

**THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION
(Limited by Guarantee)**

UNAUDITED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

**Company Registration No. 395548
Registered as a Charity in England No. 313082
Registered as a Charity in Scotland No. SC039472**

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

Trustees' report for the year ended 31 March 2017

Trustees:

Chair	Jo Armistead
Vice-Chair	Carolyn Poulter
Treasurer	Noreen Dawes
Members of the Board	Verity Campbell-Barr
	Kiarna Corr
	Anne-Marie Gealy
	Sally Jaeckle
	Claire Quinlan
	Sally Senejko
	Junnine Thomas-Walters
	Eliza Tremé-Swales (until November 2016)
	Dorothy Petrie
	Sue Allingham
	Sandra Mathers
	Sharon Hogan

President	Tony Bertram
Chief Executive	Beatrice Merrick
Company Secretary	Elizabeth Pearson (Volunteer)

Company number

395548

Charity number

Registered charity No. 313082

Charity registered in Scotland No. SC039472

Common name

Early Education

Registered office and postal address

136 Cavell Street
London E1 2JA
Tel: 020 7539 5400
www.early-education.org.uk

Independent Examiner

HW Fisher

Bankers

Lloyds TSB Bank Plc	Unity Trust Bank
180 - 182 High Street	Nine Brindleyplace
Walthamstow	Birmingham
London E17	B1 2HB

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

Trustees' report for the year ended 31 March 2017

The Board of Trustees, who are the directors and trustees of the charity, present their report and financial statements for the year ended 31 March 2017 which also contains the directors' report as required by company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charitable company's constitution, the Charities Act 2011 and 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 1st January 2015).

Structure, governance and management

The charity is constituted as a company limited by guarantee and is governed by its Articles of Association.

Board of Trustees:

The membership of the Board of Trustees is listed on page 1. The Board of Trustees meets four times each year. The strategic plan is reviewed annually.

Trustees are generally recruited from the membership and through the branch structure. We endeavour to ensure that members in all nations and regions of the UK are represented. An induction pack is given to all new trustees outlining policy and strategy, legal status and governance, structure, organisation and staffing and finance. This is reviewed annually and updated as necessary. The Finance & General Purposes Committee consists of the Treasurer, Chair of the Board and elected trustees with professional advisers including the Chief Executive, Operations Manager and Finance Officer from the staff team. This committee meets four times each year with delegated authority from the Board, monitors the organisation's performance and makes recommendations to the Board of Trustees.

Staff team:

Beatrice Merrick	Chief Executive
Julia Devote	Operations Manager
René Lopez	Finance Officer
Chris Hussey	Training and Communications Manager
Yvonne Oti	Membership and Administration Officer - job share
Asha Jama	Membership and Administration Officer - job share
Cathy Gunning	Pedagogic Lead (from September 2016)

Volunteers

Elizabeth Pearson	Company Secretary
Margaret Wayne	Librarian/Archivist
Jacqui Gibbs	
Barbara Riddell	

The staff team has regular meetings. Staff appraisal and review meetings are in place and training is available for all staff members and volunteers. Pay for key management staff is approved by the Finance & General Purposes Committee and reported to the Board of Trustees.

Risk management

The Board of Trustees is responsible for the management of risks faced by the Association. Detailed considerations of risk are delegated to the Finance & General Purposes Committee. Risks are identified and assessed and controls are established throughout the year. The Risk Register is reviewed each year.

Through the risk management processes established for the Association the Board of Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Objects and activities

The charity is constituted as a company limited by guarantee and is therefore governed by its Articles of Association. The charity is known as Early Education.

Early Education's objectives and principal activities are to promote the education and development of young children, and to support those who provide early education and care. We champion the rights of the child and strive to improve provision for young children. We provide a network of support, advice and collective representation for anyone concerned with the provision of quality education and care of young children. We are a membership organisation with members across the UK. We publish books, resources and a journal in print, and maintain a website with further

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

Trustees' report for the year ended 31 March 2017

Objects and activities (continued)

online resources, supplemented by e-newsletters and social media. We provide opportunities for professional development through our local branch events, a national programme of training courses and conferences, and the training and consultancy provided by our Associates. We also undertake project work in support of our aims.

In meeting the public benefit test the Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

Activities in 2016/17

Major achievements for the year included:

- Continued campaigning activity, especially the Better Without Baseline campaign and the All Party Parliamentary Group for Nursery Schools and Nursery Classes
- Completion of the Outdoors and Active project in association with Learning Through Landscapes, funded by the London Borough of Newham, culminating in dissemination via online resources and a booklet
- A series of articles in Nursery World on early education "then and now" in connection with their 90th anniversary
- New online resources, blogs and newsletters on early years pedagogy for members and non-members
- An expanded programme of training and events, with a 50% increase in course delegates
- A 22% increase in attendance at branch events

Our assessment of success in the reporting period is set out below, analysing performance against our objectives, as set out in our work plan 2016/17.

1. CPD, Training and events

- a) *Explore options for CPD relating to strategic support for LAs*

This objective was not taken forward due to pressure of other work.

- b) *Seek to develop online and/or accredited routes for CPD.*

We are working with one of our Associates, Julia Manning-Morton, who has developed a number of accredited programmes. We advertised a Level 4 Certificate in Developing Provision and Practice for 0- to 3-year-olds, which generated a reasonable degree of interest, and although there were not sufficient applications to run the course in January 2017 as originally hoped, we are continuing to try to recruit viable numbers for 2017-18.

- c) *Continue and expand the relaunched training programme in London*

- d) *Develop the first two training centre partnerships in Tyne & Wear and Cardiff and consider whether to expand to further locations*

We have successfully expanded the location, variety and format of our training courses. During the year we ran two courses in Cardiff, two in Tyne and Wear, and 16 courses in London (one two-day course, the rest one-day courses). In addition we held two briefing workshops on baseline assessment, one each in London and Sheffield. Our pedagogic lead piloted two twilight Community of Practice sessions. Bookings were good in London and Cardiff, but less so in Tyne and Wear. In total 204 delegates attended these 24 events, a 50% increase compared with the 13 courses attended by 133 delegates in London in the previous year.

- e) *Pilot holding the AGM as part of a high-profile day conference on a weekday to attract greater numbers, and hold at least one other large scale event, in addition to the Annual National Conference*

We held our AGM and autumn conference on Friday 14 October at the University of East London (UEL). The whole-day event attracted 84 Early Education delegates (compared to 37 at the previous year's Saturday event), in addition to which around 50 UEL students and several staff attended. Our Leading Excellence in the Early Years conference in Tyne & Wear did not attract large numbers, although it ran in scaled down form. Our Annual National Conference in Oxford was a sell-out, with 188 delegates attending, and a considerable waiting list.

In addition to the above, discussions took place with the Froebel Trust about managing their CPD programme, consisting of a series of courses run by their Travelling Froebel Tutors. This agreement will take effect from June 2017, expanding the range of high quality and affordable CPD options we can offer to the sector.

2. Membership

- a) *Seek to increase the number of schools and settings in membership by targeting primary schools, especially in areas with local branches, and continue to promote college and university membership to increase student membership*

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Trustees' report for the year ended 31 March 2017

Membership (continued)

Efforts to recruit new members have primarily been through the work of the Pedagogic Lead to increase our profile on social media and engage and inform non-members about our core values and principles, as well as to provide additional benefit to members. Major changes for the year include the temporary one-year boost of Oxfordshire County Council having paid for the 2016 calendar year's membership for all its schools and settings, which did lead to a small increase in the number of primary schools and PVIs in Oxfordshire who chose to take out membership at the expiry of the group arrangement. The number of students taking out free online membership has dropped, but the number of multisite arrangements (excluding the Oxfordshire one) is on an upward trend.

	2017	2016	2015		2017	2016	2015
Individual full-rate	562	586	552	Group A	272	277	225
Students/ concession – online	99	197	113	Group B	60	56	56
Concessions	50	47	48	Group C	35	46	41
Life member	44	44		multisite (main)	8	8	3
				multisite (additional)	30	991	4
Total individuals	755	874	758	Total groups	405	1378	339

b) Support the development of new branches where sufficient local interest exists

Efforts were made to support the development of a Croydon branch. A successful launch event was held with support from head office, but the local committee eventually decided they were not able to take the branch forward. Discussions about a potential West Yorkshire branch were held; it was agreed that it would be best to expand the York branch to encompass North and West Yorkshire. Branches in the north east have held regular regional meetings with their regional representatives on the Board, and other regional representatives have been encouraged to strengthen links with branches in their regions.

During the year the Bristol and Bath, South Lakes, Dumfries & Galloway and Borders branches formally closed, and funds were finally recovered from the previously closed Enfield branch bank account. However, where branches remain open they are flourishing: during the year the 18 active branches between them organised 65 events attended by over 3,200 people, a 22% increase on the previous year where 56 events had attracted 2,600 people.

c) Develop further membership benefits, for example through increasing the resources available in the members' area of the website

Cathy Gunning was recruited as Pedagogic Lead on a one day per week basis from September 2016 with an objective of expanding pedagogic resources for members. She has developed a section on pedagogic resources within the members' area of the website which is supplemented by publicly available blogs, and monthly email newsletters for members. We have also continued to look at generating membership benefits through our partners, which has included adding a members' discount on Siren Films' high quality films and training resources on child development.

3. Campaigns, policy and public awareness

a) To establish a task and finish group on workforce to support high profile lobbying in relation to the development of workforce strategies where appropriate across the four nations.

Difficulties finding viable dates to convene the group, together with developments in relation to the workforce strategy in England meant that the group did not meet, although this has been an area where we have remained in dialogue with DfE. We also published a high profile response to the Teaching School Council's report on Effective Teaching Practice in Primary Schools in relation to its controversial recommendations concerning the reception year which received over 3000 views on our website.

b) Support the work of the APPG on Nursery Schools and Nursery Classes

During the year we continued to work with Pen Green to support the work of the APPG, which held five meetings over the course of the year. The impact of the APPG was such that an additional £56 million in supplementary funding for maintained nursery schools was secured for the new Early Years National Funding Formula, and the Conservative manifesto included a commitment to allowing maintained nursery schools to become academies.

c) Continue to work with the Better Without Baseline campaign

We continued to work with other early years organisations and teaching unions to oppose baseline assessment in reception. The 2015 baseline assessment proposals were not taken forward in 2016 due to the lack of comparability between the key schemes. However in early 2017, proposals for baseline were reintroduced in the government's consultation on primary assessment, and the campaign is therefore ongoing.

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Trustees' report for the year ended 31 March 2017

4. Projects and funding applications

Apply for funding for core and/or project costs for 2016-17 to continue the work begun in the EYPP project, and to support the redevelopment of the local branch network and other core objectives.

A number of applications for grant funding were made during the year, including to DfE, but unfortunately these were not successful. Further applications are ongoing.

5. Publications

a) Make popular existing titles available as e-books

One of our best-selling titles, *How Children Learn* by Nancy Stewart was launched as an e-book. There have been a small number of sales but not sufficient to indicate that it would be worthwhile converting other existing books, although new titles will be trialled in both formats.

b) Publish 1-2 new publications to respond to areas of need

The dissemination materials from the Outdoors and Active project were produced in booklet format. A new book was commissioned from Julia Manning-Morton on personal, social and emotional development, which will be published in July 2017.

c) Seek new opportunities for marketing publications to increase sales

The market for publications remains challenging, both online and at face to face events. We successfully supplemented sales at our Annual National Conference by selling books by speakers which had been published by other publishers. We continue to work with partners to try to reach new audiences, eg promoting books via the Community Playthings blog.

6. Associates

Continue to recruit new Associates as needed to enable us to respond to demand, and actively pursue opportunities to generate income via the Associates programme

During 2016-17 we successfully recruited another three Associates, two based in England and one in Northern Ireland. We continued to seek applications from Scottish contacts. Over the year we delivered 275 days of consultancy and training to 84 different clients. Almost all of this was delivered by our Associates, but one commission was undertaken by the Chief Executive with two external consultants. The work included a range of training formats, some extended quality improvement support and project work, and a review of maintained nursery schools in a local authority.

7. Marketing and promotion

a) Explore whether to develop a new strapline.

It was decided that a new strapline was not a priority.

b) Recruit expert volunteers to assist with marketing, fundraising and possibly campaigns.

Contact was made with two marketing companies willing to provide pro bono support and advice, and one of these has been working with us to help develop a strategic approach to digital marketing. Barbara Riddell has been providing assistance with campaigns and grant applications on a voluntary basis, particularly with respect to the APPG.

c) Develop member profiles to explain the benefits of membership for different types of potential member.

This has not yet been taken forward.

d) Develop a series of blog posts from Vice-Presidents, Associates and members to raise profile.

This series was launched with a blog from some of our Vice Presidents, and Associates have also contributed, but the series has primarily been sustained and co-ordinated by the Pedagogic Lead since her appointment. Blogs on a range of pedagogic issues are now published monthly, and publicised via social media. The most popular of these – on cursive writing – achieved nearly 3,000 page views.

e) Increase profile in publications such as Nursery World and EYE through regular contributions from Vice Presidents, Trustees, Associates and staff.

We helped mark the 90th anniversary of Nursery World magazine by providing a series of articles from Vice Presidents, Trustees, Associates and the Chief Executive, focusing on issues "then and now". The Chief Executive has published opinion pieces in EYE, Teach Primary and Teachwire.

Our Twitter following has increased from 4,000 to over 6,000. Our Facebook page has 1,400 likes and follows and we have 371 members of our LinkedIn group. Page views of the website rose from 708,000 in 2015-16 to 732,000 in 2016-17, with most of the increase taking place from October 2016, onwards.

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Trustees' report for the year ended 31 March 2017

8. Evaluation of our activities

Develop better evaluation of our activities to identify areas for improvement and improve the evidence base as to our impact.

We conducted a membership survey in summer 2016, and we continue to carry out evaluation of our training and consultancy work. This area will remain a priority for the coming year for further enhancements to how we evaluate our activities and monitor impact.

Performance and impact

Our primary means of raising the quality of early childhood education in the UK are through our impact on policy, and our influence on practitioners.

In relation to policy, we continued to work to influence ministers and officials in Westminster directly, and through the influence of the All Party Parliamentary Group on Nursery Schools and Nursery Classes.

In relation to supporting practitioners, we have offered more CPD opportunities at a greater range of locations around the UK, and made greater use of online communications and social media. Members have benefited from an enhanced package at no extra cost, and we have also provided more free access material for non-members via our blogs, as well as ensuring all our branch and national events are open to non-members as well as members.

Our financial performance has been mixed, with increases in income from membership, events and consultancy, but a continuing fall in publications sales, and a lack of grant income for projects during the year. The final outcome was in line with our budget at the start of the year. We had continued to work towards securing further income, especially from grants, although unfortunately not successfully in the current year. Further cost savings are therefore planned for 2017-18 to ensure that we can eliminate the deficit and ensure our ongoing sustainability.

Plans for the future

Our priorities remain to:

- promote the quality of the educational experience in whatever setting the child is placed
- increase pedagogical knowledge of the adults around the child
- foster the development of practitioners, settings and systems in relation to early education

Our priorities for 2016-2020 are to:

- move towards greater professionalisation of CPD activity
- evolve the training provision to make greater use of models proven to be effective, and to be able to evidence its impact on children
- improve and refresh the sustainability and effectiveness of branches and extend their availability to all parts of the UK, and all practitioners within the early years
- extend our membership to all parts of the sector and a diverse range of practitioners
- provide thought leadership and strategic and systemic thinking on early learning and pedagogy
- be a widely heard and respected voice advocating for young children's rights to high quality early education
- be financially healthy and sustainable

In this context, the workplan for 2017-18 was agreed:

1. CPD, Training and events

- a) In partnership with the Froebel Trust, to establish and deliver their short course programme, delivered by Travelling Froebel Tutors.
- b) Continue to offer one-day courses from our Associates in a range of locations around the UK, with increased use of outstanding settings as venues to enable delegates to view high quality provision and practice
- c) Recruit at least one cohort for the accredited Level 4 course
- d) Deliver a programme of high quality, nationally and internationally known speakers for our Annual National Conference, Autumn Conference and at least one other large-scale event during the year

2. Membership and branches

- a) To seek ways of promoting the membership offer, including through partnerships with related organisations
- b) To seek ways of supporting branches with reducing the administrative load and helping branch committees source affordable, high quality speakers

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

Trustees' report for the year ended 31 March 2017

3. Campaigns, policy and public awareness

- a) Provide secretariat support for the APPG on Nursery Schools and Nursery Classes, and continue to campaign for a sustainable funding solution for nursery schools, and to sustain high quality teacher-led provision in nursery classes in schools
- b) Establish a Commission on Nursery Education to provide a long-term strategic review of what UK and devolved governments, local authorities and providers should do to ensure children's life chances are improved by high-quality early childhood education, especially for those from disadvantaged backgrounds.
- c) Continue to work with the Better Without Baseline campaign

4. Projects and funding applications

Seek funding to expand activity supporting the core objectives of the Association.

5. Publications and resources

- a) Publish one new publication to respond to areas of need
- b) Review of the viability of continuing to produce publications in house and explore the benefits of partnering with a professional publisher
- c) Explore ways to continue to expand our online resources for members and others

6. Associates

a) Continue to recruit new Associates as needed to enable us to respond to demand, and actively pursue opportunities to generate income via the Associates programme, prioritising recruitment in those areas of the UK from which we currently have no Associates (Wales and Scotland), and with expertise on any topics in high demand.

7. Marketing and promotion

Develop an online marketing strategy.

8. Evaluation of our activities

Improve processes for evaluation of our activities to identify areas for improvement and enable us more accurately to measure our impact.

9. Organisational arrangements

Ensure that the restructuring and relocation of the organisation are carried out smoothly, with minimal impact on services to members and service users, in order to ensure the organisation's continued financial health.

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

Trustees' report for the year ended 31 March 2017

Financial review

The results for the year are set out on page 11 of these financial statements. Movements in tangible fixed assets are shown in Note 8.

During the year our income decreased to £463,431 (2016 £624,534). This was largely due to absence of significant grant income (the Department for Education work coming to an end). The year saw a rise in Membership subscriptions, Events and Associates programme. Publication sales continue to decline - 2017 £41,447, (2016 £71,755). Donations and legacies received in the year amounted to £796 (2016: £1,472). No additional project income was received during the year, whilst expenditure of £5,234 reflects primarily of the continued drawdown of the Scottish Childcare and Education Board and the Joan Ormston Legacy.

Expenditure also decreased to £512,536 (2016 - £623,107). This reflects the lack of project activity, whilst all other expenditure was line with its relevant income level.

Branch expenditure £38,126 exceeded income £28,193. This shows branches using funds accumulated in the previous financial years, something Early Education had been encouraging branches to do.

Overall the charity attained a net loss on general funds of (after unrealised investment gains and losses) of- £32,475, which combined with the difference in Branch income/expenditure of -£9,933, gives a total unrestricted loss for the year of £-42,408 (2016: £19,703). On restricted funds the charity attained a net loss in the year of £-4,857 (2016: £-1,313)

At the 31 March 2017 the charity had Restricted Funds of £8,849 (2016 13,706), Branch Funds of £29,747 (2016: £40,627), and General Funds of £69,621 (2016:£101,149).

Reserves and investments

Early Education's funding comes mainly from membership fees, sales of goods and services, donations and grants from public and private bodies. Sufficient funds are kept in Early Education's current account to meet immediate needs. Monies in excess of £40,000 in the current account are moved to the appropriate COIF deposit account in order to gain maximum interest. COIF avoids investment in companies whose main business is in armaments, gambling or tobacco. All restricted monies are held in the COIF restricted account and are drawn into the current account as needed.

There are two COIF accounts:

- Restricted
- Building and Development

Early Education holds 1,000 units in the COIF Charities Investment Fund Income Units.

Investments comprise COIF investment fund shares, cash deposits, and other UK fixed interest investments, as shown in note 9.

Early Education reserves policy is to maintain 3 months operating expenses, which the committee estimate to be between £70,000 and £90,000 for the year ending 31 March 2017 (going forward this will fall to £30,000 to £40,000). The purposes of the reserves are to ensure that sufficient funds are available to cover any temporary funding shortfall which results from cash flow timings and in the case of the charity having to close.

Risk

The principal risks identified in relation to the 2016-17 financial year was the inability to return to break-even/profit. Grant income takes time to identify and bring to realisation. All sources of income continue to rise with the exception of publications. Two important factors identified was the high rental cost of the London offices and staff costs. Going forward, the trustees have approved plans to move offices in September 2017 to Watford, which unfortunately will result in redundancy for several members of staff. This with new sources of income identified will return the organisation to profit in the 2018/19 and 2019/20. Trustees have conducted a detailed analysis of our future underlying free cash forecast. This included a review of income and expenditure for 2017/18 and a further two years. Sensitivity analysis on key assumptions has been undertaken to stress-test the assumed levels of income. Trustees believe it is reasonable to expect that Early Education will generate sufficient resources to finance its operations for the foreseeable future and believe there are no material uncertainties that call into doubt the charity's ability to continue.

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

Trustees' report for the year ended 31 March 2017

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Charity's trustees (who are also the directors of Early Education for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Charity trustees to prepare financial statements for each year which 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 the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- make judgements and 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 disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and the group and hence 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.

Approval

This report was approved by the Board of Trustees on 15 September 2017 and signed on its behalf by



Noreen Dawes, Treasurer

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

Independent examiner's report to the trustees of the British Association for Early Childhood Education

I report on the accounts of the charitable company for the year ended 31st March 2017, which are set out on pages 11 to 19.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) or under Regulation 10 (1)(a) to (c) of The Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations) and that an independent examination is needed. The charity is required by company law to prepare accrual accounts and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act);
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

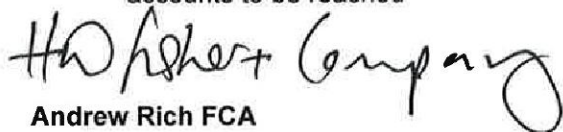
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission and is in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements: to keep accounting records in accordance with section 386 of the Companies Act 2006 and section 44(1)(a) of the 2005 Act and to prepare accounts which accord with the accounting records, comply with the accounting requirements of Section 396 of the Companies Act 2006, section 44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations and which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS102) effective 1 January 2015 have not been met or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached


Andrew Rich FCA

H.W. Fisher & Company
Acre House
11-15 William Road
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NW1 3ER

Date: 26/9/17

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an income and expenditure account) FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Income					
Donations and legacies		796	-	796	1,472
Investment income	9	905	-	905	925
Charitable activities					
- Membership		92,602	-	92,602	90,044
- Courses & conferences		70,170	-	70,170	62,683
- Consultancy & room hire		226,795	-	226,795	218,032
- Branch income		28,193	-	28,193	18,591
- Project grants	3	-	-	-	154,641
- Publications & resources		41,447	-	41,447	71,755
Other income		2,523	-	2,523	6,391
Total Income		<u>463,431</u>	<u>-</u>	<u>463,431</u>	<u>624,534</u>
Expenditure					
Charitable activities					
- Membership		81,755	-	81,755	85,690
- Courses & conferences		86,032	-	86,032	72,123
- Consultancy & room hire		235,588	-	235,588	216,702
- Branch expenditure		38,126	-	38,126	16,931
- Projects		-	4,857	4,857	155,954
- Publications & resources		66,178	-	66,178	75,707
Total Expenditure	4	<u>507,679</u>	<u>4,857</u>	<u>512,536</u>	<u>623,107</u>
Net income/expenditure for the year before gains/(losses)	6	(44,248)	(4,857)	(49,105)	1,427
Gains/(Losses) on investments – Unrealised	9	1,840	-	1,840	(521)
Net Movement in Funds		(42,408)	(4,857)	(47,265)	906
Reconciliation of funds:					
Funds at 1 April 2016		<u>141,776</u>	<u>13,706</u>	<u>155,482</u>	<u>154,576</u>
Funds carried forward at at 31 March 2017		<u>£99,368</u>	<u>£8,849</u>	<u>£108,217</u>	<u>£155,482</u>

All the above amounts relate to continuing activities
The notes on pages 14 - 19 form part of these financial statements.

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

BALANCE SHEET AS AT 31 MARCH 2017

Company Registration No. 395548

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible fixed assets	8		11,363		16,314
Investments	9		18,290		16,450
			<u>29,653</u>		<u>32,764</u>
CURRENT ASSETS					
Stock		16,518		20,895	
Debtors	10	78,189		100,655	
Cash at bank and in hand:					
Building and development account		25,132		90,132	
Other accounts		45,397		48,179	
Branches		29,747		40,627	
		<u>194,983</u>		<u>300,488</u>	
CREDITORS: amounts falling due within one year	11	116,419		177,770	
		<u>116,419</u>		<u>177,770</u>	
NET CURRENT ASSETS			78,564		122,718
NET ASSETS	14		<u>£108,217</u>		<u>£155,482</u>
THE FUNDS OF THE CHARITY					
INCOME FUNDS					
Restricted funds	12		8,849		13,706
Unrestricted funds:					
General fund			69,621		101,149
Designated: Branch funds	13		29,747		40,627
			<u>£108,217</u>		<u>£155,482</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The financial statements were approved and authorised for issue by the Board of Trustees on 15 September 2017 and were signed below on its behalf by:

Jo Armistead

Chair

Jo Armistead

Noreen Dawes

Treasurer

Noreen Dawes

The notes on pages 14 - 19 form part of these financial statements.

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

STATEMENT OF CASH FLOWS
YEAR TO 31 MARCH 2017

	Notes	2017 £	2016 £
Cash flow from operating activities			
Net cash provided by operating activities	A	<u>(76,342)</u>	<u>8,025</u>
Cash flow from investing activities			
Investment income		905	925
Purchase of fixed assets		(3,225)	(4,920)
Sales of investments		=	<u>15,629</u>
Net cash provided by investing activities		<u>(2,320)</u>	<u>11,634</u>
Change in cash and cash equivalents in the year		(78,662)	19,659
Cash and cash equivalents at 1 April 2016		<u>178,938</u>	<u>159,279</u>
Cash and cash equivalents at 31 March 2017	B	<u>£100,276</u>	<u>£178,938</u>
Notes to the cash flow statement for the year to 31 March 2017			
A – reconciliation of net movement in funds to net cash flow from operating activities		2017 £	2016 £
Net income/(expenditure) for the year (before investment gains & losses)		(49,105)	1,427
Depreciation charge		8,176	13,967
Investment Income		(905)	(925)
Decrease/(increase) in stock		4,377	(2,619)
Decrease/(increase) in debtors		22,466	(29,435)
(Decrease)/increase in creditors		<u>(61,351)</u>	<u>25,610</u>
Net cash provided by operating activities		<u>(£76,342)</u>	<u>£8,025</u>
B – Analysis of cash and cash equivalents			
Cash at bank and in hand			
Building and Development Fund		25,132	90,132
Other accounts		45,397	48,179
Branches		<u>29,747</u>	<u>40,627</u>
Total cash and cash equivalents		<u>£100,276</u>	<u>£178,938</u>

The notes on pages 14 - 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts. The accounts 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

1.2 Preparation of the accounts on a going concern basis

The accounts have been prepared on a going concern basis and the trustees believe there to be no material uncertainties about the Charity's ability to continue as a going concern.

1.3 Income

Membership subscriptions have been accounted for over the period to which they relate. The unearned proportion is carried forward under deferred income for recognition in future years.

Grants and donations have been accounted for when receivable by the charity. Relevant gift aid taxation refunds received after the year have been included in the results. Legacies are accounted for when received or otherwise only if amounts are known with certainty. All other incoming resources are accounted for when receivable.

1.4 Expenditure

All expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT, and is allocated to the appropriate heading in the accounts.

Cost of generating funds include the costs incurred in generating voluntary income and the costs of direct publicity intended to raise the profile of the charity.

Charitable expenditure comprises services supplied and activities undertaken which are identifiable as wholly or mainly in support of the charity's objectives.

Governance costs are those costs associated with the governance arrangements of the charity, and these include audit, legal advice for trustees, costs associated with trustee meetings and the cost of the preparation of the statutory accounts and management time associated with the support of the trustees.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Furniture and equipment	- 25-33% pa on cost
Short term leasehold property investments	- over the period of lease
Computer database and website costs	- 20% pa on cost
Minor additions of below £500 are written off in the year incurred.	

1.6 Investments

Investments are valued at the mid-market price ruling at the balance sheet date which gives rise to unrealised gains/(losses) which are included in the Statement of Financial Activities. Realised gains and losses arising on the disposal of investments during the year are separately disclosed in the Statement of Financial Activities.

1.7 Debtors

Debtors are recognised at the settlement amount due after any discount offered and provision for bad and doubtful debts. Prepayments are valued at the amount prepaid net of any discounts due.

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.8 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

1.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Fund accounting

Restricted funds are those subject to specific conditions imposed by the donor. Unrestricted funds are the general funds of the charity which are available to further the objectives of the charity. Designated funds are general funds that have been set aside by the trustees at their discretion for a specific purpose.

1.12 Stock

Stock is valued at the lower of cost and net realisable value.

1.13 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities as they fall due.

1.14 Branches

Figures have been included for the charity's branches based on the submission of a branch return for the year ended 31 March 2016.

2. INCOME AND EXPENDITURE ACCOUNT

A separate income and expenditure account has not been prepared as the figures comprising net income for the year shown in the Statement of Financial Activities on page 11 give the information required under the Companies Act 2006 together with details of other recognised gains and losses.

3. PROJECT GRANT INCOME

	2017 £	2016 £
Department for Education	-	144,483
London Borough of Newham	-	10,000
International Step by Step Association (ISSA)	-	158
	<u>£-</u>	<u>£154,641</u>

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2017

4. TOTAL EXPENDITURE

(a) ANALYSIS OF EXPENDITURE	Salaries	Depreciation	Governance	Other	2017 Total	2016 Total
	£	£	£	£	£	£
Charitable Activities						
- Membership	52,612	2,313	3,047	23,783	81,755	85,690
- Courses/conferences	43,561	1,915	2,523	38,033	86,032	72,123
- Consultancy/room hire	53,436	2,349	3,094	176,709	235,588	216,702
- Projects	158	7	-	4,692	4,857	155,954
- Branch expenditure	-	-	-	38,126	38,126	16,931
- Publications & resources	36,215	1,592	2,097	26,274	66,178	75,707
Total expenditure	£185,982	£8,176	£10,761	£307,617	£512,536	£623,107

	Direct costs	Support costs	2017 Total	2016 Total
	£	£	£	£
(b) Charitable Activities				
- Membership	8,349	73,406	81,755	85,690
- Courses/conferences	25,254	60,778	86,032	72,123
- Consultancy/room hire	161,033	74,555	235,588	216,702
- Projects	4,645	212	4,857	155,954
- Branch expenditure	38,126	-	38,126	16,931
- Publications and resources	15,650	50,528	66,178	75,707
	£253,057	£259,479	£512,536	£623,107

5. ANALYSIS OF SUPPORT COSTS

	2017 Total	2016 Total
	£	£
Salary costs	185,982	207,732
Establishment costs	30,458	25,913
Depreciation	8,176	13,967
Office running costs	18,443	29,994
Governance costs	10,761	13,390
Other costs	5,659	17,761
	£259,479	£308,757

Support costs are allocated on the basis of time spent on the relevant charitable activity.

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

6. NET INCOME/EXPENDITURE	2017 £	2016 £
Net income/expenditure is stated after charging:		
Rent – operating lease	25,775	22,000
Independent Examiner's fees	1,000	1,000
Depreciation	8,176	13,967
	<u> </u>	<u> </u>
7. STAFF COSTS AND TRUSTEES	2017 £	2016 £
Salaries	164,596	181,993
Pension costs	9,375	10,646
Social security	12,011	15,083
Other staff costs	-	10
	<u> </u>	<u> </u>
	£185,982	£207,732
	<u> </u>	<u> </u>
	No.	No.
The average number of full time employees during the year was:		
Charitable	4	5
Governance	1	1
	<u> </u>	<u> </u>
	5	6
	<u> </u>	<u> </u>

There were no employees with emoluments amounting to more than £60,000 during the year (2016: none). The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees, the Chief Executive and Operations Manager. The total Remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £99,866 (2016 - £101,077).

Trustees incurred expenses of £1,318 (2016: £2,015) during the year for travel and subsistence.

8. TANGIBLE FIXED ASSETS	Computer Database & Website £	Improvements To Leasehold Property £	Furniture and Equipment £	Total £
Cost or valuation				
At 1 April 2016	77,993	95,650	51,645	225,288
Additions	3,225	-	-	3,225
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2017	81,218	95,650	51,645	228,513
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 April 2016	67,371	93,114	48,489	208,974
Provided during year	5,397	634	2,145	8,176
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2017	72,768	93,748	50,634	217,150
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 March 2017	£8,450	1,902	1,011	£11,363
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	£10,622	2,536	3,156	£16,314
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2017

9. FIXED ASSET INVESTMENTS					2017	2016
					£	£
Market value at 1 April 2016					16,450	16,971
Net gains/(losses) on revaluations arising during the year					1,840	(521)
Market value at 31 March 2017					<u>£18,290</u>	<u>£16,450</u>
Historical cost as at 31 March 2017					<u>£5,965</u>	<u>£5,965</u>
Analysis of investments and investment income:-						
	Income		Investments			
	2017	2016	2017	2016		
	£	£	£	£		
Other UK fixed interest	113	121	4,319	4,319		
COIF Investment fund shares	491	474	13,971	12,131		
Cash deposits	301	330	-	-		
	<u>£905</u>	<u>£925</u>	<u>£18,290</u>	<u>£16,450</u>		
10. DEBTORS					2017	2016
					£	£
Other debtors					66,085	61,938
Prepayments and accrued income					12,104	38,717
					<u>£78,189</u>	<u>£100,655</u>
11. CREDITORS: amounts falling due within one year					2017	2016
					£	£
Other creditors					24,251	42,595
Social security and other taxes					10,889	19,715
Accruals and deferred income					81,279	115,460
					<u>£116,419</u>	<u>£177,770</u>
12. RESTRICTED INCOME FUNDS						
	Balance	Income	Expenditure	Balance at		
	1 April 2016			31 March		
	£	£	£	2017		
				£		
Scottish Child Care & Education Board	2,307	-	(1,145)	1,162		
Joan Ormston Legacy	11,237	-	(3,550)	7,687		
Newham Outdoors II Project	(228)	-	228	-		
Department for Education (DfE)	390	-	(390)	-		
	<u>£13,706</u>	<u>£-</u>	<u>(£4,857)</u>	<u>£8,849</u>		

The money received from the Scottish Child Care & Education Board is to be used to support members in Scotland to attend conferences and workshop related to early year's education and care.

Joan Ormston Legacy was bequeathed in accordance with the aims of the National Campaign for Real Nursery Education, i.e. to promote high quality nursery education.

THE BRITISH ASSOCIATION FOR EARLY CHILDHOOD EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2017

12. RESTRICTED INCOME FUNDS (Continued)

Newham Outdoors II – London Borough of Newham funded a project for early years settings in Newham, focusing specifically on the offer for 2-year-olds and building on the Newham Outdoors programme (a previous collaboration with Early Education), with the aim of improving practice in the use of outdoor and green spaces, both within the setting and within walking/pram pushing distance, for improving educational and play outcomes (a holistic approach including physical, cognitive and learning development).

DfE grant – The Learning Together About Learning project was funded by the Department for Education's Voluntary & Community Sector grants scheme. It aimed to help early years providers make effective use of the newly introduced Early Years Pupil Premium funding to help close the attainment gap for children from the most disadvantaged backgrounds.

13. DESIGNATED FUNDS	Balance 1 April 2016	Income	Expenditure & transfers	Balance at 31 March 2017
	£	£	£	£
Branches: unrestricted funds	<u>£40,627</u>	<u>£28,193</u>	<u>£39,073</u>	<u>£29,747</u>

14. ANALYSIS OF NET ASSETS BY FUNDS

	General £	Designated £	Restricted £	2017 Total £
Fixed assets	29,653	-	-	29,653
Current assets	156,387	29,747	8,849	194,983
Current liabilities	(116,419)	-	-	(116,419)
Net assets	<u>£69,621</u>	<u>£29,747</u>	<u>8,849</u>	<u>£108,217</u>

15. OPERATING LEASE COMMITMENTS

	Land and buildings 2017	2016	2017	Other 2016
	£	£	£	£
At 31 March 2017 the charity had future minimum commitments in respect of non-cancellable operating leases as follows:				
Not later than 1 year	15,600	16,500	5,150	4,576
Later than 1 year but not less than 5 years	-	-	-	5,150
	<u>£15,600</u>	<u>£16,500</u>	<u>£5,150</u>	<u>£9,726</u>

16. RELATED PARTIES

There were no related party transactions in the year (2016: none).