



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

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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.

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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.

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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.

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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

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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.

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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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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.

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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.

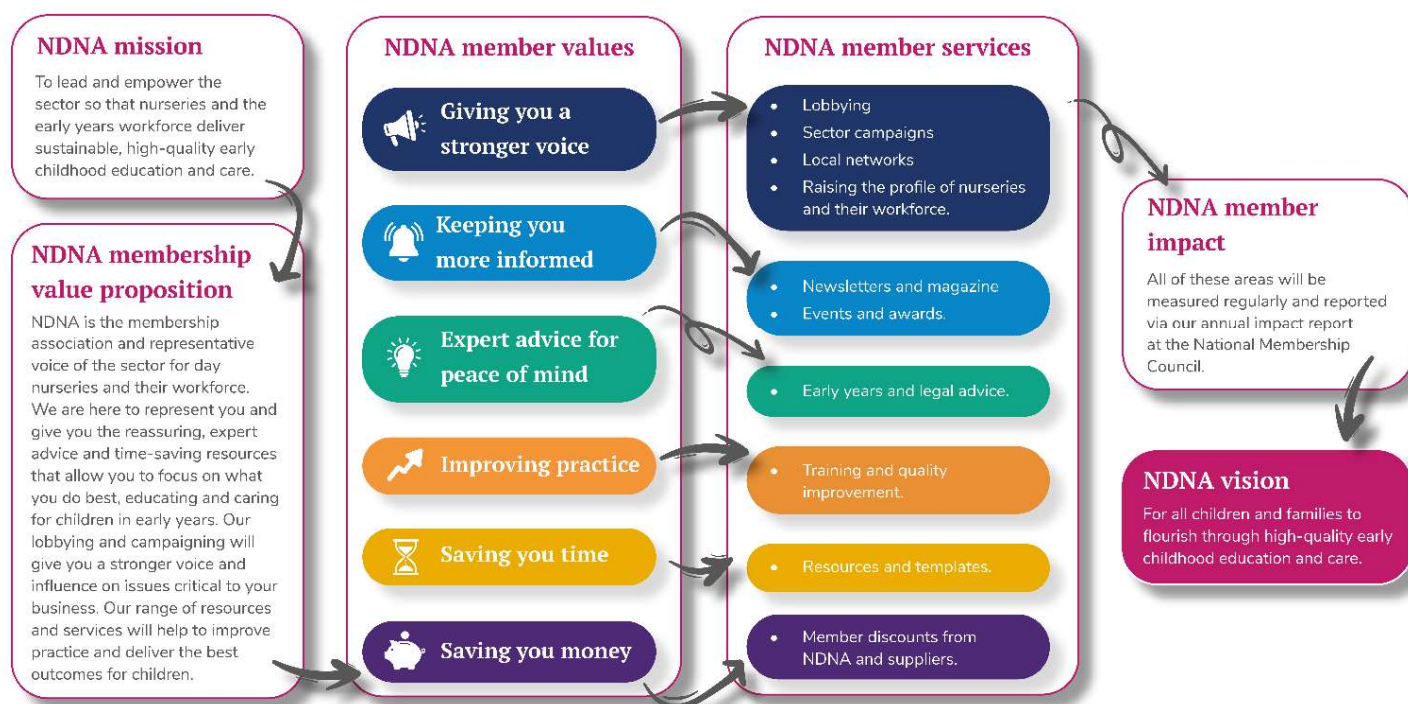
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The diagram below sets out how NDNA generates impact in line with our charitable vision, by delivering products and services that members need and value, so that they can do what they do best – educate and care for children in their early years.

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.

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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.

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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.

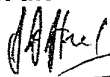
Statement as to disclosure to our auditors

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

		Unrestricted				
	Notes	Unrestricted Funds	Designated Funds	Endowment Fund	Restricted Funds	Total
		£	£	£	£	2022
						£
						Total 2021
						£
Income						
Donations	2	14,912	-	-	-	14,912
Other trading activities						
Facilities hire		3,492	-	-	-	3,492
Income from investments		5,284	-	-	-	5,284
		23,688	-	-	-	23,688
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
		2,066,584	-	-	928,279	2,994,863
						-
Total income		2,090,272	-	-	928,279	3,018,551
						2,820,755
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	1,747,608	101,253	(28,600)	947,698	2,767,959
Net income/(expenditure)		342,664	(101,253)	28,600	(19,419)	250,592
Transfers between funds	12	(60,362)	72,162	(11,800)	-	-
Net movement in funds		282,302	(29,091)	16,800	(19,419)	250,592
Total funds brought forward	12	1,776,674	196,680	723,200	85,711	2,782,265
Total funds carried forward	12	2,058,976	167,589	740,000	66,292	3,032,857
						2,782,265

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	-	-	1	1
		<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		-	-	13,052	13,052
		<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		-	50,000	-	50,000
		<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	740,000	723,200	740,000	723,200
		<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

		Group		Charity	
	Notes	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	-
	<u>14,912</u>	<u>200,315</u>

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
	<u>937,188</u>	<u>1,024,044</u>

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
	<u>928,279</u>	<u>1,004,716</u>

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)
	<u>1,236,557</u>	<u>474,402</u>	<u>975,229</u>	<u>81,771</u>	<u>2,767,959</u>

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
	<u>1,395,731</u>	<u>407,316</u>	<u>709,926</u>	<u>64,217</u>	<u>2,577,190</u>

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

		Unrestricted	Unrestricted	Designated	Endowment	Restricted	Total
	Notes	Funds	Funds	Funds	Fund	Funds	2021
		£	£	£	£	£	£
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>-</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>-</u>	<u>2,592,462</u>
Total income		<u>1,816,039</u>	<u>-</u>	<u>-</u>	<u>1,004,716</u>	<u>-</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>-</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>-</u>	<u>2,577,190</u>
Net income/(expenditure)		<u>209,725</u>	<u>(6,871)</u>	<u>-</u>	<u>40,711</u>	<u>-</u>	<u>243,565</u>
Transfers between funds	12	(145,479)	157,279	(11,800)	-	-	-
Net movement in funds		<u>64,246</u>	<u>150,408</u>	<u>(11,800)</u>	<u>40,711</u>	<u>-</u>	<u>243,565</u>
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>-</u>	<u>2,782,265</u>

National Day Nurseries Association

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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

	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
11 Deferred income					
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	397,449	-	46,405	43,879	487,733
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	397,449	-	46,405	43,879	487,733

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

	Membership	Projects & contracts	Events, publicity & campaigns	Sector support services	Total
2021 Comparatives					
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	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

	Balance at 1.4.21	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.22
12 Analysis of charitable funds					
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
	2,782,265	3,018,551	(2,767,959)	-	3,032,857
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
	2,782,265	3,018,551	(2,767,959)	-	3,032,857

National Day Nurseries Association

Notes to the accounts

For the year ended 31 March 2022

12 Analysis of charitable funds - continued

	Balance at 1.4.21	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.22
	£	£	£	£	£
Analysis of movement in unrestricted funds					
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

Designated buildings fund

Designated IT 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 fund for office furniture and equipment purchased (and capitalised) in 2018, 2020, 2021 and 2022.

Designated fund for new finance software purchased (and capitalised) in 2019, new CRM and website purchased (and capitalised) in 2022, and additional IT support.

	Balance at 1.4.21	Incoming resources	Outgoing resources	Transfer between funds	Balance at 31.3.22
	£	£	£	£	£
Analysis of movement in restricted funds					
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

Group	Balance at 1.4.20 £	Incoming resources £	Outgoing resources £	Transfer between funds £	Balance at 31.3.21 £
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

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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	1,908,781	167,589	-	66,292	2,142,662
	<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	1,908,780	167,589	-	66,292	2,142,661
	<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	1,685,839	196,680	-	85,711	1,968,230
	<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	1,685,838	196,680	-	85,711	1,968,229
	<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	<u>299,696</u>	<u>411,769</u>
		2022	2021
	Charity	£	£
	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	<u>299,696</u>	<u>411,769</u>
17	Analysis of changes in net debt	Balance at	Balance at
	Group	1.4.21	31.3.22
		£	£
	Cash at bank and in hand	<u>1,847,262</u>	<u>2,250,650</u>
	TOTAL	<u>1,847,262</u>	<u>2,250,650</u>
	Charity	£	£
	Cash at bank and in hand	<u>1,834,209</u>	<u>2,237,597</u>
	TOTAL	<u>1,834,209</u>	<u>2,237,597</u>