



**The National Childbirth Trust**  
Alexandra House, Oldham Terrace, Acton, London, W3 6NH  
Telephone 0870 770 3236

**(Limited by Guarantee)**

**REPORT AND ACCOUNTS**

**30 SEPTEMBER 2006**

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**Buzzacott**

Company Registration Number 2370573

Registered Charity Number 801395

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## Report of the Board of Trustees 30 September 2006

### Reference and administrative information

Charity	The National Childbirth Trust 'NCT'
Board of Trustees	<p>Gail Werkmeister, President Alison Radevsky, Chair Suzanne Grocott, Honorary Treasurer Tanya Tunley, Vice Chair Julie Stein-Hodgins, Secretary</p> <p>Malcolm Ashton (elected 1 July 2006) Lucy Basnett-McGuire Jo Bridgwater Sarah Brook (elected 1 July 2006) Alison Carey Michelle Evans Lonnie Fletcher (appointed 29 November 2006) John Hardy Sarah Hunt Gail McConnell (appointed 15 December 2005, elected 1 July 2006) Leda Tustin Julie-Ann Walkden</p> <p><i>Jane Neale (resigned 29 November 2006)</i> <i>Sharon Tong (resigned 10 December 2005)</i></p>
Senior Executives	<p>Belinda Phipps, Chief Executive Roz Collins, Marketing and Communications Manager Joy Dyson, HR Director Pippa Holt, Fundraising Manager Ruth Howard, Branch Support Manager Mary Newburn, Head of Policy Research Nancy Platts, Campaigns Manager Anne Spong, Finance Director Kate Williams, Parent Services Director</p>
Company Secretary	Anne Spong
Auditors	Buzzacott Chartered Accountants & Registered Auditors 12 New Fetter Lane London, EC4A 1AG
Bankers	Lloyds TSB Bank plc 39 Threadneedle Street London EC2R 8AU
Solicitors	Russell-Cooke 2 Putney Hill Putney London SW15 6AB
Status	Company limited by guarantee without share capital, registration number 2370573. In the event of winding up, each member is liable to contribute a sum not exceeding £1 whilst a member or within 12 months of ceasing membership. Charity registration number 801395.
Subsidiary Companies	NCT Trading Limited NCT (Maternity Sales) Limited NCT Publishing Limited
Registered Office	Alexandra House Oldham Terrace London, W3 6NH

# **Report of the Board of Trustees 30 September 2006**

## **Introduction**

The Board of Trustees presents the statutory report with the accounts of the National Childbirth Trust (the NCT) for the year ended 30 September 2006

The report has been prepared in accordance with Part VI of the Charities Act 1993 but equates to a director's report for the purposes of company legislation

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 19 of the attached accounts and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice on 'Accounting and Reporting by Charities' issued in March 2005 by the Charity Commission

## **Legal and Administrative information**

### **Structure, governance and management**

#### **Governing document**

The National Childbirth Trust is a company limited by guarantee governed by its Memorandum of 12 June 2004 and revised Articles of Association approved on 1 July 2006. It is registered as a charity with the Charity Commission. Anyone can become a member of the NCT by paying the annual subscription. Members have voting rights at the AGM, which is held in the summer each year.

#### **Board of Trustees**

A list of members of the Board of Trustees at the date the accounts were approved is given as part of the legal and administrative information on page 1. Trustees are elected by members of the NCT at the Annual General Meeting. Malcolm Ashton and Sarah Brook were elected in July 2006. Gail McConnell was appointed in December 2005. Sharon Tong resigned in December 2005. The Board of Trustees met eight times in 2005/2006.

Three (2005: five) trustees were paid a total of £5,000 (2005: £7,000) fees and £2,000 expenses (2005: £3,000), for services provided as tutors, teachers, counsellors and similar services provided at arms length. No member of the Board of Trustees had any beneficial interest in any other contract with the charity or its wholly owned subsidiaries during the year, except contracts for purchases of goods and services on the same terms as available to the general public. Payments to trustees in respect of claims for expenses totalled £7,000 during the year (2005: £12,000).

#### **Appointment of trustees**

There may be up to 12 UK trustees and 8 regional trustees, in addition to the President, who is also a trustee. Any member may stand for election as a trustee and then be voted for by the members at the AGM. Vacancies are notified in mailings to members prior to the AGM and advertised externally on volunteering websites. The Board may co-opt trustees during the year in advance of the AGM if it is in the interests of the charity to have use of their particular skills and experience. Trustees are elected for an initial three-year period, and may stand for re-election for a further three years, after which they must retire. The Chair, Vice-Chair, Hon Treasurer and Hon Secretary are elected by the Board of Trustees.

#### **Induction and training**

Induction for new trustees consists of an introductory session with existing trustees and key members of staff, a comprehensive folder of information and a "buddy" system. On-going training is provided for all trustees during the year on topics relevant to the Board's current work. Trustees also attend external training events and conferences.

#### **Organisation**

The Board of Trustees, which can have up to 21 members, sets the overall strategic policy framework and budget of the charity and is responsible for safeguarding its assets. Five Committees report to the Board:

- Policy, Research and Campaigns Committee
- Direct Services and Training Committee
- Finance and Audit Committee
- Branch Development Committee
- Remuneration Committee

These Committees encompass all aspects of the NCT's work and have one or more special interest Panels, Regions and Branches reporting to them, as well as relevant departments at UK Office.

The NCT has a commercial trading arm (NCT Trading Ltd) which gift aids its profits directly to the charity. It has three divisions: Corporate fundraising which manages corporate sponsorship and conferences for health professionals, NCT Sales which produces several catalogues and has two websites offering goods for sale to the public and health professionals, and NCT Publishing which undertakes the publishing and sale of books and booklets.

## **Report of the Board of Trustees 30 September 2006**

To facilitate the smooth running of the charity, the Board of Trustees has devolved the day-to-day management of the NCT to the Chief Executive and Senior Management Team

### **Trustees**

The members of the Board of Trustees constitute directors of the charity for the purposes of the Companies Act 1985. The individual Trustees are elected by the members of the charity at the Annual General Meeting of the NCT. New Trustees may serve for a period of three years before being required to stand for re-election. No Trustee may serve for more than two consecutive terms of office.

Each Trustee has taken responsibility for monitoring the charity's activities in specific operational areas and constant regard is had to the skills mix of the Trustees to ensure that the Board of Trustees has all the necessary skills required to contribute fully to the charity's development.

### **Statement of the responsibilities of the Board of Trustees**

Members of the Board of Trustees are responsible for preparing the annual report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Companies Act 1985 requires the members of the Board of Trustees, who are directors for the purpose of this Act, to prepare accounts of the charity for each financial year which give a true and fair view of the state of affairs of the charity and its wholly owned subsidiaries and of their incoming resources and application of resources, including their income and expenditure for that year. In preparing accounts giving a true and fair view the Board of Trustees has followed best practice and has

- Selected suitable accounting policies and then applied them consistently,
- Made judgments and estimates that are reasonable and prudent,
- Followed applicable accounting standards, subject to any material departures disclosed and explained in the accounts,
- Prepared the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Board of Trustees has responsibility for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and its subsidiaries and enable it to ensure that the financial statements comply with the Companies Act 1985. It also has responsibility for safeguarding the assets of the charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Each member of the Board of Trustees confirms that

- So far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and
- The trustee has taken all steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

### **Trustee indemnity insurance**

Trustee indemnity insurance has been purchased by the charity at a cost of £4,000 (2005 £3,000) as permitted by the Charity Commission and the Memorandum of Association.

### **Trustees and committees**

The regional trustees sit on their regional committees. The other trustees are expected to be in at least one of the committees that report to the board.

## Report of the Board of Trustees 30 September 2006

Trustee	Position	Committees						Elected / Resigned
		DSTC	PRCC	FAC	REM	BDC	Trading	
1 Gail Werkmeister	President	✓	✓	✓	✓	✓		
2 Alison Radevsky	Chair	✓	✓	✓	✓	✓	✓	Re-elected 1 7 06
3 Suzanne Grocott	Hon Treasurer			✓ Chair	✓			
4 Tanya Tunley	Vice Chair	✓ Chair					✓	
5 Julie Stein Hodgins	Region 7							
6 Malcolm Ashton	UK Trustee	✓						Elected 1 7 06
7 Jo Bridgwater	UK Trustee				✓	✓ Chair		
8 Lucy Basnett-McGuire	UK Trustee							
9 Sarah Brook	UK Trustee				✓			Elected 1 7 06
10 Alison Carey	UK Trustee			✓	✓ Chair			
11 Michelle Evans	UK Trustee		✓ Chair					
12 Lonnie Fletcher	Region 4							Appointed 29 11 06
13 John Hardy	Region 1					✓		
14 Sarah Hunt	UK Trustee				✓		✓ Chair	
15 Gail McConnell	UK Trustee		✓					Appointed 15 12 05, elected 1 7 06
16 Jane Neale	UK Trustee							Resigned 29 11 06
17 Sharon Tong	Region 5							Resigned 10 12 05
18 Leda Tustin	Region 6							
19 Julie-Ann Walkden	Region 8							

### Governance

A review of the charity's governance was initiated during the year and is being carried out by the Governance Review Group, which is made up a group of trustees and the Chief Executive. After wide consultation with members and key stakeholders, and considerable research into current best practice in the sector, the Group developed a proposal for the broad direction in which the charity's governance should develop. This was approved by the Board in September and will form the basis for further work and proposals. A final set of recommendations will be considered by the Board during 2007. The majority of changes currently envisaged do not require member approval, but any changes which do require amendments to current governing documents will be put to members at the 2008 AGM.

### Risk Management

The trustees undertake a risk management exercise that identifies risks and prioritises them in terms of likelihood and potential maximum impact. Areas considered include non-financial risks, particularly those that could damage the charity's reputation and standing. In addition, attention has focussed on possible employment issues. Further work is being carried out with staff to mitigate the most significant of these risks, and insurance cover has been reviewed.

### Charitable Objects

The objects for which the company is established are

- 1 To preserve and protect the mental and physical health of pregnant women by, but not exclusively, the provision of physical, emotional and practical support during pregnancy and childbirth
- 2 To preserve and protect the mental and physical health of parents and their children during the postnatal period
- 3 To advance the education of the public, including healthcare professionals, in childbirth and parenthood

### Aims and Activities

The National Childbirth Trust wants all parents to have an experience of pregnancy, birth and early parenthood which enriches their lives and gives them confidence in being a parent.

To achieve this aim, the charity

- Represents parents' interests, lobbying on pregnancy, birth, breastfeeding and postnatal issues,
- Publishes and disseminates parent-centred, evidence-based information, and
- Provides services to parents and health professionals

# Report of the Board of Trustees 30 September 2006

## Achievements and performance during 2005–6

Objectives	Achievements
<p><b>1. For women to feel supported to give birth with confidence and dignity, and with every opportunity to experience a straightforward birth.</b></p> <p><b>Rationale</b></p> <p>The majority of women want a straightforward birth and this is the birth most likely to leave them and their babies physically and mentally well and able to start life as a family</p>	<p>We provided presentations for NCT Workers on the 2005 Better Birth Environment Survey on ways of improving birth rooms and continued with regular updates on the campaign</p> <p>We held focus groups with midwives to determine what would help them to improve the birth environment in their units and we are developing the results for the NCT website and publications</p> <p>All birth rooms in Wales are now audited against the Better Birth Environment criteria</p> <p>Further work with policy makers was undertaken to ensure the expected Maternity Building Note (HBN 21) recommends rooms compatible with the recommendations of the Better Birth Environment tool kit Publication of the Building Note is awaited</p> <p>We worked with NICE on the development of the Intrapartum Care and Postnatal Care guidelines to ensure this put in place policies that maximise the opportunity for normal birth and breastfeeding</p> <p>NCT volunteers across the UK worked with the health service locally to improve normal birth rates, and we worked with the policy makers in all four countries in the UK to lobby for policy changes to support this objective The content of the maternity section of the Children's NSF England reflects much of the careful lobbying and influential work of the charity As part of this work large numbers of parents were surveyed (for example 3,000 in Hertfordshire) and their views were presented to the health service and policy makers</p> <p>We supported local NCT campaigners seeking to improve home birth services and to open or keep open small midwifery-led units (often called birth centres)</p> <p>We supported the 'One woman one midwife' campaign and continued to lobby for one-to-one care for all women</p> <p>We continued to provide the support for the NCT-initiated Maternity Care Working Party, which is the group of all the key maternity organisations, and encouraged them to work together for woman-centred care that increases the opportunity for normal birth</p> <p>The normal birth rate in the UK is now growing rather than declining and this is particularly evident in Wales, which also has the fastest growing home birth rate</p>
<p><b>2. For women to feel comfortable, confident and supported to breastfeed</b></p> <p><b>Rationale</b></p> <p>Over 90% women want to breastfeed their babies but in the UK effective support is not provided to enable all those who wish to feed their babies themselves and continue as long as they had planned The resulting sadness and health effects on both mother and child could be prevented with a more breastfeeding friendly culture in the UK</p>	<p>The NCT contributed to the Scottish Breastfeeding Group's Strategy and now lobbies for its publication</p> <p>We contributed to the development of NICE's Public Health Guidance for Maternal and Infant Nutrition, and have offered support to the ex-Maternity Alliance nominee to the Programme Guidance Development Group</p> <p>We continue to lobby for UK implementation of the World Health Organization (WHO) Code and Resolutions as a leading part of the Baby Feeding Law Group and the Breastfeeding Manifesto coalition</p>

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	<p>We hosted a fringe meeting at the RCM Annual Conference 2006 on formula advertising</p> <p>As part of Breastfeeding Awareness Week, we lobbied the DH for a breastfeeding strategy for England, produced a range of promotional resources via the new nctresources website, and provided new information for the media with total press coverage of at least 34 6m people</p> <p>We ran the 'Booby Prize' to draw attention to poor support for breastfeeding women and to award excellence, and as a result a number of large and well-known companies have agreed to work to improve their support</p> <p>We supported and celebrated the launch of the Healthy Start Scheme. This scheme replaces the Welfare Foods Scheme and provides equality of support for both breastfeeding and bottle-feeding mothers and provides food support for those expecting a baby when nutrition is crucial. This was the culmination of many years of campaigning and lobbying for the replacement of the Welfare Foods Scheme. The NCT will continue to work to improve the level of food support provided to our poorest women during pregnancy until it reaches levels adequate for healthy nutrition</p> <p>We presented information to the DTI consultation on maternity leave and parental rights</p> <p>We researched a nationally representative selection of GPs and found 62% were aware of the NCT Breastfeeding Line</p> <p>There is now a much greater level of awareness of the benefits of breastfeeding and in Scotland there is strong political will and action to improve rates there</p>
<p><b>3. For women and men to feel prepared and supported to become confident, caring parents</b></p> <p><b>Rationale</b></p> <p>Parents are in almost all cases the main carers for their child and they want to be able to do a good job as parents. Pregnancy is a time when both the mother and her partner start to create their future as parents. Proper support and information at this time can make a difference to them as they establish themselves as parents</p>	<p>We have disseminated our Parenthood Policy and funding has been secured for peer support training</p> <p>Up to 10,000 volunteers in over 300 branches gave their time, energy and skills to support parents-to-be and parents. Branches are the local face of the NCT and provide mutual and/or peer support. Sample activities include</p> <ul style="list-style-type: none"> <li>- Bumps and Babies groups in community venues reaching 15,000 parents</li> <li>- Antenatal social groups to 2,000 parents</li> <li>- Postnatal social groups to 17,000 parents</li> <li>- Additional social events to over 12,000 parents</li> </ul> <p>We supplied all branches with the NCT's Reaching Out Toolkit, which encouraged development of more accessible services</p> <p>Volunteers also accessed support and training for their work from the NCT's Update Website and five modules of Foundation Training delivered at regional workshop days</p>
<p><b>4. To provide parent-centred, evidence-based information to enable parents to make choices.</b></p> <p><b>Rationale</b></p> <p>Becoming a parent presents a multitude of decisions to be made and parents need to have access to information they can trust and understand, and which empowers and enables them to make the right decision for their lives and those of their child</p>	<p>We provided a range of resources directly to parents including</p> <ul style="list-style-type: none"> <li>- telephone helpline services. Our Breastfeeding Line took 41,000 calls and our Pregnancy and Birth Line was launched. The Enquiry Line took 56,000 calls and responded to 15,000 emails</li> <li>- Free distribution of 64 page <i>Bumps &amp; Babies</i> magazine to pregnant mothers (180,000 per quarter)</li> <li>- The NCT journal, <i>New Digest</i>, available to non-member professionals on subscription</li> <li>- Series of detailed information sheets</li> </ul>



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	<ul style="list-style-type: none"> <li>- Updated and reprinted existing titles to reflect up-to-date research</li> <li>- Approximately 80,000 individual visitors per month access the newly restructured website</li> </ul>
<p><b>5. To provide services for parents and parents-to-be.</b></p> <p><b>Rationale</b></p> <p>Not all parents have a support network and a positive experience of birth and the early days with a new baby. The NCT aims to enable all parents whatever their decisions and experiences to find a network of support for themselves.</p>	<p>We provided services to parents and also healthcare professionals to support those becoming parents as follows:</p> <ul style="list-style-type: none"> <li>- Antenatal classes to over 25,000 couples</li> <li>- Breastfeeding counsellors to 52,000 parents and 2,200 health professionals</li> <li>- Postnatal leaders to 2,300 parents</li> <li>- Support to 1,000 teenagers/7,000 people from ethnic minorities/ 31,000 men/5,000 people on low income/1,000 disabled people</li> <li>- Increased support in Scotland to 2,000 parents through branches</li> <li>- Specific support to parents in NW and NE England through successful working with the Parenting Fund</li> </ul> <p>We also trained healthcare professionals to support parents-to-be, resulting in:</p> <ul style="list-style-type: none"> <li>- 400 qualified antenatal teachers, 300 breastfeeding counsellors and 54 postnatal leaders</li> <li>- 57 ConNeCT workshops across the UK</li> <li>- Consultation on a resource pack for young parents</li> </ul> <p>The NCT worked in partnership with a wide range of organisations including Sure Start in providing services to parents.</p>

### Plans for 2006–7

During the year we will start to review the current strategy of the charity in preparation for producing an updated strategic plan and we will complete the review of governance and start to implement the new governance arrangements for the charity. We will consult the membership about the name and visual identity of the charity. We will also review our ethical policy.

Objectives	Planned activities for 2006-7
<p><b>1. For women to feel supported to give birth with confidence and dignity, and with every opportunity to experience a straightforward birth</b></p> <p><b>Strategy</b></p> <p>The most important influences on the sort of birth a woman is likely to have are where she has her baby, what sort of room she gives birth in, who she has with her, and how well supported she is to be able to follow her body so as to move and manage the work and pain of labour. The NCT is tackling place of birth, the type of birth room and the availability of one-to-one midwifery support as key parts of improving the normal birth rate.</p>	<p>Continue with the Better Birth Environment campaign including running a conference on normal birth for maternity services.</p> <p>Produce the NSF delivery plan for the DH England working with the relevant Royal Colleges.</p> <p>Lobby for improved support for users on Maternity Services Liaison Committees to enable them to be better able to improve the normal birth rate in the UK.</p> <p>Work to ensure home birth services are extended, by publicising the home birth option to the public, and encouraging the health service to present this as an option to all women.</p>
<p><b>2. For women to feel comfortable, confident and supported to breastfeed</b></p> <p><b>Strategy</b></p> <p>In order for women to fulfill their desire to breastfeed, society</p>	<p>Continue to lobby for UK implementation of the World Health Organization (WHO) Code and Resolutions as a leading part of the Baby Feeding Law Group and take a leading part in the launch of the Breastfeeding Manifesto.</p> <p>Work closely with the DH England to create a campaign during</p>

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<p>needs to free women from promotion of an artificial and health damaging substitute, to educate young people about the benefits of breastfeeding, to have society accept breastfeeding when out and about as a normal and unremarkable part of life, and to ensure trained health care and volunteer workers are available to support women in this learned human behaviour</p> <p>The NCT works in coalition to achieve these aims as widespread change across many sectors is necessary for their achievement</p>	<p>Breastfeeding Week in line with the Breastfeeding Manifesto and to support the aim of gaining public acceptance and support across the UK for breastfeeding so that all women feel comfortable feeding their babies when out and about</p> <p>Analyse and follow up on the results of the Booby Prize to maximise the effect of this award</p>
<p><b>3. For women and men to feel prepared and supported to become confident, caring parents.</b></p> <p>Strategy</p> <p>The charity is at the beginning of campaigning and lobbying for change that will make society more supportive for those caring for a new baby and starting out as parents. Our policy is the first step in a long period of work on parenthood</p>	<p>Increase the number of volunteers giving their time, energy and skills to support parents-to-be and parents by arranging opportunities for those in the transition to parenthood to meet others, share experiences and develop a support network</p> <p>Develop and improve volunteer tailored training programmes to improve their ability to support parents and manage their local part of the charity</p> <p>Work to raise the funding necessary to employ the policy research and service development staff to implement our Parenthood Policy</p> <p>Develop our peer support training</p> <p>Continue to support branches in reaching out to a more diverse group of parents using our Reaching Out Toolkit, which encourages development of more accessible services</p> <p>Develop and build partnerships with other organisations that will contribute to the overall positioning of the charity, such as the Equal Opportunities Commission and Child Poverty Action Group</p>
<p><b>4. To provide parent-centred, evidence-based information to enable parents to make choices.</b></p> <p>Strategy</p> <p>Although there is much available to parents which is called information, a lot of it is written with commercial bias or from a medical viewpoint or is not based on evidence. The NCT aims to reach every parent and parent-to-be with information they need and can trust either directly or via the health service. It aims to be a resource for those that write for parents so they can improve the quality of what they provide to parents</p>	<p>Produce a DVD on birth choices for free distribution to parents-to-be</p> <p>Improve and deepen the information available via the website</p> <p>Increase the availability of the NCT journal, <i>New Digest</i>, to those that write for parents, to improve the quality of information provided to parents by others</p> <p>Prepare to launch new services for parents with a young baby including a helpline and a magazine as well as a range of information sheets and a DVD</p> <p>Produce information sheets on cup feeding and formula feeding to ensure that new information that is not currently available from commercial or non-commercial sources is widely disseminated</p>
<p><b>5. To provide services for parents and parents-to-be.</b></p> <p>Strategy</p> <p>Although the NCT is a powerful lobbying and campaigning charity many parents do feel lost and alone and have an experience of becoming a parent that is far from what is desirable. The charity aims to be there, face-to-face, for every parent in the UK. The charity will achieve this with services provided by trained workers directly or through the health service, by training others who work with parents and by a volunteer-run support network provided in every postcode of the UK</p>	<p>Provide services from trained women directly or via the NHS to 30,000 couples (antenatal), 65,000 parents (feeding) and 3,000 parents with a young baby. Another 5% of all couples to have access to services provided by a worker who has received NCT training</p> <p>Strengthen the ability of our branches to provide support to parents and peer support so that we reach 12% of new parents with our mutual support services</p> <p>Increase the number of students in training and the number of qualified workers across all three specialisms – antenatal teaching, breastfeeding counselling and postnatal leadership – in order to reach more parents and extend our reach. We plan</p>

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to increase our tutoring resource, this will result in an increase in the number of students in training

Implement the recommendations of the Parent Services Strategy Group, setting up parent services areas with a member of staff organising the bookings for NCT courses and acting as the first point of contact for our activities in the branches. We will introduce fairer remuneration of our specialist workers. We will implement the next phase of the new database so we have records of those who make contact with the charity.

Distribute the resource pack for NCT antenatal teachers and for health professionals who work with young parents. We will publish the results of our work into the effectiveness of the NCT Parentcraft service at the Birmingham Women's Hospital.

Continue our projects to increase the awareness of the NCT in the regions, particularly in Scotland (we have applied to the Scottish Health Executive), in the NW and NE England, and we will commence new national and regional projects in Wales (Wales Council for Voluntary Action). We will apply for funding for new projects in Northern Ireland, East Anglia, the Midlands and Cornwall.

## Report of the Board of Trustees 30 September 2006

### Thank you to funders and members

The NCT income generation strategy is to have a wide range of sources of income both earned and fundraised. Overall targets were met and the charity maintained its three months reserves against a higher turnover.

A big thank you goes to all the branches and individuals who have contributed to the fundraising for this year. Branches have raised an amazing amount from their branch activities, such as Nearly New Sales and the NCTea parties.

The work of the NCT would not have been possible without the funding provided by our members and the fundraising work of the branches.

We also want to thank all those who have raised funds for us by choosing the NCT as their charity for the following events: the Flora London Marathon, Hadrian's Wall Challenge, Three Peaks Challenge.

We would also like to thank the brave team from UKO who successfully skydived to support the Charity.

Thanks also to NCT Trading Ltd for providing a substantial profit, gift aided to the Charity.

The following commercial companies have also provided funding:

#### Major sponsors were

Unilever (Persil Non-Bio and Comfort Pure)  
Bodyclock Health Care Ltd  
Braun  
The First Years & Lamaze – Learning Curve  
Lansinoh Laboratories Inc  
Mamas & Papas Ltd  
Philips Sonicare  
Taylors of Harrogate  
Vitabiotics Ltd  
The Good Birth Company  
Wilkinet  
Proctor and Gamble  
David Lloyd  
3M  
John Lewis  
Johnson and Johnson  
Leapfrog Nurseries  
Tempest Photography

#### Other supporters include

The Baby Show  
Tussauds Group  
Walls  
Walkers  
Braun  
Green & Blacks  
Humzingers

#### For 2007

Penguin Books  
Legoland

The UK office and the branches and regions also received valuable funding and support from grant giving bodies and trusts, including:

- Big Lottery Fund (formerly community fund) Scottish Community Development worker (third year, £44,000 of a £130,000 grant) and Premature baby project (first year £54,000 of a £212,000 grant)
- National Family Parenting Institute North West England Community Development worker (£67,000 of £199,000 grant)
- Parenting Fund NW Development with Sowing Seeds (first year, £12,000 of £115,000 grant)
- Northern Rock Foundation NE Development (£33,000 of £66,000 grant)
- Wilmington Trust
- Norman Family Charitable Trust
- Ormond Mildred Duveen Trust
- Scottish Executive Health Department
- HSBC Matched Funding
- Barclays Matched Funding
- Lloyds TSB Charitable Foundation
- Awards for All
- Parish Councils
- Town Councils
- Round Table
- Rotary Club

## **Report of the Board of Trustees 30 September 2006**

### **Financial Report**

The group has continued to improve its financial position recording a surplus of income over expenditure for the seventh year running. The surplus of £361K in 2005-6 is £85K lower than in 2004-5. The charity was able to continue to invest in key areas of its work, principally through increased income from antenatal classes, membership and gift aid.

Total incoming resources increased to £8.6m in 2005-6 from £8.0m in 2004-5, an increase of £0.6m (7%). The increase was mainly due to an increase of £213K (7%), in income from courses and conferences (which principally relates to antenatal classes run by branches), and £210K (17%) from membership and gift aid. Fundraising income slightly increased by £27K (2%). Commercial trading operations income (which relates to the sales of the trading company) increased by 5% from £1,395K to £1,468K.

Total resources expended increased from £7.6m in 2004-5 to £8.3m in 2005-6, an increase of £0.7m (9%). The increase was due principally to increased expenditure on services to parents of £318K (9%), increased expenditure on information of £214K (17%) due principally to the Bumps and Babies publication now being distributed by the NCT and increased expenditure on Commercial trading operations of £177K, (14%) partially due to the higher sales but also due to the investment in, and increasing professionalism of, the trading company.

Fundraising surpluses generated by branches and the UK office were £671K (2005 £648K), 55% of fundraising income (2005 54%). Many of the fundraising events held by the branches of the charity have two objectives: to raise funds for the charity, and also to meet the aims of the charity in terms of providing postnatal support for families. Consequently, this dual role increases the cost, and therefore reduces the profitability, of the events.

The surplus of £361K includes the £37K profit from commercial trading. £1,499K was generated by the branches, the majority of which was contributed to the UK office to fund the national work of the charity, the training of new antenatal teachers, breastfeeding counsellors and postnatal leaders, and the branch support services.

#### **The reserves policy and financial position**

As explained above, the charity carries out a diverse range of activities both through its branch network and its UK office. The Board of Trustees has examined the requirement for free reserves, i.e. those unrestricted funds not designated for specific purposes or otherwise committed. The Board of Trustees considers that, given the nature of the charity's work, the level of free reserves should be approximately £2,400K, equivalent to three months projected annual expenditure on unrestricted funds at any one time. The Board of Trustees is of the opinion that this provides sufficient flexibility to cover temporary shortfalls in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

#### **Financial position**

The group balance sheet shows total funds of £3,123K. These funds include £294K, which is restricted. These monies have been raised for, and their use restricted for specific purposes, or they comprise donations and grants subject to donor-imposed conditions. Full details of these restricted funds can be found in note 14 to the accounts together with an analysis of movements in the year.

A Fixed Assets Fund equivalent to the net book value of the tangible fixed assets used in the day-to-day operations of the NCT has been maintained. These funds are not available for working capital. The balance of the General Funds of the group, at 30 September 2006, totals £2,372K, and represents 'free reserves'.

The 'free reserves' are in line with the minimum desired level as set out in the charity's reserves policy above. It is the Board of Trustees' plan to continue to increase the free reserves as the charity grows so that they remain at least at the level of three months' expenditure.

#### **The charity's assets**

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

#### **Employees and volunteers**

The Board of Trustees would like to thank all staff, volunteers, members and supporters for their commitment to the vision and work of the charity. We are confident that together we can help the NCT grow so that more parents can benefit from our services, campaigning, information and support.

Volunteer hours were estimated at approximately 2 million during the year, this is equivalent to around 1,100 full-time staff.

#### **Equal Opportunities**

The charity operates an Equal Opportunities Policy. The following statement formalises the position and takes account of the progress already made and experience gained.

The NCT aims to ensure that no member or employee, whether in receipt of a salary or not, receives less favourable treatment on the grounds of race, colour, nationality, religion, ethnic or national origins, age, sex, marital

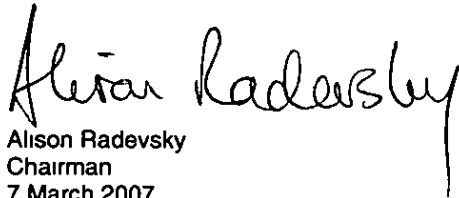
## **Report of the Board of Trustees 30 September 2006**

status, disability or sexual preference Recruitment, selection criteria and procedures will be regularly reviewed to ensure that individuals are treated on the basis of their relevant merits and abilities All members and employees will be given equal opportunity for and access to appropriate training

### **Auditors**

The auditors, Buzzacott, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

**Approved by the Board of Trustees and signed on its behalf by**

A handwritten signature in black ink, appearing to read 'Alison Radevsky', written over the printed name and title.

Alison Radevsky  
Chairman  
7 March 2007

## **Report of the Auditors 30 September 2006**

### **Report of the independent auditors to the members of The National Childbirth Trust**

We have audited the accounts on pages 14 to 29, which have been prepared under the historical cost convention, as modified by the inclusion of freehold property at a valuation and the inclusion of quoted investments at market value, and the accounting policies set out on pages 18 to 19

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and auditors**

As described on page 3, the members of the Board of Trustees, who are also the directors of The National Childbirth Trust for the purposes of company law, are responsible for the preparation of the report of the Board of Trustees and accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the Board of Trustees is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the report of the Board of Trustees and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Board of Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### **Opinion**

In our opinion:

- The accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 30 September 2006 and of their income, resources and application of resources, including their income and expenditure, in the year then ended,
- The group accounts have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the report of the Board of Trustees is consistent with the group accounts.

Buzzacott

Buzzacott, Chartered Accountants and Registered Auditors  
12 New Fetter Lane, London, EC4A 1AG  
7 March 2007

**The National Childbirth Trust**

**Consolidated statement of financial activities for the year ended 30 September 2006**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2006 £'000	Total 2005 £'000
<b>Income and Expenditure</b>					
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
<b>Voluntary income</b>					
• Donations		106	6	112	125
• Grants receivable	1	-	344	344	313
		<u>106</u>	<u>350</u>	<u>456</u>	<u>438</u>
<b>Activities for generating funds</b>					
• Fundraising activities		1,228	-	1,228	1,201
• Commercial trading operations		1,468	-	1,468	1,395
• Advertising in branch newsletters		411	-	411	406
• Other income receivable		40	-	40	47
• Interest receivable		128	-	128	115
		<u>3,275</u>	<u>-</u>	<u>3,275</u>	<u>3,184</u>
<b>Incoming resources from charitable activities</b>					
• Fees from courses and conferences		3,273	-	3,273	3,060
• Grants receivable	1	60	-	60	10
• Membership subscriptions		1,422	-	1,422	1,212
• Other income receivable		134	-	134	158
		<u>4,889</u>	<u>-</u>	<u>4,889</u>	<u>4,440</u>
<b>Total incoming resources</b>		<u><b>8,270</b></u>	<u><b>350</b></u>	<u><b>8,620</b></u>	<u><b>8,042</b></u>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
• Fundraising costs of voluntary income	3	45	-	45	49
<b>Activities for generating funds</b>					
• Fundraising costs	4	557	-	557	553
• Commercial trading operations		1,431	-	1,431	1,254
		<u>2,033</u>	<u>-</u>	<u>2,033</u>	<u>1,856</u>
<b>Charitable activities</b>					
• Direct services to parents	5	3,476	273	3,749	3,431
• Policy, campaigning and research		454	31	485	507
• Information		1,493	9	1,502	1,288
• Membership services		383	-	383	387
		<u>5,806</u>	<u>313</u>	<u>6,119</u>	<u>5,613</u>
<b>Governance costs</b>	7	103	-	103	119
<b>Total resources expended</b>		<u><b>7,942</b></u>	<u><b>313</b></u>	<u><b>8,255</b></u>	<u><b>7,588</b></u>
<b>Net incoming resources/net income for the year before other recognised gains and losses</b>		<b>328</b>	<b>37</b>	<b>365</b>	<b>454</b>
<b>Net losses on investment assets</b>		<b>(4)</b>	<b>-</b>	<b>(4)</b>	<b>(8)</b>
<b>Net movement in funds</b>	8	<u><b>324</b></u>	<u><b>37</b></u>	<u><b>361</b></u>	<u><b>446</b></u>
<b>Reconciliation of funds</b>					
Funds brought forward at 1 October 2005		<u>2,505</u>	<u>257</u>	<u>2,762</u>	<u>2,316</u>
Funds carried forward at 30 September 2006		<u><b>2,829</b></u>	<u><b>294</b></u>	<u><b>3,123</b></u>	<u><b>2,762</b></u>
All of the group's activities derived from continuing operations during the above two financial years					
The group has no recognised gains or losses other than those shown above. The movement in reserves is shown above:					
Net movement in funds				361	446
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount				(5)	(5)
Net unrealised losses on investments				4	8
Historical cost net movement in funds				<u>360</u>	<u>449</u>



**The National Childbirth Trust**

**Charity statement of financial activities for the year ended 30 September 2006**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2006 £'000	Total 2005 £'000
<b>Income and Expenditure</b>					
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
<b>Voluntary income</b>					
• Donations		106	6	112	125
• Grants receivable	1		344	344	313
		<u>106</u>	<u>350</u>	<u>456</u>	<u>438</u>
<b>Activities for generating funds</b>					
• Fundraising activities		1,228		1,228	1 201
• Sales of maternity goods		117		117	113
• Advertising in branch newsletters		411	-	411	406
• Investment income					
** Gift aided income from subsidiaries		43	-	43	143
** Interest receivable		128	-	128	115
• Other income receivable		<u>178</u>	<u>-</u>	<u>178</u>	<u>148</u>
		<u>2,105</u>	<u>-</u>	<u>2,105</u>	<u>2,126</u>
• Fees from courses and conferences		3,272	-	3,272	3 060
• Grants receivable	1	60		60	10
• Membership subscriptions		1 422	-	1 422	1,212
• Other Income receivable		<u>134</u>	<u>-</u>	<u>134</u>	<u>158</u>
		<u>4,888</u>	<u>-</u>	<u>4,888</u>	<u>4,440</u>
<b>Total Incoming resources</b>		<u><b>7,099</b></u>	<u><b>350</b></u>	<u><b>7,449</b></u>	<u><b>7,004</b></u>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
• Fundraising costs of voluntary income	3	47	-	47	50
<b>Activities for generating funds</b>					
• Fundraising costs	4	599	-	599	580
• Cost of maternity goods sold		<u>119</u>	<u>-</u>	<u>119</u>	<u>119</u>
		<u>765</u>	<u>-</u>	<u>765</u>	<u>749</u>
<b>Charitable activities</b>					
	5				
• Direct services to parents		3 485	273	3,758	3,440
• Policy campaigning and research		459	31	490	515
• Information		1,565	9	1,574	1 338
• Membership services		<u>388</u>	<u>-</u>	<u>388</u>	<u>393</u>
		<u>5,897</u>	<u>313</u>	<u>6,210</u>	<u>5,686</u>
<b>Governance costs</b>	7	105	-	105	120
<b>Total resources expended</b>		<u><b>6,767</b></u>	<u><b>313</b></u>	<u><b>7,080</b></u>	<u><b>6,555</b></u>
<b>Net incoming resources/net income for the year before other recognised gains and losses</b>		<b>332</b>	<b>37</b>	<b>369</b>	<b>449</b>
<b>Net losses on investment assets</b>		<b>(4)</b>	<b>-</b>	<b>(4)</b>	<b>(8)</b>
<b>Net movement in funds</b>	8	<u><b>328</b></u>	<u><b>37</b></u>	<u><b>365</b></u>	<u><b>441</b></u>
<b>Reconciliation of funds</b>					
Funds brought forward at 1 October 2005		<u>2 522</u>	<u>257</u>	<u>2 779</u>	<u>2 338</u>
Funds carried forward at 30 September 2006		<u><b>2,850</b></u>	<u><b>294</b></u>	<u><b>3,144</b></u>	<u><b>2,779</b></u>

All of the charity's activities derived from continuing operations during the above two financial years

The charity has no recognised gains or losses other than those shown above. The movement in reserves is shown above.

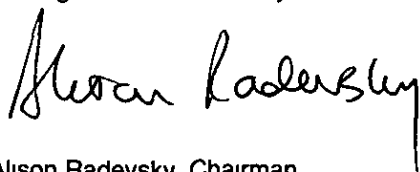
**Historical cost net movement in funds**

Net movement in funds	365	441
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	(5)	(5)
Net unrealised losses on investments	4	8
<b>Historical cost net movement in funds</b>	<u><b>364</b></u>	<u><b>444</b></u>

## Balance Sheets as at 30 September 2006

	Notes	2006		2005	
		Group £'000	Charity £'000	Group £'000	Charity £'000
<b>Fixed assets</b>					
Tangible assets	10	457	439	367	367
Investments	11	7	7	11	11
		<u>464</u>	<u>446</u>	<u>378</u>	<u>378</u>
<b>Current assets</b>					
Stocks		175	48	149	38
Debtors	12	816	902	518	808
Short term deposits		1,800	1,800	1,600	1,600
Cash at bank and in hand		1,958	1,752	1,734	1,445
		<u>4,749</u>	<u>4,502</u>	<u>4,001</u>	<u>3,891</u>
<b>Creditors</b>					
Amounts falling due within one year	13	2,086	1,804	1,617	1,490
<b>Net current assets</b>		<u>2,663</u>	<u>2,698</u>	<u>2,384</u>	<u>2,401</u>
<b>Total net assets</b>		<u><u>3,127</u></u>	<u><u>3,144</u></u>	<u><u>2,762</u></u>	<u><u>2,779</u></u>
<b>Fund balances</b>					
<b>Charitable funds</b>					
Restricted funds	14	294	294	257	257
Unrestricted funds	15				
General funds		2,372	2,411	2,138	2,155
Fixed asset fund		457	439	367	367
		<u>2,829</u>	<u>2,850</u>	<u>2,505</u>	<u>2,522</u>
<b>Non-charitable trading funds</b>		4	-	-	-
		<u><u>3,127</u></u>	<u><u>3,144</u></u>	<u><u>2,762</u></u>	<u><u>2,779</u></u>

Approved by the Board of Trustees on 7 March 2007  
and signed on its behalf by



Alison Radevsky, Chairman

**Consolidated cash flow statement for the year ended 30 September 2006**

	Notes	2006 £'000	2005 £'000
<b>Consolidated inflow from operating activities</b>	(a)	439	473
<b>Returns on investments and servicing of finance</b>			
Interest received		125	116
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(140)	(63)
		<u>424</u>	<u>526</u>
<b>Management of liquid resources</b>	(b)	(200)	(1,000)
<b>Increase/ (decrease) in cash</b>	(b)	<u>224</u>	<u>(474)</u>

**Notes to the cash flow statement**

**(a) Adjustment of net movement in funds to net cash inflow from operating activities**

	2006 £'000	2005 £'000
Net movement in funds	361	445
Depreciation charge	50	37
Loss on disposal of fixed assets	-	1
Net unrealised loss on investments	4	8
Interest receivable	(128)	(115)
(Increase) in stocks	(26)	(16)
(Increase) in debtors	(291)	(161)
Increase in creditors	469	274
<b>Net cash inflow from operating activities</b>	<u>439</u>	<u>473</u>

**(b) Analysis of changes in net funds**

	At 1 October 2005 £'000	Cash flow £'000	At 30 September 2006 £'000
Cash at bank and in hand	1,734	224	1,958
Liquid resources	1,600	200	1,800
	<u>3,334</u>	<u>424</u>	<u>3,758</u>

## Principal Accounting Policies 30 September 2006

### a) **Basis of accounting**

The accounts have been prepared under the historical cost convention, as modified by the inclusion of the freehold property at a valuation and the inclusion of quoted investments at market value, and in accordance with the requirements of the Companies Act 1985 Applicable United Kingdom accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these accounts

The adoption of SORP 2005 has resulted in a number of changes in the presentation of the Statement of financial activities and the reclassification of certain comparative figures contained therein

### b) **Basis of consolidation**

The statement of financial activities and balance sheet consolidate the accounts of the charity and all its subsidiary undertakings made up to the balance sheet date

### c) **Incoming resources**

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or when the donor or funder has specified that the income is to be expended in a future accounting period

Legacies are included in the statement of financial activities when the charity is advised by the personal representative of an estate, that payment will be made or property transferred and the amount involved can be quantified

Grants from government and other agencies have been included as income from activities in furtherance of the charity's objectives where these amount to a contract for services

### d) **Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT, which cannot be recovered

Resources expended comprise the following

- ◆ The costs of generating funds include the salaries, direct costs and overheads associated with generating donated income and carrying out commercial trading operations through the charity's subsidiaries
- ◆ The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the report of the Board of Trustees Such costs include
  - ◆ The cost of direct services to parents including the cost of antenatal classes and related teachers' fees, venue costs and class materials, the costs of breastfeeding support, and the costs of postnatal support and discussion and the cost of training the antenatal teachers, breastfeeding counsellors and postnatal leaders which principally comprises the tutor fees, course materials, and venue costs
  - ◆ The costs of policy, campaigning and research which includes the costs in obtaining the research-based information to enable policies to be developed and campaigns to be performed which is research-based
  - ◆ The costs of information, which principally includes the NewGen magazine and branch newsletters
  - ◆ The costs of membership services, which includes the costs of administering membership and supporting the branch and regional network of volunteers and specialist workers
- ◆ Governance costs comprise the costs of governance arrangements, which relate to the general running of the charity and include audit fees, any legal advice for trustees and costs associated with the constitutional and statutory requirements e.g the cost of trustee meetings and preparing statutory accounts

Support costs represent indirect charitable expenditure In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment in a suitable working environment Support costs are apportioned to the other activities on the basis of average number of full time equivalent employees

Office and property related costs are apportioned on the basis of the proportion of the average number of employees utilised by the activity Staff costs are allocated in the same proportion as directly attributable staff costs

### e) **Gifts in kind**

- ◆ Assets donated to the charity for its own use, are included in the incoming resources and resources expended at their market value as at the time of the gift

## Principal Accounting Policies 30 September 2006

- ◆ Items donated to the charity for resale are included within incoming resources when sold and no value is placed on stock of such items at the year-end
- f) Tangible fixed assets**

All assets costing more than £200 and with an expected useful life exceeding one year are capitalised

  - ◆ Functional freehold property  
Freehold properties used for the direct charitable work of the charity are included in these accounts at the valuation in 1998  
Functional freehold properties are depreciated at a rate of 2% per annum on a straight-line basis in order to write the buildings off over their estimated useful economic life to the charity  
Building services are depreciated at a rate of 20% per annum
  - ◆ Other tangible fixed assets  
Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives
    - ◆ Furniture and general office equipment 10% per annum based on cost
    - ◆ Computer and similar equipment 33% per annum based on cost
- g) Fixed asset investments**

Listed equities are included in the accounts at their market value as at the balance sheet date. Investments in subsidiary undertakings are stated at net asset value. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise
- h) Stocks**

Stocks represent goods for resale and are stated at the lower of cost and net realisable value
- i) Fund accounting**

Restricted funds are monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions

The fixed assets fund represents the net book value of the tangible fixed assets used in the day to day operations of the NCT. The value of this fund is not available for working capital

General funds represent those monies, which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects

Non charitable trading funds consist of the retained profits of activities conducted through non-charitable trading subsidiaries
- j) Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term
- k) Branches**

Branch transactions are considered transactions of the charity. Annual returns were received from 328 of the NCT's branches and regions, representing 96% of the total. Estimated results have been included for those branches from which returns had not been received at the date of preparation of the accounts
- l) Pension costs**

The charity as an employer contributes to personal pension plans of its employees. The contributions are set at 5% of gross salary and are available to all employees whose contracts are permanent and who have completed three months service with the charity
- m) Liquid resources**

Liquid resources comprise monies held on short-term deposit with a United Kingdom bank

## Notes to the accounts 30 September 2006

### 1 Grants receivable

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2006 £'000	Total 2005 £'000
<b>GROUP &amp; CHARITY</b>				
Dept of Health - Teenage resource pack	-	-	-	6
Scottish Exec Health Department Scottish worker training	-	6	6	6
Big Lottery Fund Scottish community worker	-	44	44	43
Big Lottery Fund Premature baby project	-	54	54	-
NFPI NW community development	-	67	67	133
Parenting fund NW Development with Sowing Seeds	-	12	12	-
NE Development (Northern Rock Foundation)	-	33	33	-
Grants to local branches	-	122	122	122
Other	-	6	6	3
	-	<b>344</b>	<b>344</b>	<b>313</b>
Sussex Connections Ltd antenatal classes for teenagers	21	-	21	-
West Herts maternity services review	10	-	10	-
Mid Sussex PCT maternity services review	-	-	-	10
Other	29	-	29	-
	<b>60</b>	<b>-</b>	<b>60</b>	<b>10</b>
	<b>60</b>	<b>344</b>	<b>404</b>	<b>323</b>

### 2 Commercial trading operations

The National Childbirth Trust owns the entire called up ordinary share capital of three companies incorporated in the United Kingdom

- ◆ NCT Trading Limited whose principal activities are to promote the work of the National Childbirth Trust, and to generate profit which is then gift-aided to the charity. It now has three divisions: NCT commercial fundraising, which obtains sponsorship of activities and events and undertakes other business activity on behalf of the NCT; NCT Sales (formerly NCT (Maternity Sales) Limited) its principal activity is the sale of maternity and feeding clothes, publications and practical items to expectant and new parents and health professionals, and NCT Publishing, formerly NCT Publishing Ltd, which undertakes the publishing and sale of books and other forms of information.
- ◆ NCT (Maternity Sales) Limited did not trade during the period of these accounts, as its business was transferred to NCT Trading Limited in January 2005.
- ◆ NCT Publishing Limited did not trade during the period of these accounts. The publishing and sale of books is now undertaken and financed by the NCT Publishing division of NCT Trading Ltd.

NCT Trading Limited gift aided its taxable profit to the National Childbirth Trust

A summary of the results of the trading subsidiaries for the year is given below. Audited accounts will be filed with the Registrar of Companies.

	NCT Trading Limited £'000	NCT (Maternity Sales) Limited £'000	NCT Publishing Limited £'000	Total 2006 £'000	Total 2005 £'000
<b>Turnover</b>	1,471	-	-	1,471	1,390
<b>Cost of sales</b>	(783)	-	-	(783)	(732)
<b>Gross profit</b>	688	-	-	688	658
Distribution costs	(149)	-	-	(149)	(140)
Administrative expenses	(492)	-	-	(492)	(375)
Interest payable	-	-	-	-	-
<b>Operating profit</b>	47	-	-	47	143
<b>Amounts Gift Aided to the National Childbirth Trust</b>	(43)	-	-	(43)	(143)
<b>Accumulated profit for year</b>	4	-	-	4	-
<b>Retained in subsidiary</b>	4	-	-	4	-

## Notes to the accounts 30 September 2006

The above figures exclude any consolidation adjustments for inter-group profits/losses, which have been reflected in the statement of financial activities. The accounts figures have been consolidated on a line-by-line basis.

### 3 Fundraising costs of voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2006 £'000	Total 2005 £'000
<b>GROUP</b>				
Central fundraising	45	-	45	49
	<u>45</u>	<u>-</u>	<u>45</u>	<u>49</u>
<b>CHARITY</b>				
Central fundraising	47	-	47	50
	<u>47</u>	<u>-</u>	<u>47</u>	<u>50</u>

### 4 Fundraising costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2006 £'000	Total 2005 £'000
<b>GROUP</b>				
Central fundraising	201	-	201	139
Branch fundraising	356	-	356	414
	<u>557</u>	<u>-</u>	<u>557</u>	<u>553</u>
<b>CHARITY</b>				
Central fundraising	243	-	243	166
Branch fundraising	356	-	356	414
	<u>599</u>	<u>-</u>	<u>599</u>	<u>580</u>

Many of the fundraising events held by the branches of the charity have two objectives: to raise funds for the charity, and also to meet the aims of the charity in terms of providing postnatal support for families. Consequently, this dual role increases the cost, and therefore reduces the profitability, of the events.

The group central fundraising costs are lower than the charity's central fundraising costs, due to the consolidation adjustment included in the consolidated accounts for the time spent by the charity's fundraising team on commercial fundraising through the subsidiary NCT Trading Limited. This was recharged to NCT Trading Limited as a management recharge.

## Notes to the accounts 30 September 2006

### 5 Charitable activities expenditure

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2006 £'000	Total 2005 £'000
<b>GROUP</b>				
Direct services to parents				
- Antenatal	2,440	32	2,472	2,351
- Breastfeeding support	371	52	423	396
- Postnatal	274	189	463	337
- Apportioned costs of office and shared services	72	-	72	74
- Apportioned support costs	271	-	271	235
- Health professional training	47	-	47	35
- Other	1	-	1	3
Sub-total	3,476	273	3,749	3,431
Policy, campaigning and research	454	31	485	507
Information	1,493	9	1,502	1,288
Membership services	383	-	383	387
	<b>5,806</b>	<b>313</b>	<b>6,119</b>	<b>5,613</b>
	Unrestricted Funds £'000	Restricted Funds £'000	Total 2006 £'000	Total 2005 £'000
<b>CHARITY</b>				
Direct services to parents				
- Antenatal	2,440	32	2,472	2,352
- Breastfeeding support	371	52	423	396
- Postnatal	274	189	463	337
- Apportioned costs of office and shared services	72	-	72	74
- Apportioned support costs	280	-	280	243
- Health professional training	47	-	47	35
- Other	1	-	1	3
Sub-total	3,485	273	3,758	3,440
Policy, campaigning and research	459	31	490	515
Information	1,565	9	1,574	1,338
Membership services	388	-	388	393
	<b>5,897</b>	<b>313</b>	<b>6,210</b>	<b>5,686</b>

The group support costs and information costs are lower than the charity's support and information costs, due to the consolidation adjustment included in the consolidated accounts for the time spent by the charity's staff on commercial fundraising and trading through the subsidiary NCT Trading Limited. This was recharged to NCT Trading Limited as a management recharge.



Notes to the accounts 30 September 2006

6 Support cost allocations

GROUP	Fundraising voluntary income £'000	Fundraising £'000	Cost of mat goods sold £'000	Direct Services £'000	Policy, camp and research £'000	Information £'000	Membership services £'000	Governance £'000	Total 2006 £'000	Total 2005 £'000
Staff costs	17	34	-	111	68	122	64	21	437	369
Depreciation	-	1	-	4	2	3	2	1	13	11
Premises and equipment cost	1	1	-	5	3	4	3	1	18	20
Postage, stationary and telephone	-	1	-	3	2	4	2	1	13	23
Irrecoverable VAT	-	1	-	3	1	3	1	-	9	10
Insurance	1	2	-	5	4	7	4	1	24	27
Branch and volunteer communications and admin	3	18	4	121	12	38	11	4	211	191
Other	5	5	-	19	8	18	8	2	65	42
	27	63	4	271	100	199	95	31	790	693
CHARITY										
Staff costs	18	36	-	118	72	130	68	22	464	394
Depreciation	-	1	-	4	2	3	2	1	13	12
Premises and equipment cost	1	1	-	5	3	5	3	1	19	21
Postage, stationary and telephone	-	1	-	3	2	4	2	1	13	24
Irrecoverable VAT	-	1	-	3	1	3	1	-	9	10
Insurance	1	2	-	6	4	7	4	1	25	29
Branch and volunteer communications and admin	3	18	4	121	12	38	11	4	211	191
Other	5	6	-	20	10	19	9	3	72	46
	28	66	4	280	106	209	100	33	826	727

Support costs are allocated in accordance with the accounting policy

## Notes to the accounts 30 September 2006

### 7 Governance

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2006 £'000	Total 2005 £'000
<b>GROUP</b>				
Board	12	-	12	28
Audit fee	19	-	19	19
Apportioned support costs	39	-	39	38
Office and shared services	33	-	33	34
	<u>103</u>	<u>-</u>	<u>103</u>	<u>119</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Total 2006 £'000	Total 2005 £'000
<b>CHARITY</b>				
Board	12	-	12	28
Audit fee	19	-	19	19
Apportioned support costs	41	-	41	39
Office and shared services	33	-	33	34
	<u>105</u>	<u>-</u>	<u>105</u>	<u>120</u>

### 8 Net movement in funds

	2006		2005	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Net movement in funds is stated after charging				
Depreciation of tangible fixed assets	50	46	37	37
Staff costs (excluding agency staff, note 9)	1,617	1,437	1,382	1,315
Auditors' remuneration				
Audit fees	28	17	25	16
Other services	3	2	2	1

### 9 Staff costs and remuneration of the Board of Trustees

	2006 £'000	2005 £'000
<b>GROUP</b>		
Staff costs during the year were as follows		
Wages and salaries	1,470	1,253
Social security costs	123	107
Other pension costs	24	22
	<u>1,617</u>	<u>1,382</u>
Payments to agency staff	67	27
	<u>1,684</u>	<u>1,409</u>
<b>CHARITY</b>		
Staff costs during the year were as follows		
Wages and salaries	1,305	1,191
Social security costs	109	102
Other pension costs	23	22
	<u>1,437</u>	<u>1,315</u>
Payments to agency staff	62	27
	<u>1,499</u>	<u>1,342</u>

## Notes to the accounts 30 September 2006

Staff costs by function were as follows	2006 £'000	2005 £'000
<b>GROUP</b>		
Chantable activities	1,286	1,140
Fundraising	95	111
Commercial Trading operations	303	158
	<u>1,684</u>	<u>1,409</u>
<b>CHARITY</b>		
Chantable activities	1,286	1,140
Fundraising	95	111
Commercial Trading operations	118	91
	<u>1,499</u>	<u>1,342</u>

One employee earned between £70,000 and £80,000 p a (including taxable benefits) during the year (2005 nil) The pension cost for this employee was £4,000 (2005 £3,000)  
No employees earned between £60,000 and £70,000 (2005 one)

The average headcount including part-time staff, analysed by function, was

<b>GROUP AND CHARITY</b>	<b>Number</b>	<b>Number</b>
Chantable activities	60.7	52.9
Fundraising voluntary income	1.0	1.0
Fundraising	4.5	3.4
Commercial trading operations	13.3	5.3
	<u>78.5</u>	<u>72.0</u>

The average number of full time equivalents, analysed by function was

<b>GROUP AND CHARITY</b>	<b>FTEs</b>	<b>FTEs</b>
Chantable activities	44.8	40.9
Fundraising voluntary income	0.3	0.3
Fundraising	3.4	3.0
Commercial trading operations	10.2	3.8
	<u>58.7</u>	<u>48.0</u>

Expenses were reimbursed to 14 (2005 18) members of the Board of Trustees during the year. Their expenses amounted to £7,000 (2005 £12,000) in respect of expenses incurred as a trustee in attending board and related meetings and for regional and branch support and for attending trading company meetings.

Three trustees (2005 6) were paid £7,000 fees and £2,000 expenses were reimbursed for services provided as tutors, teachers, counsellors, and similar services provided at arms' length. No member of the Board of Trustees had any beneficial interest in any other contract with the charity or its wholly owned subsidiaries during the year.

Details of individual payments may be obtained from the charity's registered office on request.

No member of the Board of Trustees received any remuneration in respect of their services as trustees during the year (2005 £nil).

### Indemnity Insurance

During the year, the charity renewed the insurance to protect the charity from loss arising from any wrongful act of any Trustee to indemnify any trustee against the consequences of any wrongful act on their part. The total cover provided by such insurance is £5 million and the total premium paid in respect of such insurance was £4,000 (2005 £3,000).