in Wales and changes to the way Ofsted inspects settings. We also presented evidence to the Low Pay Commission, the Public Accounts Committee and the Scottish COVID-19 Inquiry.

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For the year ended 31 March 2025

Achievements and performance

The ethos behind NDNA's charitable vision and mission is to support excellence in the early years workforce, whilst driving quality and sustainability in early years enterprise. To achieve this, our approach is to ensure that the child is at the centre of all that we do to support business and workforce improvement.

High quality, evidence-based practice underpins all NDNA services and activities that NDNA provides. Our Quality Statement clearly defines what represents quality in early years settings. We support our members and the wider early years community to focus on delivering the highest quality provision for children, whilst remaining sustainable as businesses, charities or not for profit enterprises.

We passionately believe that children should be at the heart of all policy making and that quality can only be achieved when nurseries are sustainable businesses, with dedicated leadership and management. Leadership provides a vision for the nursery and supports practitioners to be reflective individuals with a commitment to continuous professional improvement. In turn, this helps to ensure that every child in the nursery community gets the best start in life. This includes children from all backgrounds and abilities where early assessment of their needs, capabilities and interests helps to secure any additional help they may need.

NDNA's Impact on the Workforce

The sector continues to experience financial constraints due to increased costs, specifically salary costs due to several reasons, including the soaring increase in NMW/NLW and NI contributions. Staff turnover and an inability to recruit to vacancies continues to compound with the sector seeing turnover rates of approximately 20% in many instances. This, therefore, decreases the ability to release staff for training, other than mandatory training which they are required to do by law. Due to these factors, access to quality, affordable, flexible relevant short courses continue to be more important than ever to ensure that staff have the skills required to educate and care for our youngest children.

An abundance of research tells us that high quality childcare, delivered by highly qualified practitioners, is essential for the development of children in their earliest years. However, we continue to hear from our member nurseries that they are struggling to recruit and retain staff qualified at the levels they need and want.

Research confirms that the first five years shape each child's future health, happiness, growth, development and learning achievements, so the continued professional development of practitioners is essential to ensure children get the best start in life. To break down barriers to accessing development, we continue to review our offer providing a range of delivery modes to ensure our offer is accessible to practitioners in the way that best suits their individual needs. NDNA's analysis of sector intelligence, surveys and a two-way dialogue with our members allow us to review and update our range of products and services and to ensure that training remains up to date with best practice, research, and sector need.

Training and development

This year NDNA has developed and refreshed 83 evidence-based training and professional development products to retain their relevance with legislation and best practice that support high quality early years practice. The development of new resources are determined through understanding the needs of members and practitioners. We have supported 46,586 practitioners with training and professional development, with an overall satisfaction rate of 98%.

***'One of the best training sessions I have attended in over 40 years -
Extremely informative whilst keeping subject matter interesting and practical'
- Observation, assessment and planning (F2F) - Bowers Community Nursery***

National Day Nurseries Association

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For the year ended 31 March 2025

NDNA continue to support practitioners with the nutrition, health and wellbeing of children through our accredited training of the level 4 PANCo (Physical Activity and Nutrition Coordinator) programme. This accredited award is for individuals within nursery settings who champion physical activity and nutrition within their setting. To the end of March 2025, 82 practitioners purchased the award, and an additional 3 settings were enrolled onto the Start Life Well quality mark.

"This course has already had an impact on the health and wellbeing of the children within the setting as how as a team we support this. I am looking forward to continuing this. Thank you."

Due to financial constraints that the sector is facing, NDNA have also supported the workforce with 38 free training courses covering a range of topics. A total of 9,417 practitioners accessed our free training.

Alongside our support programmes, NDNA continue to provide the sector with up-to-date publications, policies and procedures and online resources, such as factsheets, in line with changes to policy, legislation and evidence based best practice. A total of 5,118 publications and around 16,000 factsheets were accessed by the sector.

Millie's Mark and Quality Counts

Quality improvement is the role of the setting as a whole, including all practitioners within the nursery. We believe passionately in supporting our members to be able to reflect on what they do.

The safety and security of children is paramount and a focus for NDNA delivering Millie's Mark. This year 175 settings took up the Mark and 151 nurseries successfully achieved the standard, demonstrating they go above and beyond their regulatory duty. In total there are now 544 settings signed up to the Mark in England, 9 in Wales and 17 in Scotland, with 1309 settings being awarded the Mark since it was launched.

'It's a great process to go through. Even though as a Nursery we already got all of staff to complete First aid within 3 months, the process of Millie's Mark makes you evaluate the process and look for better ways to improve your practice' - New Beginnings Day Nursery - Romford & Rainham

During the 2024-25 financial year 24 nurseries have signed up to Quality Counts certification. Over the year, NDNA have awarded 14 settings with our flagship quality improvement scheme. This includes a Quality Counts Platinum award achieved by Kensington International Kindergarten, Bangkok.

'This is our second time to adopt this process and we love it.' - Funky Footsteps Day Nursery Ltd

Champions programmes

NDNA's Maths Champions programme builds the knowledge of nursery practitioners to support children's early mathematical development. In July 2024 a report was updated following subsequent analysis using the Early Years Foundation Stage profile assessment data to assess the potential impact of Maths Champions on children's attainment. This exploratory analysis found that children in nurseries that allocated to the MC programme from the previous study continued to make progress compared to children who attended control nursery settings. The updated report from this analysis was released this year <https://ndna.org.uk/early-years-maths-support-ndna-maths-champions-research-trial/>

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

NDNA were absolutely delighted that the further long-term analysis of Maths Champions following the study demonstrated that children who took part in the study sustained progress. Key findings demonstrating that:

1. Children in nurseries allocated to the intervention group made, on average, the equivalent of two months' additional progress in mathematics attainment compared to children in control nurseries as measured by the EYFSP.
2. Children in nurseries allocated to the intervention group made, on average, the equivalent of two months' additional progress in literacy attainment compared to children in control nurseries as measured by the EYFSP.
3. Children in nurseries allocated to the intervention group were slightly more likely to attain a Good Level of Development (GLD) compared to children in control nurseries as measured by the EYFSP (equating to approximately one month's additional progress).
4. Children eligible for Early Years Pupil Premium (EYPP) in the intervention nurseries made, on average, the equivalent of six months' additional progress in mathematics attainment compared to children eligible for EYPP in control nurseries. These results, while promising, should be treated with more caution than the analysis on all pupils as fewer children were included in this analysis.

Evaluation of the Programme demonstrated that 100% of Maths Champions say their confidence increased in supporting children's mathematical development.

As a result of the successful impact of Maths Champions NDNA secured additional funding from the EEF via the DfE to provide an additional 800 places to nursery settings to participate in the Maths Champions programme. Again, this funding is solely accessible to nursery settings across England, focusing on the governments Educational Investment Areas. This work will continue into 26/27.

'The Maths Champions programme has completely transformed our nursery's approach to early maths education. What was once seen as a challenge has become an exciting and natural part of our daily practice. Staff feel more confident, children engage with maths in meaningful ways, and the learning environment is now rich with mathematical opportunities. From everyday routines to hands-on exploration, maths is truly embedded in everything we do—empowering both educators and young learners alike.'

NDNA also secured EEF Early Programme Development fund to trial the Maths Champions programme with Childminders. NDNA were nominated by the East of England Stronger practice hub for this trial due to the lack of CPD in mathematical development for Childminders. Delivery took place between September 24 and March 25, however final evaluation and reporting was delivered in May 25.

NDNA continue to support settings within the 18 most deprived boroughs of London supported by the Mercers' Company as trustee of the Charity of Sir Richard Whittington. This additional funding allows NDNA to support an additional 150 nurseries to participate within the Maths Champions programme and 50 settings to participate in our Communications and Language Champions programme.

'The children are confident communicators, can communicate their likes/dislikes, they learn new vocabulary and are able to express their emotions positively by using words.'

This year NDNA have secured support for the delivery of a SEND Music programme and our Championing SEND programme.

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Support provided via the Foyle Foundation and Eastern Counties Educational Trust to produce the resources and trial the delivery of SEND Music programme in 15 childcare settings. NDNA teamed up with a Music Therapist specialising in SEND to support the development and delivery. This work continues into the next financial year, completing analysis and reporting in October 2025, however, feedback so far has been extremely impactful.

'Through participation in regular music sessions and as part of our everyday practice, children's increase in self-esteem was evident, and it gave children a sense of achievement. For SEND learners, this was transformative in helping them feel valued and included, with a great sense of participation.'

A grant provided by Peter Harrison Foundation has enabled us to provide 46 Championing SEND programmes to over a two-year period to nursery settings ranked 1 or 2 on the Index of Multiple Deprivation in the South East of England.

myNDNA

Our weekly myNDNA email went out to 29,250 practitioners by the end of March 2025 with a free activity, tip and factsheet, and access a wealth of other practical, free resources to inspire them on the myNDNA resources page.

Institute of Early Years Education

A plethora of research tells us that practitioners who are well qualified and constantly strive to improve their knowledge and understanding of best practice, offer higher quality experiences for children which in turn has a positive impact on their attainment and future lifelong chances. It is because of this that NDNA continues to develop training and support services for practitioners. This year we launched the Institute which provides a wide range of professional and personal support to practitioners with their own ongoing professional development. The institute was introduced as the main community and source of CPD for practitioners with the opportunity to reflect on their own personal achievement and the impact CPD has on their practice and the children they educate and care for.

Free Member Events, Resources, and Webinars

Over 1,000 people attended NDNATalk online and face-to-face events throughout the year, enjoying inspirational 'Afternoon With ...' sessions, a range of online member events and webinars across all three nations, face to face policy consultations and NDNA's annual conference, which featured sector focussed sessions and inspirational speakers within separate leadership and practice streams.

Childcare Works

In Wales, NDNA Cymru successfully secured ongoing funding for the project to run in different areas in 2024/25. This included Rhondda Cynon Taf thanks to support from Moondance Foundation and through the UK Shared Prosperity Fund in Conwy and Pembrokeshire. NDNA also secured new funding from the Armed Forces Covenant Fund Trust to work with families of military personnel and reservists around military bases in England and Wales. Under the project, NDNA supports participants (who are not in employment, education or training) with a three to four-week training programme, followed by 12-week placements as Trainee Nursery Assistants, in settings.

'Looking back, joining the NDNA Childcare Works Project has been one of the most rewarding decisions I have ever made. The support I received throughout the process gave me the confidence to step into a completely new field after my military career...I am excited to continue this journey in childcare, where I can make a positive impact on young lives while growing both personally and professionally.'

NDNA has also been successful in securing funding, granted by the Local Employability Partnership, for Childcare Works to run in East Ayrshire, making it the first childcare works project in Scotland. This commenced in March 2024 with a second cohort starting in January 2025.

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For the year ended 31 March 2025

International

Overseas nurseries that are looking to implement and follow the EYFS recognise the value that NDNA can offer and we have international members from 17 different countries. We continue to provide services to members overseas and continue to engage with international stakeholders, for the benefit of children and families.

From overseas customers, we continue to see particular interest in our Quality Counts programme. In January 2025 we agreed a memorandum of understanding with ONESCA in Thailand as the basis of further collaboration in relation to quality assurance standards, procedures and protocols, to ensure an effective and efficient accreditation process for ongoing school improvement of international schools in the Kingdom of Thailand.

Within this financial year, 8 international settings have signed up to pursue the Quality Counts certification mark and 3 settings (in Thailand, UAE and Oman) have been awarded the standard, two at the highest level, platinum.

Membership and Retention

A strong membership base is critical to NDNA's mandate as the voice of the sector. The strength of our membership informs our work and our priorities, which are driven by the evidence we gather from our members.

NDNA's members are highly engaged and, despite the challenging environment and growing concern over closures and financial pressures, NDNA's membership has grown by 4% throughout the year. Retention of members remains high and this indicates that members are getting value from their membership, see a return on this investment and are willing to renew, even in the toughest of times.

NDNA draws on the experience of our members and our own research, as well as analysis of the early years and childcare sector, to ensure we are the voice of our sector. We work across key stakeholders and decision makers in England, Scotland and Wales to advocate for policy approaches that support the charity's objectives and our members' needs.

Member Engagement

NDNA networks provide nursery owners and managers with the opportunity to meet and form a united voice at a local level. These networks, led by volunteer Network Officers, provide regular opportunities to share information, ideas and concerns whilst improving NDNA's reach and the breadth and depth of our insight.

At the end of March 2025, NDNA had 44 active networks across the UK. We continue to hold regular network chair meetings, which have been consistently lively and well attended. NDNA's networks provide the insight that NDNA needs to better understand and represent the sector. We would like to thank all our networks for their continued engagement with NDNA in highlighting local issues and challenges.

NDNA's members are highly engaged and in 2024-25, 95% of members overall purchased or downloaded a product from the NDNA website. Member events were delivered across each of the three nations, using a combination of remote and online delivery to enable nurseries and their workforce to benefit from updates on policy and practice, as well as professional development and networking. We worked with our corporate sponsors to deliver up to date information on topics such as health and safety and employment law.

In addition to NDNA's usual member event schedule, free, virtual 'afternoon with' events with inspirational speakers such as Kerry Murphy and Sam Wass enabled members to explore topics such as neurodiversity in early years, early brain development and how concentration, stress and learning capacities develop during early childhood.

'I will be putting more strategies into place for emotional regulation'

'OMG I am blown away by this! Thank you so so much'

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

Policy Engagement and Campaigns

In England, Scotland and Wales, NDNA has met with Government Ministers, key stakeholders and working groups to provide the latest research, sector views and experiences, particularly in relation to workforce challenges, demand and rising cost pressures. NDNA has used member views and feedback to lobby and shape changes to guidance and secure extra support for the sector. This has included:

- Funding – lobbying for:
 - A 4.1% increase in funding rates for childcare in England
 - A £75 million fund to support the expansion of nurseries in England
 - A 45% increase in the Early Years Pupil Premium for children in England
 - Confirmation that nurseries across the UK will get £10,500 support through the Employment Allowance
 - Additional funding to increase funding rates by at least 3.75% in Scotland
 - Permanent relief for nurseries from Business Rates in Scotland and Wales
 - A 28% increase in funding rates for funded childcare in Wales
- Reduced membership fee for members in Wales.

To support our members and influence public debate on issues affecting early years, we engage with traditional and social media to reach as wide an audience as possible, achieving 195 pieces of national (including broadcast) media coverage for our work and 156 pieces in the trade press covering early years and education.

NDNA Cymru

NDNA Cymru remains part of the CWLWM Partnership and representation continues to be key to our work. We are a member of key strategic groups alongside other representative organisations, Welsh Government, Aware, Social Care Wales, Care Inspectorate Wales and Estyn.

Details of the multiple projects and activities in Wales can be found in subsequent sections.

NDNA Scotland

NDNA Scotland continues to represent members at key stakeholder meetings and supporting the childcare sector working group on early learning and childcare. In addition, NDNA Scotland is a member of the Education Reform Review Group, Care Inspectorate Safe Staffing Project and the SSSC Codes of Practice Review Group. To support this work, we have been successful in securing continued Sector Representation funding from the Scottish Government.

We have retained the Scottish Government's Children, Young People and Families Early Intervention Fund (CYPFEIF) and Adult Learning and Empowering Communities Fund (ALEC) funding for ten years and received positive feedback from the Corra Foundation on the reporting of the achievement of Fund outcomes. NDNA Scotland have consistently met all the requirements for the funding.

NDNA Scotland has a commitment to promoting the rights of the child as the Scottish Government has implemented legislation to incorporate the UN Convention on the Rights of the Child into Scots law from July 2024. NDNA Scotland has conducted our own Child Rights and Wellbeing Impact Assessment for our own work as well as supporting members to conduct their own.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

Projects and Contracts

This year, we have continued to work with a range of companies to bring ideas, activities, campaigns and resources to children and parents via our membership base. NDNA's popular 'Healthy Body, Happy Me' campaign, ran from 24th to 28th March 2025, and was sponsored by Hope and themed around 'Busy Bodies', highlighting that physical activity is not simply about burning energy, it is the foundation for learning, growth and long-term health. Our daily guides provided ideas for learning and development, including at least one physical activity, plus activities for home learning to encourage families to extend healthy habits to home life.

NDNA works closely with a range of funding partners to deliver quality products and services to a wider range of communities and stakeholders. Working in partnership, NDNA has supported the sector to thrive by developing the workforce and early years settings, contributing to the well-being and positive outcomes of young children and their families in communities where nurseries are least able to fund additional training.

In 2024-25, this included the funded delivery of NDNA's Childcare Works employment programme in Conwy, Pembrokeshire and East Ayrshire, a SEND music project in the Eastern Counties and funding to develop a learning disabilities module to complement SEND champion training.

Thanks to funding from Vitamin Angels UK, NDNA is able to purchase healthy, supplemental food packages on every week for 18 nurseries serving children who are at nutritional risk in areas of high deprivation.

Sustainability

NDNA's own long-term sustainability is essential if we are to continue delivering our charitable mission and maximise the impact of our activities.

Financial review

2024/25 has seen us invest heavily into new developments, in line with our charitable purpose. This resulted in an overall deficit of £434,115, after investment through our development budget. Our unrestricted reserves now stand at £1,058,909.

During the year, we spent £509,477 out of designated funds to support IT infrastructure and developed services to our members through the Institute and other services.

A further £90,141 has been put into the designated IT fund to invest in additional IT support, plus a further £270,322 into the designated development fund to support our members.

Investment policy

The trustees recognise the need to retain sufficient liquid assets to meet the charity's short-term obligations. Funds in excess of current requirements are invested in low-risk cash deposits or interest-bearing accounts.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

Plans for the future

In England, NDNA will continue to gather evidence from our members about preparations for the final stage of expansion of funded childcare to 30 hours for all children in working families from nine months to starting school. We will continue to campaign for increased funding for the early years sector in line with our charitable objectives of supporting all children through access to high quality early education and care. We will also work to ensure children are equally supported, wherever they access their funded places. To ensure a strong voice across Parliament, NDNA will continue its work meeting and briefing MPs and within the All-Party Parliamentary Group for Early Education and Childcare.

In Scotland, the Programme for Government sets out plans to expand the offer to more two-year-olds and pilot programmes of childcare from nine months-old through to the end of primary school. NDNA Scotland will continue to support Scottish Government plans to make ELC affordable, accessible and high quality. We will examine how local authorities distribute funding identified by the Scottish Government to increase sustainable rates.

NDNA Scotland will continue to work with providers and other stakeholders to promote best practice and to raise awareness of the UNCRC Incorporation (Scotland) Act which was first implemented in July 2024.

In Wales, the expansion of the funded offer to all two-year-old children in Wales entered its final phase from April 2024. This is being delivered by expanding the Flying Start programme which was historically only delivered in the more deprived areas of the country. It is delivered and funded in different ways by different local authority areas leading to inconsistencies. NDNA Cymru will work with members, CWLWM partners and the Welsh Government to address these and ensure the expertise and experience of the day care sector is recognised in the plans for this expansion.

In both Wales and Scotland, elections are scheduled to take place in May 2026. NDNA will work with partners, key stakeholders and providers in both nations to ensure that policies are promoted which support our charitable objectives around access to high-quality early education and care for young children. We will develop manifestos in each country, analyse the policies being promoted by all parties and support members to engage with local candidates.

Public benefit

We constantly refer to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Evidence shows that investing in early years makes a difference to children's long-term outcomes. To achieve our vision and mission, our support and representation work aims to have a real influence as we help to shape the early years policy agenda for the benefit of children and their families across England, Scotland and Wales. The impact of this is to develop an environment that enables the nursery sector to deliver the high quality education and care, to make a difference to the outcomes for children, whilst also being sustainable businesses.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

The practical support and representation that we provide to nurseries help them continually improve their early learning and childcare practice and to be sustainable businesses, which are central to the fulfilment of our mission and vision. The difference we aim to achieve on behalf of children and families include:

- Better informed policy development that ensures public spend on early years achieves maximum impact and delivers positive outcomes for children.
- Affordable and accessible early education and care for all sections of the community through supporting sustainable childcare including in areas of disadvantage.
- Enhanced skills in the early years workforce to be better equipped to provide the high quality of care and early learning that children deserve.
- Enhanced inclusion in early years through promotion of good practice.
- Support for nursery providers in all areas to promote better outcomes for children and families.
- Sector sustainability, enterprise and, as a result, the safeguarding and creation of jobs in the early education and care sector, whilst enabling parents to work and train.
- Partnership programmes for economically inactive individuals to give them a solid basis to move into employment.
- Parents equipped with an increased understanding of quality in early education and care so they can make informed choices and get the most out of their children's time in nursery.

Support from our volunteers

The board of trustees gives considerable support to the organisation on a voluntary basis, and we very much appreciate this. Members have also acted in various voluntary roles for NDNA through advising as members of our England, Scotland and Wales policy advisory boards and representing the sector at both national and local levels. Local NDNA networks operate across the country thanks to the time and commitment given by voluntary network officers. There is extensive volunteer activity across all three nations and the trustees would like to record their appreciation and thanks for this contribution, which is of great value to the charity.

Pay policy for senior staff

The Strategic Board set the vision and mission for the organisation, working closely with the Senior Management Team. The Chief Executive, with support from the Senior Management Team, delivers the objectives in line with the vision, mission, and business plan.

All trustees give their time freely and no Trustee received remuneration in the year. Details of trustees expenses and related party transactions are disclosed in notes 7 and 16 (respectively) to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, pay levels are benchmarked against pay levels in other charities of a similar size.

If recruitment has proven difficult in the recent past, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

Reserves policy

Trustees are under a general legal duty to apply charity funds within a reasonable time of receiving them and to justify the level of reserves held.

The reserves policy is informed by:

- how secure the organisation's future income streams are.
- analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met out of income.
- the long-term development and infrastructure, building strategy for the organisation.

The policy is re-examined each year as part of the formal process of reviewing the long-term strategy linked to the annual business planning process.

At the end of the year, the charity is holding total funds of £2,062,035. This includes restricted funds of £263,127, an endowment fund of £740,000 and unrestricted designated funds of £176,089.

Unrestricted reserves excluding amounts designated have decreased (following investment through designated funds) by £472,822 and are now £882,819.

There is £128,621 included within unrestricted reserves and £740,000 within the endowment fund, which can only be realised by disposing of tangible fixed assets.

Free reserves have decreased by £454,392 and are now £852,070.

Free reserves as of 31 March 2025 represent approximately 5.8 months of operating costs. We need to keep sufficient cash reserves to fund future developments that will contribute to the growth of the organisation, necessary for future sustainability to support the sector.

The board reviews the Reserves Policy annually, and it is considered as a matter of prudence under the current political and economic climate that NDNA should retain at least 8 to 10 months operating costs in reserves to service commitments, respond to changes in risks and fund future developments.

Designated fund policy

The charity has set aside funds for building maintenance, further development of our IT platform and for costs for development of services that will support the early years sector and the global community.

The designated development fund as at 31 March 2024 of £300,616 was spent during the year, and transfers have been made from unrestricted funds so that the balance carried forward as at 31 March 2025 became £118,394. This will be used in 2025/26 for projects to support services to early years practitioners.

The designated IT fund as at 31 March 2024 of £17,728 was spent during the year, and transfers have been made from unrestricted funds so that the balance carried forward as at 31 March 2025 became £54,556. This will be allocated against depreciation of our finance system (which was purchased in January 2019) and our CRM and website (which was launched in March 2022), and also against the upgrade of the Millie's Mark platform in summer 2025.

The remaining designated building fund of £3,139 will be allocated against depreciation of head office refurbishment that has taken place in the last few financial years.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2025

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of National Day Nurseries Association for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company, and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the trustees' annual report:

- there is no relevant audit information (as defined by section 418 of the Companies Act 2006), being information needed by the auditors in connection with preparing their report, of which the auditors are unaware, and
- the trustees, having made enquiries of fellow trustees, have taken all steps that he/she is obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared taking advantage of the small companies exemption under the Companies Act 2006.

By order of the Board

Jane Haywood

Signer ID: HD1YGPGL3S...

Jane Haywood

Chair of the Board of Trustees

10 November 2025

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2025

Opinion

We have audited the financial statements of National Day Nurseries Association (the 'Charity') for the year ended 31 March 2025 which comprise of the charity Statement of Financial Activities, charity Balance Sheet, charity Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of the charity's incoming resources and application of resources, including its results, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2025

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except for the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees (which includes the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees (which includes the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees (which includes the directors' report).

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the trustees (which includes the directors' report).

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements. Also for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2025

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the trustees made subjective judgements such as making assumptions on significant accounting estimates.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our planning procedures included gaining an understanding of the entity and its environment including the entity's legal and regulatory framework, any fraud indicators and internal control system via both discussions amongst the engagement team and with the trustees. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of controls.

Based on our understanding of the company and its industry, the key laws and regulations we considered included the UK Companies Act, Charities Act (2011) and relevant tax legislation.

Audit procedures performed by the engagement team included but were not limited to:

- Evaluating and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Discussing with the trustees the policies and procedures in place regarding identifying and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Reviewing relevant meeting minutes;
- Identifying and testing journal entries;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing and testing the accounting estimates to minimise potential bias.

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2025

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements the less likely we would become aware of such non-compliance. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentations or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Signer ID: S71882WVPX...

Lesley Kendrew (Senior Statutory Auditor)
for and on behalf of BHP LLP (Statutory Auditor)
New Chartford House
Centurion Way
Cleckheaton
BD19 3QB

Date: 10/11/2025 GMT.....

BHP LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

National Day Nurseries Association
Charity Statement of Financial Activities
(incorporating income and expenditure account)
For the year ended 31 March 2025

Notes	Unrestricted				Total 2025	Total 2024
	Unrestricted Funds	Designated Funds	Endowment Fund	Restricted Funds		
	£	£	£	£	£	£
Income						
Donations	2	-	-	-	59,820	837
Other trading activities						
Facilities hire		9,218	-	-	9,218	3,523
Income from investments		76,167	-	-	76,167	81,280
		<u>85,385</u>	<u>-</u>	<u>-</u>	<u>59,820</u>	<u>145,205</u>
Income from charitable activities						
Membership services		749,445	6,317	-	755,762	729,568
Sector support services		661,599	-	-	661,599	616,971
Projects & contracts	3	4,394	-	1,457,580	1,461,974	909,151
Events, publicity and commercial		401,696	-	-	401,696	391,085
		<u>1,817,134</u>	<u>6,317</u>	<u>-</u>	<u>1,457,580</u>	<u>3,281,031</u>
		<u>1,902,519</u>	<u>6,317</u>	<u>-</u>	<u>1,517,400</u>	<u>2,732,415</u>
Total income						
Expenditure						
Expenditure on raising funds						
Facilities hire		5,713	240	-	-	6,309
Expenditure on charitable activities						
Membership services		595,353	389,267	-	984,620	831,913
Sector support services		982,543	71,767	-	1,054,310	1,053,098
Projects & contracts		202,295	52,091	-	1,341,480	1,169,270
Events, publicity and commercial		240,773	2,429	-	243,202	274,444
Other expenditure						
Property revaluation		-	-	(23,600)	-	-
		<u>2,026,677</u>	<u>515,794</u>	<u>(23,600)</u>	<u>1,341,480</u>	<u>3,860,351</u>
	4	<u>2,026,677</u>	<u>515,794</u>	<u>(23,600)</u>	<u>1,341,480</u>	<u>3,860,351</u>
Total resources expended		<u>2,026,677</u>	<u>515,794</u>	<u>(23,600)</u>	<u>1,341,480</u>	<u>3,860,351</u>
Net income/(expenditure)		(124,158)	(509,477)	23,600	175,920	(602,619)
Transfers between funds	13	(348,663)	360,463	(11,800)	-	-
Net movement in funds		(472,821)	(149,014)	11,800	175,920	(602,619)
Total funds brought forward	13	1,355,641	325,103	728,200	87,206	3,098,769
Total funds carried forward	13	<u>882,820</u>	<u>176,089</u>	<u>740,000</u>	<u>263,126</u>	<u>2,496,150</u>

The notes on pages 26 to 37 form part of these financial statements

National Day Nurseries Association

Charity Balance Sheet

As at 31 March 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	9	868,621	863,705
Intangible assets	10	16,666	41,666
Investments	11	1	1
		885,288	905,372
Current assets			
Stock		12,500	19,583
Trade debtors		151,652	88,910
Prepaid expenses		73,894	64,505
Accrued income		155,053	137,324
Investments		1,064,905	1,912,524
Cash at bank and in hand		342,741	7,448
		1,800,745	2,230,294
Liabilities			
Creditors: amounts falling due within one year:			
Bank loans and overdrafts		-	18,374
Trade creditors		45,998	79,563
Other creditors		700	1,287
Taxes and social security creditors		66,109	50,585
Accrued expenses		64,388	61,788
Deferred income	12	446,803	427,919
		623,998	639,516
Net current assets		1,176,747	1,590,778
Net assets		2,062,035	2,496,150
Funds			
Unrestricted funds	13	1,058,909	1,680,744
Restricted funds	13	263,126	87,206
Endowment funds	13	740,000	728,200
		2,062,035	2,496,150

Approved by the board of directors and Trustees on 10 November 2025 and signed on its behalf by

Jane Haywood

Signer ID: HD1YGP3S...

Jane Haywood
Director and Trustee

The notes on pages 26 to 37 form part of these financial statements

National Day Nurseries Association
Charity Statement of Cash Flows
For the year ended 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by operating activities	17	(524,022)	(472,147)
Cash flows from investing activities			
Interest income		76,167	81,280
Withdrawal from / (investment in) term deposits		847,619	(380,446)
Purchase of tangible fixed assets		(46,097)	(46,495)
Purchase of intangible fixed assets		-	(50,000)
Net cash used in investing activities		877,689	(395,661)
Cash flows from financing activities			
(Repayment of) loans in year		-	-
Net cash used in financing activities		-	-
Increase / (decrease) in cash and cash equivalents in the year		353,667	(867,808)
Cash and cash equivalents at beginning of the year		(10,926)	856,882
Cash and cash equivalents at end of the year		342,741	(10,926)

The notes on pages 26 to 37 form part of these financial statements

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

1 Accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006. The financial statements are prepared under the historical cost convention with the exception of land and buildings, which have been included at their revalued amount.

The trustees consider that the charity constitutes a public benefit entity.

b) Going concern

The trustees have considered the current position and budgets of the charity, and after making appropriate enquiries they have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Incoming resources

Income from charitable activities other than grant funding is accounted for when there is entitlement to the income. Income is deferred where delivery of services relates to future periods. Revenue grant funding is accounted for upon entitlement to the income and is deferred where time restrictions apply to related expenditure. Investment income and other trading income is accounted for on an accruals basis. Donations are accounted for as they arise. All income is included gross and related costs are included in expenditure. All income is stated after trade discounts, other sales taxes and net of VAT.

d) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Expenditure that is directly attributable to specific activities has been included in these cost categories.

Where costs are attributable to more than one activity, they have been apportioned across the cost categories consistent with the use of these resources. Any creditors or provisions at the year-end are apportioned on the same basis.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both those costs that can be allocated directly to such activities and those costs of an indirect nature to support them.
- Governance costs include those costs incurred in the governance of the charity and its assets, and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions that have been allocated to activity cost categories on a basis consistent with the staff time engaged on each activity.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

1 Accounting policies - continued

e) Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities on a straight-line basis over the period of the lease.

f) Pension costs

The charity operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Pension costs are attributed to the activity performed by the staff member to whom the cost relates.

g) Intangible Fixed assets

Intangible fixed assets are stated at historical cost and amortisation is provided on all intangible fixed assets on a straight-line basis.

Intellectual property is written off over the length of the non-competition clause.

Amortisation rates are as follows:

Intellectual property	50% straight line
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Assets are assessed at least annually for impairment. Any impairment value is recognised immediately in the statement of financial activities. Individually purchased software is written off in the year of acquisition.

h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and any costs directly attributable to bringing the asset to its working condition for its intended use.

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

Land	not depreciated
Buildings	2% straight line
Equipment etc.	equal instalments over estimated life of 4 to 8 years.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

1 Accounting policies - continued

i) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due deductions for obsolete and slow moving items.

Stocks are valued using the first-in, first-out (FIFO) method.

j) Current asset investments

Current asset investments comprise term bank deposits not realisable within 3 months and which are held to generate interest income.

k) Government grants

Government grants received towards revenue costs are recognised within the financial statements when the charity has entitlement and in accordance with the provisions of FRS102 on either the performance or accruals model on a class-by-class basis.

l) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charity's objects.

Designated funds are unrestricted funds, which are determined by specific need to set aside funds to fund future developments in the charity, maintain the building and develop IT infrastructure.

Restricted funds are held where there are restrictions imposed by the donor on the use of the funds granted. All restricted funds are held in net current assets.

Endowment funds represent assets purchased with grant funding. Transfers are made to unrestricted funds to cover depreciation charges.

m) Taxation

The charity meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is exempt from taxation in accordance with the Corporation Tax Act 2010, to the extent that such income is applied exclusively for charitable purposes.

n) Liability of members

The company is limited by guarantee and the liability of each member is limited to £1.

o) Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from the actual results. They are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

1 Accounting policies - continued

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of land and buildings:

The land and buildings are held in the Balance Sheet at valuation and the basis for valuation is fair value.

p) Financial instruments

The charity has adopted section 11 of FRS 102 in respect of financial instruments.

Short-term debtors are measured at transaction price, less any impairment.

Short-term creditors are measured at transaction price.

q) General information

The charity is a private company limited by guarantee and is incorporated in England and Wales.

The address of its registered office is National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ.

The company's register number is 03738616.

r) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as any short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

s) Termination benefits

Termination benefits are recognised when the company has committed to providing them to employees.

They are measured at the best estimate required to settle the obligation at the reporting date.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

2 Donations	2025	2024
	£	£
The Moondance Foundation Donation	59,820	-
Other	-	837
	59,820	837

3 Projects and contracts	2025	2024
	£	£
Welsh Government	390,742	333,360
Scottish Government	145,000	145,000
Other	926,232	430,791
	1,461,974	909,151
Included in the above are restricted funds:		
Welsh Government	390,742	333,360
Scottish Government	145,000	145,000
Other	921,838	420,016
	1,457,580	898,376

Included in the above, the amount of grants total £1,457,580 (2024: £898,376).

Also included in the above are government grants totalling £733,620 (2024: £526,742).

4 Total resources expended	Direct delivery staff costs	Other delivery costs	Support incl staff costs	Depreciation/ Impairment	Total 2025
	£	£	£	£	£
Facilities hire	2,969	160	2,625	199	5,953
Membership services	293,652	469,389	206,183	15,396	984,620
Sector support services	488,115	120,518	416,817	28,860	1,054,310
Projects & contracts	880,965	101,737	569,858	43,306	1,595,866
Events, publicity and commercial	46,788	167,814	26,580	2,020	243,202
Other expenditure: revaluation of property	-	-	-	(23,600)	(23,600)
	1,712,489	859,618	1,222,063	66,181	3,860,351
2024 Comparatives					
	£	£	£	£	£
Facilities hire	2,917	106	3,108	178	6,309
Membership services	282,601	250,351	285,237	13,724	831,913
Sector support services	452,304	138,772	437,842	24,180	1,053,098
Projects & contracts	588,320	80,894	472,888	27,168	1,169,270
Events, publicity and commercial	79,933	142,523	49,164	2,824	274,444
	1,406,075	612,646	1,248,239	68,074	3,335,034

Allocation of support costs is based on staff time engaged on each activity.

	2025	2024
	£	£
Support costs include:		
Staff costs	1,106,689	838,626
IT support	188,229	140,883
Consultancy costs	22,100	103,421
Premises	50,701	43,206
Governance	29,689	31,651
Marketing	25,115	33,400

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

4 Total resources expended - continued

Total resources expended include:	2025	2024
	£	£
Operating lease rentals	9,047	8,679
Professional indemnity insurance	2,616	2,847
Auditors remuneration:		
Audit	15,350	14,950
Other services	-	-

5 Staff costs

	2025	2024
	£	£
Wages and salaries	2,411,344	1,940,550
Social security costs	216,941	179,133
Pension costs	130,687	109,174
Staff insurance	11,684	10,609
Agency staff costs	20,757	5,235
	<u>2,791,412</u>	<u>2,244,701</u>

There were five employees with remuneration in excess of £60,000: Band £60,001 to £70,000 = 4; £110,001 to £120,000 = 1 (2024: Band £60,001 to £70,000 = 3; Band £110,001 to £120,000 = 1).

The key management personnel of the charity comprises the Chief Executive and Senior Management Team whose employee benefits total £511,798 (2024: £497,832).

The average number of staff employed by the charity and group during the year was 85 (2024: 64).

The average full time equivalent number of staff employed by the charity was as follows:

	2025	2024
	Number	Number
Charitable activities	50	40
Support staff	20	16
	<u>70</u>	<u>56</u>
Included in full time equivalent staff are participants on job creation programmes	5	2

6 Pension costs

The company has contributed £130,686 (2024: £109,174) into a Group Personal Pension Plan for its employees.

At the end of the year £700 (2024: £1,286) was owing in unpaid contributions.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

7 Trustees remuneration and expenses

No remuneration was paid directly to trustees during the year. See Note 16 for details of other payments to trustees.

Expenses incurred by the charity for the purpose of trustees carrying out their duties were £3,976, 7 trustees (2024: £3,255, 9 trustees).

Cost of professional indemnity insurance including trustee indemnity amounted to £2,616 (2024: £2,847).

8 Charity statement of financial activities

2024 Comparatives

	Notes	Unrestricted				Total 2024
		Unrestricted Funds	Designated Funds	Endowment Fund	Restricted Funds	
		£	£	£	£	£
Income						
Donations	2	837	-	-	-	837
Other trading activities						
Facilities hire		3,523	-	-	-	3,523
Income from investments		81,280	-	-	-	81,280
		<u>85,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,640</u>
Income from charitable activities						
Membership services		729,568	-	-	-	729,568
Sector support services		616,971	-	-	-	616,971
Projects & contracts	3	10,775	-	-	898,376	909,151
Events, publicity and commercial		391,085	-	-	-	391,085
		<u>1,748,399</u>	<u>-</u>	<u>-</u>	<u>898,376</u>	<u>2,646,775</u>
Total income		<u>1,834,039</u>	<u>-</u>	<u>-</u>	<u>898,376</u>	<u>2,732,415</u>
Expenditure						
Expenditure on raising funds						
Facilities hire		5,858	451	-	-	6,309
Expenditure on charitable activities						
Membership services		600,772	231,141	-	-	831,913
Sector support services		975,057	78,041	-	-	1,053,098
Projects & contracts		32,134	68,625	-	1,068,511	1,169,270
Events, publicity and commercial		267,310	7,134	-	-	274,444
Other expenditure						
Reversal of property impairment		-	-	-	-	-
Total resources expended	4	<u>1,881,131</u>	<u>385,392</u>	<u>-</u>	<u>1,068,511</u>	<u>3,335,034</u>
Net income/(expenditure)		(47,092)	(385,392)	-	(170,135)	(602,619)
Transfers between funds	13	(511,579)	523,379	(11,800)	-	-
Net movement in funds		(558,671)	137,987	(11,800)	(170,135)	(602,619)
Total funds brought forward	13	1,914,312	187,116	740,000	257,341	3,098,769
Total funds carried forward	13	<u>1,355,641</u>	<u>325,103</u>	<u>728,200</u>	<u>87,206</u>	<u>2,496,150</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

9 Tangible assets	Long leasehold land and buildings £	Equipment etc. £	Total £
Cost or valuation			
At 1 April 2024	740,000	270,853	1,010,853
Additions	-	46,097	46,097
At 31 March 2025	740,000	316,950	1,056,950
Depreciation			
At 1 April 2024	11,800	135,348	147,148
Charge for the year	11,800	52,981	64,781
Eliminated on revaluation	(23,600)	-	(23,600)
At 31 March 2025	-	188,329	188,329
Net book value			
At 31 March 2025	740,000	128,621	868,621
At 31 March 2024	728,200	135,505	863,705

The land and buildings are included at valuation based on a combination of the All Risks Yield (Investment) method of valuation and the traditional comparable method. A valuation, dated 31 March 2025, was undertaken by Bramleys LLP, independent RICS registered valuers.

The historical cost of the land and buildings and accumulated depreciation had it not been revalued would have been as follows:

	2025 £	2024 £
Cost	1,395,715	1,395,715
Accumulated depreciation	(444,586)	(422,255)
	951,129	973,460
The historical valuations were:		
31 March 2025	£ 740,000	
31 March 2023	£ 740,000	
31 March 2022	£ 740,000	
31 March 2020	£ 735,000	

10 Intangible assets	Intellectual Property £	Total £
Cost or valuation		
At 1 April 2024	50,000	50,000
Additions	-	-
At 31 March 2025	50,000	50,000
Amortisation		
At 1 April 2024	8,334	8,334
Charge for the year	25,000	25,000
At 31 March 2025	33,334	33,334
Net book value		
At 31 March 2025	16,666	16,666
At 31 March 2024	41,666	41,666

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

11 Investments	Shares in group undertakings
Cost at 31 March 2024 and 31 March 2025	£ <u>1</u>
Net book value at 31 March 2024 and 31 March 2025	<u>1</u>

The company's investments at the balance sheet date consist of 100% of the ordinary share capital of its subsidiary NDNA Services Limited, company number 07520697, whose registered office is National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ.

NDNA Services Limited is dormant.

12 Deferred income	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
	£	£	£	£	£
Balance at 1 April 2024	358,592	13,463	22,029	33,835	427,919
Released from previous year	(358,592)	(13,463)	(22,029)	(33,835)	(427,919)
Deferred in current year	383,353	-	38,393	25,057	446,803
Balance at 31 March 2025	<u>383,353</u>	<u>-</u>	<u>38,393</u>	<u>25,057</u>	<u>446,803</u>

Deferred income refers to delivery of services in the following financial year.

2024 Comparatives	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
	£	£	£	£	£
Balance at 1 April 2023	346,249	81,745	35,001	35,685	498,680
Released from previous year	(346,249)	(81,745)	(35,001)	(34,067)	(497,062)
Deferred in current year	358,592	13,463	22,029	32,217	426,301
Balance at 31 March 2024	<u>358,592</u>	<u>13,463</u>	<u>22,029</u>	<u>33,835</u>	<u>427,919</u>

13 Analysis of charitable funds	Balance at 1.4.24	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.25
	£	£	£	£	£
Unrestricted funds	1,680,744	1,908,836	(2,542,471)	11,800	1,058,909
Endowment fund	728,200	-	23,600	(11,800)	740,000
Restricted funds	87,206	1,517,400	(1,341,480)	-	263,126
	<u>2,496,150</u>	<u>3,426,236</u>	<u>(3,860,351)</u>	<u>-</u>	<u>2,062,035</u>

Analysis of movement in unrestricted funds	Balance at 1.4.24	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.25
	£	£	£	£	£
General fund	1,355,641	1,902,519	(2,026,677)	(348,663)	882,820
Designated development fund	300,616	6,317	(458,861)	270,322	118,394
Designated buildings fund	6,759	-	(3,620)	-	3,139
Designated IT fund	17,728	-	(53,313)	90,141	54,556
	<u>1,680,744</u>	<u>1,908,836</u>	<u>(2,542,471)</u>	<u>11,800</u>	<u>1,058,909</u>

Name of unrestricted fund	Description, nature and purpose of fund
General fund	The reserves after allowing for all designated funds.
Designated development fund	Designated fund for developing services that will support sustainability. There are a number of projects ongoing which are expected to continue during 2025-26.
Designated buildings fund	Designated fund for office furniture and equipment purchased (and capitalised) in 2018, 2020, 2021 and 2022.
Designated IT fund	Designated fund for finance software purchased (and capitalised) in 2019, CRM and website purchased (and capitalised) in 2022.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

13 Analysis of charitable funds - continued

Analysis of movement in restricted funds	Balance at 1.4.24	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.25
	£	£	£	£	£
Welsh Government Children & Families	58,271	214,076	(191,212)	-	81,135
Welsh Government Language Unit	-	116,666	(116,666)	-	-
Welsh Government Foundation Learning	-	60,000	(60,000)	-	-
Scottish Government Strategic Funding Partnership	-	145,000	(145,000)	-	-
UK Shared Prosperity Fund	-	127,991	(127,991)	-	-
The Veterans' Foundation	-	24,682	-	-	24,682
The Moondance Foundation	-	59,820	(29,910)	-	29,910
The Armed Forces Covenant Fund Trust	-	68,210	(37,547)	-	30,663
East Ayrshire Local Employability Partnership	-	69,887	(69,887)	-	-
Baily Thomas Charitable Trust	-	10,000	-	-	10,000
Best Practice Network	-	17,500	(17,500)	-	-
Education Endowment Fund	-	430,229	(430,229)	-	-
Early Years Stronger Practice Hubs	-	3,000	(3,000)	-	-
The Mercers' Company	28,935	65,340	(75,538)	-	18,737
The Foyle Foundation	-	50,000	(37,000)	-	13,000
Eastern Counties Educational Trust	-	25,000	-	-	25,000
Peter Harrison Foundation	-	30,000	-	-	30,000
	<u>87,206</u>	<u>1,517,401</u>	<u>(1,341,480)</u>	<u>-</u>	<u>263,127</u>

Key incoming resources:

Welsh Government Children & Families - grant awarded to support the development of innovative solutions to provide flexible childcare that meets the needs of families in Wales.

Welsh Government Language Unit - grant for support of early years settings with the Welsh language training programme.

Welsh Government Foundation Learning - grant for the support of the delivery of Curriculum for Wales in non-maintained early years settings.

Scottish Government Strategic Funding Partnership - grant to support best practice in delivering Early Learning and Childcare policy and improvement of quality in Private, Voluntary and Independent nurseries.

UK Shared Prosperity Fund - additional UKSPF funding received from Conwy County Borough Council and Pembrokeshire Council, which has enabled NDNA to offer people facing barriers to employment the opportunity to gain childcare qualifications and practical experience through our Childcare Works employment programme.

The Veterans' Foundation - grant to support us in delivering our successful and highly effective Childcare Works training and employability programme.

The Moondance Foundation - donation to introduce people into employment in childcare via NDNA's Childcare Works programme in Wales.

The Armed Forces Covenant Fund Trust - funding to enable us to deliver our highly effective Childcare Works training and employment programme to partners of serving military personnel in England and in Wales.

East Ayrshire Local Employability Partnership - grant funding to deliver the Childcare Works employment programme across East Ayrshire, introducing people into employment in Early Learning and Childcare.

Baily Thomas Charitable Trust - grant for the development of a bespoke module to increase staff confidence in delivering early education and childcare specifically to children with learning disabilities. The content will be incorporated into NDNA's Championing SEND training course.

Best Practice Network - grant for working alongside as Delivery Partners to train, mentor and assess learners undertaking the Early Years SENCO Level 3 qualification.

Education Endowment Fund/DfE - Accelerator Fund - grant for larger scale delivery of /DfE - Accelerator Fund - grant for larger scale delivery of the Maths Champions programme.

Early Years Stronger Practice Hubs - grant for the delivery of our Maths Champions programme.

The Mercers' Company, as trustee of the Charity of Sir Richard Whittington - grant supporting NDNA to deliver Maths Champions and Language & Communication Champion programmes into 18 of the most deprived boroughs in Greater London.

The Foyle Foundation - grant awarded for a bespoke 24-week training programme for childcare practitioners, providing them with the knowledge and skills required to engage with children with SEND through the power of music.

Eastern Counties Educational Trust - grant to deliver specialist music training to nursery staff supporting children with SEND in deprived areas of the Eastern region of England.

Peter Harrison Foundation - grant to enable delivery of our Championing SEND professional development programme to 46 childcare settings in the South East of England, in areas ranked 1-2 on the Index of Multiple Deprivation.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

13 Analysis of charitable funds - continued

2024 Comparatives

Analysis of charitable funds	Balance at 1.4.23 £	Incoming resources £	Outgoing resources £	Transfer between funds £	Balance at 31.3.24 £
Unrestricted funds	2,101,428	1,834,039	(2,266,523)	11,800	1,680,744
Endowment fund	740,000	-	-	(11,800)	728,200
Restricted funds	257,341	898,376	(1,068,511)	-	87,206
	<u>3,098,769</u>	<u>2,732,415</u>	<u>(3,335,034)</u>	<u>-</u>	<u>2,496,150</u>

Analysis of movement in unrestricted funds	Balance at 1.4.23 £	Incoming resources £	Outgoing resources £	Transfer between funds £	Balance at 31.3.24 £
General fund	1,914,312	1,834,039	(1,881,131)	(511,579)	1,355,641
Designated development fund	56,159	-	(213,439)	457,896	300,616
Designated buildings fund	14,033	-	(7,274)	-	6,759
Designated IT fund	116,924	-	(164,679)	65,483	17,728
	<u>2,101,428</u>	<u>1,834,039</u>	<u>(2,266,523)</u>	<u>11,800</u>	<u>1,680,744</u>

Analysis of movement in restricted funds	Balance at 1.4.23 £	Incoming resources £	Outgoing resources £	Transfer between funds £	Balance at 31.3.24 £
Welsh Government Children & Families	183,079	134,076	(258,884)	-	58,271
Welsh Government Language Unit	-	139,284	(139,284)	-	-
Welsh Government Foundation Learning	-	60,000	(60,000)	-	-
Scottish Government Strategic Funding Partnership	-	145,000	(145,000)	-	-
Shared Prosperity Fund	-	33,607	(33,607)	-	-
The Moondance Foundation	74,262	-	(74,262)	-	-
East Ayrshire Local Employability Partnership	-	14,775	(14,775)	-	-
Best Practice Network	-	78,500	(78,500)	-	-
Education Endowment Fund	-	172,564	(172,564)	-	-
Early Years Stronger Practice Hubs	-	51,126	(51,126)	-	-
The Mercers' Company Foundation	-	69,444	(40,509)	-	28,935
	<u>257,341</u>	<u>898,376</u>	<u>(1,068,511)</u>	<u>-</u>	<u>87,206</u>

14 Analysis of net assets between fund balances

	Unrestricted funds £	Designated funds £	Endowment funds (restricted) £	Restricted funds (other) £	Total 2025 £
Tangible fixed assets	30,750	97,871	740,000	-	868,621
Intangible fixed assets	-	16,666	-	-	16,666
Investments	1	-	-	-	1
Net current assets	852,069	61,552	-	263,127	1,176,748
	<u>882,820</u>	<u>176,089</u>	<u>740,000</u>	<u>263,127</u>	<u>2,062,036</u>

2024 Comparatives

	Unrestricted funds £	Designated funds £	Endowment funds (restricted) £	Restricted funds (other) £	Total 2024 £
Tangible fixed assets	49,179	86,326	728,200	-	863,705
Intangible fixed assets	-	41,666	-	-	41,666
Investments	1	-	-	-	1
Net current assets	1,306,461	197,111	-	87,206	1,590,778
	<u>1,355,641</u>	<u>325,103</u>	<u>728,200</u>	<u>87,206</u>	<u>2,496,150</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2025

15 Operating lease commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025	2024
	£	£
Operating leases which expire:		
within one year	9,080	8,763
in two to five years	2,289	9,341
	11,369	18,104

16 Related parties disclosures

The company has taken advantage of the exemption in Financial Reporting Standard number 102 from the requirement to disclose the transactions with group companies on the grounds that they are wholly owned.

Payments to trustees are in line with the Memorandum and Articles of Association.

£5,000 (2024: Nil) was paid for the legal services of Lupton Fawcett, a firm in which trustee David Smyllie is a partner.

Christie & Co, a company in which Courteney Donaldson is a Director, paid the charity £15,300 (2024: £17,444) for advertising and sponsorship. At the end of the year Christie & Co owed the charity Nil (2024: £4,908).

17 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2025	2024
	£	£
Net movement in funds	(434,115)	(602,619)
Add back depreciation charge	64,781	55,695
Add back amortisation charge	25,000	8,333
Loss on disposal of fixed assets	-	4,045
Deduct property revaluation	(23,600)	-
Deduct interest income shown in investing activities	(76,167)	(81,280)
Decrease / (increase) in stock	7,083	(7,053)
Decrease / (increase) in debtors	(89,860)	185,690
(Decrease) in creditors	2,856	(48,010)
Decrease in amount due from group company	-	13,052
Net cash provided by operating activities	(524,022)	(472,147)

18 Analysis of changes in net debt

	Balance at 1.4.24	Cash-flows	Balance at 31.3.25
	£	£	£
Cash at bank and in hand	7,448	335,293	342,741
Bank loans and overdrafts	(18,374)	18,374	-
TOTAL	(10,926)	353,667	342,741

NATIONAL DAY NURSERIES ASSOCIATION

England & Wales - Charity number 1078275

Accounts



National Day Nurseries Association

National Day Nurseries Association

(A charitable company limited by guarantee)

Financial Statements for the year ended 31 March 2024

Company registration No. 03738616

Registered charity No. 1078275 (England & Wales)
SCO40610 (Scotland)

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National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

Name	National Day Nurseries Association (NDNA)
Company number	03738616
Charity number	1078275 (England and Wales) / SCO40610 (Scotland)
Registered office	National Early Years Enterprise Centre, Longbow Close, Huddersfield, HD2 1GQ
Scotland office	The Mansfield Traquair Centre, 15 Mansfield Place, Edinburgh, EH3 6BB
Wales office	3 Connaught House, Riverside Business Park, Benarth Road, Conwy, LL32 8UB
Website	www.ndna.org.uk
Auditor	BHP LLP, New Chartford House, Centurion Way, Cleckheaton BD19 3QB
Bankers	NatWest Bank, Commercial Banking, 2 nd Floor, 8 Market Place, Huddersfield, HD1 2AN
Solicitors	Lupton Fawcett, Yorkshire House, East Parade, Leeds, LS1 5BD

Board of trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are referred to as the trustees. The trustees report includes requirements of the Directors' report as required by company law. The trustees who served during the year were as follows:

Sarah Steel (Chair)	
Tina Jones	(resigned November 2023)
Hazel Moody	
Courteney Donaldson	
Jane Haywood (Vice Chair)	
David Smyllie	
Ann McEwan	(resigned November 2023)
Dave Poulson (Treasurer)	
Tracey Storey	(resigned August 2023)
Sally Bonnar	(resigned February 2024)
Philip Siddell	
Lesley Dawson	
Susan Hill	(appointed November 2023)
Nikola Masters	(appointed November 2023)

Company Secretary and Chief Executive Purnima Tanuku

Senior Management Team
Dr Sara Bonetti
Jonathan Broadbery
Cara Brundle
Gayle Seekins
Alan Wadsworth
Stella Ziolkowski

Qualifying third party indemnity provisions

The charity purchased insurance for liabilities incurred by its trustees in carrying out their duties.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

Structure, Governance and Management

Governing document

National Day Nurseries Association is a company limited by guarantee governed by its Memorandum and Articles of Association dated 20 September 1999 with the latest amendment in 2022. It is registered as a charity with the Charity Commission in England and Wales and with the Office of the Scottish Charity Regulator in Scotland.

Appointment of trustees

The Strategic Board currently comprises 10 trustees including a National Chair and Vice Chair. They represent the membership across England, Scotland, and Wales. Four are co-opted from wider sectors to support the work of the Board and add special expertise.

At every Annual General Meeting, one-third of the Board is subject to retirement by rotation. Nominations are invited through advertising in Nursery News and elections held to appoint new trustees. If there are no other nominations and the retiring trustee is willing, they will be reappointed for a further term of office with agreement by the Board.

Trustee induction and training

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. They meet key employees of the charity and are encouraged to attend external training events as appropriate. A two-day board strategy event and training is held annually.

Organisation

The strategic board administers the charity and meets at least 6 times a year in person or virtually. Three policy advisory boards, made up of providers and early years experts, advise the strategic board on policy issues specific to the 3 nations. The Chief Executive, Purnima Tanuku, is appointed by the strategic board to manage the day-to-day operation of the charity. The Chief Executive has delegated authority for dealing with matters such as finance and employment.

Risk management

There is a robust risk assessment and management process established. This includes:

- Reviewing and monitoring both the strategic and operational risks the charity may face.
- Establishment of systems and procedures to measure and control risks identified.
- Implementation of control measures to minimise any potential impact on the charity if risks materialise.

A 'traffic-light' risk reporting system is in use linking the organisation's performance monitoring framework and financial performance.

The principal risk and uncertainty facing the charity is a volatile economic climate affecting both the sector and NDNA. High inflation impacts business costs and household expenditure and may impact demand for providers. At the same time, public spending cuts following the pandemic could result in funded childcare places coming under pressure and a reduction in income from central government and local authority contracts, along with increased competition for all services and contracts. Our strategy for managing this risk has enabled us to achieve a balanced portfolio of income streams by focusing on developing a wider customer base in the UK and beyond and building a portfolio to suit their needs.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

Objectives and activities

NDNA's vision and mission

The charity's vision is for all children and families to flourish through high quality early childhood education and care.

The charity's mission is to lead and empower the sector so that nurseries and the early years workforce deliver sustainable, high quality early childhood education and care.

NDNA's aims and objectives for the year

The strategic aims NDNA set out for 2023/24 are:

- **Promote and defend** the value of early education and the providers & practitioners who deliver it.
- Represent members, as the strongest **voice of the early years sector** across the UK.
- **Influence policy** development and delivery by lobbying governments in England, Scotland & Wales.
- Provide access to the **support, products, and services** the sector needs to continually improve quality and practice, in the best interests of children.
- Manage a **strong and sustainable charity**, futureproofing NDNA so we can continue to support our Vision, Mission, and Goals.

Promote and defend ... – NDNA's #Firstfiveyearscount campaign continued to celebrate the early years sector and all they do to make the first five years of a child's life count. This campaign aimed to increase understanding of the importance of the early childhood education, improve the perception of the early years workforce as educators of children aged 0-5, address the recruitment and retention crisis and boost the positive feedback the workforce receives. The campaign featured a promotional hub video, careers information, toolkits for employers and regular sharing of positive messages via the Super Stars sub-campaign. By 31st March 2024, this campaign had reached over 160,000 people.

... voice of the early years sector ... – As the voice of the 22,000-strong nursery sector, NDNA is an integral part of the lives of more than a million young children and their families. The charity provides information, training and advice, which supports nurseries - and the 370,00 people who work in them - to deliver world-class early learning and childcare. Working closely with local and national governments in England, Scotland, and Wales, we deliver a comprehensive programme of policy work. Conducting our own research, we campaign on the cost, choice, and quality of childcare to benefit children, their families, nurseries, and the economy.

Influence policy ... 2023-24 was a crucial year for the early years sector. The Chancellor's Spring Budget in March 2023 announced investment of £4 billion to deliver a phased programme of increasing funded childcare to all children of working families from the end of maternity leave to starting school. Ahead of the expected General Election in 2024, NDNA brought together a series of academics, sector experts, policy think-tanks, parent groups and providers for a series of focused roundtable discussions over the summer of 2023 and presented the findings in a Blueprint for Early Education and Care. At the same time, inflation continued to place upward pressure on providers' operating costs with research conducted across England, Scotland and Wales used to inform funding discussions with respective Governments. This saw pledged uplifts of £500m in the Spring Budget 2024 for funding in England to rise in line with inflation and wages. The Scottish Government pledged £16 million to improve funding rates by a minimum of 7.6% and the Welsh Government announced plans to review funding rates in the coming financial year.

... support, product and services ... – The range of services delivered by NDNA includes membership support services; accredited and non-accredited training programmes both face-to-face and online via the NDNA Early Years Development Zone, live virtual classroom, and webinars; events and conferences; publications; business

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

support; Quality Counts accreditation and Millie's Mark, Physical Activity and Nutrition Coordinators (PANCos) and Maths Champions. MyNDNA and the NDNA Early Years Development Zone provide the early years workforce with direct access to up-to-date training and support. Research evidence tells us that ongoing development and support helps practitioners to improve the quality of their practice, which in turn improves children's developmental experiences. For this reason, in 2023-24, NDNA also invested in the development of the Institute of Early Years Education. We also provide information and support to child-carers and parents via our website and myNDNA.

Manage a strong & sustainable charity ... – Effective delivery of the charity's mission is only possible if we are financially sustainable to support the sector. We manage our resources carefully and everyone plays an active part in the business planning process. The strategic challenges facing NDNA are discussed at Board level and all staff are involved in developing the business plan. Ultimate responsibility for decision-making rests with the Board, supported by the Chief Executive and Senior Management Team.

The charity has a wholly owned subsidiary, NDNA Services Limited.

NDNA does not fundraise from the public.

Shaping the future of early education and care

While inflation reached a peak in October 2022, this year was dominated by rising cost pressures on early years providers as governments in England, Scotland and Wales all tried to address the cost-of-living crisis facing families with promises of more support on the cost of early education and care.

In England the Government put plans in place to deliver a phased increase in funded hours to working families. This meant families with children aged two and over became eligible for 15 hours' funded childcare over 38 weeks of the year from April 2024. This entitlement was extended to children from nine months of age from September 2024 with the final phase extending the entitlement to 30 hours for all these children from September 2025. DfE estimates state that this will mean delivering 85,000 additional places and will require 40,000 additional staff in the sector by September 2025.

The Scottish Government's programme for Government in September 2023 committed to continuing to expand the funded offer to two-year-olds, starting with those on the lowest income. It also identified six areas to pilot childcare systems from nine months to the end of primary school.

The Welsh Government continued to deliver the planned expansion of funded childcare to all two-year-olds through the Flying Start programme with the final phase of the expansion expected to start from 2024/25.

To ensure the pressures on providers were well understood against a backdrop of expected expansion of offers to families, rising demand and ongoing increases to operating costs, NDNA conducted a series of research with providers about costs, staffing challenges and sustainability. These showed that, 83% of providers in England, 70% in Scotland and a shocking 97% of those in Wales said that the funding they receive for three and four-year-old funded places do not cover their costs. As a result, a worrying 91% of respondents from Wales said they were operating at a loss or just breaking even. The figures were 73% of English nurseries and 70% of those in Scotland saying the same thing.

With ongoing workforce pressures facing providers NDNA also conducted research on readiness for the expansion in England and likely demand. We found that three-quarters already had a waiting list for one and two-year-olds and 74% said they would take on more children if they had the staff but were unable to recruit them. Space was also an issue with 67% saying they would need to physically expand to accommodate more children but access to capital funding would be needed to support this in most cases.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

In previous years NDNA had given evidence to Parliament about issues with childcare funding under Universal Credit and supported a parent's legal challenge to the up-front payment requirement. This approach meant a parent returning to work would have to cover the upfront childcare costs of a deposit or first month's payment and then claim it back. This created a barrier to work as well as causing cash flow problems to settings if payment deadlines were missed or Universal Credit payments delayed. Almost 40% of NDNA members agreed that this requirement had stopped a parent on Universal Credit from being able to take up a place. The Department of Work and Pensions agreed to change this from June 2023 while at the same time increasing the cap on the amounts parents could claim to reflect rising costs.

Other NDNA research highlighted a 50% increase in closures of nurseries in England in the 12 months up to September 2023. Our annual FOI request to local authorities found that, in the financial year 2021-22, £46 million of early years budgets remained unspent by councils and the main use of these unspent funds was to off-set deficits in other parts of the schools budget, especially the High Needs Block. This has been an issue ever since the funded childcare policy was expanded and shows the need to tackle overspends on SEND and for reform of the childcare funding system. NDNA responded to a DfE consultation on the Early Years National Funding Formula.

Across the year NDNA supported our members to engage with consultations and responded on their behalf to three consultations in Scotland, three Consultations in Wales and six consultations in England. These ranged from funding formulae to regulatory complaints processes, tackling child sexual abuse and changes to the EYFS. We also presented evidence to the Low Pay Commission and the Migration Advisory Committee on workforce challenges and pay concerns. Representatives from NDNA also gave evidence to two Parliamentary hearings in Scotland, one each in England and Wales as well as a National Audit Office inquiry into support for children from deprived backgrounds. This led to several NDNA policy proposals being included in these reports.

Ahead of the expected General Election in 2024, NDNA brought together a series of academics, sector experts, policy think-tanks, parent groups and providers for a series of focused roundtable discussions over the summer of 2023 and published the findings in a Blueprint for Early Education and Care. This was endorsed by several other charities and organisations and was presented at both the Labour and Conservative party conferences to get decision makers to engage with the challenges for the sector as well as the solutions and priorities for the future. NDNA will continue to engage with members to turn these principles into identified policy asks for any future governments in the UK and devolved nations.

Achievements and performance

The ethos behind NDNA's charitable vision and mission is to support excellence in the early years workforce, whilst driving quality and sustainability in early years enterprise. To achieve this, our approach is to ensure that the child is at the centre of all that we do to support business and workforce improvement.

High quality, evidence-based practice underpins all NDNA services and activities that NDNA provides. Our Quality Statement clearly defines what represents quality in early years settings. We support our members and the wider early years community to focus on delivering the highest quality provision for children, whilst remaining sustainable as businesses, charities or not for profit enterprises.

We passionately believe that children should be at the heart of all policy making and that quality can only be achieved when nurseries are sustainable businesses, with dedicated leadership and management. Leadership provides a vision for the nursery and supports practitioners to be reflective individuals with a commitment to continuous professional improvement. In turn, this helps to ensure that every child in the nursery community gets the best start in life. This includes children from all backgrounds and abilities where early assessment of their needs, capabilities and interests helps to secure any additional help they may need.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

NDNA's Impact on the Workforce

Throughout this financial year, the sector continues to experience financial constraints due to increased costs, specifically salary costs due to several reasons, including the soaring increase in NMW/NLW and living wage. Staff turnover and an inability to recruit to vacancies continues to compound with the sector seeing turnover rates of approximately 35% in many instances. This, therefore, decreases the ability to release staff for training, other than mandatory training which they are required to do by law. Due to these factors, access to quality, affordable, relevant short courses continue to be more important than ever to ensure that staff have the skills required to educate and care for our youngest children.

An abundance of research tells us that high quality childcare, delivered by highly qualified practitioners, is essential for the development of children in their earliest years. However, we continue to hear from our member nurseries that they are struggling to recruit and retain staff qualified at the levels they need and want, and this is reflective in take up of NDNA training.

Research confirms that the first five years shape each child's future health, happiness, growth, development and learning achievements, so the continued professional development of practitioners is essential to ensure children get the best start in life. To break down barriers to accessing development, we continue to review our offer providing a range of delivery modes to ensure our offer is accessible to practitioners in the way that best suits their individual needs. NDNA's analysis of sector intelligence, surveys and a two-way dialogue with our members allow us to review and update our range of products and services and to ensure that training remains up to date with best practice, research, and sector need.

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Training and development

This year NDNA has developed an additional 29 evidence-based training and professional development products to support high quality early years practice in response to the needs of members and practitioners. We have supported 34,146 practitioners with training and professional development, with an overall satisfaction rate of 98%.

***"The training was very informative and has definitely boosted my confidence within my role."
(Effective Team Leadership) Treehouse Nursery***

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

In February of this year NDNA successfully secured centre accreditation with NCFE CACHE for the delivery of the level 4 PANCo (Physical Activity and Nutrition Coordinator) programme. This accredited award is for individuals within nursery setting who champion physical activity and nutrition within their setting. To the end of March 24, 10 practitioners signed up to the award.

Due to financial constraints that the sector is facing, NDNA have also supported the workforce with 8 free training courses covering a range of topics. A total of 6,532 practitioners accessed our free training.

Alongside our support programmes, NDNA continue to provide the sector with up-to-date publications, policies and procedures and online resources, such as factsheets, in line with changes to policy, legislation and evidence based best practice. A total of 11,017 publications and 2,767 factsheets accessed by the sector.

Millie's Mark and Quality Counts

Quality improvement is the role of the setting as a whole, including all practitioners within the nursery. We believe passionately in supporting our members to be able to reflect on what they do.

The safety and security of children is paramount and a focus for NDNA delivering Millie's Mark. This year 132 settings took up the Mark and 134 nurseries successfully achieved the standard, demonstrating they go above and beyond their regulatory duty. In total there are now 546 settings signed up to the Mark in England, 5 in Wales and 19 in Scotland, with 1134 settings being awarded the Mark since it was launched. This year we worked with the Welsh Government to expand Millie's Mark to settings in Wales in line with the revision of the National Minimum Standards.

"Millie's Mark has greatly improved our nursery's safety and first aid practices, making both staff and parents feel more secure and confident." Little Avanti Day Nursery

During the 2023-24 financial year 16 nurseries have signed up to Quality Counts certification. There have also been 6 sign-ups for the Online Audit and Review. Over the year NDNA have awarded 14 settings, 7 awarded and 7 at Platinum level.

"The whole process was a very positive experience. The audit encouraged the entire team to reflect on our strengths and areas for improvement, which helped us refine our vision of high-quality child care. The whole team was highly involved in the process, positively impacting their motivation"
Annabels Early Years International Kindergarten

Champions programmes

NDNA's Maths Champions programme builds the knowledge of nursery practitioners to support children's early mathematical development. In 2022/23 the effectiveness trial was concluded within one hundred and thirty-four nurseries and 1,034 children took part in the effectiveness trial. The final report from this study was released this year <https://ndna.org.uk/early-years-maths-support-ndna-maths-champions-research-trial/>

NDNA were absolutely delighted that the research from the two-armed randomized control trial of Maths Champions. Key findings demonstrating that.

1. Children in nurseries allocated to the intervention group made, on average, the equivalent of three months' additional progress in maths attainment compared to children in control nurseries. This result has a very high security rating.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

2. Children in nurseries allocated to the intervention group made, on average, the equivalent of three months' additional progress in language attainment compared to children in control nurseries. Children eligible for Early Years Pupil Premium (EYPP) in the intervention nurseries made, on average, the equivalent of six months' additional progress in maths attainment compared to children eligible for EYPP in control nurseries. These results, while promising, should be treated with more caution than the analysis on all pupils as fewer children were included in this analysis.
3. The results from the implementation and process evaluation support the majority of the components of the logic model, specifically the training and support, the MC and DMC roles, and the action plans, suggesting these should be maintained in the future.
4. The implementation and process evaluation found that the commitment of the MC and DMC is crucial to successful implementation and that the roles can be interpreted flexibly depending on the needs of the nursery and the choice of nominated MC and DMC.

Evaluation of the Programme demonstrated that 100% of Maths Champions say their confidence increased in supporting children's mathematical development.

Following the success of the study Maths Champions secured additional funding from the EEF via the DfE Accelerator Fund to provide Maths Champions to an additional 405 nursery settings. Across England, focusing on the governments Educational Investment Areas. This work will continue into 24/25.

NDNA also secured funding for wider deliver, specifically within the 18 most deprived boroughs of London supported by the Mercers' Company as trustee of the Charity of Sir Richard Whittington. This additional funding allows NDNA to support an additional 150 nurseries (plus 50 undertaking Communications and Language Champions) over the next 4 years.

Based on the research findings from Maths Champions, and through funding provided within the Mercers' Early Years Special Initiative funding, NDNA is also carrying out a full review, pilot and delivery of our Communication and Language Champions programme, working with Leeds and York University who will carry out a feasibility study to measure the impact of this programme.

Institute of Early Years Education

A plethora of research tells us that practitioners who are well qualified and constantly strive to improve their knowledge and understanding of best practice, offer higher quality experiences for children which in terms has a positive impact on their attainment and future lifelong chances. It is because of this that NDNA continues to develop training and support services for practitioners. This year we introduced the Institute of Early Years Education at an event in October 2023. This service provides a wide range of professional and personal support to practitioners that will support them with their own ongoing professional development. The Institute officially launched on 7th August 2024.

Free Member Events, Resources, and Webinars

Free member events and inspirational 'Afternoon with...' sessions in 2023-24 were attended by 913 people. NDNA also delivered a series of free ad hoc webinars and consultation events, which were attended by 290.

The NDNA Conference in June 2023 saw delegates join for sector focussed sessions and inspirational speakers, within separate leadership and practice streams.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

Childcare Works

In Wales, NDNA Cymru has been successful in securing ongoing funding for the project to run in different areas in 2023-24 including Cardiff thanks to support from Moondance Foundation and through the UK Shared Prosperity Fund in Conwy with a further project in Pembrokeshire secured which commenced from April 2024. Under the project, NDNA supports participants (who are not in employment, education or training) with a 4-week training programme, followed by 12-week placements as Trainee Nursery Assistants, in nurseries.

NDNA has now been successful in securing funding, granted by the Local Employability Partnership, for Childcare Works to run in East Ayrshire, making it the first childcare works project in Scotland. This commenced in March 2024 and ran until June 2024.

International

Overseas nurseries that are looking to implement and follow the EYFS recognise the value that NDNA can offer and we have international members from 15 different countries. We continue to provide services to members overseas and continue to engage with international stakeholders, for the benefit of children and families.

From overseas customers, we continue to see particular interest in our Quality Counts programme. In March 2024 we were invited to deliver sessions at a conference in Saudi Arabia, demonstrating to nursery leaders and officials how these standards can support quality improvements in childhood education and care.

Within this financial year, 2 settings have signed up to the certification mark from Thailand and 3 international settings have been awarded the Quality Counts certification mark, 2 at platinum level (from Thailand) and 1 awarded (from Uganda). In addition to the above, we have had 2 international sign ups from UAE and 1 from Oman this year.

Membership and Retention

A strong membership base is critical to NDNA's mandate as the voice of the sector. The strength of our membership informs our work and our priorities, which are driven by the evidence we gather from our members.

NDNA members are highly engaged and, despite the challenging environment and growing concern over closures and financial pressures, NDNA's membership has grown throughout the year. Retention of members remains high, which indicates that members are getting value from their membership, see a return on this investment and are willing to renew, even in the toughest of times.

NDNA draws on the experience of our members and our own research, as well as analysis of the early years and childcare sector, to ensure we are the voice of our sector. We work across key stakeholders and decision makers in England, Scotland and Wales to advocate for policy approaches that support the charity's objectives and our members' needs.

Member Engagement

NDNA networks provide nursery owners and managers with the opportunity to meet and form a united voice at a local level. These networks, led by volunteer Network Officers, provide regular opportunities to share information, ideas and concerns whilst improving NDNA's reach and the breadth and depth of our insight.

At the end of March 2024, NDNA had 44 active networks across the UK. We continue to hold regular network chair meetings, which have been consistently lively and well attended. NDNA's networks provide the insight that NDNA needs to better understand and represent the sector. We would like to thank all our networks for their continued engagement with NDNA in highlighting local issues and challenges.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

Members are highly engaged and in 2024-24, 95% of members overall purchased or downloaded a product from the NDNA website. Member events were delivered across each of the three nations, using a combination of remote and online delivery to enable nurseries and their workforce to benefit from updates on policy and practice, as well as professional development and networking. We worked with our corporate sponsors to deliver up to date information on topics such as health and safety and employment law.

In addition to NDNA's usual member event schedule, free, virtual 'afternoon with' events with inspirational speakers such as the BBC's Grace Webb and Ben Kingston-Hughes enabled members to explore topics such as STEM in the early years and the power of play respectively.

"We would also like to thank the National Day Nurseries Association for their advice, support and guidance throughout this very difficult time." Shining Stars Nursery

Policy Engagement and Campaigns

In England, Scotland and Wales, NDNA has met with Government Ministers, key stakeholders and working groups to provide the latest research, sector views and experiences, particularly in relation to workforce challenges, demand and rising cost pressures. NDNA has used member views and feedback to lobby and shape changes to guidance and secure extra support for the sector. This has included:

- Funding – lobbying for:
 - additional £500 million for funded places in England from April 2025 to ensure rates rise in line with inflation and wages.
 - an uplift to childcare payments for families on Universal Credit.
 - Childcare elements of Universal Credit paid upfront
 - Additional funding to increase funding rates by 7.6% in Scotland
 - A funding rate review by the Welsh Government
- Reduced membership fee for members in Wales.

To support our members and influence public debate on issues affecting early years, we engage with traditional and social media to reach as wide an audience as possible, achieving 197 pieces of national (including broadcast) media coverage for our work and 223 pieces in the trade press covering early years and education.

"I would just like to take this opportunity to thank you and your team for all the support over the years as well as your valued voice in fighting for better rights and recognition to the childcare sector."

Tots n Tykes Childcare

NDNA Cymru

NDNA Cymru remains part of the CWLWM Partnership and representation continues to be key to our work. We are a member of key strategic groups alongside other representative organisations, Welsh Government, Aware, Social Care Wales, Care Inspectorate Wales and Estyn.

NDNA Scotland

NDNA Scotland continues to represent members at key stakeholder meetings and supporting the childcare sector working group on early learning and childcare. In addition, NDNA Scotland is a member of the Education Reform Review Group, Care Inspectorate Safe Staffing Project and the SSSC Codes of Practice Review Group. To support this work, we have been successful in securing continued Sector Representation funding from the Scottish Government.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

We have retained the Scottish Government's Children, Young People and Families Early Intervention Fund (CYPFEIF) and Adult Learning and Empowering Communities Fund (ALEC) funding for nine years and received positive feedback from the Corra Foundation on the reporting of the achievement of Fund outcomes. NDNA Scotland have consistently met all the requirements for the funding.

NDNA Scotland has a commitment to promoting the rights of the child as the Scottish Government moves towards implementing legislation to incorporate the UN Convention on the Rights of the Child into Scots law from July 2024.

myNDNA

We have 16,834 people registered on myNDNA, our early years and childcare community. These practitioners receive newsletters packed with hints, tips and good practice guides. We have seen continued practitioner participation via myNDNA which has enabled us to enhance our offer to further support the sector.

This free to join, online community continues to provide practical inspiration, activity ideas and resources for early years practitioners to use in their setting. We encourage use of these resources to support practitioners with their own professional development and we believe that myNDNA has had a positive impact on the quality of early years practice and, therefore, improved outcomes for children.

Projects and Contracts

This year, we have continued to work with a range of companies to bring ideas, activities, campaigns and resources to children and parents via our membership base. For instance, NDNA's popular 'Healthy Body, Happy Me' campaign focused on the theme 'Off we grow' and took place from 25th – 29th March 2024. Hope Education sponsored the week, promoting activities to support children's health and wellbeing. Our daily guides provided ideas for learning and development, including at least one physical activity, plus activities for home learning to encourage families to extend healthy habits to home life.

Sustainability

NDNA's own long-term sustainability is essential if we are to continue delivering our charitable mission and maximise the impact of our activities.

Financial review

2023/24 has seen us continue to maintain the strong and sustainable position for NDNA as an organisation, whilst also investing some of our reserves in new developments, in line with our charitable purpose. We achieved an overall deficit of £602,619, after investment through our development budget. Our unrestricted reserves now stand at £1,680,744.

During the year, we invested £385,392 out of designated funds.

A further £65,483 has been put into the designated IT fund to invest in additional IT support, plus a further £457,896 into the designated development fund to support our members.

Investment policy

The trustees recognise the need to retain sufficient liquid assets to meet the charity's short-term obligations. Funds in excess of current requirements are invested in low-risk cash deposits or interest-bearing accounts.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

Plans for the future

In England, NDNA prepared for the General Election which took place in July 2024. We took the learning and principles from our engagement with experts, academics, think tanks and providers that helped develop the Blueprint for Early Education and Care and turned these into a practical manifesto for the sector. We developed resources to help providers understand the pledges being announced by political parties and supported them to engage with local candidates.

At the national level we engaged with all parties to promote policy decisions which align with our charitable objectives and organisational aims and values. We worked to ensure that all of NDNA's work is politically neutral and is in line with our responsibilities under the Elections Act 2022 and the guidance published by the Electoral Commission and the Charity Commission

NDNA will continue to gather evidence from our members to campaign for increased funding for the early years sector. This is in line with our charitable objectives of supporting all children through access to high quality early education and care. To ensure a strong voice across Parliament, NDNA will continue its work meeting and briefing MPs and within the All-Party Parliamentary Group for Early Education and Childcare.

In Scotland, the Programme for Government sets out plans to expand the offer to more two-year-olds and pilot programmes of childcare from nine months-old through to the end of primary school. NDNA Scotland will continue to support Scottish Government plans to make ELC affordable, accessible and high quality. We examine how local authorities distribute the additional £16 million of funding identified by the Scottish Government to improve pay in the PVI sector.

The UNCRC Incorporation (Scotland) Act received Royal Assent in January 2024 and was implemented from July 2024. NDNA Scotland worked with providers to raise awareness of the new legislation and promote best practice in rights based approaches in early years with information, resources and other activity.

In Wales, the expansion of the funded offer to all two-year-old children in Wales entered its final phase from April 2024. This is being delivered by expanding the Flying Start programme which was historically only delivered in the more deprived areas of the country. It is delivered and funded in different ways by different local authority areas leading to inconsistencies. NDNA Cymru will work with members, CWLWM partners and the Welsh Government to address these and ensure the expertise and experience of the day care sector is recognised in the plans for this expansion.

The Welsh Government has indicated plans to review the funding rates in 2024-25 ahead of new rates being announced from 2025/26. NDNA Cymru will work with members to ensure we are able to present accurate research about the true cost of delivering funded places and to support providers in giving evidence directly to the Welsh Government. We will also continue our support work with local authorities to ensure Childcare Sufficiency Assessment work reflects the realities for providers.

With updates the Anti-Racist Wales Action Plan including more information on the support to providers, NDNA Cymru will work in partnership to deliver more resources to support providers and review our existing Policies and Procedures to ensure members have access to the information and support they need. Having piloted Millie's Mark in Wales we will continue to promote the scheme as a gold standard in Paediatric First Aid for providers in Wales.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

Public benefit

We constantly refer to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Evidence shows that investing in early years makes a difference to children's long-term outcomes. To achieve our vision and mission, our support and representation work aims to have a real influence as we help to shape the early years policy agenda for the benefit of children and their families across England, Scotland and Wales. The impact of this is to develop an environment that enables the nursery sector to deliver the high quality education and care, to make a difference to the outcomes for children, whilst also being sustainable businesses.

The practical support and representation that we provide to nurseries help them continually improve their early learning and childcare practice and to be sustainable businesses, which are central to the fulfilment of our mission and vision. The difference we aim to achieve on behalf of children and families include:

- Better informed policy development that ensures public spend on early years achieves maximum impact and delivers positive outcomes for children.
- Affordable and accessible early education and care for all sections of the community through supporting sustainable childcare including in areas of disadvantage.
- Enhanced skills in the early years workforce to be better equipped to provide the high quality of care and early learning that children deserve.
- Enhanced inclusion in early years through promotion of good practice.
- Support for nursery providers in all areas to promote better outcomes for children and families.
- Sector sustainability, enterprise and, as a result, the safeguarding and creation of jobs in the early education and care sector, whilst enabling parents to work and train.
- Partnership programmes for economically inactive individuals to give them a solid basis to move into employment.
- Parents equipped with an increased understanding of quality in early education and care so they can make informed choices and get the most out of their children's time in nursery.

Support from our volunteers

The board of trustees gives considerable support to the organisation on a voluntary basis, and we very much appreciate this. Members have also acted in various voluntary roles for NDNA through advising as members of our England, Scotland and Wales policy advisory boards and representing the sector at both national and local levels. Local NDNA networks operate across the country thanks to the time and commitment given by voluntary network officers. There is extensive volunteer activity across all three nations and the trustees would like to record their appreciation and thanks for this contribution, which is of great value to the charity.

Pay policy for senior staff

The Strategic Board set the vision and mission for the organisation, working closely with the Senior Management Team. The Chief Executive, with support from the Senior Management Team, delivers the objectives in line with the vision, mission, and business plan.

All trustees give their time freely and no Trustee received remuneration in the year. Details of trustees expenses and related party transactions are disclosed in notes 7 and 16 (respectively) to the accounts.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, pay levels are benchmarked against pay levels in other charities of a similar size.

If recruitment has proven difficult in the recent past, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Reserves policy

Trustees are under a general legal duty to apply charity funds within a reasonable time of receiving them and to justify the level of reserves held.

The reserves policy is informed by:

- how secure the organisation's future income streams are.
- analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met out of income.
- the long-term development and infrastructure, building strategy for the organisation.

The policy is re-examined each year as part of the formal process of reviewing the long-term strategy linked to the annual business planning process.

At the end of the year, the charity is holding total funds of £2,496,150. This includes restricted funds of £87,206, an endowment fund of £728,200 and unrestricted designated funds of £325,103.

Unrestricted reserves excluding amounts designated have decreased (following investment through designated funds) by £558,671 and are now £1,355,641.

There is £135,505 included within unrestricted reserves and £728,200 within the endowment fund, which can only be realised by disposing of tangible fixed assets.

Free reserves have decreased by £557,369 and are now £1,306,462.

Free reserves as of 31 March 2024 represent approximately 8.9 months of operating costs. We need to keep sufficient cash reserves to fund future developments that will contribute to the growth of the organisation, necessary for future sustainability to support the sector.

The board reviewed the Reserves Policy in September 2024, and it is considered as a matter of prudence under the current political and economic climate that NDNA should retain at least 8 to 10 months operating costs in reserves to service commitments, respond to changes in risks and fund future developments.

The challenges for the early years sector continue to be a concern for NDNA as a representative organisation.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

Designated fund policy

The charity has set aside funds for building maintenance, further development of our IT platform and for costs for development of services that will support the early years sector and the global community.

An additional £457,896 has been added to the designated development fund, making the balance £300,616. This will be used in 2024/25 for projects to support services to early years practitioners, including the launch of the Institute of Early Years Education.

An additional £65,483 has been added to the designated IT fund, making the balance £17,728. This will be allocated against depreciation of our finance system (which was purchased in January 2019), and our CRM and website (which was launched in March 2022).

The remaining designated building fund of £6,759 will be allocated against depreciation of head office refurbishment that has taken place in the last few financial years.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2024

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of National Day Nurseries Association for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company, and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

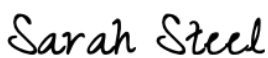
Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the trustees' annual report:

- there is no relevant audit information (as defined by section 418 of the Companies Act 2006), being information needed by the auditors in connection with preparing their report, of which the auditors are unaware, and
- the trustees, having made enquiries of fellow directors, have taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared taking advantage of the small companies exemption under the Companies Act 2006.

By order of the Board



Signer ID: 7KNFF9RRJ5...

Sarah Steel

Chair of the Board of Trustees

17 October 2024

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2024

Opinion

We have audited the financial statements of National Day Nurseries Association (the 'Charity') for the year ended 31 March 2024 which comprise of the charity Statement of Financial Activities, charity Balance Sheet, charity Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of the charity's incoming resources and application of resources, including its results, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2024

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except for the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees (which includes the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees (which includes the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees (which includes the directors' report).

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the trustees (which includes the directors' report).

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements. Also for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2024

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the trustees made subjective judgements such as making assumptions on significant accounting estimates.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our planning procedures included gaining an understanding of the entity and its environment including the entity's legal and regulatory framework, any fraud indicators and internal control system via both discussions amongst the engagement team and with the trustees. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of controls.

Based on our understanding of the company and its industry, the key laws and regulations we considered included the UK Companies Act, Charities Act (2011) and relevant tax legislation.

Audit procedures performed by the engagement team included but were not limited to:

- Evaluating and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Discussing with the trustees the policies and procedures in place regarding identifying and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Reviewing relevant meeting minutes;
- Identifying and testing journal entries;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing and testing the accounting estimates to minimise potential bias.

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2024

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements the less likely we would become aware of such non-compliance. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentations or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Signer ID: XOYIGFEGDP...

Lesley Kendrew (Senior Statutory Auditor)
for and on behalf of BHP LLP (Statutory Auditor)
New Chartford House
Centurion Way
Cleckheaton
BD19 3QB

Date: 17 October 2024

BHP LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

National Day Nurseries Association
Charity Statement of Financial Activities
(incorporating income and expenditure account)
For the year ended 31 March 2024

Notes	Unrestricted				Total 2024	Total 2023	
	Unrestricted Funds	Designated Funds	Endowment Fund	Restricted Funds			
	£	£	£	£	£	£	
Income							
Donations	2	837	-	-	-	837	86,684
Other trading activities							
Facilities hire		3,523	-	-	-	3,523	7,844
Income from investments		81,280	-	-	-	81,280	22,152
		<u>85,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,640</u>	<u>116,680</u>
Income from charitable activities							
Membership services		729,568	-	-	-	729,568	801,440
Sector support services		616,971	-	-	-	616,971	730,654
Projects & contracts	3	10,775	-	-	898,376	909,151	966,551
Events, publicity and commercial		391,085	-	-	-	391,085	318,195
		<u>1,748,399</u>	<u>-</u>	<u>-</u>	<u>898,376</u>	<u>2,646,775</u>	<u>2,816,840</u>
Total income		<u>1,834,039</u>	<u>-</u>	<u>-</u>	<u>898,376</u>	<u>2,732,415</u>	<u>2,933,520</u>
Expenditure							
Expenditure on raising funds							
Facilities hire		5,858	451	-	-	6,309	5,983
Expenditure on charitable activities							
Membership services		600,772	231,141	-	-	831,913	632,142
Sector support services		975,057	78,041	-	-	1,053,098	917,465
Projects & contracts		32,134	68,625	-	1,068,511	1,169,270	1,129,581
Events, publicity and commercial		267,310	7,134	-	-	274,444	194,237
Other expenditure							
Reversal of property impairment		-	-	-	-	-	(11,800)
Total resources expended	4	<u>1,881,131</u>	<u>385,392</u>	<u>-</u>	<u>1,068,511</u>	<u>3,335,034</u>	<u>2,867,608</u>
Net income/(expenditure)		(47,092)	(385,392)	-	(170,135)	(602,619)	65,912
Transfers between funds	13	(511,579)	523,379	(11,800)	-	-	-
Net movement in funds		(558,671)	137,987	(11,800)	(170,135)	(602,619)	65,912
Total funds brought forward	13	<u>1,914,312</u>	<u>187,116</u>	<u>740,000</u>	<u>257,341</u>	<u>3,098,769</u>	<u>3,032,857</u>
Total funds carried forward	13	<u>1,355,641</u>	<u>325,103</u>	<u>728,200</u>	<u>87,206</u>	<u>2,496,150</u>	<u>3,098,769</u>

The notes form part of these financial statements

National Day Nurseries Association

Charity Balance Sheet

As at 31 March 2024

	Notes	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	9	863,705	876,950
Intangible assets	10	41,666	-
Investments	11	1	1
		905,372	876,951
Current assets			
Stock		19,583	12,530
Trade debtors		88,910	347,687
Prepaid expenses		64,505	40,576
Accrued income		137,324	88,166
Investments		1,912,524	1,532,078
Cash at bank and in hand		7,448	856,882
Due from group company		-	13,052
		2,230,294	2,890,971
Liabilities			
Creditors: amounts falling due within one year:			
Bank loans and overdrafts		18,374	-
Trade creditors		79,563	59,544
Other creditors		1,287	648
Taxes and social security creditors		50,585	42,065
Accrued expenses		61,788	68,216
Deferred income	12	427,919	498,680
		639,516	669,153
Net current assets		1,590,778	2,221,818
Net assets		2,496,150	3,098,769
Funds			
Unrestricted funds	13	1,680,744	2,101,428
Restricted funds	13	87,206	257,341
Endowment funds	13	728,200	740,000
		2,496,150	3,098,769

Approved by the board of directors and Trustees on 17 October 2024 and signed on its behalf by

Sarah Steel

Signer ID: 7KNFF9RRJ5...

Sarah Steel
Director and Trustee

The notes form part of these financial statements

National Day Nurseries Association Charity Statement of Cash Flows For the year ended 31 March 2024

	Notes	2024 £	As restated 2023 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>(472,147)</u>	<u>(362,284)</u>
Cash flows from investing activities			
Interest income		81,280	22,152
Withdrawal from / (investment in) term deposits		(380,446)	(986,011)
Purchase of tangible fixed assets		(46,495)	(54,572)
Purchase of intangible fixed assets		(50,000)	-
Net cash used in investing activities		<u>(395,661)</u>	<u>(1,018,431)</u>
Cash flows from financing activities			
(Repayment of) loan in year		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Increase / (decrease) in cash and cash equivalents in the year		(867,808)	(1,380,715)
Cash and cash equivalents at beginning of the year		856,882	2,237,597
Cash and cash equivalents at end of the year		<u>(10,926)</u>	<u>856,882</u>

The notes form part of these financial statements

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

1 Accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006. The financial statements are prepared under the historical cost convention with the exception of land and buildings, which have been included at their revalued amount.

The trustees consider that the charity constitutes a public benefit entity.

b) Going concern

The trustees have considered the current position and budgets of the charity, and after making appropriate enquiries they have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Incoming resources

Income from charitable activities other than grant funding is accounted for when there is entitlement to the income. Income is deferred where delivery of services relates to future periods. Revenue grant funding is accounted for upon entitlement to the income and is deferred where time restrictions apply to related expenditure. Investment income and other trading income is accounted for on an accruals basis. Donations are accounted for as they arise. All income is included gross and related costs are included in expenditure. All income is stated after trade discounts, other sales taxes and net of VAT.

d) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Expenditure that is directly attributable to specific activities has been included in these cost categories.

Where costs are attributable to more than one activity, they have been apportioned across the cost categories consistent with the use of these resources. Any creditors or provisions at the year-end are apportioned on the same basis.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both those costs that can be allocated directly to such activities and those costs of an indirect nature to support them.
- Governance costs include those costs incurred in the governance of the charity and its assets, and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions that have been allocated to activity cost categories on a basis consistent with the staff time engaged on each activity.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

1 Accounting policies - continued

e) Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities on a straight-line basis over the period of the lease.

f) Pension costs

The charity operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Pension costs are attributed to the activity performed by the staff member to whom the cost relates.

g) Intangible Fixed assets

Intangible fixed assets are stated at historical cost and amortisation is provided on all intangible fixed assets on a straight-line basis.

Intellectual property is written off over the length of the non-competition clause.

Amortisation rates are as follows:

Intellectual property	50% straight line
-----------------------	-------------------

Assets are assessed at least annually for impairment. Any impairment value is recognised immediately in the statement of financial activities. Individually purchased software is written off in the year of acquisition.

h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and any costs directly attributable to bringing the asset to its working condition for its intended use.

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

Land	not depreciated
Buildings	2% straight line
Equipment etc.	equal instalments over estimated life of 4 to 8 years.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

1 Accounting policies - continued

i) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due deductions for obsolete and slow moving items.

Stocks are valued using the first-in, first-out (FIFO) method.

j) Current asset investments

Current asset investments comprise term bank deposits not realisable within 3 months and which are held to generate interest income.

k) Government grants

Government grants received towards revenue costs are recognised within the financial statements when the charity has entitlement and in accordance with the provisions of FRS102 on either the performance or accruals model on a class-by-class basis.

l) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charity's objects.

Designated funds are unrestricted funds, which are determined by specific need to set aside funds to fund future developments in the charity, maintain the building and develop IT infrastructure.

Restricted funds are held where there are restrictions imposed by the donor on the use of the funds granted. All restricted funds are held in net current assets.

Endowment funds represent assets purchased with grant funding. Transfers are made to unrestricted funds to cover depreciation charges.

m) Taxation

The charity meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is exempt from taxation in accordance with the Corporation Tax Act 2010, to the extent that such income is applied exclusively for charitable purposes.

n) Liability of members

The company is limited by guarantee and the liability of each member is limited to £1.

o) Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from the actual results. They are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

1 Accounting policies - continued

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of land and buildings:

The land and buildings are held in the Balance Sheet at valuation and the basis for valuation is fair value.

p) Financial instruments

The charity has adopted section 11 of FRS 102 in respect of financial instruments.

Short-term debtors are measured at transaction price, less any impairment.

Short-term creditors are measured at transaction price.

q) General information

The charity is a private company limited by guarantee and is incorporated in England and Wales.

The address of its registered office is National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ.

The company's register number is 03738616.

r) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as any short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

s) Termination benefits

Termination benefits are recognised when the company has committed to providing them to employees.

They are measured at the best estimate required to settle the obligation at the reporting date.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

2 Donations	2024	2023
	£	£
The Moondance Foundation Donation	-	74,262
Other	837	12,422
	<u>837</u>	<u>86,684</u>

3 Projects and contracts	2024	2023
	£	£
Welsh Government	333,360	465,249
Scottish Government	145,000	105,000
Other	430,791	396,302
	<u>909,151</u>	<u>966,551</u>
Included in the above are restricted funds:		
Welsh Government	333,360	465,249
Scottish Government	145,000	105,000
Other	420,016	391,340
	<u>898,376</u>	<u>961,589</u>

Included in the above, the amount of grants total £898,376 (2023: £961,589).

Also included in the above are government grants totalling £526,742 (2023: £816,533).

4 Total resources expended	Direct delivery staff costs	Other delivery costs	Support incl staff costs	Depreciation/ Impairment	Total 2024
	£	£	£	£	£
Facilities hire	2,917	106	3,108	178	6,309
Membership services	282,601	250,351	285,237	13,724	831,913
Sector support services	452,304	138,772	437,842	24,180	1,053,098
Projects & contracts	588,320	80,894	472,888	27,168	1,169,270
Events, publicity and commercial	79,933	142,523	49,164	2,824	274,444
	<u>1,406,075</u>	<u>612,646</u>	<u>1,248,239</u>	<u>68,074</u>	<u>3,335,034</u>
2023 Comparatives					
	£	£	£	£	£
Facilities hire	2,682	147	3,007	147	5,983
Membership services	266,540	120,872	233,394	11,336	632,142
Sector support services	390,914	134,341	374,042	18,168	917,465
Projects & contracts	578,128	108,818	422,132	20,503	1,129,581
Events, publicity and commercial	75,645	60,890	55,029	2,673	194,237
Other expenditure: revaluation of property	-	(11,800)	-	-	(11,800)
	<u>1,313,909</u>	<u>413,268</u>	<u>1,087,604</u>	<u>52,827</u>	<u>2,867,608</u>

Allocation of support costs is based on staff time engaged on each activity.

Support costs include:	2024	2023
	£	£
Staff costs	838,626	664,147
IT support	140,883	148,477
Consultancy costs	103,421	84,458
Premises	43,206	44,884
Governance	31,651	30,154
Marketing	33,400	27,952

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

4 Total resources expended - continued

Total resources expended include:	2024	2023
	£	£
Operating lease rentals	8,679	14,281
Professional indemnity insurance	2,847	2,782
Auditors remuneration:		
Audit	14,950	13,020
Other services	-	6,000

5 Staff costs

	2024	2023
	£	£
Wages and salaries	1,940,550	1,699,913
Social security costs	179,133	156,156
Pension costs	109,174	92,370
Staff insurance	10,609	9,025
Agency staff costs	5,235	20,591
	2,244,701	1,978,056

There were four employees with remuneration in excess of £60,000: Band £60,001 to £70,000 = 3; £110,001 to £120,000 = 1 (2023: Band £60,001 to £70,000 = 2; Band £100,001 to £110,000 = 1).

Pension contributions of £17,732 (2023: £13,262) were made in respect of these employees during the year.

The key management personnel of the charity comprises the Chief Executive and Senior Management Team whose employee benefits total £430,771 (2023: £409,148).

The average number of staff employed by the charity and group during the year was 64 (2023: 65).

The average full time equivalent number of staff employed by the charity was as follows:

	2024	2023
	Number	Number
Charitable activities	40	41
Support staff	16	13
	56	54
Included in full time equivalent staff are participants on job creation programmes	2	5

6 Pension costs

The company has contributed £109,174 (2023: £92,370) into a Group Personal Pension Plan for its employees.

At the end of the year £1,286 (2023: £648) was owing in unpaid contributions.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

7 Trustees remuneration and expenses

No remuneration was paid directly to trustees during the year. See Note 16 for details of other payments to trustees.

The total amount of expenses reimbursed to trustees for travel, subsistence and accommodation expenses incurred in carrying out their duties was £8, 1 trustee (2023: £1,174, 5 trustees).

Cost of professional indemnity insurance including trustee indemnity amounted to £2,847 (2023: £2,782).

8 Charity statement of financial activities 2023 Comparatives

	Notes	Unrestricted Funds £	Unrestricted Designated Funds £	Endowment Fund £	Restricted Funds £	Total 2023 £
Income						
Donations	2	12,422	-	-	74,262	86,684
Other trading activities						
Facilities hire		7,844	-	-	-	7,844
Income from investments		22,152	-	-	-	22,152
		<u>42,418</u>	<u>-</u>	<u>-</u>	<u>74,262</u>	<u>116,680</u>
Income from charitable activities						
Membership services		801,440	-	-	-	801,440
Sector support services		730,654	-	-	-	730,654
Projects & contracts	3	4,962	-	-	961,589	966,551
Events, publicity and commercial		318,195	-	-	-	318,195
		<u>1,855,251</u>	<u>-</u>	<u>-</u>	<u>961,589</u>	<u>2,816,840</u>
Total income		<u>1,897,669</u>	<u>-</u>	<u>-</u>	<u>1,035,851</u>	<u>2,933,520</u>
Expenditure						
Expenditure on raising funds						
Facilities hire		5,553	430	-	-	5,983
Expenditure on charitable activities						
Membership services		564,170	67,972	-	-	632,142
Sector support services		864,005	53,460	-	-	917,465
Projects & contracts		224,446	60,333	-	844,802	1,129,581
Events, publicity and commercial		186,372	7,865	-	-	194,237
Other expenditure						
Reversal of property impairment		-	-	(11,800)	-	(11,800)
Total resources expended	4	<u>1,844,546</u>	<u>190,060</u>	<u>(11,800)</u>	<u>844,802</u>	<u>2,867,608</u>
Net income/(expenditure)		53,123	(190,060)	11,800	191,049	65,912
Transfers between funds	12	(197,787)	209,587	(11,800)	-	-
Net movement in funds		(144,664)	19,527	-	191,049	65,912
Total funds brought forward	12	2,058,976	167,589	740,000	66,292	3,032,857
Total funds carried forward	12	<u>1,914,312</u>	<u>187,116</u>	<u>740,000</u>	<u>257,341</u>	<u>3,098,769</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

9 Tangible assets	Long leasehold land and £	Equipment etc. £	Total £
Cost or valuation			
At 1 April 2023	740,000	263,222	1,003,222
Additions	-	46,495	46,495
Disposals	-	(38,864)	(38,864)
At 31 March 2024	<u>740,000</u>	<u>270,853</u>	<u>1,010,853</u>
Depreciation			
At 1 April 2023	-	126,272	126,272
Charge for the year	11,800	43,895	55,695
Eliminated on disposal	-	(34,819)	(34,819)
At 31 March 2024	<u>11,800</u>	<u>135,348</u>	<u>147,148</u>
Net book value			
At 31 March 2024	728,200	135,505	863,705
At 31 March 2023	<u>740,000</u>	<u>136,950</u>	<u>876,950</u>

The land and buildings are included at valuation based on a combination of the All Risks Yield (Investment) method of valuation and the traditional comparable method. A valuation, dated 31 March 2023, was undertaken by Bramleys LLP, independent RICS registered valuers.

The historical cost of the land and buildings and accumulated depreciation had it not been revalued would have been as follows:

	2024 £	2023 £
Cost	1,395,715	1,395,715
Accumulated depreciation	<u>(422,255)</u>	<u>(399,924)</u>
	973,460	995,791

The historical valuations were:

31 March 2023	£ 740,000
31 March 2022	£ 740,000
31 March 2020	£ 735,000
31 March 2018	£ 735,000
31 March 2016	£ 720,000
31 March 2014	£ 750,000
31 March 2011	£ 875,000

10 Intangible assets	Intellectual Property £	Total £
Cost or valuation		
At 1 April 2023	-	-
Additions	50,000	50,000
At 31 March 2024	<u>50,000</u>	<u>50,000</u>
Amortisation		
At 1 April 2023	-	-
Charge for the year	8,333	8,333
At 31 March 2024	<u>8,333</u>	<u>8,333</u>
Net book value		
At 31 March 2024	41,667	41,667
At 31 March 2023	<u>-</u>	<u>-</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

11 Investments	Shares in group undertakings
Cost at 31 March 2023 and 31 March 2024	£ 1
Net book value at 31 March 2023 and 31 March 2024	1

The company's investments at the balance sheet date consist of 100% of the ordinary share capital of its subsidiary NDNA Services Limited, company number 07520697, whose registered office is National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ.

NDNA Services Limited is dormant.

12 Deferred income	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
	£	£	£	£	£
Balance at 1 April 2023	346,249	81,745	35,001	35,685	498,680
Released from previous year	(346,249)	(81,745)	(35,001)	(34,067)	(497,062)
Deferred in current year	358,592	13,463	22,029	32,217	426,301
Balance at 31 March 2024	358,592	13,463	22,029	33,835	427,919

Deferred income refers to delivery of services in the following financial year.

2023 Comparatives	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
	£	£	£	£	£
Balance at 1 April 2022	397,449	-	46,405	43,879	487,733
Released from previous year	(397,449)	-	(46,405)	(42,261)	(486,115)
Deferred in current year	346,249	81,745	35,001	34,067	497,062
Balance at 31 March 2023	346,249	81,745	35,001	35,685	498,680

13 Analysis of charitable funds	Balance at 1.4.23	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.24
	£	£	£	£	£
Unrestricted funds	2,101,428	1,834,039	(2,266,523)	11,800	1,680,744
Endowment fund	740,000	-	-	(11,800)	728,200
Restricted funds	257,341	898,376	(1,068,511)	-	87,206
	3,098,769	2,732,415	(3,335,034)	-	2,496,150

Analysis of movement in unrestricted funds	Balance at 1.4.23	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.24
	£	£	£	£	£
General fund	1,914,312	1,834,039	(1,881,131)	(511,579)	1,355,641
Designated development fund	56,159	-	(213,439)	457,896	300,616
Designated buildings fund	14,033	-	(7,274)	-	6,759
Designated IT fund	116,924	-	(164,679)	65,483	17,728
	2,101,428	1,834,039	(2,266,523)	11,800	1,680,744

Name of unrestricted fund	Description, nature and purpose of fund
General fund	The reserves after allowing for all designated funds.
Designated development fund	Designated fund for developing services that will support sustainability. There are a number of projects ongoing which are expected to continue during 2024-25.
Designated buildings fund	Designated fund for office furniture and equipment purchased (and capitalised) in 2018, 2020, 2021 and 2022.
Designated IT fund	Designated fund for finance software purchased (and capitalised) in 2019, CRM and website purchased (and capitalised) in 2022.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

13 Analysis of charitable funds - continued

Analysis of movement in restricted funds	Balance at 1.4.23	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.24
	£	£	£	£	£
Welsh Government Children & Families	183,079	134,076	(258,884)	-	58,271
Welsh Government Language Unit	-	139,284	(139,284)	-	-
Welsh Government Foundation Learning	-	60,000	(60,000)	-	-
Scottish Government Strategic Funding Partnership	-	145,000	(145,000)	-	-
Shared Prosperity Fund	-	33,607	(33,607)	-	-
The Moondance Foundation	74,262	-	(74,262)	-	-
East Ayrshire Local Employability Partnership	-	14,775	(14,775)	-	-
Best Practice Network	-	78,500	(78,500)	-	-
Education Endowment Fund	-	172,564	(172,564)	-	-
Early Years Stronger Practice Hubs	-	51,126	(51,126)	-	-
The Mercers' Company Foundation	-	69,444	(40,509)	-	28,935
	<u>257,341</u>	<u>898,376</u>	<u>(1,068,511)</u>	<u>-</u>	<u>87,206</u>

Key incoming resources:

Welsh Government Children & Families - grant awarded to support the development of innovative solutions to provide flexible childcare that meets the needs of families in Wales.

Welsh Government Language Unit - grant for support of early years settings with the Welsh language training programme.

Welsh Government Foundation Learning - grant for the support of the delivery of Foundation Learning.

Scottish Government Strategic Funding Partnership - grant for the development of Early Learning and Childcare policy and improvement of quality in Private, Voluntary and Independent nurseries.

Shared Prosperity Fund - grants for introducing people into employment in childcare.

The Moondance Foundation - donation for introducing people into employment in childcare.

East Ayrshire Local Employability Partnership - grant for introducing people into employment in Early Learning and Childcare.

Best Practice Network - grant for working alongside as Delivery Partners to train, mentor and assess learners undertaking the Early Years SENCO Level 3 qualification.

Education Endowment Fund/DfE - Accelerator Fund - grant for larger scale delivery of /DfE - Accelerator Fund - grant for larger scale delivery of the Maths Champions programme.

Early Years Stronger Practice Hubs - grant for the delivery of our Maths Champions programme.

The Mercers' Company Foundation, as trustee of the Charity of Sir Richard Whittington, grant supporting NDNA to deliver Maths Champions and Language & Communication Champion programmes into 18 of the most deprived boroughs in Greater London.

2023 Comparatives

Analysis of charitable funds	Balance at 1.4.22	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.23
	£	£	£	£	£
Unrestricted funds	2,226,565	1,897,669	(2,034,606)	11,800	2,104,428
Endowment fund	740,000	-	11,800	(11,800)	740,000
Restricted funds	66,292	1,035,851	(844,802)	-	257,341
	<u>3,032,857</u>	<u>2,933,520</u>	<u>(2,867,608)</u>	<u>-</u>	<u>3,098,769</u>

Analysis of movement in unrestricted funds	Balance at 1.4.22	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.23
	£	£	£	£	£
General fund	2,058,976	1,897,669	(1,844,546)	(197,787)	1,914,312
Designated development fund	36,190	-	(34,614)	54,583	56,159
Designated buildings fund	20,265	-	(6,232)	-	14,033
Designated IT fund	111,134	-	(149,214)	155,004	116,924
	<u>2,226,565</u>	<u>1,897,669</u>	<u>(2,034,606)</u>	<u>11,800</u>	<u>2,104,428</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

13 Analysis of charitable funds - continued

Analysis of movement in restricted funds	Balance at 1.4.22	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.23
	£	£	£	£	£
Welsh Government Children & Families	66,292	338,285	(221,498)	-	183,079
Welsh Government Language Unit	-	66,964	(66,964)	-	-
Welsh Government Foundation Learning	-	60,000	(60,000)	-	-
Scottish Government Strategic Funding Partnership	-	105,000	(105,000)	-	-
Active Inclusion	-	216,284	(216,284)	-	-
Swansea Council	-	30,000	(30,000)	-	-
The Moondance Foundation	-	74,262	-	-	74,262
Best Practice Network	-	4,000	(4,000)	-	-
Education Endowment Fund	-	141,056	(141,056)	-	-
	<u>66,292</u>	<u>1,035,851</u>	<u>(844,802)</u>	<u>-</u>	<u>257,341</u>

14 Analysis of net assets between fund balances

	Unrestricted funds	Designated funds	Endowment funds (restricted)	Restricted funds (other)	Total 2024
	£	£	£	£	£
Tangible fixed assets	49,179	86,326	728,200	-	863,705
Intangible fixed assets	-	41,666	-	-	41,666
Investments	1	-	-	-	1
Net current assets	<u>1,306,461</u>	<u>197,111</u>	<u>-</u>	<u>87,206</u>	<u>1,590,778</u>
	<u>1,355,641</u>	<u>325,103</u>	<u>728,200</u>	<u>87,206</u>	<u>2,496,150</u>

2023 Comparatives

	Unrestricted funds	Designated funds	Endowment funds (restricted)	Restricted funds (other)	Total 2023
	£	£	£	£	£
Tangible fixed assets	50,481	86,469	740,000	-	876,950
Investments	1	-	-	-	1
Net current assets	<u>1,863,830</u>	<u>100,647</u>	<u>-</u>	<u>257,341</u>	<u>2,221,818</u>
	<u>1,914,312</u>	<u>187,116</u>	<u>740,000</u>	<u>257,341</u>	<u>3,098,769</u>

15 Operating lease commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Operating leases which expire:		
within one year	8,763	8,244
in two to five years	<u>9,341</u>	<u>14,997</u>
	<u>18,104</u>	<u>23,241</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2024

16 Related parties disclosures

The company has taken advantage of the exemption in Financial Reporting Standard number 102 from the requirement to disclose the transactions with group companies on the grounds that they are wholly owned.

Payments to trustees are in line with the Memorandum and Articles of Association.

Nil (2023: £4,254) was paid for the legal services of Lupton Fawcett, a firm in which trustee David Smyllie is a partner.

Christie & Co, a company in which Courteney Donaldson is a Director, paid the charity £17,444 (2023: £16,776) for advertising and sponsorship. At the end of the year Christie & Co owed the charity £4,908 (2023: £4,908).

17 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2024	2023
	£	£
Net movement in funds	(602,619)	65,912
Add back depreciation charge	55,695	52,827
Add back amortisation charge	8,333	-
Loss on disposal of fixed assets	4,045	-
Deduct reversal of property impairment	-	(11,800)
Deduct interest income shown in investing activities	(81,280)	(22,152)
Decrease / (increase) in stock	(7,053)	8,922
Decrease / (increase) in debtors	185,690	(328,766)
(Decrease) in creditors	(48,010)	(127,227)
Decrease in amount due from group company	13,052	-
Net cash provided by operating activities	(472,147)	(362,284)

18 Analysis of changes in net debt

	Balance at		Balance at
	1.4.23	Cash-flows	31.3.24
	£	£	£
Cash at bank and in hand	856,882	(849,434)	7,448
TOTAL	856,882	(849,434)	7,448

NATIONAL DAY NURSERY ASSOCIATION

England & Wales - Charity number 1078275

Accounts



National Day Nurseries Association

National Day Nurseries Association

(A charitable company limited by guarantee)

Financial Statements for the year ended 31 March 2023

Company registration No. 03738616

Registered charity No. 1078275 (England & Wales)

SCO40610 (Scotland)

National Day Nurseries Association

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National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Name	National Day Nurseries Association (NDNA)
Company number	03738616
Charity number	1078275 (England and Wales) / SCO40610 (Scotland)
Registered office	National Early Years Enterprise Centre, Longbow Close, Huddersfield, HD2 1GQ
Scotland office	The Mansfield Traquair Centre, 15 Mansfield Place, Edinburgh, EH3 6BB
Wales office	3 Connaught House, Riverside Business Park, Benarth Road, Conwy, LL32 8UB
Website	www.ndna.org.uk
Auditor	DJH Mitten Clarke Audit Limited, First Floor Office Suite, Mill B, Colne Road Buildings, Colne Road, Huddersfield, HD1 3AG
Bankers	NatWest Bank, Commercial Banking, 2 nd Floor, 8 Market Place, Huddersfield, HD1 2AN
Solicitors	Lupton Fawcett, Yorkshire House, East Parade, Leeds, LS1 5BD

Board of trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are referred to as the trustees. The Trustees report includes requirements of the Directors' report as required by company law. The trustees who served during the year were as follows:

Sarah Steel (Chair)
Tina Jones
Hazel Moody
Penelope Vaughan-Pipe (resigned November 2022)
Courteney Donaldson
Helen Gratton (resigned September 2022)
Jane Haywood (Vice Chair)
David Smyllie
Ann McEwan
Dave Poulson (Treasurer)
Tracey Storey (resigned August 2023)
Sally Bonnar
Philip Siddell
Laura Bowery (resigned November 2022)
Lesley Dawson

Company Secretary and Chief Executive Purnima Tanuku

Senior Management Team
Stella Ziolkowski
Alan Wadsworth
Jonathan Broadbery
Cara Brundle
Gayle Seekins

Qualifying third party indemnity provisions

The charity purchased insurance for liabilities incurred by its trustees in carrying out their duties.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Structure, Governance and Management

Governing document

National Day Nurseries Association is a company limited by guarantee governed by its Memorandum and Articles of Association dated 20 September 1999 with the latest amendment in 2022. It is registered as a charity with the Charity Commission in England and Wales and with the Office of the Scottish Charity Regulator in Scotland.

Appointment of trustees

The Strategic Board currently comprises 11 trustees including a National Chair and Vice Chair. They represent the membership across England, Scotland, and Wales. Four are co-opted from wider sectors to support the work of the Board and add special expertise.

At every Annual General Meeting, one-third of the board is subject to retirement by rotation. Nominations are invited from the regions of the retiring trustees through advertising in Nursery News and elections held to appoint a new regional trustee. If there are no other nominations and the retiring trustee is willing, they will be reappointed for a further term of office.

Trustee induction and training

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. They meet key employees of the charity and are encouraged to attend external training events as appropriate. A two-day board strategy event and training is held annually.

Organisation

The strategic board administers the charity and meets at least 6 times a year in person or virtually. Three policy advisory boards, made up of providers and early years experts, advise the strategic board on policy issues specific to the 3 nations. The Chief Executive, Purnima Tanuku, is appointed by the strategic board to manage the day-to-day operation of the charity. The Chief Executive has delegated authority for dealing with matters such as finance and employment.

Risk management

There is a robust risk assessment and management process established. This includes:

- Reviewing and monitoring both the strategic and operational risks the charity may face.
- Establishment of systems and procedures to measure and control risks identified.
- Implementation of control measures to minimise any potential impact on the charity if risks materialise.

A 'traffic-light' risk reporting system is in use linking the organisation's performance monitoring framework and financial performance.

The principal risk and uncertainty facing the charity is a volatile economic climate affecting both the sector and NDNA. High inflation impacts business costs and household expenditure and may impact demand for providers. At the same time, public spending cuts following the pandemic could result in funded childcare places coming under pressure and a reduction in income from central government and local authority contracts, along with increased competition for all services and contracts. Our strategy for managing this risk has enabled us to achieve a balanced portfolio of income streams by focusing on developing a wider customer base in the UK and beyond and building a portfolio to suit their needs.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Objectives and activities

NDNA's vision and mission

The charity's vision is for all children and families to flourish through high quality early childhood education and care.

The charity's mission is to lead and empower the sector so that nurseries and the early years workforce deliver sustainable, high quality early childhood education and care.

NDNA's aims and objectives for the year

The strategic aims NDNA set out for 2022/23 are:

- To be the strongest voice for nurseries and their workforce.
- To promote and support high quality, sustainable early years provision.
- To enhance our support to the early years workforce.
- To be strong and sustainable.

To be the strongest voice for nurseries and their workforce – As the voice of the 22,000-strong nursery sector, NDNA is an integral part of the lives of more than a million young children and their families. The charity provides information, training and advice, which supports nurseries - and the 280,000 people who work in them - to deliver world-class early learning and childcare. Working closely with local and national governments in England, Scotland and Wales, we deliver a comprehensive programme of policy work, campaigning on the cost, choice and quality of childcare to benefit children, their families, nurseries and the economy.

To promote and support high quality, sustainable early years provision – NDNA's national programmes of activity ensure that nurseries and their workforce have the skills they need to deliver early years services, whilst remaining viable and sustainable. The range of services delivered by NDNA includes membership support services; accredited and non-accredited training programmes both face-to-face and online via the NDNA Early Years Development Zone, live virtual classroom, and webinars; events and conferences; publications; business support; Quality Counts accreditation and Millie's Mark. We also provide information and support to child-carers and parents via our website and myNDNA.

To enhance our support to the early years workforce – myNDNA and the NDNA Early Years Development Zone provide the early years workforce with direct access to up-to-date training and support. Research evidence tells us that ongoing development and support helps practitioners to improve the quality of their practice, which in turn improves children's developmental experiences.

To be strong and sustainable – Effective delivery of the charity's mission is only possible if we are financially sustainable to support the sector. We manage our resources carefully and everyone plays an active part in the business planning process. The strategic challenges facing NDNA are discussed at Board level and all staff are involved in developing the business plan and ultimate responsibility for decision-making rests with the Board, supported by the Chief Executive and Senior Management Team.

The charity has a wholly owned subsidiary, NDNA Services Limited.

NDNA does not fundraise from the public.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Shaping the future of early education and care

This year has seen the early years sector move from post-pandemic recovery into crises of rapidly rising costs and workforce shortages.

Across the year, NDNA produced research on local authority budgets, nursery closures and sustainability for providers to highlight the challenges facing a sector recovering from the pandemic. Through Freedom of Information requests, we demonstrated that local authorities in England underspent their early years budgets by £45 million in 2021/22, and over four years of investigations this has reached a total of £220 million in underspends. Most of these underspends were used to offset overspends in other parts of the schools' budget or rolled forward to general reserves. This continued challenge shows the need for reform of the childcare funding system.

Through direct surveys with members, NDNA also revealed the sustainability concerns of providers. This showed that 98% of providers believed government funding rates were not allowing them to cover their costs and that as a result, 83% expected to operate at a loss or just break-even. Our work also showed how nurseries were working hard to support parents through their own cost of living crisis. While nurseries reported a staff cost increase of 14% and faced inflationary cost increases around 10% the average fee increase to parents was reported at 8.5%.

With growing pressure from families, providers and employers to invest in more high quality early education and care throughout 2022-23, governments in England, Scotland and Wales responded. The Welsh Government continued its expansion of funded childcare by adding a further 2,500 children to the Flying Start programme. In Scotland the new First Minister pledged to accelerate the Scottish Government's plans for funded childcare for all one and two-year olds.

Finally, in his Spring Budget in March the Chancellor announced that in England the offer of 30 hours funded childcare would be extended to working families with children aged nine months and over from 2025.

At the end of the year, NDNA analysed closure data for the sector. Ofsted statistics showed a net loss of 302 early years providers on non-domestic premises from September 2021 to August 2022. Analysis of 186 settings where data was available showed that 37% of those closures were in the 30% most deprived areas of the country and 16% of closures were in the 10% most deprived areas of England. This was an increase on the figures of 34% and 15% respectively for the previous year's data.

Over the course of the year, NDNA supported members and the sector in responding to consultations on staffing ratios for two-year olds and other EYFS reforms, the Government's SEND action plan, regulatory reform in Scotland, changes to the curriculum and assessment frameworks in Wales and gave evidence to the Low Pay Commission, the Education Select Committee, the Greater London Assembly and the Scottish Parliament about the pressures facing the early years sector as well as the importance of investing in a child's learning and development in their first five years.

To raise greater public awareness NDNA launched its '*First Five Years Count*' campaign which aimed to increase awareness of the importance of early years education, raise the profile of the early years workforce and encourage more people to consider a career in early years. NDNA also supported the launch of the Royal Foundation's '*Shaping Us*' awareness campaign about the importance of children's early years.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Achievements and performance

The ethos behind NDNA's charitable vision and mission is to support excellence in the early years workforce, whilst driving quality and sustainability in early years enterprise. To achieve this, our approach is to ensure that the child is at the centre of all that we do to support business and workforce improvement.

High quality, evidence-based practice underpins all NDNA services and activities that NDNA provides. Our Quality Statement clearly defines what represents quality in early years settings. We support our members and the wider early years community to focus on delivering the highest quality provision for children, whilst remaining sustainable as businesses, charities or not for profit enterprises.

We passionately believe that children should be at the heart of all policy making and that quality can only be achieved when nurseries are sustainable businesses, with dedicated leadership and management. Leadership provides a vision for the nursery and supports practitioners to be reflective individuals with a commitment to continuous professional improvement. In turn, this helps to ensure that every child in the nursery community gets the best start in life. This includes children from all backgrounds and abilities where early assessment of their needs, capabilities and interests helps to secure any additional help they may need.

Members continue to recognise NDNA as their provider of choice for the delivery of high quality training. This year we supported 32,908 learners through our programmes of learning, including live virtual classroom training, webinars, online, face to face training and via the delivery of projects and contracts. Evaluation has demonstrated that 98% of those who access our training rate it as either good or excellent.

Impact on the Workforce

This has been another challenging year for the sector with financial constraints due to increased salary costs because of several reasons, including the NMW/NLW increases and the soaring cost of living increases. Staff turnover and an inability to recruit to vacancies has compounded this therefore the ability to release staff for training (other than mandatory training) has been challenging. Due to these factors, access to quality, affordable, relevant short courses have been more important than ever this year.

An abundance of research tells us that high quality childcare, delivered by qualified practitioners, is essential for the development of children in their earliest years. However, we continue to hear from our member nurseries that they are struggling to recruit and retain staff qualified at the levels they need and want and this is reflective in take up of training.

Research confirms that the first five years shape each child's future health, happiness, growth, development and learning achievements, so the continued professional development of practitioners is essential to ensure children get the best start in life. To break down barriers to accessing development, we continue to review our offer providing a range of delivery modes to ensure our offer is accessible to practitioners in the way that best suits their individual needs. NDNA's analysis of sector intelligence, surveys and a two-way dialogue with our members allow us to review and update our range of products and services and to ensure that training remains up to date with best practice, research, and sector need:

'This course helped me in understanding EYFS new curriculum and framework, and I feel confident about planning, teaching and assess the children – Revised EYFS, Fun Kids Harrow'

Alongside our support programmes, we review existing publications, policies and procedures and online resources (such as factsheets) in line with changes to policy, legislation and evidence based best practice.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Free Member Events, Resources, Training and Webinars

The return of the NDNA Conference in June 2022 saw delegates join for sector focussed sessions.

Free member events (including regional sessions and an afternoon with Alice Sharp) reached 604 members. NDNA also delivered a series of free ad hoc webinars on topics important to the sector such as SEND and ratios consultations, information on budget announcements, and anti-racism.

NDNA also provided a range of free online training programmes. Covering the following essential topics to support practitioners:

- An Introduction to Supporting Children with SEND.
- Supporting Staff Well-Being in the Early Years Workforce.
- Online Safety in Early Years.
- Effective Financial Planning and Management.
- Effective Leadership and Management.
- Effective Marketing and Promotion.
- Strategic and Business Planning.

A total of 2,422 practitioners accessed these free courses.

Millie's Mark and Quality Counts

The safety and security of children is paramount and a focus for NDNA delivering Millie's Mark. This year 145 settings took up the Mark and 167 nurseries successfully achieved the standard, demonstrating they go above and beyond their regulatory duty. In total there are now 1174 settings signed up to the Mark in England and 20 in Scotland, with 981 settings being awarded the Mark since it was launched.

During the 2022/23 financial year we have had 26 new sign ups to Quality Counts certification. There have also been 19 sign-ups for the Online audit and review. Over the year we have awarded 20 settings, 11 of which were awarded at the highest platinum level.

Childcare Works

In Wales, NDNA Cymru has been successful in securing ongoing funding for the project from the Active Inclusion Fund and WCVA which ran from April to December 2022. A further cohort of trainee nursery assistants were supported through a separate Childcare Works project in Swansea between January to March 2023. Under the project, NDNA supports participants (who are not in employment, education or training) with a three-week training programme, followed by 13-week placements as Trainee Nursery Assistants, in nurseries.

International

Overseas nurseries that are looking to implement and follow the EYFS recognise the value that NDNA can offer. We have international members from 19 different countries. We continue to provide services to members overseas and continue to engage with international stakeholders.

We continue to see interest in our Quality Counts programme from overseas customers. Within this financial year settings have signed up to the certification mark from Thailand and Uganda. One international setting has been awarded Quality Counts certification mark at platinum level and has recognised the value of this certification.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Membership and Retention

A strong membership base is critical to NDNA's mandate as the voice of the sector. The strength of our membership informs our work and our priorities, which are driven by the evidence we gather from our members.

Despite the challenging environment and growing concern over closures and financial pressures, NDNA's membership has remained stable throughout the year. This indicates that members are getting value from their membership, see a return on this investment and are willing to renew, even in the toughest of times.

NDNA draws on the experience of our members and our own research, as well as analysis of the early years and childcare sector, to ensure we are the voice of our sector. We work across key stakeholders and decision makers in England, Scotland and Wales to advocate for policy approaches that support the charity's objectives and our members' needs.

Member Engagement

NDNA networks provide nursery owners and managers with the opportunity to meet and form a united voice at a local level. Networks, led by volunteer Network Officers, provide regular opportunities to share information, ideas and concerns whilst improving NDNA's reach and the breadth and depth of our insight.

At the end of March 2023, NDNA had 43 active networks across the UK. We continue to hold regular network chair meetings, which have been consistently lively and well attended. NDNA's networks provide the insight that NDNA needs to better understand and represent the sector. We would like to thank all our networks for their continued engagement with NDNA in highlighting local issues and challenges.

Member events were delivered across each of the three nations, using a combination of remote and online delivery. These events attracted 1,616 registered attendees, enabling nurseries and their workforce to benefit from updates on policy and practice, as well as professional development and networking. We worked with our corporate sponsors to deliver up to date information on topics such as health and safety and employment law, to cover all the legislative and regulatory changes due to Covid.

In addition to NDNA's usual member event schedule, a free, virtual 'afternoon with' inspirational speaker Alice Sharp attracted 574 registrations and a webinar focusing on local authority underspends attracted 308.

*"...truly inspiring, hitting all of the current topics and points we are currently working on within our nursery."
Kim Bazeley, Hawkfield Nursery*

Policy Engagement and Campaigns

In England, Scotland and Wales, NDNA has met with Government Ministers, key stakeholders and working groups to provide the latest research, sector views and experiences, particularly in relation to workforce challenges, demand and rising cost pressures. NDNA has used member views and feedback to lobby and shape changes to guidance and secure extra support for the sector. This has included:

- Funding – lobbying for:
 - additional £204 million for funded places in England from September 2023 and a further increase of £288 million from April 2024.
 - an uplift to childcare payments for families on Universal Credit.
 - Childcare elements of Universal Credit paid upfront.
- Reduced membership fee for members in Wales.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

To support our members and influence public debate on issues affecting early years, we engage with traditional and social media to reach as wide an audience as possible, achieving 193 pieces of national (including broadcast) media coverage for our work and 261 pieces in the trade press covering early years and education. Our following on social media has now reached; 19,338 on Facebook; 16,423 on Twitter; 8,837 on LinkedIn and 3,004 on Instagram.

“Well done on an excellent webinar this evening. Very informative and good to know we have NDNA working for the sector.” Michael Farrell, The Croft Day Nursery

Funding

As cost-of-living pressure grew throughout the year, NDNA campaigned for increased investment in early education and childcare. This was to ensure sustainability for existing provision but also to improve quality and address workforce challenges.

NDNA responded to formal consultations relating to the early years national funding formula and made submissions to the Spring Budget. We also engaged with MPs directly, supported member engagement with their own MPs and continued our support to the All-Party Parliamentary Group on Early Education and Childcare.

In the Spring Budget the Government announced a doubling of investment in childcare and early education with a pledge to deliver 30 hours of funded childcare to all children of working families from nine months upwards from September 2025.

The Welsh and Scottish Governments announced an extension of the 100% relief from business rates for nurseries in these countries until 2025.

Freedom of information research with local authorities in Scotland revealed a significant difference between the proportion of hours partner providers were delivering under the funded ELC policy, compared with the proportion of the ELC budget being spent with partner providers, showing private and voluntary nurseries were being expected to do more with less budget. Data collected from councils also showed that providers were being left in the dark about their funding rates even after the academic year had started and NDNA Scotland supported networks in making representations to their elected councillors.

NDNA Cymru

NDNA Cymru remains part of the CWLWM Partnership and representation continues to be key to our work. We are a member of key strategic groups alongside other representative organisations, Welsh Government, Aware, Social Care Wales, Care Inspectorate Wales and Estyn.

NDNA Scotland

NDNA Scotland continues to represent members at key stakeholder meetings and supporting the childcare sector working group on early learning and childcare. In addition, NDNA Scotland is a member of the Education Reform Review Group, Care Inspectorate Safe Staffing Project and the SSSC Codes of Practice Review Group. To support this work, we have been successful in securing Sector Representation funding from the Scottish Government.

We have retained the Scottish Government's Children, Young People and Families Early Intervention Fund (CYPFEIF) and Adult Learning and Empowering Communities Fund (ALEC) funding for eight years and received positive feedback from the Corra Foundation on the reporting of the achievement of Fund outcomes. NDNA Scotland have consistently met all the requirements for the funding.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

NDNA Scotland has a commitment to promoting the rights of the child as the Scottish Government brings forward legislation to incorporate the UN Convention on the Rights of the Child into Scots law.

myNDNA

We have 16,115 people registered on myNDNA, our early years and childcare community. These practitioners receive newsletters packed with hints, tips and good practice guides. We have seen continued practitioner participation via myNDNA which has enabled us to enhance our offer to further support the sector.

This free to join, online community continues to provide practical inspiration, activity ideas and resources for early years practitioners to use in their setting. We encourage use of these resources to support practitioners with their own professional development and we believe that myNDNA has had a positive impact on the quality of early years practice and, therefore, improved outcomes for children.

Projects and Contracts

We have delivered a number of projects in partnership with other organisations, such as Best Practice Network, Early Years Stronger Practice Hubs and Maths Champions, to support the sector.

This year, we have continued to work with a range of companies to bring ideas, activities, campaigns and resources to children and parents via our membership base. For instance, NDNA's popular 'Healthy Body, Happy Me' campaign focused on the theme 'talk with me' and took place from 20th – 24th March 2023. TTS and Consortium sponsored the week, promoting activities to support children's health and wellbeing. Two participants commented that the campaign guides "promoted physical movement" and "gave the children in our preschool room the opportunity to talk about things that were important to them." Our daily guides provided ideas for learning and development, including at least one physical activity, plus activities for home learning to encourage families to extend healthy habits to home life.

Sustainability

NDNA's own long-term sustainability is essential if we are to continue delivering our charitable mission and maximise the impact of our activities.

Through careful management, planning and cost savings, we were able to achieve a better year-end financial position than budget in the financial year 2022/23. This means that we can invest in the development of further support for the benefit of nurseries, the early years workforce and the children who they educate and care for.

Financial review

2022/23 has seen us continue to maintain the strong and sustainable position of the organisation and its purpose in challenging times for the sector. We achieved an overall surplus of £65,912, after investment through our development budget. Our unrestricted reserves now stand at £2,101,428.

During the year, we invested £190,060 out of designated funds.

A further £155,004 has been put into the designated IT fund to invest in additional IT support, plus a further £54,583 into the designated development fund to support our members.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Investment policy

The trustees recognise the need to retain sufficient liquid assets to meet the charity's short-term obligations. Funds in excess of current requirements are invested in low-risk cash deposits or interest-bearing accounts.

Plans for the future

Throughout 2022/23, we have constantly reviewed our plan and adjusted our delivery in line with changes in government guidance. NDNA will continue to focus on delivering the highest quality training through face to face, online (via the Early Years Development Zone and Live Virtual Classroom training), webinars and both online and face to face member events.

We will continue to invest in our online services, and we will build on the growth of the myNDNA community to reach wider audiences and individual practitioners in early years with targeted support. Meanwhile, we will invest in NDNA's IT infrastructure to enhance our products and services. New partnerships are being developed to improve our member benefit package and to generate new income streams.

In England, alongside the planned expansion of funded childcare the Government has made a number of regulatory proposals to address the workforce challenges in the early years sector. NDNA will engage with members about the specific proposals made but also the wider challenges they face as implementation starts from April 2024 with funded two-year old places.

Ahead of a General Election expected in 2024, NDNA will also use the coming year to gather evidence about what the sector needs in the short to medium term to produce a high-level vision for the future of early education and childcare. This will then help to inform any manifesto asks ahead of the election.

NDNA will continue to gather evidence from our members to campaign for increased funding for the early years sector. This is in line with our charitable objectives of supporting all children through access to high quality early education and care. To ensure a strong voice across Parliament, NDNA will continue its work meeting and briefing MPs and within the All-Party Parliamentary Group for Early Education and Childcare.

In Scotland, the Programme for Government sets out plans to expand the offer to more two-year-olds and eventually to one-year olds. The new First Minister has pledged to accelerate that work. NDNA Scotland will continue to support Scottish Government plans to make ELC affordable, accessible and high quality. We will campaign for solutions to the funding challenges of the existing policy while also advocating for the skills and expertise of the PVI sector to be fully engaged in any ELC offer for younger children. We will propose solutions to ensure funding truly follows the child.

The UNCRC Incorporation (Scotland) Bill passed the Scottish Parliament in 2021 but was delayed due to legal challenges. Once re-introduced, the Bill will mean public authorities, including nurseries delivering publicly funded places, will have to comply with children's rights. This is something the Early Learning and Childcare sector already does but NDNA Scotland will provide additional support to members around the new requirements.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

In Wales, the Programme for Government includes plans for expanding the funded offer to all two-year-old children in Wales. This is being delivered by expanding the Flying Start programme which is currently only delivered in the more deprived areas of the country. It is delivered and funded in different ways by different local authority areas leading to inconsistencies. NDNA Cymru will work with members, CWLWM partners and the Welsh Government to address these and ensure the expertise and experience of the day care sector is recognised in the plans for this expansion.

With updates to the National Minimum Standards and the Quality Framework planned for 2023/24 NDNA Cymru will continue to support members and advocate for high quality early years provision that supports children's development and ensures their well-being. We will pilot Millie's Mark in Wales with the standard reflecting the requirements for providers in Wales.

Public benefit

We constantly refer to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Evidence shows that investing in early years makes a difference to children's long-term outcomes. To achieve our vision and mission, our support and representation work aims to have a real influence as we help to shape the early years policy agenda for the benefit of children and their families across England, Scotland and Wales. The impact of this is to develop an environment that enables the nursery sector to deliver the high quality education and care, to make a difference to the outcomes for children, whilst also being sustainable businesses.

The practical support and representation that we provide to nurseries help them continually improve their early learning and childcare practice and to be sustainable businesses, which are central to the fulfilment of our mission and vision. The difference we aim to achieve on behalf of children and families include:

- Better informed policy development that ensures public spend on early years achieves maximum impact and delivers positive outcomes for children.
- Affordable and accessible childcare for all sections of the community through supporting sustainable childcare including in areas of disadvantage.
- Enhanced skills in the early years workforce to be better equipped to provide the high quality of care and early learning that children deserve.
- Enhanced inclusion in early years through promotion of good practice.
- Support for nursery providers in all areas to promote better outcomes for children and families.
- Sector sustainability, enterprise and, as a result, the safeguarding and creation of jobs in the childcare sector, whilst enabling parents to work and train.
- Partnership programmes for economically inactive individuals to give them a solid basis to move into employment.
- Parents equipped with an increased understanding of quality childcare so they can make informed childcare choices and get the most out of their nursery.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Support from our volunteers

The Board of Trustees gives considerable support to the organisation on a voluntary basis, and we very much appreciate this. Members have also acted in various voluntary roles for NDNA through advising as members of our England, Scotland and Wales policy advisory boards and representing the sector at both national and local levels. Local NDNA networks operate across the country thanks to the time and commitment given by voluntary network officers. There is extensive volunteer activity across all three nations and the trustees would like to record their appreciation and thanks for this contribution, which is of great value to the charity.

Pay policy for senior staff

The Strategic Board of Directors set the vision and mission for the organisation, working closely with the Senior Management Team. The Chief Executive, with support from the Senior Management Team, delivers the objectives in line with the vision, mission and business plan.

All directors give their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 7 and 15 (respectively) to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, pay levels are benchmarked against pay levels in other charities of a similar size.

If recruitment has proven difficult in the recent past, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Reserves policy

Trustees are under a general legal duty to apply charity funds within a reasonable time of receiving them and to justify the level of reserves held.

The reserves policy is informed by:

- how secure the organisation's future income streams are.
- analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met out of income.
- the long-term development and infrastructure, building strategy for the organisation.

The policy is re-examined each year as part of the formal process of reviewing the long-term strategy linked to the annual business planning process.

At the end of the year, the charity is holding total funds of £3,098,769. This includes restricted funds of £257,341, an endowment fund of £740,000 and unrestricted designated funds of £187,116.

Unrestricted reserves excluding amounts designated have decreased (following investment through designated funds) by £144,664 and are now £1,914,312.

There is £136,950 included within unrestricted reserves and £740,000 within the endowment fund, which can only be realised by disposing of tangible fixed assets.

Free reserves have decreased by £138,536 and are now £1,863,830.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Free reserves as of 31 March 2023 represent approximately 13.4 months of operating costs. We need to keep sufficient cash reserves to fund future developments that will contribute to the growth of the organisation, necessary for future sustainability to support the sector.

The board reviewed the Reserves Policy in September 2023, and it is considered as a matter of prudence under the current political and economic climate that NDNA should retain 12 months operating costs in reserves to service commitments, respond to changes in risks and fund future developments.

The challenges for the early years sector continue to be a concern for NDNA as a representative organisation.

Therefore, we intend to spend a substantial amount of our reserves in 2023/24 enhancing support services to our members in the form of:

- Invest in new products and services.
- Face to face and virtual training.
- Campaigns relating to:
 - Raising the profile of the Early Years sector.
 - Healthy Body Happy Me.
 - General Election.
- Research across 3 nations.
- Major project with substantial investment to support the Early Years workforce across 3 nations.

Taking account of the above, our free reserves as at 31 March 2024 would represent around 10 months operating costs.

Designated fund policy

The charity has set aside funds for building maintenance, further development of our IT platform and for costs for development of services that will support the early years sector and the global community.

An additional £54,583 has been added to the designated development fund, making the balance £56,159. This will be used in 2023/24 for projects to support services to early years practitioners.

An additional £155,004 has been added to the designated IT fund, making the balance £116,924. This will be allocated against depreciation of our finance system (which was purchased in January 2019), our CRM and website (which was launched in March 2022) and to invest in additional IT support (in 2023/24).

The remaining designated building fund of £14,033 will be allocated against depreciation of head office refurbishment that has taken place in the last few financial years.

National Day Nurseries Association

Report of the trustees (including directors' report)

For the year ended 31 March 2023

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of National Day Nurseries Association for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company, and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company, and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the trustees' annual report:

- there is no relevant audit information (as defined by section 418 of the Companies Act 2006), being information needed by the auditors in connection with preparing their report, of which the auditors are unaware, and
- the trustees, having made enquiries of fellow directors, have taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared taking advantage of the small companies exemption under the Companies Act 2006.

By order of the Board



Sarah Steel
Chair of the Board of Trustees
18 October 2023

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2023

Opinion

We have audited the financial statements of National Day Nurseries Association (the 'Charity') for the year ended 31 March 2023 which comprise of the charity Statement of Financial Activities, charity Balance Sheet, charity Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of the charity's incoming resources and application of resources, including its results, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2023

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except for the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees (which includes the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees (which includes the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the trustees (which includes the directors' report).

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the trustees (which includes the directors' report).

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on Page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements. Also for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2023

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our planning procedures included gaining an understanding of the entity and its environment including the entity's legal and regulatory framework, any fraud indicators and internal control system via both discussions amongst the engagement team and with the directors. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of controls.

Based on our understanding of the company and its industry, the key laws and regulations we considered included the UK Companies Act, Charities Act (2011) and relevant tax legislation.

Audit procedures performed by the engagement team included but were not limited to:

- Evaluating and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Discussing with the directors the policies and procedures in place regarding identifying and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Reviewing relevant meeting minutes;
- Identifying and testing journal entries;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing and testing the accounting estimates to minimise potential bias.

Report of the independent auditors to the members and trustees of National Day Nurseries Association For the year ended 31 March 2023

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements the less likely we would become aware of such non-compliance. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentations or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Karen Borowski FCA (Senior Statutory Auditor)
for and on behalf of DJH Mitten Clarke Audit Limited
Chartered Accountants and Statutory Auditors
First Floor Office Suite
Mill B
Colne Road Buildings
Colne Road
Huddersfield
HD1 3AG

Date: 29/11/2023.....

National Day Nurseries Association
Charity Statement of Financial Activities
(incorporating income and expenditure account)
For the year ended 31 March 2023

Notes	Unrestricted				Total 2023	Total 2022	
	Unrestricted Funds	Designated Funds	Endowment Fund	Restricted Funds			
	£	£	£	£	£	£	
Income							
Donations	2	12,422	-	-	74,262	86,684	14,912
Other trading activities							
Facilities hire		7,844	-	-	-	7,844	3,492
Income from investments		22,152	-	-	-	22,152	5,284
		<u>42,418</u>	<u>-</u>	<u>-</u>	<u>74,262</u>	<u>116,680</u>	<u>23,688</u>
Income from charitable activities							
Membership services		801,440	-	-	-	801,440	809,940
Sector support services		730,654	-	-	-	730,654	999,194
Projects & contracts	3	4,962	-	-	961,589	966,551	937,188
Events, publicity and commercial		318,195	-	-	-	318,195	248,541
		<u>1,855,251</u>	<u>-</u>	<u>-</u>	<u>961,589</u>	<u>2,816,840</u>	<u>2,994,863</u>
Total income		<u>1,897,669</u>	<u>-</u>	<u>-</u>	<u>1,035,851</u>	<u>2,933,520</u>	<u>3,018,551</u>
Expenditure							
Expenditure on raising funds							
Facilities hire		5,553	430	-	-	5,983	5,436
Cost of raising donations		-	-	-	-	-	24,738
Expenditure on charitable activities							
Membership services		564,170	67,972	-	-	632,142	551,363
Sector support services		864,005	53,460	-	-	917,465	977,710
Projects & contracts		224,446	60,333	-	844,802	1,129,581	1,109,313
Events, publicity and commercial		186,372	7,865	-	-	194,237	127,999
Other expenditure							
Reversal of property impairment		-	-	(11,800)	-	(11,800)	(28,600)
Total resources expended	4	<u>1,844,546</u>	<u>190,060</u>	<u>(11,800)</u>	<u>844,802</u>	<u>2,867,608</u>	<u>2,767,959</u>
Net income/(expenditure)		53,123	(190,060)	11,800	191,049	65,912	250,592
Transfers between funds	12	(197,787)	209,587	(11,800)	-	-	-
Net movement in funds		(144,664)	19,527	-	191,049	65,912	250,592
Total funds brought forward	12	2,058,976	167,589	740,000	66,292	3,032,857	2,782,265
Total funds carried forward	12	<u>1,914,312</u>	<u>187,116</u>	<u>740,000</u>	<u>257,341</u>	<u>3,098,769</u>	<u>3,032,857</u>

The notes form part of these financial statements

National Day Nurseries Association Charity Balance Sheet As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	9	876,950	890,195
Investments	10	<u>1</u>	<u>1</u>
		<u>876,951</u>	<u>890,196</u>
Current assets			
Stock		12,530	21,452
Trade debtors		347,687	31,372
Prepaid expenses		40,576	24,602
Accrued income		88,166	91,689
Investments		1,023,135	519,277
Cash at bank and in hand		1,365,825	2,237,597
Due from group company		<u>13,052</u>	<u>13,052</u>
		<u>2,890,971</u>	<u>2,939,041</u>
Liabilities			
Creditors: amounts falling due within one year:			
Trade creditors		59,544	81,708
Other creditors		648	22,440
Taxes and social security creditors		42,065	39,374
Accrued expenses		68,216	165,125
Deferred income	11	<u>498,680</u>	<u>487,733</u>
		<u>669,153</u>	<u>796,380</u>
Net current assets		<u>2,221,818</u>	<u>2,142,661</u>
Net assets		<u>3,098,769</u>	<u>3,032,857</u>
Funds			
Unrestricted funds	12	2,101,428	2,226,565
Restricted funds	12	257,341	66,292
Endowment funds	12	<u>740,000</u>	<u>740,000</u>
		<u>3,098,769</u>	<u>3,032,857</u>

Approved by the board of directors and Trustees on 18 October 2023 and signed on its behalf by



Sarah Steel
Director and Trustee

The notes form part of these financial statements

National Day Nurseries Association
Charity Statement of Cash Flows
For the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	16	<u>(335,494)</u>	<u>299,696</u>
Cash flows from investing activities			
Interest income		22,152	5,284
Withdrawal from / (investment in) term deposits		(503,858)	250,949
Purchase of tangible fixed assets		<u>(54,572)</u>	<u>(102,541)</u>
Net cash used in investing activities		<u>(536,278)</u>	<u>153,692</u>
Cash flows from financing activities			
(Repayment of) loan in year		-	(50,000)
Net cash used in financing activities		<u>-</u>	<u>(50,000)</u>
Increase / (decrease) in cash and cash equivalents in the year		(871,772)	403,388
Cash and cash equivalents at beginning of the year		2,237,597	1,834,209
Cash and cash equivalents at end of the year		<u>1,365,825</u>	<u>2,237,597</u>

The notes form part of these financial statements

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2023

1 Accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006. The financial statements are prepared under the historical cost convention with the exception of land and buildings, which have been included at their revalued amount.

The trustees consider that the charity constitutes a public benefit entity.

b) Going concern

The trustees have considered the current position and budgets of the charity, and after making appropriate enquiries they have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Incoming resources

Income from charitable activities other than grant funding is accounted for when there is entitlement to the income. Income is deferred where delivery of services relates to future periods. Revenue grant funding is accounted for upon entitlement to the income and is deferred where time restrictions apply to related expenditure. Investment income and other trading income is accounted for on an accruals basis. Donations are accounted for as they arise. All income is included gross and related costs are included in expenditure. All income is stated after trade discounts, other sales taxes and net of VAT.

d) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Expenditure that is directly attributable to specific activities has been included in these cost categories.

Where costs are attributable to more than one activity, they have been apportioned across the cost categories consistent with the use of these resources. Any creditors or provisions at the year-end are apportioned on the same basis.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both those costs that can be allocated directly to such activities and those costs of an indirect nature to support them.
- Governance costs include those costs incurred in the governance of the charity and its assets, and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions that have been allocated to activity cost categories on a basis consistent with the staff time engaged on each activity.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2023

1 Accounting policies - continued

e) Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities on a straight-line basis over the period of the lease.

f) Pension costs

The charity operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Pension costs are attributed to the activity performed by the staff member to whom the cost relates.

g) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and any costs directly attributable to bringing the asset to its working condition for its intended use.

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

Land	not depreciated
Buildings	2% straight line
Equipment etc.	equal instalments over estimated life of 4 to 8 years.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

h) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due deductions for obsolete and slow moving items.

Stocks are valued using the first-in, first-out (FIFO) method.

i) Current asset investments

Current asset investments comprise term bank deposits not realisable within 3 months and which are held to generate interest income.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2023

1 Accounting policies - continued

j) Government grants

Government grants received towards revenue costs are recognised within the financial statements when the charity has entitlement and in accordance with the provisions of FRS102 on either the performance or accruals model on a class-by-class basis.

k) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charity's objects.

Designated funds are unrestricted funds, which are determined by specific need to set aside funds to fund future developments in the charity, maintain the building and develop IT infrastructure.

Restricted funds are held where there are restrictions imposed by the donor on the use of the funds granted. All restricted funds are held in net current assets.

Endowment funds represent assets purchased with grant funding. Transfers are made to unrestricted funds to cover depreciation charges.

l) Taxation

The charity meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is exempt from taxation in accordance with the Corporation Tax Act 2010, to the extent that such income is applied exclusively for charitable purposes.

m) Liability of members

The company is limited by guarantee and the liability of each member is limited to £1.

n) Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from the actual results. They are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts.

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of land and buildings:

The land and buildings are held in the Balance Sheet at valuation and the basis for valuation is fair value.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2023

1 Accounting policies - continued

o) Financial instruments

The charity has adopted section 11 of FRS 102 in respect of financial instruments.

Short-term debtors are measured at transaction price, less any impairment.

Short-term creditors are measured at transaction price.

p) General information

The charity is a private company limited by guarantee and is incorporated in England and Wales.

The address of its registered office is National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ.

The company's register number is 03738616.

q) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as any short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

r) Termination benefits

Termination benefits are recognised when the company has committed to providing them to employees.

They are measured at the best estimate required to settle the obligation at the reporting date.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2023

2 Donations	2023	2022
	£	£
CJRS Grant Income	-	11,912
The Moondance Foundation Donation	74,262	-
Other	12,422	3,000
	<u>86,684</u>	<u>14,912</u>

3 Projects and contracts	2023	2022
	£	£
Welsh Government	465,249	594,469
Scottish Government	105,000	140,000
Other	396,302	202,719
	<u>966,551</u>	<u>937,188</u>
Included in the above are restricted funds:		
Welsh Government	465,249	594,469
Scottish Government	105,000	140,000
Other	391,340	193,810
	<u>961,589</u>	<u>928,279</u>

Included in the above, the amount of grants total £961,589 (2022: £928,279).

Also included in the above are government grants totalling £816,533 (2022: £734,469).

4 Total resources expended	Direct delivery staff costs	Other delivery costs	Support incl staff costs	Depreciation/ Impairment	Total 2023
	£	£	£	£	£
Facilities hire	2,682	147	3,007	147	5,983
Membership services	266,540	120,872	233,394	11,336	632,142
Sector support services	390,914	134,341	374,042	18,168	917,465
Projects & contracts	578,128	108,818	422,132	20,503	1,129,581
Events, publicity and commercial	75,645	60,890	55,029	2,673	194,237
Other expenditure: revaluation of property	-	(11,800)	-	-	(11,800)
	<u>1,313,909</u>	<u>413,268</u>	<u>1,087,604</u>	<u>52,827</u>	<u>2,867,608</u>
2022 Comparatives					
	£	£	£	£	£
Facilities hire	2,285	209	2,714	228	5,436
Cost of raising donations	11,691	-	12,038	1,009	24,738
Membership services	242,493	87,882	203,892	17,096	551,363
Sector support services	352,838	240,483	354,652	29,737	977,710
Projects & contracts	557,303	170,987	351,547	29,476	1,109,313
Events, publicity and commercial	69,947	3,441	50,386	4,225	127,999
Other expenditure: revaluation of property	-	(28,600)	-	-	(28,600)
	<u>1,236,557</u>	<u>474,402</u>	<u>975,229</u>	<u>81,771</u>	<u>2,767,959</u>

Allocation of support costs is based on staff time engaged on each activity.

Support costs include:	2023	2022
	£	£
Staff costs	664,147	593,545
IT support	148,477	115,327
Consultancy costs	84,458	21,846
Premises	44,884	41,905
Governance	30,154	23,517
Marketing	27,952	55,052

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2023

4 Total resources expended - continued

Total resources expended include:	2023	2022
	£	£
Operating lease rentals	14,281	22,907
Professional indemnity insurance	2,782	2,814
Auditors remuneration:		
Audit	13,020	13,020
Other services	6,000	5,533

5 Staff costs

	2023	2022
	£	£
Wages and salaries	1,699,913	1,545,070
Social security costs	156,156	140,523
Pension costs	92,370	81,723
Staff insurance	9,025	8,041
Agency staff costs	20,591	54,745
	<u>1,978,056</u>	<u>1,830,102</u>

There were three employees with remuneration in excess of £60,000: Band £60,001 to £70,000 = 2; £100,001 to £110,000 = 1 (2022: Band £60,001 to £70,000 = 1; Band £100,001 to £110,000 = 1).

Pension contributions of £13,262 (2022: £9,092) were made in respect of these employees during the year.

The key management personnel of the charity comprises the Chief Executive and Senior Management Team whose employee benefits total £409,148 (2022: £384,576).

The average number of staff employed by the charity and group during the year was 65 (2022: 62).

The average full time equivalent number of staff employed by the charity was as follows:

	2023	2022
	Number	Number
Charitable activities	41	40
Cost of raising funds	-	1
Support staff	13	11
	<u>54</u>	<u>52</u>
Included in full time equivalent staff are participants on job creation programmes	5	5

6 Pension costs

The company has contributed £92,370 (2022: £81,723) into a Group Personal Pension Plan for its employees.

At the end of the year £648 (2022: £22,440) was owing in unpaid contributions.

7 Trustees remuneration and expenses

No remuneration was paid directly to trustees during the year. See Note 15 for details of other payments to trustees.

The total amount of expenses reimbursed to trustees for travel, subsistence and accommodation expenses incurred in carrying out their duties was £1,174, 5 trustees (2022: £602, 1 trustee).

Cost of professional indemnity insurance including trustee indemnity amounted to £2,782 (2022: £2,814).

National Day Nurseries Association
Notes to the accounts
For the year ended 31 March 2023

8 Charity statement of financial activities
2022 Comparatives

Notes	Unrestricted				Total 2022
	Unrestricted Funds	Designated Funds	Endowment Fund	Restricted Funds	
	£	£	£	£	£
Income					
Donations	2	14,912	-	-	14,912
Other trading activities					
Facilities hire		3,492	-	-	3,492
Income from investments		5,284	-	-	5,284
		<u>23,688</u>	<u>-</u>	<u>-</u>	<u>23,688</u>
Income from charitable activities					
Membership services		809,940	-	-	809,940
Sector support services		999,194	-	-	999,194
Projects & contracts	3	8,909	-	928,279	937,188
Events, publicity and commercial		248,541	-	-	248,541
		<u>2,066,584</u>	<u>-</u>	<u>928,279</u>	<u>2,994,863</u>
Total income		<u>2,090,272</u>	<u>-</u>	<u>928,279</u>	<u>3,018,551</u>
Expenditure					
Expenditure on raising funds					
Facilities hire		5,154	282	-	5,436
Cost of raising donations		23,488	1,250	-	24,738
Expenditure on charitable activities					
Membership services		530,194	21,169	-	551,363
Sector support services		940,888	36,822	-	977,710
Projects & contracts		125,116	36,499	947,698	1,109,313
Events, publicity and commercial		122,768	5,231	-	127,999
Other expenditure					
Reversal of property impairment		-	-	(28,600)	(28,600)
Total resources expended	4	<u>1,747,608</u>	<u>101,253</u>	<u>(28,600)</u>	<u>2,767,959</u>
Net income/(expenditure)		<u>342,664</u>	<u>(101,253)</u>	<u>28,600</u>	<u>250,592</u>
Transfers between funds	12	<u>(60,362)</u>	<u>72,162</u>	<u>(11,800)</u>	<u>-</u>
Net movement in funds		<u>282,302</u>	<u>(29,091)</u>	<u>16,800</u>	<u>250,592</u>
Total funds brought forward	12	<u>1,776,674</u>	<u>196,680</u>	<u>723,200</u>	<u>2,782,265</u>
Total funds carried forward	12	<u>2,058,976</u>	<u>167,589</u>	<u>740,000</u>	<u>3,032,857</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2023

9 Tangible assets	Long leasehold land and buildings £	Equipment etc. £	Total £
Cost or valuation			
At 1 April 2022	740,000	555,071	1,295,071
Additions	-	27,782	27,782
Disposals	-	(319,631)	(319,631)
At 31 March 2023	<u>740,000</u>	<u>263,222</u>	<u>1,003,222</u>
Depreciation			
At 1 April 2022	-	404,876	404,876
Charge for the year	11,800	41,027	52,827
Eliminated on disposal	-	(319,631)	(319,631)
Eliminated on revaluation	(11,800)	-	(11,800)
At 31 March 2023	<u>-</u>	<u>126,272</u>	<u>126,272</u>
Net book value			
At 31 March 2023	740,000	136,950	876,950
At 31 March 2022	<u>740,000</u>	<u>150,195</u>	<u>890,195</u>

The land and buildings are included at valuation based on a combination of the All Risks Yield (Investment) method of valuation and the traditional comparable method. A valuation, dated 31 March 2023, was undertaken by Bramleys LLP, independent RICS registered valuers.

The historical cost of the land and buildings and accumulated depreciation had it not been revalued would have been as follows:

	2023 £	2022 £
Cost	1,395,715	1,395,715
Accumulated depreciation	(399,924)	(377,592)
	<u>995,791</u>	<u>1,018,123</u>

The historical valuations were:

31 March 2023	£ 740,000
31 March 2022	£ 740,000
31 March 2020	£ 735,000
31 March 2018	£ 735,000
31 March 2016	£ 720,000
31 March 2014	£ 750,000
31 March 2011	£ 875,000

10 Investments	Shares in group undertakings £
Cost at 31 March 2022 and 31 March 2023	<u>1</u>
Net book value at 31 March 2022 and 31 March 2023	<u>1</u>

The company's investments at the balance sheet date consist of 100% of the ordinary share capital of its subsidiary NDNA Services Limited, company number 07520697, whose registered office is National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ.

NDNA Services Limited is dormant.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2023

11 Deferred income	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
	£	£	£	£	£
Balance at 1 April 2022	397,449	-	46,405	43,879	487,733
Released from previous year	(397,449)	-	(46,405)	(42,261)	(486,115)
Deferred in current year	346,249	81,745	35,001	34,067	497,062
Balance at 31 March 2023	<u>346,249</u>	<u>81,745</u>	<u>35,001</u>	<u>35,685</u>	<u>498,680</u>

Deferred income refers to delivery of services in the following financial year.

2022 Comparatives	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
	£	£	£	£	£
Balance at 1 April 2021	480,487	-	3,149	75,214	558,850
Released from previous year	(480,487)	-	(3,149)	(69,391)	(553,027)
Deferred in current year	397,449	-	46,405	38,056	481,910
Balance at 31 March 2022	<u>397,449</u>	<u>-</u>	<u>46,405</u>	<u>43,879</u>	<u>487,733</u>

12 Analysis of charitable funds	Balance at 1.4.22	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.23
	£	£	£	£	£
Unrestricted funds	2,226,565	1,897,669	(2,034,606)	11,800	2,101,428
Endowment fund	740,000	-	11,800	(11,800)	740,000
Restricted funds	66,292	1,035,851	(844,802)	-	257,341
	<u>3,032,857</u>	<u>2,933,520</u>	<u>(2,867,608)</u>	<u>-</u>	<u>3,098,769</u>

Analysis of movement in unrestricted funds	Balance at 1.4.22	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.23
	£	£	£	£	£
General fund	2,058,976	1,897,669	(1,844,546)	(197,787)	1,914,312
Designated development fund	36,190	-	(34,614)	54,583	56,159
Designated buildings fund	20,265	-	(6,232)	-	14,033
Designated IT fund	111,134	-	(149,214)	155,004	116,924
	<u>2,226,565</u>	<u>1,897,669</u>	<u>(2,034,606)</u>	<u>11,800</u>	<u>2,101,428</u>

Name of unrestricted fund
General fund
Designated development fund
Designated buildings fund
Designated IT fund

Description, nature and purpose of fund
The reserves after allowing for all designated funds.
Designated fund for developing services that will support sustainability. There are a number of projects ongoing which are expected to continue during 2023-24.
Designated fund for office furniture and equipment purchased (and capitalised) in 2018, 2020, 2021 and 2022.
Designated fund for finance software purchased (and capitalised) in 2019, CRM and website purchased (and capitalised) in 2022, and additional IT support.

Analysis of movement in restricted funds	Balance at 1.4.22	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.23
	£	£	£	£	£
Welsh Government Children & Families	66,292	338,285	(221,498)	-	183,079
Welsh Government Language Unit	-	66,964	(66,964)	-	-
Welsh Government Foundation Phase	-	60,000	(60,000)	-	-
Scottish Government Strategic Funding	-	105,000	(105,000)	-	-
Active Inclusion	-	216,284	(216,284)	-	-
Swansea Council	-	30,000	(30,000)	-	-
The Moondance Foundation	-	74,262	-	-	74,262
Best Practice Network	-	4,000	(4,000)	-	-
Education Endowment Fund	-	141,056	(141,056)	-	-
	<u>66,292</u>	<u>1,035,851</u>	<u>(844,802)</u>	<u>-</u>	<u>257,341</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2023

12 Analysis of charitable funds - continued

Key incoming resources:

Welsh Government Children & Families - grant awarded to support the development of innovative solutions to provide flexible childcare that meets the needs of families in Wales.

Welsh Government Language Unit - grant for support of early years settings with the Welsh language training programme.

Welsh Government Foundation Phase - grant for the support of the delivery of Foundation Learning.

Scottish Government Strategic Funding Partnership - grant for the development of childcare policy and improvement of quality in private sector nurseries.

Active Inclusion - grant for introducing people into employment in childcare.

Swansea Council - grant for introducing people into employment in childcare.

The Moondance Foundation - donation for introducing people into employment in childcare.

Best Practice Network - grant for working alongside as Delivery Partners to promote, deliver, assess and quality assure delivery of the Early Years SENCO Level 3 qualification.

Education Endowment Fund - grant for the evaluation of our Maths Champions programme.

2022 Comparatives

Analysis of charitable funds	Balance at 1.4.21	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.22
	£	£	£	£	£
Unrestricted funds	1,973,354	2,090,272	(1,848,861)	11,800	2,226,565
Endowment fund	723,200	-	28,600	(11,800)	740,000
Restricted funds	85,711	928,279	(947,698)	-	66,292
	<u>2,782,265</u>	<u>3,018,551</u>	<u>(2,767,959)</u>	<u>-</u>	<u>3,032,857</u>

Analysis of movement in unrestricted funds

	Balance at 1.4.21	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.22
	£	£	£	£	£
General fund	1,776,674	2,090,272	(1,747,608)	(60,362)	2,058,976
Designated development fund	25,194	-	-	10,996	36,190
Designated buildings fund	19,664	-	(4,839)	5,440	20,265
Designated IT fund	151,822	-	(96,414)	55,726	111,134
	<u>1,973,354</u>	<u>2,090,272</u>	<u>(1,848,861)</u>	<u>11,800</u>	<u>2,226,565</u>

Analysis of movement in restricted funds

	Balance at 1.4.21	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.22
	£	£	£	£	£
Welsh Government Children & Families	85,711	199,705	(219,124)	-	66,292
Welsh Government Language Unit	-	50,000	(50,000)	-	-
Welsh Government Foundation Phase	-	57,000	(57,000)	-	-
Scottish Government Strategic Funding Partnership	-	140,000	(140,000)	-	-
Welsh Government Employment Programmes	-	287,764	(287,764)	-	-
Education Endowment Fund	-	193,810	(193,810)	-	-
	<u>85,711</u>	<u>928,279</u>	<u>(947,698)</u>	<u>-</u>	<u>66,292</u>

13 Analysis of net assets between fund balances

	Unrestricted funds	Designated funds	Endowment funds (restricted)	Restricted funds (other)	Total 2023
	£	£	£	£	£
Tangible fixed assets	50,481	86,469	740,000	-	876,950
Investments	1	-	-	-	1
Net current assets	1,863,830	100,647	-	257,341	2,221,818
	<u>1,914,312</u>	<u>187,116</u>	<u>740,000</u>	<u>257,341</u>	<u>3,098,769</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2023

13 Analysis of net assets between fund balances - continued

2022 Comparatives

	Unrestricted funds £	Designated funds £	Endowment funds (restricted) £	Restricted funds (other) £	Total 2022 £
Tangible fixed assets	56,609	93,586	740,000	-	890,195
Investments	1	-	-	-	1
Net current assets	<u>2,002,366</u>	<u>74,003</u>	<u>-</u>	<u>66,292</u>	<u>2,142,661</u>
	<u>2,058,976</u>	<u>167,589</u>	<u>740,000</u>	<u>66,292</u>	<u>3,032,857</u>

14 Operating lease commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Operating leases which expire:		
within one year	8,244	10,931
in two to five years	14,997	357
in more than five years	-	-
	<u>23,241</u>	<u>11,288</u>

15 Related parties disclosures

The company has taken advantage of the exemption in Financial Reporting Standard number 102 from the requirement to disclose the transactions with group companies on the grounds that they are wholly owned.

Payments to trustees are in line with the Memorandum and Articles of Association.

£4,254 (2022: £3,960) was paid for the legal services of Lupton Fawcett, a firm in which trustee David Smyllie is a partner.

Christie & Co, a company in which Courteney Donaldson is a Director, paid the charity £16,776 (2022: £12,771) for advertising and sponsorship. At the end of the year Christie & Co owed the charity £4,908 (2022: nil).

16 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net movement in funds	65,912	250,592
Add back depreciation charge	52,827	81,771
Deduct reversal of property impairment	(11,800)	(28,600)
Deduct interest income shown in investing activities	(22,152)	(5,284)
Decrease / (increase) in stock	8,922	(12,554)
Decrease in debtors	(328,766)	36,360
(Decrease) in creditors	<u>(100,437)</u>	<u>(22,589)</u>
Net cash provided by operating activities	<u>(335,494)</u>	<u>299,696</u>

17 Analysis of changes in net debt

	Balance at 1.4.22 £	Cash-flows £	Balance at 31.3.23 £
Cash at bank and in hand	<u>2,237,597</u>	<u>(871,772)</u>	<u>1,365,825</u>
TOTAL	<u>2,237,597</u>	<u>(871,772)</u>	<u>1,365,825</u>

NATIONAL DAY NURSERIES ASSOCIATION

England & Wales - Charity number 1078275

Accounts



National Day Nurseries Association

National Day Nurseries Association

(A charitable company limited by guarantee)

Financial Statements for the year ended 31 March 2022

Company registration No. 03738616

Registered charity No. 1078275 (England & Wales)

SCO40610 (Scotland)

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National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2022

Name

National Day Nurseries Association (NDNA)

Registered office

National Early Years Enterprise Centre, Longbow Close, Huddersfield, HD2 1GQ

Scotland and Wales offices

The Mansfield Traquair Centre, 15 Mansfield Place, Edinburgh, EH3 6BB
3 Connaught House, Riverside Business Park, Benarth Road, Conwy, LL32 8UB

Charity number

1078275 (England and Wales)
SCO40610 (Scotland)

Company number

03738616

Auditors

Revell Ward Ltd, First Floor Office Suite, Mill B, Colne Road Buildings, Colne Road, Huddersfield, HD1 3AG

Bankers

NatWest Bank, Commercial Banking, 2nd Floor, 8 Market Place, Huddersfield, HD1 2AN

Nationwide Building Society, Nationwide House, Pipers Way, Swindon SN38 1NW

The Charity Bank Limited, Fosse House, 182 High Street, Tonbridge, TN9 1BE

Virgin Money, 40 New Street, Huddersfield, HD1 2BT

Solicitors

Lupton Fawcett, Yorkshire House, East Parade, Leeds, LS1 5BD

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2022

Country of incorporation

Great Britain

List of trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are referred to as the trustees. The Trustees report includes requirements of the Directors' report as required by company law.

The trustees who served during the year were as follows:

	Date of original appointment	Date of resignation
Sarah Carr, OBE (Chair)	13 May 2000	23 November 2021
Tina Jones (Trustee – Wales)	23 March 1999	
Hazel Moody (Trustee – South East)	30 July 2007	
Christopher Gray (Trustee – North West)	3 August 2007	23 November 2021
Penelope Vaughan-Pipe (Trustee – South West)	1 October 2007	
Linda Maurice (Co-opted Trustee)	2 October 2007	23 November 2021
Courteney Donaldson (Co-opted Trustee)	10 January 2011	
Helen Gration (Trustee – Yorkshire)	21 September 2011	
Jane Haywood (Co-opted Trustee)	19 August 2012	
David Smyllie (Co-opted Trustee)	27 November 2013	
Ann McEwan (Trustee – Scotland)	16 September 2015	
Dave Poulson (Co-opted Trustee)	30 November 2016	
Tracey Storey (Trustee – London)	13 September 2017	
Sally Bonnar (Trustee – East Midlands)	13 September 2017	
Philip Siddell (Trustee – West Midlands)	22 May 2018	
Laura Bowery (Trustee – North East)	11 September 2019	
Lesley Dawson (Co-opted Trustee)	17 March 2020	
Tracy Hutchison (Trustee – East)	16 March 2021	23 November 2021
Sarah Steel (Chair from 23 November 2021)	12 October 2021	

Company Secretary and Chief Executive

Purnima Tanuku, OBE

1 April 2005

Qualifying third party indemnity provisions

The charity purchased insurance for liabilities incurred by its trustees in carrying out their duties.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2022

Structure, Governance and Management

Governing document

National Day Nurseries Association is a company limited by guarantee governed by its Memorandum and Articles of Association dated 20 September 1999 and amended to allow for the current governance arrangement on 28 February 2007, 24 March 2010 and 26 May 2011. It is registered as a charity with the Charity Commission in England and Wales and with the Office of the Scottish Charity Regulator in Scotland.

Appointment of trustees

The Strategic Board currently comprises 15 trustees including a National Chair. Of these, 9 represent members in each English region, Scotland and Wales and 5 are from wider sectors co-opted to support the work of the board and add special expertise. 1 new trustee joined during 2021-22.

At every Annual General Meeting, one-third of the board is subject to retirement by rotation. Nominations are invited from the regions of the retiring trustees through advertising in Nursery News and elections held to appoint a new regional trustee. If there are no other nominations and the retiring trustee is willing, they will be reappointed for a further term of office.

Trustee induction and training

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. They meet key employees of the charity and are encouraged to attend external training events as appropriate. A two-day board strategy event and training is held annually.

Organisation

The strategic board administers the charity and meets at least 3 times a year. The Chief Executive, Purnima Tanuku is appointed by the strategic board to manage the day-to-day operation of the charity. The Chief Executive has delegated authority for dealing with matters such as finance and employment.

Risk management

There is a robust risk assessment and management process established. This includes:

- Reviewing and monitoring both the strategic and operational risks the charity may face;
- Establishment of systems and procedures to measure and control risks identified; and
- Implementation of control measures to minimise any potential impact on the charity if risks materialise.

A 'traffic-light' risk reporting system is in use linking the organisation's performance monitoring framework and financial performance.

The principal risks and uncertainties facing the charity is a volatile economic climate affecting both the sector and NDNA. High inflation impacts business costs and household expenditure and may impact demand for providers. At the same time, public spending cuts following the pandemic could result in funded childcare places coming under pressure and a reduction in income from central government and local authority contracts, and increased competition for all services and contracts. Our strategy for managing this risk has enabled us to achieve a balanced portfolio of income streams by focusing on developing a wider customer base in the UK and beyond and a portfolio to suit their needs.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2022

Objectives and activities

NDNA vision and mission

The charity's vision is for all children and families to flourish through excellent early years education and care.

The charity's mission is to lead and empower the sector so that nurseries and the early years workforce deliver sustainable, high quality education and care.

NDNA is the champion of quality early years learning and care in nurseries. The charity works to support nurseries to deliver high quality learning and care, and to represent the sector.

NDNA aims and objectives for the year

The strategic aims NDNA set out for 2021-22 are:

- We are the strongest voice for nurseries and their workforce
- We promote and support high quality, sustainable early years provision
- We will enhance our support to the early years workforce
- We are strong and sustainable

We are the strongest voice for nurseries and their workforce – As the voice of the 21,000-strong nursery sector, NDNA is an integral part of the lives of more than a million young children and their families. The charity provides information, training and advice, which supports nurseries - and the 250,000 people who work in them - to deliver world-class early learning and childcare. Working closely with local and national governments in England, Scotland and Wales, we deliver a comprehensive programme of policy work, campaigning on the cost, choice and quality of childcare; to benefit children, their families, nurseries and the economy.

We promote and support high quality, sustainable early years provision – NDNA's national programmes of activity ensure that nurseries and their workforce have the skills they need to deliver early years services, whilst remaining viable and sustainable. The range of services delivered by NDNA includes membership support services; accredited and non-accredited training programmes both face-to-face and online via the NDNA Early Years Development Zone, live virtual classroom and webinars; events and conferences; publications; business support; Quality Counts accreditation and Millie's Mark. We also provide information and support to all child-carers and parents via our website and myNDNA.

We will enhance our support to the early years workforce – myNDNA and the NDNA Early Years Development Zone provides the early years workforce with direct access to up-to-date training and support. Research evidence tells us that ongoing development and support helps practitioners to improve the quality of their practice, which in turn improves children's developmental experiences.

We are strong and sustainable – Effective delivery of the charity's mission is only possible if we protect our own financial sustainability and retain the commitment of our workforce. We manage our resources carefully and everyone plays an active part in the business planning process. The strategic challenges facing NDNA are discussed at Board level and all staff are involved in developing the business plan and ultimate responsibility for decision-making rests with the Board; supported by the Chief Executive and Senior Management Team.

The original business plan for 2021-22 was approved by the Board in March 2021.

The charity has a wholly owned subsidiary, NDNA Services Limited.

NDNA does not fundraise from the public.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2022

Post Covid-19 Pandemic recovery: Recovery starts with early years

Governments in the UK announced the ending of Covid-19 restrictions throughout February and March 2022. Until that point, there were still restrictions on going to work and attending early years settings if individuals had tested positive. In the build up to all restrictions being removed, guidance had been gradually relaxed on infection control in educational settings, including the early years.

Providers were still affected by attendance rates that were lower than pre-pandemic figures and regular staff and child absences as a result of positive cases. However, demand for places increased and pressures on the workforce emerged as demand returned.

In the final part of a year-long joint research project with the Education Policy Institute on the impact of the pandemic on the early years workforce, NDNA reported that the workforce had shrunk by a further 2%. Employers in the sector also reported difficulties recruiting the trained staff they needed with 90% saying it was difficult or very difficult to recruit Level 3 trained staff.

Across the year, NDNA produced research on local authority budgets, nursery closures and sustainability for providers to highlight the challenges facing a sector recovering from the pandemic. Through Freedom of Information requests we demonstrated that local authorities in England underspent their early years budgets by £55 million in 2020/21, with 15 local authorities reporting an underspend of more than £1 million. The majority of these underspends were used to offset overspends in other parts of the schools budget or rolled forward to general reserves. This continued challenge shows the need for reform of the childcare funding system.

Through direct surveys with members, NDNA also revealed the sustainability concerns of providers. This showed that 95% of providers believed government funding rates were not allowing them to cover their costs and that as a result, 85% expected to operate at a loss or just break-even.

At the end of the year, NDNA analysed closure data for the sector. Ofsted statistics showed a net loss of 196 early years providers on non-domestic premises, mainly nurseries and pre-schools. Analysis of 124 of these where data was available showed that 15% of those closures were in the 10% most deprived areas of the country compared to only 8% of closures in the 10% most affluent areas. These closures affected 5,000 children's places.

NDNA produced a range of resources, toolkits, information and advice to help settings and staff to respond to changing government guidance during renewed waves of Covid 19, as well as the growing recruitment and retention crisis facing the sector.

A range of resources have been made available to members and non-members, to support them through these challenges:

"We are also very grateful for all the information the NDNA have continually released during the COVID outbreak that has enabled us to keep up to date with everything"

Jan Harding Mabbs, JHM Nursery Ltd

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2022

Achievements and performance

Members continue to recognise NDNA as their provider of choice for the delivery of high-quality training. This year we supported 41,643 learners through our programmes of learning, including live virtual classroom training, webinars and via the delivery of projects and contracts. Evaluation has demonstrated that 97% of those who access our training rate it as either good or excellent. Across the programmes we have delivered, it is clear that attendees gained benefit from NDNA's intervention, with over 84% citing increased learner confidence in their subject area because of our intervention.

Impact on the Workforce

During this challenging year - for nurseries and their workforce - access to quality, affordable training has been more important than ever. An abundance of research tells us that high-quality childcare, delivered by qualified practitioners, is essential for the development of children in their earliest years. However, we continue to hear from our member nurseries that they are struggling to recruit and retain staff qualified at the levels they need and want.

Research confirms that the first five years shape each child's future health, happiness, growth, development and learning achievements, so the continued professional development of practitioners is essential to ensure children get the best start in life. NDNA's analysis of sector intelligence, surveys and a two-way dialogue with our members allow us to review and update our range of products and services, to ensure that we continue to meet members' needs:

"Absolutely brilliant organisation that offer valuable online resources, updated policies and procedures, training for your whole staff team, from management to practitioners NDNA has got you covered."

Olimpia Malaescu, Pepperberry Day Nursery, Cheshire

Alongside our support programmes, we have developed new publications and reviewed existing publications in line with changes to policy, legislation and best practice. Throughout this year, our factsheets have supported providers with a range of topics from business recovery and supporting parents with school readiness, to early years best practice. These have proved to be a valuable resource for the sector.

Live Virtual Classroom Training

This year live virtual classroom (LVC) has gone from strength to strength and has enabled NDNA to continue providing much-needed support to nurseries, their managers and their workforce restrictions and recruitment and retention challenges faced by the sector.

This remote delivery means that practitioners do not need to travel for training and spent minimal time away from the setting. Our commitment is to continue to deliver LVC so we are able to offer wider services especially for those in areas that are more rural.

Free Member Events, Resources, Training and Webinars

We have continued to increase delivery of short information sessions via webinar, mainly for leaders and managers. For instance, delivering a number of sessions on leadership and management and preparing for Ofsted inspection.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2022

Millie's Mark and Quality Counts

We have continued to provide Millie's Mark to support our members to keep children as safe as possible. This year 214 settings took up the Mark and 192 nurseries successfully achieved the standard, demonstrating they go above and beyond their regulatory duty. In total there are now 1045 settings signed up to the Mark in England and 18 in Scotland, with 815 settings being awarded the Mark since it was launched.

Over this financial period, we continue to see lower take up of our quality improvement programme Quality Counts. This was again due to challenges faced by the sector both in terms of financial challenges due to less paid for children attending settings and staffing challenges. In this financial year, 10 settings signed up to access this programme. We have used a blend of methods both face to face when lockdowns permitted and rolled out a virtual assessment visit. Twelve settings were assessed and of these 9 were awarded platinum and 3 were awarded as meeting the required minimum standards to achieve certification.

Childcare Works

In Wales, the Welsh Government supports NDNA's Childcare Works project. This ran until December 2021 but was extended by NDNA Cymru to the end of the financial year with support from the Welsh Government. NDNA Cymru has been successful in securing ongoing funding for the project from the Active Inclusion Fund and WCVA. Under the project, NDNA supports participants (who are not in employment, education or training) with a three-week training programme, followed by 13-week placements as Trainee Nursery Assistants, in nurseries.

International

Overseas nurseries that are looking to implement and follow the EYFS recognise the value that NDNA can offer. We have international members from 18 different countries. We continue to provide services to members overseas and maintain contact with international stakeholders.

The charity continues to explore new overseas partnerships and opportunities and NDNA's Chief Executive presented at the 'Early Years Learning: Assessing and Adapting' webinar in Dubai in November 2021.

Membership and Retention

A strong membership base is critical to NDNA's mandate as the voice of the sector. The strength of our membership informs our work and our priorities, which are driven by the evidence we gather from our members.

Despite the challenging environment and growing concern over closures and financial pressures, NDNA's membership has remained stable throughout the year. This indicates that members are getting value from their membership, see a return on this investment and most are willing to renew, even in the toughest of times.

NDNA draws on the experience of our members and our own research, as well as analysis of the early years and childcare sector, to ensure we are the voice of our sector. We work across key stakeholders and decision makers in England, Scotland and Wales to advocate for policy approaches that support the charity's objectives and our members' needs.

Member Engagement

NDNA networks provide nursery owners and managers with the opportunity to meet and form a united voice at a local level. Networks, led by volunteer Network Officers, provide regular opportunities to share information, ideas and concerns, whilst improving NDNA's reach and the breadth and depth of our insight.

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At the end of March 2022, NDNA had 45 active networks across the UK. We continued to hold regular network chair meetings, which have been consistently lively and well attended. NDNA's networks provide the insight that NDNA needs to better understand and represent the sector. We would like to thank all of our networks for their continued engagement with NDNA in highlighting local issues and challenges.

Free member events were delivered remotely, via Zoom, across each of the three nations, with an event covering each region of England. These events attracted 1,572 registered attendees, enabling nurseries and their workforce to benefit from updates on policy and practice, as well as professional development and networking. We worked with our corporate sponsors to deliver up to date information on topics such as health and safety and employment law, to cover all the legislative and regulatory changes due to Covid.

In addition to NDNA's usual member event schedule, a free, virtual 'afternoon with' inspirational speaker Alistair Bryce-Clegg attracted 388 attendees. This session was delivered as a thank you to the sector and NDNA's members who continue to deliver under challenging circumstances.

"Very inspirational talk all round, some great insight into how we can all encourage our children to be creative, critical thinkers and use their imagination"

Lisa Jones, Osbourne Lodge Day Care Nursery

Policy Engagement and Campaigns

In England, Scotland and Wales, NDNA has met with Government Ministers, key stakeholder and working groups to provide the latest research, sector views and experiences; particularly in relation to workforce challenges, demand and rising cost pressures. NDNA has used member views and feedback to lobby and shape changes to guidance and secure extra support for the sector. This has included:

- Funding – lobbying for:
 - the additional £180 million for funded places in England
 - a 12.5% increase in the Childcare Offer and Foundation Phase rate in Wales
 - additional financial support to settings in Scotland through the Omicron support fund
- Business Rates – securing a Government U-turn that meant nurseries in England were added to the business rates holiday for 2020/21 and an extended discount into 2021/22
- Reduced membership for members in Wales

To support our members and influence public debate on issues affecting early years, we engage with traditional and social media to reach as wide an audience as possible, achieving 252 pieces of national (including broadcast) media coverage for our work and 382 pieces in the trade press covering early years and education. Our following on social media has now reached; 19,338 on Facebook; 16,423 on Twitter; 8,837 on LinkedIn and 3,004 on Instagram.

"I am sure I speak for the whole sector when I say, 'thank you', for your support during this very difficult time for day nursery operators and their wonderfully dedicated workforce. You have always championed the needs of the sector with skill and this desperate period is no exception."

Ellen Lloyd Wilson, Little Stars Nursery, Wales

Funding

Following a one-year Spending Round in 2020, the 2021 Comprehensive Spending Review set the government's plans for the following three years. NDNA responded to the formal consultation and ran a campaign: *stop underfunding, start building futures*. Part of the campaign was to produce a key messages document that enabled our members to engage with MPs. The outcome of the spending review was an additional £160 million for early

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For the year ended 31 March 2022

years funded places in 2022/23, £180 million in 2023/24 and £170 million in 2024/25. After initial confusion, the Government confirmed that these would be compared with the budget of 2021/22, not cumulative increases in funding.

The Welsh Government announced an increase in the national funding rate for the Childcare Offer and Foundation phase of 50pph. This took the rate from £4.50 to £5.00.

Freedom of information research with local authorities in Scotland revealed a mixed picture in the 'Sustainable rates' paid to providers with nine local authorities announcing rates that were the same as the year before.

NDNA Cymru

NDNA Cymru remains part of the CWLWM Partnership and representation continues to be key to our work, we are a member of key strategic groups alongside other representative organisations, Welsh Government, Aware, Social Care Wales, Care Inspectorate Wales and Estyn.

NDNA Scotland

NDNA Scotland continues to represent members at key stakeholder meetings and supporting the Covid-19 Education Recovery Group working group on early learning and childcare. In addition, NDNA Scotland is a member of the Education Leaders Forum and ELC Sector Recovery Group (Covid-19).

We have retained the Scottish Government's Children, Young People and Families Early Intervention Fund (CYPFEIF) and Adult Learning and Empowering Communities Fund (ALEC) funding for seven years and received positive feedback from the Corra Foundation on the reporting of the achievement of Fund outcomes. NDNA Scotland have consistently met all the requirements for the funding.

MyNDNA

We have 15,078 people registered on MyNDNA, our early years and childcare community. These practitioners receive newsletters packed with hints, tips and good practice guides. We have seen continued practitioner participation via MyNDNA, which has enabled us to enhance our offer to further support the sector.

This free to join, online community continues to provide practical inspiration, activity ideas and resources for early years practitioners to use in their setting. We encourage use of these resources to support practitioners with their own professional development and we believe that MyNDNA has had a positive impact on the quality of early years practice, and therefore improved outcomes for children.

Projects and Contracts

Due to restrictions, the Education Endowment Foundation (EEF) Maths Champions Project suffered a year long delay. This year we have recruited settings (PVI and School nursery settings) to take part in a Maths Champions Trial funded by EEF. As part of this trial, 138 settings were recruited and randomised. Randomisation was carried out by York and Durham University, who are contacted via EEF and are the evaluation team. Randomisation split the settings into two areas: control and intervention. There were 66 settings in the intervention group. Settings in the intervention group began their programme elements delivered by NDNA in October 2021 and are working through the programme. Early anecdotal feedback from settings in the intervention group has been positive and retention to the programme is positive.

Through our childcare Works Programme, 32 unemployed people secured placements in member settings in Wales, bringing new recruits to the sector.

National Day Nurseries Association

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For the year ended 31 March 2022

This year, we have continued to work with a range of companies to bring ideas, activities, campaigns and resources to children and parents via our membership base. For instance, NDNA's popular 'Healthy Body, Happy Me' campaign focused on the theme 'right from the start' and took place from 21st – 25th March 2022. TTS and Consortium sponsored the week, promoting activities to support children's health and wellbeing. The total reach of the campaign was 31,206 people across our website and social media channels. Out of this, 1,164 people engaged with the campaign by liking, commenting, or sharing on social media. Two participants commented that the campaign guides "promoted physical movement" and "gave the children in our preschool room the opportunity to talk about things that were important to them." Our daily guides provided ideas for learning and development, including at least one physical activity, plus a brand new home-learning pack, which nurseries sent to families to encourage activities at home.

NDNA's own long-term sustainability is essential if we are to continue delivering our charitable mission and maximise the impact of our activities.

Through careful management and planning, cost savings and increased income through our products and services, we were able to achieve a better year-end financial position than budget in the financial year 2021-22. This means that we are able to invest in the development of further support, for the benefit of nurseries, the early years workforce and the children who they educate and care for.

Financial review

2021-22 has seen us continue to maintain the strong and sustainable position of the organisation and its purpose in challenging times for the sector. We achieved an overall surplus of £250,592. Our unrestricted reserves now stand at £2,226,565.

During the year, we invested £96,414 out of designated funds on infrastructure development.

A further £55,726 has been put into the designated IT fund to invest in additional IT support, a further £5,440 into the designated buildings fund to further enable staff with hybrid working, plus a further £10,996 into the designated development fund.

Investment policy

The trustees recognise the need to retain sufficient liquid assets to meet the charity's short-term obligations. Funds in excess of current requirements are invested in low-risk cash deposits or interest-bearing accounts.

Plans for the future

Throughout 2021/22, we have constantly reviewed our plan and adjusted our delivery, in line with changes in government guidance. NDNA will continue to focus on delivering the highest quality training through online methods, including Live Virtual Classroom, webinars and member events.

We will continue to invest in our online services and we will build on the growth of the MyNDNA community to reach wider audiences and individual practitioners in early years with targeted support. Meanwhile, we will invest in NDNA's IT infrastructure to enhance our products and services. New partnerships are being developed to improve our member benefits package and to generate new income streams.

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In England, the revised Early Years Foundation Stage came into effect for all providers from September 2021. NDNA developed a range of training to support the sector with changes to the EYFS and provided the opportunity to purchase hard copies of the revised EYFS and non-statutory documents Development Matters and Birth to 5 which are support document for the delivery of the statutory EYFS. We will continue to support members through offering high quality training, resources, activity ideas and publications.

With the government setting out a three-year plan for early years funding and costs already rising, NDNA will continue to gather evidence from our members to campaign increased funding for the early years sector. This is in line with our charitable objectives of supporting all children through access to high quality early education and care. To ensure a strong voice across Parliament, NDNA will continue its work meeting and briefing MPs and within the All Party Parliamentary Group for Early Education and Childcare.

In Scotland, while the full rollout of the expanded offer was complete in August 2021, many areas were already delivering this. Data suggests a larger than anticipated rollout for partner providers with over 30% of ELC hours being delivered by them.

The Scottish Government's programme for government sets out plans to expand the offer to more two year olds and eventually to one year olds. NDNA Scotland will continue to support Scottish Government plans to make ELC affordable, accessible and high quality. We will look for solutions to the funding challenges of the existing policy while also advocating for the skills and expertise of the PVI sector to be fully engaged in any ELC offer for younger children. We will propose solutions to ensure funding truly follows the child.

The UNCRC Incorporation (Scotland) Bill passed the Scottish Parliament in 2021, but was delayed due to legal challenges. Once re-introduced, the Bill will mean public authorities, including nurseries delivering publicly funded places, will have to comply with children's rights. This is something the Early Learning and Childcare sector already does but NDNA Scotland will provide additional support to members around the new requirements.

In Wales, plans to prepare for the rollout of the new Curriculum for Wales 2022 will continue as this will be introduced from September 2022. The Welsh Government has worked with early years practitioners both in the maintained and non-maintained sector, education professionals and local authorities to develop additional guidance for those using the curriculum with children aged three to five. NDNA Cymru will continue to work alongside the Welsh Government and other partners to ensure the non-maintained sector have the support they need with the new Curriculum for Wales ahead of full roll-out from September 2022, and we will engage with changes to the National Minimum Standards, assessment criteria under the new curriculum and changes to legislation affecting the early years and childcare sector.

Public benefit

We constantly refer to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Evidence shows that investing in early years makes a difference to children's long-term outcomes. To achieve our vision and mission, our support and representation work aims to have a real influence and we help to shape the early years policy agenda for the benefit of children and their families across England, Scotland and Wales. The impact of this is to develop an environment that enables the nursery sector to deliver the high quality education and care, to make a difference to the outcomes for children, whilst also being sustainable businesses.

National Day Nurseries Association

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For the year ended 31 March 2022

The diagram below sets out how NDNA generates impact in line with our charitable vision, by delivering products and services that members need and value, so that they can do what they do best – educate and care for children in their early years.

How NDNA makes a difference - A theory of change



The practical support and representation that we provide to nurseries help them continually improve their early learning and childcare practice, and to be sustainable businesses, which are central to the fulfilment of our mission and vision. The difference we aim to achieve on behalf of children and families include:

- Better informed policy development that ensures public spend on early years achieves maximum impact and delivers positive outcomes for children.
- Affordable and accessible childcare for all sections of the community through supporting sustainable childcare including in areas of disadvantage.
- Enhanced skills in the early years workforce to be better equipped to provide the high quality of care and early learning that children deserve.
- Enhanced inclusion in early years through promotion of good practice.
- Support for nursery providers in all areas to promote better outcomes for children and families.
- Sector sustainability, enterprise and, as a result, the safeguarding and creation of jobs in the childcare sector, whilst enabling parents to work and train.
- Partnership programmes for economically inactive individuals to give them a solid basis to move into employment.
- Parents equipped with an increased understanding of quality childcare so they can make informed childcare choices and get the most out of their nursery that will help support children to do better.

National Day Nurseries Association

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For the year ended 31 March 2022

Support from our volunteers

The Board of Trustees give considerable support to the organisation on a voluntary basis and we very much appreciate this. Members have also acted in various voluntary roles for NDNA through advising as members of our UK, Scotland and Wales policy committees and representing the sector at both national and local levels. Local NDNA networks run across the country, thanks to the time and commitment given by voluntary network officers. There is extensive volunteer activity across all three nations and the trustees would like to record their appreciation and thanks for this contribution, which is of great value to the charity.

Pay policy for senior staff

The Strategic Board of Directors set the vision and mission for the organisation, working closely with the Senior Management Team. The Chief Executive, with support from the Senior Management Team, deliver the objectives in line with the vision, mission and Business Plan.

All directors give their time freely, and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 7 and 15 (respectively) to the accounts.

The pay of the senior staff is reviewed annually, and normally increased in accordance with average earnings. In view of the nature of the charity, pay levels are benchmarked against pay levels in other charities of a similar size.

If recruitment has proven difficult in the recent past, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Reserves policy

Trustees are under a general legal duty to apply charity funds within a reasonable time of receiving them and to justify the level of reserves held.

The reserves policy is informed by:

- how secure the organisation's future income streams are;
- analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met out of income;
- the long-term development and infrastructure, building strategy for the organisation.

The policy is re-examined each year as part of the formal process of reviewing the long-term strategy linked to the annual business planning process.

At the end of the year, the charity is holding total funds of £3,032,857. This includes restricted funds of £66,292, and an endowment fund of £740,000.

Unrestricted free reserves have increased by £248,334, and are now £2,025,008.

Free reserves at 31 March 2022 represent approximately 15.5 months of operating costs. We need to keep sufficient cash reserves to fund future developments that will contribute to the growth of the organisation, necessary for future sustainability.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2022

The board reviewed the Reserves Policy in March 2022, and it is considered as a matter of prudence under the current economic climate that NDNA should retain at least 9 months operating costs in reserve in order to service commitments, respond to changes in risks and fund future developments.

Post pandemic, the challenges for the early years sector continue to be a concern for NDNA as a representative organisation.

Therefore, we intend to spend a substantial amount of our reserves in enhancing support services to our members in the form of new products and services, training, campaigns and research in 2023/24.

Designated fund policy

The charity has set aside funds for buildings maintenance, further development of our IT platform and for costs for development of services that will support the early years sector and the global community.

It is intended the remaining designated development fund of £25,194 will be used for projects to support services to early years practitioners. An additional £10,996 has been added to the development fund.

The remaining designated IT fund of £55,408 will be allocated against depreciation of our new finance system (which was purchased in January 2019), and new CRM and website (which was launched in March 2022). An additional £55,726 has been added to the IT fund to invest in additional IT support.

The remaining designated building fund of £14,825 will be allocated against depreciation of Head Office refurbishment that has taken place in the last few financial years. An additional £5,440 has been added to the buildings fund to further invest in hybrid working.

National Day Nurseries Association Annual report of the trustees For the year ended 31 March 2022

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of National Day Nurseries Association for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including income and expenditure, of the group and parent charitable company for that period. In preparing these financial statements, the trustees are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group, and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

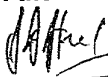
Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the trustees' annual report:

- there is no relevant audit information (as defined by section 418 of the Companies Act 2006), being information needed by the auditors in connection with preparing their report, of which the auditors are unaware, and
- the trustees, having made enquiries of fellow directors, have taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared taking advantage of the small companies exemption under the Companies Act 2006.

By order of the Board



Sarah Steel
Chair of the Board of Trustees
18 October 2022

Report of the independent auditors to the members of National Day Nurseries Association For the year ended 31 March 2022

Opinion

We have audited the financial statements of National Day Nurseries Association (the 'charitable Group') for the year ended 31 March 2022 which comprise of the consolidated Statement of Financial Activities, consolidated and charity Balance Sheet, consolidated and charity Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the groups incoming resources and application of resources, including its results, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Report of the independent auditors to the members of National Day Nurseries Association For the year ended 31 March 2022

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except for the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on Page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements. Also for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report of the independent auditors to the members of National Day Nurseries Association For the year ended 31 March 2022

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our planning procedures included gaining an understanding of the entity and its environment including the entity's legal and regulatory framework, any fraud indicators and internal control system via both discussions amongst the engagement team and with the directors. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of controls.

Based on our understanding of the company and its industry, the key laws and regulations we considered included the UK Companies Act, Charities Act (2011) and relevant tax legislation.

Audit procedures performed by the engagement team included but were not limited to:

- Evaluating and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Discussing with the directors the policies and procedures in place regarding identifying and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Reviewing relevant meeting minutes;
- Identifying and testing journal entries;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing and testing the accounting estimates to minimise potential bias.

Report of the independent auditors to the members of National Day Nurseries Association For the year ended 31 March 2022

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements the less likely we would become aware of such non-compliance. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentations or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.



Karen Borowski FCA (Senior Statutory Auditor)
for and on behalf of Revell Ward Limited
Chartered Accountants and Statutory Auditors
First Floor Office Suite
Mill B
Colne Road Buildings
Colne Road
Huddersfield
HD1 3AG

Date: 18 October 2022
Date:

National Day Nurseries Association
Consolidated Statement of Financial Activities
(incorporating income and expenditure account)
For the year ended 31 March 2022

	Notes	Unrestricted			Restricted Funds	Total 2022	Total 2021
		Unrestricted Funds	Designated Funds	Endowment Fund			
		£	£	£	£	£	£
Income							
Donations	2	14,912	-	-	-	14,912	200,315
Other trading activities							
Facilities hire		3,492	-	-	-	3,492	15,082
Income from investments		5,284	-	-	-	5,284	12,896
		<u>23,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,688</u>	<u>228,293</u>
Income from charitable activities							
Membership services		809,940	-	-	-	809,940	792,066
Sector support services		999,194	-	-	-	999,194	559,129
Projects & contracts	3	8,909	-	-	928,279	937,188	1,024,044
Events, publicity and commercial		248,541	-	-	-	248,541	217,223
		<u>2,066,584</u>	<u>-</u>	<u>-</u>	<u>928,279</u>	<u>2,994,863</u>	<u>2,592,462</u>
							-
Total income		<u>2,090,272</u>	<u>-</u>	<u>-</u>	<u>928,279</u>	<u>3,018,551</u>	<u>2,820,755</u>
Expenditure							
Expenditure on raising funds							
Facilities hire		5,154	282	-	-	5,436	4,343
Cost of raising donations		23,488	1,250	-	-	24,738	404,668
Expenditure on charitable activities							
Membership services		530,194	21,169	-	-	551,363	411,714
Sector support services		940,888	36,822	-	-	977,710	625,109
Projects & contracts		125,116	36,499	-	947,698	1,109,313	1,024,643
Events, publicity and commercial		122,768	5,231	-	-	127,999	106,713
Other expenditure							
Reversal of property impairment		-	-	(28,600)	-	(28,600)	-
Total resources expended	4	<u>1,747,608</u>	<u>101,253</u>	<u>(28,600)</u>	<u>947,698</u>	<u>2,767,959</u>	<u>2,577,190</u>
Net income/(expenditure)		<u>342,664</u>	<u>(101,253)</u>	<u>28,600</u>	<u>(19,419)</u>	<u>250,592</u>	<u>243,565</u>
Transfers between funds	12	<u>(60,362)</u>	<u>72,162</u>	<u>(11,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>282,302</u>	<u>(29,091)</u>	<u>16,800</u>	<u>(19,419)</u>	<u>250,592</u>	<u>243,565</u>
Total funds brought forward	12	<u>1,776,674</u>	<u>196,680</u>	<u>723,200</u>	<u>85,711</u>	<u>2,782,265</u>	<u>2,538,700</u>
Total funds carried forward	12	<u>2,058,976</u>	<u>167,589</u>	<u>740,000</u>	<u>66,292</u>	<u>3,032,857</u>	<u>2,782,265</u>

The notes form part of these financial statements

National Day Nurseries Association Consolidated and charity Balance Sheet As at 31 March 2022

	Notes	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
Fixed assets					
Tangible assets	9	890,195	814,035	890,195	814,035
Investments	10	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
		<u>890,195</u>	<u>814,035</u>	<u>890,196</u>	<u>814,036</u>
Current assets					
Stock		21,452	8,898	21,452	8,898
Trade debtors		31,372	28,990	31,372	28,990
Provision for doubtful debts		-	-	-	-
Prepaid expenses		24,602	37,484	24,602	37,484
Accrued income		91,689	117,549	91,689	117,549
Investments - cash equivalents on deposit		519,277	770,226	519,277	770,226
Cash at bank and in hand		2,250,650	1,847,262	2,237,597	1,834,209
Due from group company		<u>-</u>	<u>-</u>	<u>13,052</u>	<u>13,052</u>
		<u>2,939,042</u>	<u>2,810,409</u>	<u>2,939,041</u>	<u>2,810,408</u>
Liabilities					
Creditors: amounts falling due within one year:					
Trade creditors		81,708	81,616	81,708	81,616
Other creditors		22,440	11,158	22,440	11,158
Taxes and social security creditors		39,374	37,246	39,374	37,246
Accrued expenses		165,125	103,309	165,125	103,309
Deferred income	11	487,733	558,850	487,733	558,850
Loan		<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
		<u>796,380</u>	<u>842,179</u>	<u>796,380</u>	<u>842,179</u>
Net current assets		<u>2,142,662</u>	<u>1,968,230</u>	<u>2,142,661</u>	<u>1,968,229</u>
Net assets		<u>3,032,857</u>	<u>2,782,265</u>	<u>3,032,857</u>	<u>2,782,265</u>
Funds					
Unrestricted funds	12	2,226,565	1,973,354	2,226,565	1,973,354
Restricted funds	12	66,292	85,711	66,292	85,711
Endowment funds	12	<u>740,000</u>	<u>723,200</u>	<u>740,000</u>	<u>723,200</u>
		<u>3,032,857</u>	<u>2,782,265</u>	<u>3,032,857</u>	<u>2,782,265</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the board of directors and Trustees on 18 October 2022 and signed on its behalf by



Sarah Steel
Director and Trustee

The notes form part of these financial statements

National Day Nurseries Association

Consolidated and charity Statement of Cash Flows

For the year ended 31 March 2022

	Notes	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
Cash flows from operating activities					
Net cash provided by operating activities	16	<u>299,696</u>	<u>411,769</u>	<u>299,696</u>	<u>411,769</u>
Cash flows from investing activities					
Interest income		5,284	12,896	5,284	12,896
Withdrawal from / (investment in) term deposits		250,949	743,221	250,949	743,221
New / (repayment of) loan in year		(50,000)	50,000	(50,000)	50,000
Purchase of tangible fixed assets		<u>(102,541)</u>	<u>(15,189)</u>	<u>(102,541)</u>	<u>(15,189)</u>
Net cash used in investing activities		<u>103,692</u>	<u>790,928</u>	<u>103,692</u>	<u>790,928</u>
Increase / (decrease) in cash and cash equivalents in the year		403,388	1,202,697	403,388	1,202,697
Cash and cash equivalents at beginning of the year		1,847,262	644,565	1,834,209	631,512
Cash and cash equivalents at end of the year		<u>2,250,650</u>	<u>1,847,262</u>	<u>2,237,597</u>	<u>1,834,209</u>

The notes form part of these financial statements

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

1 Accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011. The financial statements are prepared under the historical cost convention with the exception of land and buildings, which have been included at their revalued amount.

The trustees consider that the charity constitutes a public benefit entity.

b) Basis of consolidation

The consolidated Statement of Financial Activities, consolidated Statement of Cash Flows and consolidated Balance Sheet include statements of the company and its subsidiary undertaking made up to 31 March 2022. The results of subsidiaries sold or acquired are included in the Statement of Financial Activities up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation. The entity has taken exemption from presenting its unconsolidated Statement of Financial Activities under section 408 of the Companies Act 2006.

c) Going concern

The trustees have considered the current position and budgets of the charity, and after making appropriate enquiries they have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

d) Incoming resources

Income from charitable activities other than grant funding is accounted for when there is entitlement to the income. Income is deferred where delivery of services relates to future periods. Revenue grant funding is accounted for upon entitlement to the income and is deferred where time restrictions apply to related expenditure. Investment income and other trading income is accounted for on an accruals basis. Donations are accounted for as they arise. All income is included gross and related costs are included in expenditure. All income is stated after trade discounts, other sales taxes and net of VAT.

e) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Expenditure that is directly attributable to specific activities has been included in these cost categories.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

1 Accounting policies continued

Where costs are attributable to more than one activity, they have been apportioned across the cost categories consistent with the use of these resources. Any creditors or provisions at the year-end are apportioned on the same basis.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both those costs that can be allocated directly to such activities and those costs of an indirect nature to support them.
- Governance costs include those costs incurred in the governance of the charity and its assets, and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions that have been allocated to activity cost categories on a basis consistent with the staff time engaged on each activity.
- The expenditure on raising funds relates to staff costs for those staff furloughed under the Coronavirus Job Retention Scheme (CJRS)

f) Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities on a straight-line basis over the period of the lease.

g) Pension costs

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions. Pension costs are attributed to the activity performed by the staff member to whom the cost relates.

h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and any costs directly attributable to bringing the asset to its working condition for its intended use.

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

Land	not depreciated
Buildings	2% straight line
Equipment etc.	equal instalments over estimated life of 2 to 5 years.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

1 Accounting policies continued

i) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due deductions for obsolete and slow moving items.

Stocks are valued using the first-in, first-out (FIFO) method.

j) Current asset investments

Current asset investments comprise term bank deposits not realisable within 3 months and which are held to generate interest income.

k) Government grants

Government grants received in the company towards capital expenditure have been included in endowment funds and will be transferred to unrestricted funds as and when the terms of the restriction have been fulfilled.

Government grants received towards revenue costs are recognised within the financial statements when the charity has entitlement and in accordance with the provisions of FRS102.

l) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charity's objects.

Designated funds are unrestricted funds, which are determined by specific need to set aside funds to fund future developments in the charity, maintain the building and develop IT infrastructure.

Restricted funds are held where there are restrictions imposed by the donor on the use of the funds granted.

All restricted funds are held in net current assets.

Endowment funds represent assets purchased with grant funding. Transfers are made to unrestricted funds to cover depreciation charges.

m) Taxation

The charity meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is exempt from taxation in accordance with the Corporation Tax Act 2010, to the extent that such income is applied exclusively for charitable purposes.

n) Liability of members

The company is limited by guarantee and the liability of each member is limited to £1.

o) Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from the actual results. They are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

1 Accounting policies continued

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of land and buildings:

The land and buildings are held in the Balance Sheet at valuation and the basis for valuation is fair value.

p) Financial instruments

The charity has adopted section 11 of FRS 102 in respect of financial instruments.

Short-term debtors are measured at transaction price, less any impairment. Short-term creditors are measured at transaction price.

q) General information

The charity is a private company limited by guarantee and is incorporated in England and Wales. The address of its registered offices is National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ. The company's register number is 03738616.

r) Termination benefits

Termination benefits are recognised when the company has committed to providing them to employees. They are measured at the best estimate required to settle the obligation at the reporting date.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

2 Donations	2022	2021
	£	£
CJRS Grant Income	11,912	200,315
Other Donations	3,000	-
	14,912	200,315

3 Projects and contracts	2022	2021
	£	£
Local authorities	-	131,411
Welsh Government	594,469	675,215
Scottish Government	140,000	100,000
Other	202,719	117,418
	937,188	1,024,044

Included in the above are restricted funds:

Local authorities	-	127,001
Welsh Government	594,469	675,215
Scottish Government	140,000	100,000
Other	193,810	102,500
	928,279	1,004,716

Included in the above, the amount of grants total £928,279 (2021: £1,004,716)

4 Total resources expended	Direct delivery staff costs	Other delivery costs	Support incl staff costs	Depreciation/ impairment	Total 2022
	£	£	£	£	£
Facilities hire	2,285	209	2,714	228	5,436
Cost of raising donations	11,691	-	12,038	1,009	24,738
Membership services	242,493	87,882	203,892	17,096	551,363
Sector support services	352,838	240,483	354,652	29,737	977,710
Projects & contracts	557,303	170,987	351,547	29,476	1,109,313
Events, publicity and commercial	69,947	3,441	50,386	4,225	127,999
Other expenditure: revaluation of property	-	(28,600)	-	-	(28,600)
	1,236,557	474,402	975,229	81,771	2,767,959

2021 Comparatives

	£	£	£	£	£
Facilities hire	2,184	296	1,709	154	4,343
Cost of raising donations	227,078	1,562	161,426	14,602	404,668
Membership services	218,839	88,887	95,362	8,626	411,714
Sector support services	327,933	90,937	189,131	17,108	625,109
Projects & contracts	543,333	223,925	236,034	21,351	1,024,643
Events, publicity and commercial	76,364	1,709	26,264	2,376	106,713
	1,395,731	407,316	709,926	64,217	2,577,190

Allocation of support costs is based on staff time engaged on each activity.

Support costs include:	2022	2021
	£	£
Staff costs	593,545	474,920
IT support	115,327	107,498
Premises	41,905	27,910
Marketing	55,052	19,205
Governance	23,517	17,709

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

4 Total resources expended continued

Total resources expended include:	2022	2021
	£	£
Operating lease rentals	22,907	23,800
Professional indemnity insurance	2,814	2,996
Auditors remuneration:		
Audit	13,020	13,570
Other services	5,533	5,779
Cost of inventory recognised as an expense	81,647	13,371

5 Staff costs

	2022	2021
	£	£
Wages and salaries	1,545,070	1,622,715
Social security costs	140,523	136,579
Pension costs	81,723	88,709
Staff insurance	8,041	8,618
Agency staff costs	54,745	14,030
	<u>1,830,102</u>	<u>1,870,651</u>

There were two employees with remuneration in excess of £60,000: Band £60,001 to £70,000 = 1; £100,001 to £110,000 = 1 (2021: Band £100,001 to £110,000 = 1).

Pension contributions of £9,092 (2021: £5,259) were made in respect of this (these) employee(s) during the year.

The key management personnel of the charity comprises the Chief Executive and Senior Management Team whose employee benefits total £384,576 (2021: £380,198).

Termination benefits of £nil (2021: £22,688) were paid during the year. The nature of the payments was redundancy costs. The extent of funding at the balance sheet date was £nil (2021: £nil).

The average number of staff employed by the charity and group during the year was 62 (2021: 65).

The average full time equivalent number of staff employed by the charity was as follows:

	2022	2021
	Number	Number
Charitable activities	40	36
Cost of raising funds	1	10
Support staff	11	9
	<u>52</u>	<u>55</u>
Included in full time equivalent staff are participants on job creation programmes	5	4

6 Pension costs

The company has contributed £81,723 (2021: £88,709) into a Group Personal Pension Plan for its employees.

At the end of the year £22,440 (2021: £11,158) was owing in unpaid contributions.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

7 Trustees remuneration and expenses

No remuneration was paid directly to trustees during the year. See Note 15 for details of other payments to trustees. The total amount of expenses reimbursed to trustees for travel, subsistence and accommodation expenses incurred in carrying out their duties was £602, 1 trustee (2021: nil).

Cost of professional indemnity insurance including trustee indemnity amounted to £2,814 (2021: £2,996).

8 Consolidated statement of financial activities 2021 Comparatives

	Notes	Unrestricted			Restricted Funds	Total 2021
		Unrestricted Funds	Designated Funds	Endowment Fund		
		£	£	£	£	£
Income						
Donations	2	200,315	-	-	-	200,315
Other trading activities						
Facilities hire		15,082	-	-	-	15,082
Income from investments		12,896	-	-	-	12,896
		<u>228,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,293</u>
Income from charitable activities						
Membership services		792,066	-	-	-	792,066
Sector support services		559,129	-	-	-	559,129
Projects & contracts	3	19,328	-	-	1,004,716	1,024,044
Events, publicity and commercial		217,223	-	-	-	217,223
		<u>1,587,746</u>	<u>-</u>	<u>-</u>	<u>1,004,716</u>	<u>2,592,462</u>
Total income		<u>1,816,039</u>	<u>-</u>	<u>-</u>	<u>1,004,716</u>	<u>2,820,755</u>
Expenditure						
Expenditure on raising funds						
Facilities hire		4,326	17	-	-	4,343
Cost of raising donations		403,106	1,562	-	-	404,668
Expenditure on charitable activities						
Membership services		410,791	923	-	-	411,714
Sector support services		623,278	1,831	-	-	625,109
Projects & contracts		58,354	2,284	-	964,005	1,024,643
Events, publicity and commercial		106,459	254	-	-	106,713
		<u>1,606,314</u>	<u>6,871</u>	<u>-</u>	<u>964,005</u>	<u>2,577,190</u>
Total resources expended	4	<u>1,606,314</u>	<u>6,871</u>	<u>-</u>	<u>964,005</u>	<u>2,577,190</u>
Net income/(expenditure)		209,725	(6,871)	-	40,711	243,565
Transfers between funds	12	(145,479)	157,279	(11,800)	-	-
Net movement in funds		64,246	150,408	(11,800)	40,711	243,565
Total funds brought forward	12	1,712,428	46,272	735,000	45,000	2,538,700
Total funds carried forward	12	<u>1,776,674</u>	<u>196,680</u>	<u>723,200</u>	<u>85,711</u>	<u>2,782,265</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

9 Tangible assets - Company and Group	Long leasehold land and buildings £	Equipment etc. £	Total £
Cost or valuation			
At 1 April 2021	735,000	452,188	1,187,188
Additions	-	129,331	129,331
Disposals	-	(26,448)	(26,448)
Revaluation	5,000	-	5,000
At 31 March 2022	<u>740,000</u>	<u>555,071</u>	<u>1,295,071</u>
Depreciation			
At 1 April 2021	11,800	361,353	373,153
Charge for the year	11,800	69,971	81,771
Eliminated on disposal	-	(26,448)	(26,448)
Eliminated on revaluation	(23,600)	-	(23,600)
At 31 March 2022	<u>-</u>	<u>404,876</u>	<u>404,876</u>
Net book value			
At 31 March 2022	740,000	150,195	890,195
At 31 March 2021	<u>723,200</u>	<u>90,835</u>	<u>814,035</u>

The land and buildings are included at valuation based on a combination of the All Risks Yield (Investment) method of valuation and the traditional comparable method. A valuation was undertaken on 16 March 2022 by Bramleys LLP, independent RICS registered valuers.

The historical cost of the land and buildings and accumulated depreciation had it not been revalued would have been as follows:

	2022 £	2021 £
Cost	1,395,715	1,395,715
Accumulated depreciation	<u>(377,592)</u>	<u>(355,261)</u>
	<u>1,018,123</u>	<u>1,040,454</u>

The historical valuations were:

31 March 2022	£ 740,000
31 March 2020	£ 735,000
31 March 2018	£ 735,000
31 March 2016	£ 720,000
31 March 2014	£ 750,000
31 March 2011	£ 875,000

10 Investments - Company	Shares in group undertakings £
Cost at 31 March 2021 and 31 March 2022	<u>1</u>
Net book value at 31 March 2021 and 31 March 2022	<u>1</u>

The company's investments at the balance sheet date consist of 100% of the ordinary share capital of its subsidiary NDNA Services Limited, company number 07520697, whose registered office is National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ.

NDNA Services Limited is dormant.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

11 Deferred income	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
Group	£	£	£	£	£
Balance at 1 April 2021	480,487	-	3,149	75,214	558,850
Released from previous year	(480,487)	-	(3,149)	(69,391)	(553,027)
Deferred in current year	397,449	-	46,405	38,056	481,910
Balance at 31 March 2022	<u>397,449</u>	<u>-</u>	<u>46,405</u>	<u>43,879</u>	<u>487,733</u>

Charity	£	£	£	£	£
Balance at 1 April 2021	480,487	-	3,149	75,214	558,850
Released from previous year	(480,487)	-	(3,149)	(69,391)	(553,027)
Deferred in current year	397,449	-	46,405	38,056	481,910
Balance at 31 March 2022	<u>397,449</u>	<u>-</u>	<u>46,405</u>	<u>43,879</u>	<u>487,733</u>

Deferred income refers to delivery of services in the following financial year.

2021 Comparatives	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
Group	£	£	£	£	£
Balance at 1 April 2020	446,187	66,383	13,715	75,244	601,529
Released from previous year	(446,187)	(66,383)	(13,715)	(52,717)	(579,002)
Deferred in current year	480,487	-	3,149	52,687	536,323
Balance at 31 March 2021	<u>480,487</u>	<u>-</u>	<u>3,149</u>	<u>75,214</u>	<u>558,850</u>

Charity	£	£	£	£	£
Balance at 1 April 2020	446,187	66,383	13,715	75,244	601,529
Released from previous year	(446,187)	(66,383)	(13,715)	(52,717)	(579,002)
Deferred in current year	480,487	-	3,149	52,687	536,323
Balance at 31 March 2021	<u>480,487</u>	<u>-</u>	<u>3,149</u>	<u>75,214</u>	<u>558,850</u>

12 Analysis of charitable funds	Balance at 1.4.21	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.22
Group	£	£	£	£	£
Unrestricted funds	1,973,354	2,090,272	(1,848,861)	11,800	2,226,565
Endowment fund	723,200	-	28,600	(11,800)	740,000
Restricted funds	85,711	928,279	(947,698)	-	66,292
	<u>2,782,265</u>	<u>3,018,551</u>	<u>(2,767,959)</u>	<u>-</u>	<u>3,032,857</u>
Charity	£	£	£	£	£
Unrestricted funds	1,973,354	2,090,272	(1,848,861)	11,800	2,226,565
Endowment fund	723,200	-	28,600	(11,800)	740,000
Restricted funds	85,711	928,279	(947,698)	-	66,292
	<u>2,782,265</u>	<u>3,018,551</u>	<u>(2,767,959)</u>	<u>-</u>	<u>3,032,857</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

12 Analysis of charitable funds - continued

Analysis of movement in unrestricted funds	Balance at 1.4.21	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.22
	£	£	£	£	£
General fund	1,776,674	2,090,272	(1,747,608)	(60,362)	2,058,976
Designated development fund	25,194	-	-	10,996	36,190
Designated buildings fund	19,664	-	(4,839)	5,440	20,265
Designated IT fund	151,822	-	(96,414)	55,726	111,134
	<u>1,973,354</u>	<u>2,090,272</u>	<u>(1,848,861)</u>	<u>11,800</u>	<u>2,226,565</u>

Designated funds transfer

In the current year £15,217 of funds from the designated development fund have been released from their designation as part of this fund for staff engagement, corporate marketing strategy and international development and have been redesignated to the myNDNA development. This shows as a net movement of £nil above before a further designation of £10,996.

Name of unrestricted fund

General fund
Designated development fund

Description, nature and purpose of fund

The free reserves after allowing for all designated funds.
Designated fund for developing services that will support sustainability. There are a number of projects ongoing which are expected to continue during 2022-23.

Designated buildings fund

Designated fund for office furniture and equipment purchased (and capitalised) in 2018, 2020, 2021 and 2022.

Designated IT fund

Designated fund for new finance software purchased (and capitalised) in 2019, new CRM and website purchased (and capitalised) in 2022, and additional IT support.

Analysis of movement in restricted funds	Balance at 1.4.21	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.22
	£	£	£	£	£
Welsh Government Children & Families	85,711	199,705	(219,124)	-	66,292
Welsh Government Language Unit	-	50,000	(50,000)	-	-
Welsh Government Foundation Phase	-	57,000	(57,000)	-	-
Scottish Government Strategic Funding	-	140,000	(140,000)	-	-
Welsh Government Employment Programmes	-	287,764	(287,764)	-	-
Education Endowment Fund	-	193,810	(193,810)	-	-
	<u>85,711</u>	<u>928,279</u>	<u>(947,698)</u>	<u>-</u>	<u>66,292</u>

Key incoming resources:

Welsh Government Children & Families - grant awarded to support the development of innovative solutions to provide flexible childcare that meets the needs of families in Wales.

Welsh Government Language Unit - grant for support of early years settings with the Welsh language training

Welsh Government Foundation Phase - grant for the support of the delivery of the Foundation Phase.

Scottish Government Strategic Funding Partnership - grant for the development of childcare policy, improvement of quality in private sector nurseries and to recognise additional administrative costs due to Covid-19 pandemic response

Welsh Government Employment Programmes - grant for introducing people into employment in childcare.

Education Endowment Fund - grant for the evaluation of our Maths Champions programme.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

12 Analysis of charitable funds - continued

2021 Comparatives

Analysis of charitable funds	Balance at 1.4.20	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.21
Group	£	£	£	£	£
Unrestricted funds	1,758,700	1,816,039	(1,613,185)	11,800	1,973,354
Endowment fund	735,000	-	-	(11,800)	723,200
Restricted funds	45,000	1,004,716	(964,005)	-	85,711
	<u>2,538,700</u>	<u>2,820,755</u>	<u>(2,577,190)</u>	<u>-</u>	<u>2,782,265</u>

Charity	£	£	£	£	£
Unrestricted funds	1,758,700	1,816,039	(1,613,185)	11,800	1,973,354
Endowment fund	735,000	-	-	(11,800)	723,200
Restricted funds	45,000	1,004,716	(964,005)	-	85,711
	<u>2,538,700</u>	<u>2,820,755</u>	<u>(2,577,190)</u>	<u>-</u>	<u>2,782,265</u>

Analysis of movement in unrestricted funds	Balance at 1.4.20	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.21
	£	£	£	£	£
General fund	1,712,428	1,816,039	(1,606,314)	(145,479)	1,776,674
Designated development fund	25,194	-	-	-	25,194
Designated buildings fund	11,307	-	(3,992)	12,349	19,664
Designated IT fund	9,771	-	(2,879)	144,930	151,822
	<u>1,758,700</u>	<u>1,816,039</u>	<u>(1,613,185)</u>	<u>11,800</u>	<u>1,973,354</u>

Analysis of movement in restricted funds	Balance at 1.4.20	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.21
	£	£	£	£	£
Greater London Authority	-	127,001	(127,001)	-	-
Welsh Government Children & Families	45,000	343,053	(302,342)	-	85,711
Welsh Government Language Unit	-	50,000	(50,000)	-	-
Welsh Government Foundation Phase	-	52,000	(52,000)	-	-
Scottish Government Strategic Funding Partnership	-	100,000	(100,000)	-	-
Welsh Government Employment Programmes	-	230,162	(230,162)	-	-
Education Endowment Fund	-	102,500	(102,500)	-	-
	<u>45,000</u>	<u>1,004,716</u>	<u>(964,005)</u>	<u>-</u>	<u>85,711</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

13 Analysis of net assets between fund balances	Unrestricted funds	Designated funds	Endowment funds (restricted)	Restricted funds (other)	Total 2022
Group					
Tangible fixed assets	150,195	-	740,000	-	890,195
Investments	-	-	-	-	-
Net current assets	<u>1,908,781</u>	<u>167,589</u>	<u>-</u>	<u>66,292</u>	<u>2,142,662</u>
	<u>2,058,976</u>	<u>167,589</u>	<u>740,000</u>	<u>66,292</u>	<u>3,032,857</u>
Charity					
Tangible fixed assets	150,195	-	740,000	-	890,195
Investments	1	-	-	-	1
Net current assets	<u>1,908,780</u>	<u>167,589</u>	<u>-</u>	<u>66,292</u>	<u>2,142,661</u>
	<u>2,058,976</u>	<u>167,589</u>	<u>740,000</u>	<u>66,292</u>	<u>3,032,857</u>
2021 Comparatives					
	Unrestricted funds	Designated funds	Endowment funds (restricted)	Restricted funds (other)	Total 2021
Group					
Tangible fixed assets	90,835	-	723,200	-	814,035
Investments	-	-	-	-	-
Net current assets	<u>1,685,839</u>	<u>196,680</u>	<u>-</u>	<u>85,711</u>	<u>1,968,230</u>
	<u>1,776,674</u>	<u>196,680</u>	<u>723,200</u>	<u>85,711</u>	<u>2,782,265</u>
Charity					
Tangible fixed assets	90,835	-	723,200	-	814,035
Investments	1	-	-	-	1
Net current assets	<u>1,685,838</u>	<u>196,680</u>	<u>-</u>	<u>85,711</u>	<u>1,968,229</u>
	<u>1,776,674</u>	<u>196,680</u>	<u>723,200</u>	<u>85,711</u>	<u>2,782,265</u>

14 Operating lease commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Operating leases which expire:		
within one year	10,931	19,172
in two to five years	358	8,999
in more than five years	-	-
	<u>11,288</u>	<u>28,171</u>

15 Related parties disclosures

The company has taken advantage of the exemption in Financial Reporting Standard number 102 from the requirement to disclose the transactions with group companies on the grounds that they are wholly owned.

Payments to trustees are in line with the Memorandum and Articles of Association.

£3,960 (2021: nil) was paid for the legal services of a firm in which trustee David Smyllie is a partner. At the year end the charity owed Lupton Fawcett £nil (2021: £nil).

Christie & Co, a company in which Courteney Donaldson is a Director, paid the charity £12,771 (2021: £5,591) for advertising and sponsorship. At the end of the year Christie & Co owed the charity £nil (2021: nil).

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

16 Reconciliation of net income/(expenditure) to net cash flow from operating activities	2022	2021
Group	£	£
Net movement in funds	250,592	243,565
Add back depreciation charge	81,771	71,088
Deduct reversal of property impairment	(28,600)	-
Deduct interest income shown in investing activities	(5,284)	(12,896)
Decrease / (increase) in stock	(12,554)	1,438
Decrease in debtors	36,360	186,852
(Decrease) in provision for doubtful debts	-	(34,250)
(Decrease) in creditors	(22,589)	(44,028)
Net cash provided by operating activities	299,696	411,769

Charity	2022	2021
	£	£
Net movement in funds	250,592	243,565
Add back depreciation charge	81,771	71,088
Deduct reversal of property impairment	(28,600)	-
Deduct interest income shown in investing activities	(5,284)	(12,896)
Decrease / (increase) in stock	(12,554)	1,438
Decrease in debtors	36,360	186,852
(Decrease) in provision for doubtful debts	-	(34,250)
(Decrease) in creditors	(22,589)	(44,028)
Net cash provided by operating activities	299,696	411,769

17 Analysis of changes in net debt	Balance at 1.4.21	Cash-flows	Balance at 31.3.22
Group	£	£	£
Cash at bank and in hand	1,847,262	403,388	2,250,650
TOTAL	1,847,262	403,388	2,250,650
 Charity	 £	 £	 £
Cash at bank and in hand	1,834,209	403,388	2,237,597
TOTAL	1,834,209	403,388	2,237,597

NATIONAL DAY NURSERIES ASSOCIATION

England & Wales - Charity number 1078275

Accounts



National Day Nurseries Association

National Day Nurseries Association

(A charitable company limited by guarantee)

Financial Statements for the year ended 31 March 2021

Company registration No. 03738616

Registered charity No. 1078275 (England & Wales)
SCO40610 (Scotland)

National Day Nurseries Association

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National Day Nurseries Association
Annual report of the trustees
For the year ended 31 March 2021

Name

National Day Nurseries Association (NDNA)

Registered office

National Early Years Enterprise Centre, Longbow Close, Huddersfield, HD2 1GQ

Scotland and Wales offices

The Mansfield Traquair Centre, 15 Mansfield Place, Edinburgh, EH3 6BB
Office 3, Crown House, 11 Well Street, Ruthin, Denbighshire, LL15 1AE

Charity number

1078275 (England and Wales)
SCO40610 (Scotland)

Company number

03738616

Auditors

Revell Ward Ltd, First Floor Office Suite, Mill B, Colne Road Buildings, Colne Road, Huddersfield, HD1 3AG

Bankers

NatWest Bank, Commercial Banking, 2nd Floor, 8 Market Place, Huddersfield, HD1 2AN

Nationwide Building Society, Nationwide House, Pipers Way, Swindon SN38 1NW

Yorkshire Bank, Bering House, Mariner Court, Clydebank Business Park, Clydebank, G81 2NR

The Charity Bank Limited, Fosse House, 182 High Street, Tonbridge, TN9 1BE

Solicitors

Lupton Fawcett, Yorkshire House, East Parade, Leeds, LS1 5BD

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2021

Country of incorporation

Great Britain

List of trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are referred to as the trustees. The Trustees report includes requirements of the Directors' report as required by company law.

The trustees who served during the year were as follows:

	Date of original appointment
Sarah Carr, OBE (Chair)	13 May 2000
Tina Jones (Trustee – Wales)	23 March 1999
Hazel Moody (Trustee – South East)	30 July 2007
Christopher Gray (Trustee – North West)	3 August 2007
Penelope Vaughan-Pipe (Trustee – South West)	1 October 2007
Linda Maurice (Co-opted Trustee)	2 October 2007
Courteney Donaldson (Co-opted Trustee)	10 January 2011
Helen Gration (Trustee – Yorkshire)	21 September 2011
Jane Haywood (Co-opted Trustee)	19 August 2012
David Smyllie (Co-opted Trustee)	27 November 2013
Ann McEwan (Trustee – Scotland)	16 September 2015
Dave Poulson (Co-opted Trustee)	30 November 2016
Tracey Storey (Trustee – London)	13 September 2017
Sally Bonnar (Trustee – East Midlands)	13 September 2017
Philip Siddell (Trustee – West Midlands)	22 May 2018
Laura Bowery (Trustee – North East)	11 September 2019
Lesley Dawson (Co-opted Trustee)	17 March 2020
Tracy Hutchison (Trustee – East)	16 March 2021

Company Secretary and Chief Executive

Purnima Tanuku, OBE

1 April 2005

Qualifying third party indemnity provisions

The charity purchased insurance for liabilities incurred by its trustees in carrying out their duties.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2021

Structure, Governance and Management

Governing document

National Day Nurseries Association is a company limited by guarantee governed by its Memorandum and Articles of Association dated 20 September 1999 and amended to allow for the current governance arrangement on 28 February 2007, 24 March 2010 and 26 May 2011. It is registered as a charity with the Charity Commission in England and Wales and with the Office of the Scottish Charity Regulator in Scotland.

Appointment of trustees

The Strategic Board currently comprises 18 trustees including a National Chair. Of these, 11 represent members in each English region, Scotland and Wales and 6 are from wider sectors co-opted to support the work of the board and add special expertise. 1 new trustee joined during 2020-21.

At every Annual General Meeting, one-third of the board is subject to retirement by rotation. Nominations are invited from the regions of the retiring trustees through advertising in Nursery News and elections held to appoint a new regional trustee. If there are no other nominations and the retiring trustee is willing, they will be reappointed for a further term of office.

Trustee induction and training

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making process, the business plan and the recent financial performance of the charity. They meet key employees of the charity and are encouraged to attend external training events as appropriate. A two-day board strategy event and training is held annually.

Organisation

The strategic board administers the charity and meets at least 3 times a year. The Chief Executive, Purnima Tanuku is appointed by the strategic board to manage the day-to-day operation of the charity. The Chief Executive has delegated authority for dealing with matters such as finance and employment.

Risk management

There is a robust risk assessment and management process established. This includes:

- Reviewing and monitoring both the strategic and operational risks the charity may face;
- Establishment of systems and procedures to measure and control risks identified; and
- Implementation of control measures to minimise any potential impact on the charity if risks materialise.

A 'traffic-light' risk reporting system is in use linking the organisation's performance monitoring framework and financial performance.

The principal risks and uncertainties facing the charity are the impact of Covid 19 on the sector and NDNA, public spending cuts resulting in a reduction in income from central government and local authority contracts, and increased competition for all services and contracts. Our strategy for managing this risk has enabled us to achieve a balanced portfolio of income streams by focusing on developing a wider customer base in the UK and beyond and a portfolio to suit their needs.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2021

Objectives and activities

NDNA vision and mission

The charity's vision is for all children and families to flourish through excellent early years learning and care.

The charity's mission is to lead and empower the sector so that nurseries and the early years workforce deliver sustainable, high quality learning and care.

NDNA is the champion of quality early years learning and care in nurseries. The charity works to support nurseries to deliver high quality learning and care, and to represent the sector.

NDNA aims and objectives for the year

The strategic aims NDNA set out for 2020-21 are:

- We are the strongest voice for nurseries and their workforce
- We promote and support high quality, sustainable early years provision
- We will enhance our support to the early years workforce
- We are strong and sustainable

We are the strongest voice for nurseries and their workforce – As the voice of the 21,000-strong nursery sector, NDNA is an integral part of the lives of more than a million young children and their families. The charity provides information, training and advice, which supports nurseries - and the 250,000 people who work in them - to deliver world class early learning and childcare. Working closely with local and national governments in England, Scotland and Wales, we deliver a comprehensive programme of policy work, campaigning on the cost, choice and quality of childcare; to benefit children, their families, nurseries and the economy.

We promote and support high quality, sustainable early years provision – NDNA's national programmes of activity ensure that nurseries and their workforce have the skills they need to deliver early years services, whilst remaining viable and sustainable. The range of services delivered by NDNA includes membership support services; accredited and non-accredited training programmes - both face-to-face and online via the NDNA Early Years Development Zone; events and conferences; publications; business support; Quality Counts accreditation and Millie's Mark. We also provide information and support to all child-carers and parents via our website.

We will enhance our support to the early years workforce – MyNDNA provides the early years workforce with direct access to up-to-date training and support, which can help them to improve the quality of their practice.

We are strong and sustainable – Effective delivery of the charity's mission is only possible if we protect our own financial sustainability and retain the commitment of our workforce. We manage our resources carefully and everyone plays an active part in the business planning process. The strategic challenges facing NDNA are discussed at Board level and all staff are involved in developing the business plan and ultimate responsibility for decision-making rests with the Board; supported by the Chief Executive and Senior Management Team.

The charity has a wholly-owned subsidiary, NDNA Services Limited.

NDNA does not fundraise from the public.

The original business plan for 2020-21 was approved by the Board in March 2020.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2021

By the end of March 2020, the first lockdown was introduced across the UK, in response to the emerging threat of the Covid-19 pandemic.

There was a lot of confusion and chaos for early years providers which created lots of challenges and uncertainties for the sector. We would like to record our thanks to all the early years providers for their resilience and dedication to support children and families through a most difficult period.

Our financial forecasts for the first quarter reflected significant uncertainty, and suggested a substantial deficit, based on reduced income from all sources.

NDNA Covid-19 recovery plan

NDNA moved quickly to develop and adopt a Covid-19 recovery plan, which set out how the charity would support the sector and operate sustainably during the course of the pandemic.

This plan focused on:

- Increasing level of service to NDNA members and the early years sector, to provide much-needed support.
- Maintaining our strategic ability to look ahead and monitor new threats and opportunities.
- Using Government support, such as the Coronavirus Job Retention Scheme (CJRS), effectively and appropriately, based on projected reduction in demand from April 2020.
- Securing NDNA's financial sustainability in the short and medium term, by managing costs, and exploring alternative delivery methods and income streams.
- Moving to monthly financial forecasting to reflect the rapidly changing business environment.
- Retaining the staff skills and expertise required to provide sector leadership in this changing environment.

This plan set out new ways of working to support the sector, whilst identifying cost savings. Monthly Board meetings were introduced via Zoom and monthly financial reforecasts allowed NDNA's leadership team to proactively manage costs and income streams.

NDNA invested self-generated reserves in IT infrastructure and a new telephone system to enable the remote capabilities needed to continue supporting members. By investing time and resources in the development of online delivery, NDNA was able to respond to the challenges brought by the pandemic quickly and efficiently, and to continue to deliver much-needed support to members, throughout this period of extreme uncertainty.

By the second half of the year, there was increasing demand for our online services and other support services, which was reflected in our monthly forecasts. We gradually brought furloughed employees back into the business to cope with the demand.

Impact on the Sector

The Covid-19 pandemic led to rapid, wide-scale changes in business operations across the UK, due to national lockdown restrictions, enhanced safety measures and social distancing rules. Meanwhile, regular changes to government guidelines and legal requirements, often at short notice, were difficult for nurseries to digest and keep track of.

NDNA reacted quickly from the start of the pandemic, ensuring that members received the latest information on a daily basis, through Covid-19 update emails, factsheets, webinars and through social media. Throughout the year, 309 Covid-19 specific updates were issued to members, distilling guidance on everything from changing government advice to Ofsted inspections to employment law.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2021

Between April 2020 and March 2021, NDNA research revealed a 35% increase in Nursery closures, so this support provided a lifeline to the sector enabling nurseries to manage risks, stay up to date and manage their operations safely and sustainably.

NDNA produced a range of resources, toolkits, information and advice to help settings and staff to respond to new challenges, such as positive cases, increasingly anxious parents and unsettled children. This support was gratefully received by the struggling sector.

A number of free resources were made available for members and non-members, to support them through challenging times:

"I would like to take the opportunity to send a huge thank you to you and all of the NDNA team, for the exceptional support and advice that you have given to my nursery and the sector as a whole. I have never felt more grateful for being a member of a strong association that has the best interests of each and every provider at the forefront of everything they do. Thank you from the bottom of our hearts from all of the Buttercups team."

Emma Parfitt, Buttercups, Cardiff

In addition, our #ThankOurNurseries campaign acknowledged the great work that NDNA's members have been doing to support children and families throughout the pandemic.

Impact on the Workforce

During this challenging year - for nurseries and their workforce - access to quality, affordable training has been more important than ever. An abundance of research tells us that high-quality childcare, delivered by qualified practitioners, is essential for the development of children in their earliest years. However, NDNA's year-long study alongside the Education Policy Institute into 'The Covid-19 pandemic and the early years workforce' revealed that nurseries are struggling to recruit and retain staff qualified at the levels they need and want.

Research confirms that the first five years shape each child's future health, happiness, growth, development and learning achievements, so the continued professional development of practitioners is essential to ensure children get the best start in life. NDNA's analysis of sector intelligence, surveys and a two-way dialogue with our members allow us to review and update our range of products and services, to ensure that we continue to meet members' needs:

"Absolutely brilliant organisation that offer valuable online resources, updated policies and procedures, training for your whole staff team, from management to practitioners NDNA has got you covered."

Olimpia Malaescu, Pepperberry Day Nursery, Cheshire

Achievements and performance

Members continue to recognise NDNA as their provider of choice for the delivery of high-quality training. This year we supported 38,036 learners through e-learning, live virtual classroom training, webinars and via the delivery of projects and contracts. Evaluation has demonstrated that 97% of those who access our training rate it as either good or excellent. Across the programmes we have delivered, it is clear that attendees gained benefit from NDNA's intervention, with over 84% citing increased learner confidence in their subject area because of our intervention.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2021

Alongside our support programmes, we have developed new publications and reviewed existing publications in line with changes to policy, legislation and best practice. Throughout this year, our factsheets have supported providers with a range of topics from business recovery and supporting parents with school readiness, to early years best practice. These have proved to be a valuable resource for the sector.

Live Virtual Classroom Training

Investment in the introduction of training via live virtual classroom (LVC), in July 2020, has enabled NDNA to continue providing much-needed support to nurseries, their managers and their workforce, despite lockdown restrictions.

This remote delivery meant that practitioners did not need to travel for training and spent minimal time away from the setting, which helped employers to manage staffing ratios in a workforce that is transient, short staffed and facing recruitment challenges. Our commitment is to continue to deliver LVC so we are able to offer wider services moving forward.

Free Member Events, Resources, Training and Webinars

In response to restrictions, we also increased delivery of short information sessions via webinar, mainly for leaders and managers; for instance, delivering a number of sessions to support with reopening post lockdown and recovery. During the course of the year, we ran 33 free member events and webinars, with a total of 2,606 registered attendees.

We invested in offering free resources and training to members and non-members, to support them through the difficult period.

Millie's Mark and Quality Counts

From the first lock down, employers and practitioners struggled to access essential training, such as Paediatric First Aid and accredited qualifications. Recognising these difficulties, the Department for Education (DfE) passed temporary legislation to 'disapply' elements of the EYFS and this had an impact on members who were registered with Quality Counts and Millie's Mark. NDNA responded to this by extending access to these programmes until disapplication has ceased.

We have continued to deliver Millie's Mark to support our members to keep children as safe as possible. This year 130 settings took up the Mark and 87 nurseries successfully achieved the standard, demonstrating they go above and beyond their regulatory duty. In total there are now 776 settings signed up to the Mark in England and 13 in Scotland, with 640 settings being awarded the Mark since it was launched.

Childcare Works

In Wales, the Welsh Government supports NDNA's Childcare Works project. This was paused for three months in March due to Covid-19 restrictions, before re-starting in July. The three-month pause meant the project ran until March 2021 instead of finishing in December 2020 and this enabled NDNA to support 32 candidates - who are not in employment, education or training - with a four-week training programme, followed by 12-week placements as Trainee Nursery Assistants, in nurseries across ten local authority areas. To meet Covid-19 guidelines, training from July onwards was delivered remotely and within three weeks, allowing TNAs to spend a total of 13 weeks on placements. Of the 32 total participants, 12 went on to take up employment after the project with eight taking on further training.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2021

International

Overseas nurseries that are looking to implement and follow the EYFS recognise the value that NDNA can offer. We have international members from 18 different countries. We continue to provide services to members overseas and maintain contact with international stakeholders.

We hosted a free international webinar, entitled 'Global Impact of Covid 19 on Early Years', this focused on the impact of the pandemic on staff and proposed strategies for the management of health and wellbeing that can really make a difference.

Membership and Retention

A strong membership base is critical to NDNA's mandate as the voice of the sector. The strength of our membership informs our work and our priorities, which are driven by the evidence we gather from our members.

Membership retention improved dramatically during the second part of the financial year, mainly due to the valued support that we provided to our members. This indicates that members are getting value from their membership, see a return on this investment and most are willing to renew, even in the toughest of times.

NDNA draws on the experience of our members and our own research, as well as analysis of the early years and childcare sector, to ensure we are the voice of our sector. We work across key stakeholders and decision makers in England, Scotland and Wales to advocate for policy approaches that support the charity's objectives and our members' needs.

Member Engagement

NDNA networks provide nursery owners and managers with the opportunity to meet and form a united voice at a local level. Networks, led by volunteer Network Officers, provide regular opportunities to share information, ideas and concerns, whilst improving NDNA's reach and the breadth and depth of our insight.

At the end of 2020-21, NDNA had 44 active networks across the UK. We introduced regular network chair meetings and these networks have continued to provide the insight that NDNA needs to represent the sector. We would like to thank all of our networks for their continued engagement with NDNA in highlighting local issues and challenges.

Free member events were delivered remotely, via Zoom, across each of the three nations, with an event covering each region of England. These events attracted 1,741 registered attendees, enabling nurseries and their workforce to benefit from updates on policy and practice, as well as professional development and networking. We worked with our corporate sponsors to deliver up to date information on topics such as health and safety and employment law, to cover all the legislative and regulatory changes due to Covid.

Policy Engagement and Campaigns

In England, Scotland and Wales, NDNA has met with Government Ministers, key stakeholder and working groups to provide the latest research, sector views and experiences; particularly in relation to Covid-19 and associated restrictions. NDNA has used member views and feedback to lobby and shape changes to guidance and secure extra support for the sector. This has included:

- Testing - We campaigned to get the early years workforce the safety equipment and testing kits needed under #TestAllEarlyYearsWorkers
- Thank early years campaign
- A plan for jobs needs a plan for early years

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- Business Rates – securing a Government U-turn that meant nurseries in England were added to the business rates holiday for 2020/21 and an extension into 2021/22
- Funding – lobbying for:
 - the additional £44 million for funded places in England
 - an increase in the Foundation Phase rate in Wales
 - additional financial support to settings in Scotland through the Transitional Support Fund and Temporary Restrictions Fund
- Working closely with HMRC and DWP to address the technical issues relating to tax-free childcare and childcare element of Universal Credit in order to support members and parents
- Free membership for members in Wales

To support our members and influence public debate on issues affecting early years, we engage with traditional and social media to reach as wide an audience as possible, achieving 305 pieces of national media coverage for our work and over 394 pieces in the trade press covering early years and education. Our following on social media has now reached; 15,500 on Facebook; 15,975 on Twitter; 7,121 on LinkedIn and 2,525 on Instagram.

"I am sure I speak for the whole sector when I say, 'thank you', for your support during this very difficult time for day nursery operators and their wonderfully dedicated workforce. You have always championed the needs of the sector with skill and this desperate period is no exception. "

Ellen Lloyd Wilson, Little Stars Nursery, Wales

Funding

The 2020 Comprehensive Spending Review, which usually determines the Government's public spending plans over a period of three to four years, was limited to a single year this time, due to uncertainty around Covid-19 and the Brexit trade deal. NDNA responded to the formal consultation and produced a key messages document that enabled our members to engage with MPs. The outcome of the spending review was an additional £44 million for early years funded places, to increase the hourly rates paid by local authorities.

In 2020/21 NDNA continued its research into local authority budgets and found a £62 million underspend in early years budgets across local authorities, at the end of March 2020. This information has been used by Schools Forums, NDNA members and our networks to discuss funding rates at the local level, and local authorities have, in some cases, passed underspent resources to providers.

Covid Impact Research

In 2020, NDNA also collaborated with the Education Policy Institute (EPI) on a year-long study, focusing on the impact of coronavirus on the early years sector and its workforce. This project will run until July 2021 and aims to highlight issues relating to recruitment and retention of staff in the private, voluntary and independent (PVI) sector; with a particular focus on the consequences of the pandemic on staff qualification levels, setting closures and on opportunities for continuing professional development (CPD).

Findings from the first two surveys highlighted that 71% of early years workers were furloughed during the first national lockdowns and the workforce shrank by an estimated 9% between March and August 2020. The second survey, conducted in the autumn, found that demand for places was slow to recover and both surveys highlighted concerns about the availability of SEND training and support with bereavement for children. These findings have been used to inform discussions with national governments about the real-time pressures providers and their staff were facing.

National Day Nurseries Association

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NDNA Cymru

NDNA Cymru remains part of the Cwlwm Partnership and representation continues to be key to our work, we are a member of key strategic groups alongside other representative organisations, Welsh Government, Aware, Social Care Wales, Care Inspectorate Wales and Estyn.

NDNA Scotland

NDNA Scotland continues to represent members at key stakeholder meetings and supporting the Covid-19 Education Recovery Group working group on early learning and childcare. In addition, NDNA Scotland is a member of the Education Leaders Forum and ELC Sector Recovery Group (Covid-19).

We have retained the Scottish Government's Children, Young People and Families Early Intervention Fund (CYPFEIF) and Adult Learning and Empowering Communities Fund (ALEC) funding for six years and received positive feedback from the Corra Foundation on the reporting of the achievement of Fund outcomes. NDNA Scotland have consistently met all the requirements for the funding.

MyNDNA

We have 16,112 people registered on MyNDNA, our early years and childcare community. These practitioners receive weekly hints, tips and good practice guides. We have seen continued practitioner participation via MyNDNA, which has enabled us to enhance our offer, to further support the sector.

This free to join, online community continues to provide practical inspiration, activity ideas and resources for early years practitioners to use in their setting. We encourage use of these resources to support practitioners with their own professional development and we believe that MyNDNA has had a positive impact on the quality of early years practice, and therefore improved outcomes for children.

Projects and Contracts

Although the pandemic hit us early in this financial year, we still were able to support thousands of early years staff through the delivery of contracted projects. The restrictions imposed by government meant we had to change our delivery model and deliver projects in a virtual way. NDNA did this and successfully delivered the following:

- Completion of the Early Years Leaders Programme delivered on behalf of Greater London Authority
- Recruitment and part delivery of the EEF funded Pilot elements of the Maths Champion Programme, in England
- Continued delivery of Childcare Works, in Wales

32 unemployed people secured placements in member settings in Wales, bringing new recruits to the sector through our Childcare Works programme.

This year, we have continued to work with a range of companies to bring ideas, activities, campaigns and resources to children and parents via our membership base. For instance, NDNA's popular 'Healthy Body, Happy Me' campaign focused on the theme 'Nurture with Nature' and took place from 22nd – 26th March 2021. TTS and Consortium sponsored the week, promoting activities to inspire children's curiosity of nature. The total number of downloads for the campaign improved by 42% year on year with 6,486 compared with 4,549 downloads in 2019/20. Our daily guides provided ideas for learning, including at least one physical activity, plus a home-learning activity for members to share with parents.

NDNA's own long-term sustainability is essential if we are to continue delivering our charitable mission and maximise the impact of our activities.

National Day Nurseries Association

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For the year ended 31 March 2021

Through careful management and planning; cost savings, additional income from our products and services, appropriate use of government furlough scheme and increased income through our products and services, we were able to achieve a better year-end financial position than budget in the financial year 2020-21. This means that we are able to invest in the development of further support, for the benefit of nurseries, the early years workforce and the children who they educate and care for.

Financial review

2020-21 has seen us continue to maintain the strong and sustainable position of the organisation and its purpose in challenging times for the sector. We achieved an overall surplus of £243,565. Our unrestricted reserves now stand at £1,776,674.

During the year, we invested £6,871 out of designated funds on infrastructure development.

A further £144,930 has been put into the designated IT fund to invest in website development and additional IT support, plus a further £12,349 into the designated buildings fund to enable staff with hybrid working.

Investment policy

The trustees recognise the need to retain sufficient liquid assets to meet the charity's short-term obligations. Funds in excess of current requirements are invested in low-risk cash deposits or interest-bearing accounts.

We have prioritised 3 areas for investment to support our membership.

We plan to invest in a new website and CRM system, new communication solution and strengthen our IT infrastructure.

Through our IT strategy, we are expanding the IT team to improve our services to members across the UK.

We are enhancing our support to practitioners with virtual classroom training and e-learning.

Plans for the future

Throughout 2021, we have constantly reviewed our recovery plan and adjusted our delivery, in line with changes in government guidance. NDNA will continue to focus on delivering the highest quality training through online methods, including Live Virtual Classroom and webinars. We will also focus on virtual meetings to replace some of our face-to-face events like Member Events.

We will continue to invest in our online and international services. We will build on the growth of the MyNDNA community to reach wider audiences and individual practitioners in early years, providing targeted support. We will invest in IT infrastructure to enhance our products and services. New partnerships are being developed to improve our member benefits package and to generate new income streams.

In England, the revised Early Years Foundation Stage will come into effect for all providers from September 2021. To support practitioners and develop guidance for the sector, by the sector, NDNA was part of the Early Years Coalition, which produced 'Birth to 5 Matters'; non-statutory guidance to support the delivery of the new EYFS. NDNA will continue to support members through offering high quality training, resources, activity ideas and publications.

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Government investment in early years will be part of the Comprehensive Spending Review planned for 2021. NDNA will continue to gather evidence from our members to campaign for a recovery fund and increased funding for the early years sector, as part of the spending review. To ensure a strong voice across Parliament, NDNA will continue its work meeting and briefing MPs and within the All Party Parliamentary Group for Early Education and Childcare.

In Scotland, the delayed full roll-out of the 1,140 hours of funded ELC expansion will now take place from August 2021. NDNA Scotland will continue to work for solutions to funding challenges as well as ensuring that funding truly follows the child and maximising parental choice.

In March 2021, the UNCRC Incorporation (Scotland) Bill passed the Scottish Parliament and will become law this year. This Bill means public authorities, including nurseries delivering publicly funded places, will have to comply with children's rights. This is something the Early Learning and Childcare sector already does but NDNA Scotland will provide additional support to members around the new requirements, especially Child Rights and Wellbeing Impact Assessments.

With elections taking place in early 2021/22, NDNA Scotland will work to establish relationships with the new Scottish Government as well as a new intake of MSPs to ensure that elected representatives and ministers are aware of the work of PVI providers and the challenges they face.

In Wales, plans to prepare for the roll-out of the new Curriculum for Wales 2022 will continue. The Welsh Government has worked with early years practitioners both in the maintained and non-maintained sector, education professionals and local authorities to develop additional guidance for those using the curriculum with children aged three to five. NDNA Cymru will continue to work alongside the Welsh Government and other partners to ensure the non-maintained sector have the support they need with the new Curriculum for Wales ahead of full roll-out from September 2022.

With elections taking place in early 2021/22, NDNA Cymru will work to establish relationships with the new Welsh Government as well as a new intake of Senedd Members to ensure that elected representatives and ministers are aware of the work of the non-maintained sector and the challenges they face.

Public benefit

We constantly refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Evidence shows that investing in early years makes a difference to children's long-term outcomes. To achieve our vision and mission, our support and representation work aims to have a real influence and shape the early years policy agenda for the benefit of children and their families across England, Scotland and Wales. The impact of this is to develop an environment that enables the nursery sector to deliver the high quality care and learning that makes a difference to the outcomes for children, whilst also being sustainable businesses.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2021

The practical support we provide to nurseries to help them continually improve their early learning and childcare practice and to be sustainable businesses is central to the fulfilment of our mission. The benefit of our support services and projects as a national centre for early years excellence is the difference it makes to children and families, including:

- Affordable and accessible childcare for all sections of the community through supporting sustainable childcare including in areas of disadvantage.
- Enhanced skills in the early years workforce to be better equipped to provide the high quality of care and early learning that children deserve.
- Enhancing inclusion in early years through promotion of good practice.
- Supporting nursery providers in all areas to promote better outcomes for children and families.
- Sector sustainability, enterprise and, as a result, the safeguarding and creation of jobs in the childcare sector whilst enabling parents to work and train.
- Partnership programmes for economically inactive individuals to give them a solid basis to move into employment.
- Equipping parents with an increased understanding of quality childcare so they can make informed childcare choices and get the most out of their nursery that will help support children to do better.
- Supporting policy development to ensure public spending in early years achieves maximum impact to deliver outcomes for all children.

Throughout the pandemic, we provided free webinars, events and resources to members and non-members, recognising the financial challenges the sector faced.

Support from our volunteers

The Board of Trustees give considerable support to the organisation on a voluntary basis and we very much appreciate this. Members have also acted in various voluntary roles for NDNA through advising as members of our UK, Scotland and Wales policy committees and representing the sector at both national and local levels. Local NDNA networks run across the country, thanks to the time and commitment given by voluntary network officers. There is extensive volunteer activity across all three nations and the trustees would like to record their appreciation and thanks for this contribution, which is of great value to the charity.

Pay policy for senior staff

The directors consider the Strategic Board of Directors, who are the charity's trustees, and the senior management team comprise the Key Management Personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give their time freely, and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 7 and 15 (respectively) to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, pay levels are benchmarked against pay levels in other charities of a similar size.

If recruitment has proven difficult in the recent past a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2021

Reserves policy

Trustees are under a general legal duty to apply charity funds within a reasonable time of receiving them and to justify the level of reserves held.

The reserves policy is informed by:

- how secure the organisation's future income streams are
- analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met out of income
- the long term development and infrastructure, building strategy for the organisation.

The policy is re-examined each year as part of the formal process of reviewing the long-term strategy linked to the annual business planning process.

At the end of the year, the charity is holding total funds of £2,782,265. This includes restricted funds of £85,711, and an endowment fund of £723,200.

Unrestricted free reserves have increased by £64,246, and are now £1,776,674.

Free reserves at 31 March 2021 represent approximately 15.7 months of operating costs. We need to keep sufficient cash reserves to fund future developments that will contribute to the growth of the organisation, necessary for future sustainability.

The Reserves Policy was reviewed by the board in 2020, and it is considered as a matter of prudence under the current economic climate that NDNA should retain at least 9 months operating costs in reserve in order to service commitments, respond to changes in risks and fund future developments.

Designated fund policy

The charity has set aside funds for buildings maintenance, further development of our IT platform and for costs for development of services that will support the early years sector and the global community.

It is intended the remaining designated development fund of £25,194 will be used for projects to support services to early years practitioners.

The remaining designated IT fund of £6,892 will be allocated against depreciation of our new finance system, which was purchased in January 2019. An additional £144,930 has been added to IT fund to invest in website development and additional IT support.

The remaining designated building fund of £7,315 will be allocated against depreciation of Head Office refurbishment that has taken place in the last few financial years. An additional £12,349 has been added to the buildings fund to invest in hybrid working.

We anticipate that these funds will be fully utilised before March 2022.

National Day Nurseries Association

Annual report of the trustees

For the year ended 31 March 2021

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of National Day Nurseries Association for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including income and expenditure, of the group and parent charitable company for that period. In preparing these financial statements, the trustees are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group, and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the trustees' annual report:

- there is no relevant audit information (as defined by section 418 of the Companies Act 2006), being information needed by the auditors in connection with preparing their report, of which the auditors are unaware, and
- the trustees, having made enquiries of fellow directors, have taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared taking advantage of the small companies exemption under the Companies Act 2006.

By order of the Board



Sarah Carr, OBE
Chair of the Board of Trustees
12 October 2021

Report of the independent auditors to the members of National Day Nurseries Association For the year ended 31 March 2021

Opinion

We have audited the financial statements of National Day Nurseries Association (the 'charitable Group') for the year ended 31 March 2021 which comprise of the consolidated Statement of Financial Activities, consolidated and charity Balance Sheet, consolidated and charity Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the groups incoming resources and application of resources, including its results, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Report of the independent auditors to the members of National Day Nurseries Association For the year ended 31 March 2021

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except for the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on Page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report of the independent auditors to the members of National Day Nurseries Association For the year ended 31 March 2021

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our planning procedures included gaining an understanding of the entity and its environment including the entity's legal and regulatory framework, any fraud indicators and internal control system via both discussions amongst the engagement team and with the directors. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of controls.

Based on our understanding of the company and its industry, the key laws and regulations we considered included the UK Companies Act, Charities Act (2011) and relevant tax legislation.

Audit procedures performed by the engagement team included but were not limited to:

- Evaluating and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Discussing with the directors the policies and procedures in place regarding identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Reviewing relevant meeting minutes;
- Identifying and testing journal entries;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing and testing the accounting estimates to minimise potential bias.

Report of the independent auditors to the members of National Day Nurseries Association For the year ended 31 March 2021

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements the less likely we would become aware of such non-compliance. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentations or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.

Karen Borowski FCA (Senior Statutory Auditor)
for and on behalf of Revell Ward Limited
Chartered Accountants and Statutory Auditors
First Floor Office Suite
Mill B
Colne Road Buildings
Colne Road
Huddersfield
HD1 3AG

Date:

National Day Nurseries Association
Consolidated Statement of Financial Activities
(incorporating income and expenditure account)
For the year ended 31 March 2021

	Notes	Unrestricted			Restricted Funds	Total 2021	Total 2020
		Unrestricted Funds	Designated Funds	Endowment Fund			
		£	£	£	£	£	
Income							
Donations	2	200,315	-	-	-	200,315	38
Other trading activities							
Facilities hire		15,082	-	-	-	15,082	11,804
Income from Investments		12,896	-	-	-	12,896	18,409
		<u>228,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,293</u>	<u>30,251</u>
Income from charitable activities							
Membership services		792,066	-	-	-	792,066	790,984
Sector support services		559,129	-	-	-	559,129	868,353
Projects & contracts	3	19,328	-	-	1,004,716	1,024,044	953,678
Events, publicity and commercial		217,223	-	-	-	217,223	343,509
		<u>1,587,746</u>	<u>-</u>	<u>-</u>	<u>1,004,716</u>	<u>2,592,462</u>	<u>2,956,524</u>
Total income		<u>1,816,039</u>	<u>-</u>	<u>-</u>	<u>1,004,716</u>	<u>2,820,755</u>	<u>2,986,775</u>
Expenditure							
Expenditure on raising funds							
Facilities hire		4,326	17	-	-	4,343	5,386
Cost of raising donations		403,106	1,562	-	-	404,668	-
Expenditure on charitable activities							
Membership services		410,791	923	-	-	411,714	600,231
Sector support services		623,278	1,831	-	-	625,109	1,033,096
Projects & contracts		58,354	2,284	-	964,005	1,024,643	1,106,916
Events, publicity and commercial		106,459	254	-	-	106,713	268,697
Other expenditure							
Reversal of property Impairment		-	-	-	-	-	(23,400)
Total resources expended	4	<u>1,606,314</u>	<u>6,871</u>	<u>-</u>	<u>964,005</u>	<u>2,577,190</u>	<u>2,990,926</u>
Net income/(expenditure)		<u>209,725</u>	<u>(6,871)</u>	<u>-</u>	<u>40,711</u>	<u>243,565</u>	<u>(4,151)</u>
Transfers between funds	12	<u>(145,479)</u>	<u>157,279</u>	<u>(11,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>64,246</u>	<u>150,408</u>	<u>(11,800)</u>	<u>40,711</u>	<u>243,565</u>	<u>(4,151)</u>
Total funds brought forward	12	<u>1,712,428</u>	<u>46,272</u>	<u>735,000</u>	<u>45,000</u>	<u>2,538,700</u>	<u>2,542,851</u>
Total funds carried forward	12	<u>1,776,674</u>	<u>196,680</u>	<u>723,200</u>	<u>85,711</u>	<u>2,782,265</u>	<u>2,538,700</u>

The notes form part of these financial statements

National Day Nurseries Association

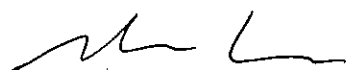
Consolidated and charity Balance Sheet

As at 31 March 2021

	Notes	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	9	814,035	869,934	814,035	869,934
Investments	10	-	-	1	1
		<u>814,035</u>	<u>869,934</u>	<u>814,036</u>	<u>869,935</u>
Current assets					
Stock		8,898	10,336	8,898	10,336
Trade debtors		28,990	191,066	28,990	191,066
Provision for doubtful debts		-	(34,250)	-	(34,250)
Prepaid expenses		37,484	61,368	37,484	61,368
Accrued income		117,549	118,441	117,549	118,441
Investments - cash equivalents on deposit		770,226	1,513,447	770,226	1,513,447
Cash at bank and in hand		1,847,262	644,565	1,834,209	631,512
Due from group company		-	-	13,052	13,052
		<u>2,810,409</u>	<u>2,504,973</u>	<u>2,810,408</u>	<u>2,504,972</u>
Liabilities					
Creditors: amounts falling due within one year:					
Trade creditors		81,616	89,726	81,616	89,726
Other creditors		11,158	11,942	11,158	11,942
Taxes and social security creditors		37,246	58,769	37,246	58,769
Accrued expenses		103,309	74,241	103,309	74,241
Deferred income	11	558,850	601,529	558,850	601,529
Loan		50,000	-	50,000	-
		<u>842,179</u>	<u>836,207</u>	<u>842,179</u>	<u>836,207</u>
Net current assets		<u>1,968,230</u>	<u>1,668,766</u>	<u>1,968,229</u>	<u>1,668,765</u>
Net assets		<u>2,782,265</u>	<u>2,538,700</u>	<u>2,782,265</u>	<u>2,538,700</u>
Funds					
Unrestricted funds	12	1,973,354	1,758,700	1,973,354	1,758,700
Restricted funds	12	85,711	45,000	85,711	45,000
Endowment funds	12	723,200	735,000	723,200	735,000
		<u>2,782,265</u>	<u>2,538,700</u>	<u>2,782,265</u>	<u>2,538,700</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the board of directors and Trustees on 12 October 2021 and signed on its behalf by



Sarah Carr OBE
Director and Trustee

The notes form part of these financial statements

National Day Nurseries Association
Consolidated and charity Statement of Cash Flows
For the year ended 31 March 2021

	Notes	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Cash flows from operating activities					
Net cash provided by operating activities	16	<u>411,769</u>	<u>30,779</u>	<u>411,769</u>	<u>40,341</u>
Cash flows from investing activities					
Interest income		12,896	14,850	12,896	14,850
Withdrawal from / (investment in) term deposits		743,221	(44,178)	743,221	(44,178)
New loan in year		50,000	-	50,000	-
Purchase of tangible fixed assets		<u>(15,189)</u>	<u>(4,208)</u>	<u>(15,189)</u>	<u>(4,208)</u>
Net cash used in investing activities		<u>790,928</u>	<u>(33,536)</u>	<u>790,928</u>	<u>(33,536)</u>
Increase / (decrease) in cash and cash equivalents in the year		1,202,697	(2,757)	1,202,697	6,805
Cash and cash equivalents at beginning of the year		644,565	647,322	631,512	624,707
Cash and cash equivalents at end of the year		<u>1,847,262</u>	<u>644,565</u>	<u>1,834,209</u>	<u>631,512</u>

The notes form part of these financial statements

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2021

1 Accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011. The financial statements are prepared under the historical cost convention with the exception of land and buildings, which have been included at their revalued amount.

The trustees consider that the charity constitutes a public benefit entity.

b) Basis of consolidation

The consolidated Statement of Financial Activities, consolidated Statement of Cash Flows and consolidated Balance Sheet include statements of the company and its subsidiary undertaking made up to 31 March 2021. The results of subsidiaries sold or acquired are included in the Statement of Financial Activities up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation. The entity has taken exemption from presenting its unconsolidated Statement of Financial Activities under section 408 of the Companies Act 2006.

c) Going concern

The trustees have considered the current position and budgets of the charity, and after making appropriate enquiries they have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

d) Incoming resources

Income from charitable activities other than grant funding is accounted for when there is entitlement to the income. Income is deferred where delivery of services relates to future periods. Revenue grant funding is accounted for upon entitlement to the income and is deferred where time restrictions apply to related expenditure. Investment income and other trading income is accounted for on an accruals basis. Donations are accounted for as they arise. All income is included gross and related costs are included in expenditure. All income is stated after trade discounts, other sales taxes and net of VAT.

e) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT, which cannot be recovered. Expenditure that is directly attributable to specific activities has been included in these cost categories.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2021

1 Accounting policies continued

Where costs are attributable to more than one activity, they have been apportioned across the cost categories consistent with the use of these resources. Any creditors or provisions at the year end are apportioned on the same basis.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both those costs that can be allocated directly to such activities and those costs of an indirect nature to support them.
- Governance costs include those costs incurred in the governance of the charity and its assets, and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions that have been allocated to activity cost categories on a basis consistent with the staff time engaged on each activity.
- The expenditure on raising funds relates to staff costs for those staff furloughed under the Coronavirus Job Retention Scheme (CJRS)

f) Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities on a straight line basis over the period of the lease.

g) Pension costs

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions. Pension costs are attributed to the activity performed by the staff member to whom the cost relates.

h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and any costs directly attributable to bringing the asset to its working condition for its intended use.

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

Land	not depreciated
Buildings	2% straight line
Equipment etc.	equal instalments over estimated life of 2 to 5 years.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2021

1 Accounting policies continued

i) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due deductions for obsolete and slow moving items.

Stocks are valued using the first-in, first-out (FIFO) method.

j) Current asset investments

Current asset investments comprise term bank deposits not realisable within 3 months and which are held to generate interest income.

k) Government grants

Government grants received in the company towards capital expenditure have been included in endowment funds and will be transferred to unrestricted funds as and when the terms of the restriction have been fulfilled.

Government grants received towards revenue costs are recognised within the financial statements when the charity has entitlement and in accordance with the provisions of FRS102.

l) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charity's objects.

Designated funds are unrestricted funds, which are determined by specific need to set aside funds to fund future developments in the charity, maintain the building and develop IT infrastructure.

Restricted funds are held where there are restrictions imposed by the donor on the use of the funds granted. All restricted funds are held in net current assets.

Endowment funds represent assets purchased with grant funding. Transfers are made to unrestricted funds to cover depreciation charges.

m) Taxation

The charity meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is exempt from taxation in accordance with the Corporation Tax Act 2010, to the extent that such income is applied exclusively for charitable purposes.

n) Liability of members

The company is limited by guarantee and the liability of each member is limited to £1.

o) Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from the actual results. They are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts.

National Day Nurseries Association
Notes to the accounts
For the year ended 31 March 2021

1 Accounting policies continued

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of land and buildings:

The land and buildings are held in the Balance Sheet at valuation and the basis for valuation is fair value.

p) Financial instruments

The charity has adopted section 11 of FRS 102 in respect of financial instruments.

Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at transaction price.

q) General information

The charity is a private company limited by guarantee and is incorporated in England and Wales. The address of its registered offices is National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ. The company's register number is 03738616.

r) Termination benefits

Termination benefits are recognised when the company has committed to providing them to employees. They are measured at the best estimate required to settle the obligation at the reporting date.

National Day Nurseries Association
Notes to the accounts
For the year ended 31 March 2021

2 Donations	2021	2020
	£	£
CJRS Grant Income	200,315	-
Other Donations	-	38
	<u>200,315</u>	<u>38</u>

3 Projects and contracts	2021	2020
	£	£
Local authorities	131,411	118,132
Welsh Government	675,215	644,928
Scottish Government	100,000	100,000
Other	117,418	90,618
	<u>1,024,044</u>	<u>953,678</u>

Included in the above are restricted funds:

Local authorities	127,001	109,626
Welsh Government	675,215	644,928
Scottish Government	100,000	100,000
Other	102,500	90,618
	<u>1,004,716</u>	<u>945,172</u>

Included in the above, the amount of grants total £1,004,716 (2020: £945,172)

4 Total resources expended	Direct delivery staff costs	Other delivery/ development costs	Support Incl staff costs	Depreciation/ Impairment	Total 2021
	£	£	£	£	£
Facilities hire	2,184	296	1,709	154	4,343
Cost of raising donations	227,078	1,562	161,426	14,602	404,668
Membership services	218,839	88,887	95,362	8,626	411,714
Sector support services	327,933	90,937	189,131	17,108	625,109
Projects & contracts	543,333	223,925	236,034	21,351	1,024,643
Events, publicity and commercial	76,364	1,709	26,264	2,376	106,713
	<u>1,395,731</u>	<u>407,316</u>	<u>709,926</u>	<u>64,217</u>	<u>2,577,190</u>

2020 Comparatives

	£	£	£	£	£
Facilities hire	2,141	1,056	2,058	131	5,386
Membership services	236,515	180,107	172,628	10,981	600,231
Sector support services	441,769	256,498	314,805	20,024	1,033,096
Projects & contracts	566,458	232,328	289,703	18,427	1,106,916
Events, publicity and commercial	105,672	102,843	56,583	3,599	268,697
Other expenditure: revaluation of property	-	(23,400)	-	-	(23,400)
	<u>1,352,555</u>	<u>749,432</u>	<u>835,777</u>	<u>53,162</u>	<u>2,990,926</u>

Allocation of support costs is based on staff time engaged on each activity.

Support costs include:	2021	2020
	£	£
Staff costs	474,920	532,539
IT support	107,498	105,058
Premises	27,910	34,798
Marketing	19,205	48,493
Governance	17,709	30,457

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2021

4 Total resources expended continued

Total resources expended Include:	2021	2020
	£	£
Operating lease rentals	23,800	23,971
Professional indemnity insurance	2,996	3,487
Auditors remuneration:		
Audit	13,570	12,045
Other services	5,779	4,443
Cost of inventory recognised as an expense	13,371	24,278
Provision for bad debts	-	34,250

5 Staff costs	2021	2020
	£	£
Wages and salaries	1,622,715	1,655,291
Social security costs	136,579	141,947
Pension costs	88,709	81,316
Staff insurance	8,618	9,060
Agency staff costs	14,030	6,509
	<u>1,870,651</u>	<u>1,894,123</u>

There was one employee with remuneration in excess of £60,000 in the band £100,001 to £110,000 (2020: Band £100,001 to £110,000 = 1).

Pension contributions of £5,259 (2020: £5,259) were made in respect of this employee during the year.

The key management personnel of the charity comprises the Chief Executive and Senior Management Team whose employee benefits total £380,198 (2020: £374,391).

Termination benefits of £22,688 (2020: £nil) were paid during the year. The nature of the payments was redundancy costs. The extent of funding at the balance sheet date was £nil (2020: £nil).

The average number of staff employed by the charity and group during the year was 65 (2020: 73).

The average full time equivalent number of staff employed by the charity was as follows:

	2021	2020
	Number	Number
Charitable activities	36	48
Cost of raising funds	9	-
Support staff	9	10
	<u>55</u>	<u>58</u>
Included in full time equivalent staff are participants on job creation programmes	4	7

6 Pension costs

The company has contributed £88,709 (2020: £81,316) into a Group Personal Pension Plan for its employees.

At the end of the year £11,158 (2020: £11,941) was owing in unpaid contributions.

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2021

7 Trustees remuneration and expenses

No remuneration was paid directly to trustees during the year. See Note 15 for details of other payments to trustees. The total amount of expenses reimbursed to trustees for travel, subsistence and accommodation expenses incurred in carrying out their duties was £nil (2020: £427, 4 trustees).
Cost of professional indemnity insurance including trustee indemnity amounted to £2,996 (2020: £3,487).

8 Consolidated statement of financial activities 2020 Comparatives

	Notes	Unrestricted				Total 2019
		Unrestricted Funds	Designated Funds	Endowment Fund	Restricted Funds	
		£	£	£	£	£
Income						
Donations	2	38	-	-	-	38
Other trading activities						
Facilities hire		11,804	-	-	-	11,804
Income from investments		18,409	-	-	-	18,409
		<u>30,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,251</u>
Income from charitable activities						
Membership services		790,984	-	-	-	790,984
Sector support services		868,353	-	-	-	868,353
Projects & contracts	3	8,506	-	-	945,172	953,678
Events, publicity and commercial		343,509	-	-	-	343,509
		<u>2,011,352</u>	<u>-</u>	<u>-</u>	<u>945,172</u>	<u>2,956,524</u>
Total income		<u>2,041,603</u>	<u>-</u>	<u>-</u>	<u>945,172</u>	<u>2,986,775</u>
Expenditure						
Expenditure on raising funds						
Facilities hire		5,386	-	-	-	5,386
Expenditure on charitable activities						
Membership services		589,291	10,940	-	-	600,231
Sector support services		1,032,019	1,077	-	-	1,033,096
Projects & contracts		56,744	-	-	1,050,172	1,106,916
Events, publicity and commercial		268,697	-	-	-	268,697
Other expenditure						
Reversal of property impairment		-	-	(23,400)	-	(23,400)
		<u>1,952,137</u>	<u>12,017</u>	<u>(23,400)</u>	<u>1,050,172</u>	<u>2,990,926</u>
Total resources expended	4	<u>1,952,137</u>	<u>12,017</u>	<u>(23,400)</u>	<u>1,050,172</u>	<u>2,990,926</u>
Net income/(expenditure)		89,466	(12,017)	23,400	(105,000)	(4,151)
Transfers between funds	12	11,800	-	(11,800)	-	-
Net movement in funds		101,266	(12,017)	11,600	(105,000)	(4,151)
Total funds brought forward	12	1,611,162	58,289	723,400	150,000	2,542,851
Total funds carried forward	12	<u>1,712,428</u>	<u>46,272</u>	<u>735,000</u>	<u>45,000</u>	<u>2,538,700</u>

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2021

9 Tangible assets - Company and Group	Long leasehold land and buildings £	Equipment etc. £	Total £
Cost or valuation			
At 1 April 2020	735,000	528,450	1,263,450
Additions	-	15,189	15,189
Disposals	-	(91,451)	(91,451)
At 31 March 2021	<u>735,000</u>	<u>452,188</u>	<u>1,187,188</u>
Depreciation			
At 1 April 2020	-	393,516	393,516
Charge for the year	11,800	59,288	71,088
Eliminated on disposal	-	(91,451)	(91,451)
At 31 March 2021	<u>11,800</u>	<u>361,353</u>	<u>373,153</u>
Net book value			
At 31 March 2021	723,200	90,835	814,035
At 31 March 2020	<u>735,000</u>	<u>134,934</u>	<u>869,934</u>

The land and buildings are included at valuation based on a combination of the All Risks Yield (Investment) method of valuation and the traditional comparable method. A valuation was undertaken on 3 March 2020 by Bramleys LLP, independent RICS registered valuers.

The historical cost of the land and buildings and accumulated depreciation had it not been revalued would have been as follows:

	2021 £	2020 £
Cost	1,395,715	1,395,715
Accumulated depreciation	(355,261)	(332,930)
	<u>1,040,454</u>	<u>1,062,785</u>

The historical valuations were:

31 March 2020	£ 735,000
31 March 2018	£ 735,000
31 March 2016	£ 720,000
31 March 2014	£ 750,000
31 March 2011	£ 875,000

10 Investments - Company	Shares in group undertakings £
Cost at 31 March 2020 and 31 March 2021	<u>1</u>
Net book value at 31 March 2020 and 31 March 2021	<u>1</u>

The company's investments at the balance sheet date consist of 100% of the ordinary share capital of its subsidiary NDNA Services Limited, company number 07520697, whose registered office is National Early Years Enterprise Centre, Longbow Close, Huddersfield HD2 1GQ.

NDNA Services Limited is dormant.

National Day Nurseries Association
Notes to the accounts
For the year ended 31 March 2021

	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
Group	£	£	£	£	£
11 Deferred income					
Balance at 1 April 2020	446,187	66,383	13,715	75,244	601,529
Released from previous year	(446,187)	(66,383)	(13,715)	(52,717)	(579,002)
Deferred in current year	480,487	-	3,149	52,687	536,323
Balance at 31 March 2021	480,487	-	3,149	75,214	558,850
Charity	£	£	£	£	£
Balance at 1 April 2020	446,187	66,383	13,715	75,244	601,529
Released from previous year	(446,187)	(66,383)	(13,715)	(52,717)	(579,002)
Deferred in current year	480,487	-	3,149	52,687	536,323
Balance at 31 March 2021	480,487	-	3,149	75,214	558,850

Deferred income refers to delivery of services in the following financial year.

	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
Group	£	£	£	£	£
2020 Comparatives					
Balance at 1 April 2019	428,302	89,724	50,252	57,951	626,229
Released from previous year	(428,302)	(89,724)	(50,252)	(57,951)	(626,229)
Deferred in current year	446,187	66,383	13,715	75,244	601,529
Balance at 31 March 2020	446,187	66,383	13,715	75,244	601,529
Charity	£	£	£	£	£
Balance at 1 April 2019	428,302	89,724	50,252	57,951	626,229
Released from previous year	(428,302)	(89,724)	(50,252)	(57,951)	(626,229)
Deferred in current year	446,187	66,383	13,715	75,244	601,529
Balance at 31 March 2020	446,187	66,383	13,715	75,244	601,529

	Balance at 1.4.20	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.21
Group	£	£	£	£	£
12 Analysis of charitable funds					
Unrestricted funds	1,758,700	1,816,039	(1,613,185)	11,800	1,973,354
Endowment fund	735,000	-	-	(11,800)	723,200
Restricted funds	45,000	1,004,716	(964,005)	-	85,711
	2,538,700	2,820,755	(2,577,190)	-	2,782,265
Charity	£	£	£	£	£
Unrestricted funds	1,758,700	1,816,039	(1,613,185)	11,800	1,973,354
Endowment fund	735,000	-	-	(11,800)	723,200
Restricted funds	45,000	1,004,716	(964,005)	-	85,711
	2,538,700	2,820,755	(2,577,190)	-	2,782,265

National Day Nurseries Association
Notes to the accounts
For the year ended 31 March 2021

12 Analysis of charitable funds - continued

Analysis of movement in unrestricted funds	Balance at 1.4.20	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.21
	£	£	£	£	£
General fund	1,712,428	1,816,039	(1,606,314)	(145,479)	1,776,674
Designated development fund	25,194	-	-	-	25,194
Designated buildings fund	11,307	-	(3,992)	12,349	19,664
Designated IT fund	9,771	-	(2,879)	144,930	151,822
	<u>1,758,700</u>	<u>1,816,039</u>	<u>(1,613,185)</u>	<u>11,800</u>	<u>1,973,354</u>

Name of unrestricted fund	Description, nature and purpose of fund
General fund	The free reserves after allowing for all designated funds.
Designated development fund	Designated fund for developing services that will support sustainability. There are a number of projects ongoing which are expected to continue during 2021-22.
Designated buildings fund	Designated fund for office furniture and equipment purchased (and capitalised) in 2018, 2020 and 2021.
Designated IT fund	Designated fund for new finance software purchased (and capitalised) in 2019, plus website development and additional IT

Analysis of movement in restricted funds	Balance at 1.4.20	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.21
	£	£	£	£	£
Greater London Authority	-	127,001	(127,001)	-	-
Welsh Government Children & Families	45,000	343,053	(302,342)	-	85,711
Welsh Government Language Unit	-	50,000	(50,000)	-	-
Welsh Government Foundation Phase	-	52,000	(52,000)	-	-
Scottish Government Strategic Funding Partnership	-	100,000	(100,000)	-	-
Welsh Government Employment Programmes	-	230,162	(230,162)	-	-
Education Endowment Fund	-	102,500	(102,500)	-	-
	<u>45,000</u>	<u>1,004,716</u>	<u>(964,005)</u>	<u>-</u>	<u>85,711</u>

Key Incoming resources:

- grant for the Early Years Leaders Programme.
- grant awarded to support the development of innovative solutions to provide flexible childcare that meets the needs
- grant for support of early years settings with the Welsh language training programme.
- grant for the support of the delivery of the Foundation Phase.
- grant for the development of childcare policy and improvement of quality in private sector nurseries.
- grant for introducing people into employment in childcare.
- grant for the evaluation of our Maths Champions programme.

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12 Analysis of charitable funds - continued

2020 Comparatives	Balance at 1.4.19	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.20
Analysis of charitable funds	£	£	£	£	£
Group					
Unrestricted funds	1,669,451	2,041,603	(1,964,154)	11,800	1,758,700
Endowment fund	723,400	-	23,400	(11,800)	735,000
Restricted funds	150,000	945,172	(1,050,172)	-	45,000
	<u>2,542,851</u>	<u>2,986,775</u>	<u>(2,990,926)</u>	<u>-</u>	<u>2,538,700</u>
Charity	£	£	£	£	£
Unrestricted funds	1,659,889	2,051,165	(1,964,154)	11,800	1,758,700
Endowment fund	723,400	-	23,400	(11,800)	735,000
Restricted funds	150,000	945,172	(1,050,172)	-	45,000
	<u>2,533,289</u>	<u>2,996,337</u>	<u>(2,990,926)</u>	<u>-</u>	<u>2,538,700</u>
				Transfer	
Analysis of movement in unrestricted funds	Balance at 1.4.19	Incoming resources	Outgoing resources	between funds	Balance at 31.3.20
	£	£	£	£	£
General fund	1,611,162	2,041,603	(1,952,137)	11,800	1,712,428
Designated development fund	37,211	-	(12,017)	-	25,194
Designated buildings fund	11,307	-	-	-	11,307
Designated IT fund	9,771	-	-	-	9,771
	<u>1,669,451</u>	<u>2,041,603</u>	<u>(1,964,154)</u>	<u>11,800</u>	<u>1,758,700</u>
				Transfer	
Analysis of movement in restricted funds	Balance at 1.4.19	Incoming resources	Outgoing resources	between funds	Balance at 31.3.20
	£	£	£	£	£
Greater London Authority	-	109,626	(109,626)	-	-
Welsh Government Children & Families	150,000	144,696	(249,696)	-	45,000
Welsh Government Language Unit	-	50,000	(50,000)	-	-
Welsh Government Foundation Phase	-	49,500	(49,500)	-	-
Scottish Government Strategic Funding Partnership	-	100,000	(100,000)	-	-
Welsh Government Employment Programmes	-	400,732	(400,732)	-	-
Welsh Government SASS	-	4,000	(4,000)	-	-
Education Endowment Fund	-	86,618	(86,618)	-	-
	<u>150,000</u>	<u>945,172</u>	<u>(1,050,172)</u>	<u>-</u>	<u>45,000</u>

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13 Analysis of net assets between fund balances	Unrestricted funds	Designated funds	Endowment funds (restricted)	Restricted funds (other)	Total 2021
Group					
Tangible fixed assets	90,835	-	723,200	-	814,035
Investments	-	-	-	-	-
Net current assets	<u>1,685,839</u>	<u>196,680</u>	<u>-</u>	<u>85,711</u>	<u>1,968,230</u>
	<u>1,776,674</u>	<u>196,680</u>	<u>723,200</u>	<u>85,711</u>	<u>2,782,265</u>
Charity					
Tangible fixed assets	90,835	-	723,200	-	814,035
Investments	1	-	-	-	1
Net current assets	<u>1,685,838</u>	<u>196,680</u>	<u>-</u>	<u>85,711</u>	<u>1,968,229</u>
	<u>1,776,674</u>	<u>196,680</u>	<u>723,200</u>	<u>85,711</u>	<u>2,782,265</u>
2020 Comparatives					
	Unrestricted funds	Designated funds	Endowment funds (restricted)	Restricted funds (other)	Total 2020
Group					
Tangible fixed assets	134,934	-	735,000	-	869,934
Investments	-	-	-	-	-
Net current assets	<u>1,577,494</u>	<u>46,272</u>	<u>-</u>	<u>45,000</u>	<u>1,668,766</u>
	<u>1,712,428</u>	<u>46,272</u>	<u>735,000</u>	<u>45,000</u>	<u>2,538,700</u>
Charity					
Tangible fixed assets	134,934	-	735,000	-	869,934
Investments	1	-	-	-	1
Net current assets	<u>1,577,493</u>	<u>46,272</u>	<u>-</u>	<u>45,000</u>	<u>1,668,765</u>
	<u>1,712,428</u>	<u>46,272</u>	<u>735,000</u>	<u>45,000</u>	<u>2,538,700</u>

14 Operating lease commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Operating leases which expire:		
within one year	19,172	20,672
In two to five years	8,999	25,845
In more than five years	-	-
	<u>28,171</u>	<u>46,517</u>

15 Related parties disclosures

The company has taken advantage of the exemption in Financial Reporting Standard number 102 from the requirement to disclose the transactions with group companies on the grounds that they are wholly owned.

Payments to trustees are in line with the Memorandum and Articles of Association.

Ashbridge School Ltd, a company in which Sarah Carr is a Director, paid the Charity £5,077 for IT development work. At the end of the year Ashbridge School owed the charity £nil.

Christie & Co, a company in which Courteney Donaldson is a Director, paid the charity £5,591 (2020: £3,736) for advertising and sponsorship. At the end of the year Christie & Co owed the charity £nil (2020: nil).

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16	Reconciliation of net income/(expenditure) to net cash flow from operating activities	2021	2020
	Group	£	£
	Net movement in funds	243,565	(4,151)
	Add back depreciation charge	71,088	53,162
	Deduct reversal of property impairment	-	(23,400)
	Deduct interest income shown in investing activities	(12,896)	(18,409)
	Decrease in stock	1,438	2,908
	Decrease in debtors	186,852	32,965
	(Decrease) / increase in provision for doubtful debts	(34,250)	34,250
	(Decrease) in creditors	(44,028)	(46,546)
	Net cash provided by operating activities	<u>411,769</u>	<u>30,779</u>
		2021	2020
	Charity	£	£
	Net movement in funds	243,565	5,411
	Add back depreciation charge	71,088	53,162
	Deduct reversal of property impairment	-	(23,400)
	Deduct interest income shown in investing activities	(12,896)	(18,409)
	Decrease in stock	1,438	2,908
	Decrease in debtors	186,852	32,965
	(Decrease) / increase in provision for doubtful debts	(34,250)	34,250
	(Decrease) in creditors	(44,028)	(46,546)
	Net cash provided by operating activities	<u>411,769</u>	<u>40,341</u>
		Balance at	Balance at
		1.4.20	31.3.21
17	Analysis of changes in net debt	Cash-flows	
	Group	£	£
	Cash at bank and in hand	644,565	1,202,697
	TOTAL	<u>644,565</u>	<u>1,847,262</u>
		£	£
	Charity	£	£
	Cash at bank and in hand	631,512	1,202,697
	TOTAL	<u>631,512</u>	<u>1,834,209</u>