



The National Childbirth Trust

Report and Accounts

30 September 2007



Contents

Pages	1	Introduction
	2 – 13	Report of the Board of Trustees
	14	Report of the auditors
		Accounts comprising
	15	Consolidated statement of financial activities
	16	Balance sheets
	17	Consolidated cash flow statement
	18 – 19	Principal accounting policies
	20 – 29	Notes to the financial statements
	30	Reference and administrative information

Report of the Board of Trustees 30 September 2007

CHAIR'S REPORT

Introduction by chair

After two years of developing a strategy and working through implementation plans, the NCT charity has taken the first steps in a major reorganisation to better fit us to deliver our vision. We want all parents to have a life enhancing experience of pregnancy, birth and early parenthood.

I would like to thank all those who funded the charity as members, purchasers of services, fundraisers, donors, sponsors or advertisers. I am very grateful to all those thousands of volunteers who dedicated their time to making a difference for parents, those who have recently qualified as NCT specialist workers and those who trained them, those in the staff and senior volunteer teams who led the day to day work and planned the changes to the charity and my fellow trustees who have steered the charity through this exciting but challenging start to making us fit for a much bigger role in the future.

Alison Radevsky
Chair of the Board of Trustees

CHIEF EXECUTIVE'S REPORT

This year has been one of re-organisation and increasing the charity's capacity to make a difference for parents in the UK and Islands.

Each year just over 300,000 babies are born to first-time parents and just over 400,000 are born to parents who already have another child. It is the NCT's job to help make becoming a parent a life enhancing experience.

The NCT reached its 50th birthday in 2005/6 and to make sure the charity continues to be relevant and effective for our next 50 years we have been changing. To make the difference we want to make in the UK, we have to be able to provide support and information for many more parents. We need to be even more effective at reaching across all social classes, ages, cultures and religions and bringing our services to those who are disabled, those who are excluded or disadvantaged.

We have to increase our capacity and we have to be able to fund what we do. Much of the work we have done this year to improve the capacity and infrastructure of the charity has affected every member of staff, self-employed worker, volunteer and member. Alongside this year of reorganisation, we have still delivered services to thousands of parents and reached hundreds of thousands with information. We have lobbied and campaigned with success and finish the year with a number of new policies in place across the UK, which are in line with what the charity set out to achieve for parents. Our focus is on improving the birth experiences of women and the opportunity they have to choose to breastfeed and be supported in their decision. We provide new information for parents each year - much of which is now available directly on our website or available free-of-charge in *Bumps and Babies* magazine distributed via the NHS, our high-rated Pregnancy and Birth Line and Breastfeeding Line are now open longer hours and are reaching more parents, and face-to-face services (antenatal classes, drop-in groups, postnatal courses and breastfeeding counselling services) enable parents to feel more confident as parents.

I am proud to be the CEO of this charity. It has been remarkable to see how readily the volunteers, specialist workers and staff have taken on the challenge of revising all our major systems and structures, in order to be ready for the future. We have made a difference for parents over our first 50 years and now we are nearly ready to make even more of a difference for even more parents over the next 50.

Report of the Board of Trustees 30 September 2007

TRUSTEES' REPORT

The NCT's vision is

That all parents have an experience of pregnancy, birth and early parenthood that enriches their lives, and gives them confidence in being a parent

The NCT

- Offers information and support in pregnancy, childbirth and early parenthood
- Campaigns to improve maternity care and ensure better services and facilities for new parents
- Aims to give every parent the chance to make informed choices
- Wants to make sure that everyone has access to our services and activities

In 2006/7 the NCT planned to work

- For women to feel supported to give birth with confidence and dignity, and with every opportunity to experience a straightforward birth
- For women to feel comfortable, confident and supported to breastfeed
- For women and men to feel prepared and supported to become confident, caring parents
- To provide parent-centred evidence based information to enable parents to make choices
- To provide services for parents and parents-to-be

In order to do this the charity

- Started the re-organization of the way its services to parents were delivered
- Offered tutors employment contracts and set up an education department in order to increase the charity's capacity to train more specialist workers
- Purchased and started the implementation of a new charity wide contact data base and linked IT systems such as new accounting system and branch web based finance system
- Set up a campaigns team to work along side and complement the work of the policy research team
- Re developed and re-launched the website to improve its accessibility, information contents and our ability to increase the amount of content
- Reviewed and started the process of improving the charity's governance system
- Carried out the planning work to re brand and re position the charity as one relevant to all those in the transition to parenthood

Report of the Board of Trustees 30 September 2007

Achievements and performance during 2006/7

Our approach this year has been primarily to build our capacity in order to provide services for more parents and parents-to-be and to strengthen our ability to provide information and campaign for change. We have also started the work to create a more effective governance system and to reposition the charity in the eyes of beneficiaries so more parents are attracted to seek support and we are better able to fundraise and generate income for our work.

The end of this financial year marks the halfway point of the process of improving the charity's capacity to reach more parents. By the time this report is being read the charity will look different and be much more ready to meet the needs of those becoming parents in the next decade. We have restructured the way we provide services, providing a more organised and fair system for our trained workers and focused and professional administrative arrangements for parents. This has freed our volunteers and branches to provide more for parents in their locality. We have replaced our database and a number of other systems and strengthened our IT infrastructure. We have reorganised our education function and created a new employed team headed by an education manager and increased our capacity to train new workers. We have undertaken a review of governance arrangements and have a plan to implement the agreed changes. We have carried out the research and planning work to develop a new website and a new look for the charity which was launched in 2008 as part of our repositioning.

As well as the work on capacity building the NCT has continued to deliver services, provide information and campaign for change.

Services, information and support

The NCT makes a difference for parents through

- The information we provide in printed and electronic form,
- Services provided by trained workers,
- Help-lines staffed by trained workers or staff,
- Volunteers working in branches, providing postnatal social support networks, and
- Information and training for those who work with parents

In the year we sent out 600,000 free copies of Bumps and Babies magazines, which included 360,000 DVDs on preparation for birth.

We sent out almost 200,000 information sheets and approximately 13,000 booklets. We published 2 new information sheets, updated five booklets and published a new book. There were 532,000 visits to the information pages on our website and our volunteers answered 244 questions on the website.

We helped 55,035 individual parents in NCT antenatal courses and drop-ins and 6,700 in Early Days postnatal courses and drop-ins. Of these 40% were men, 10% were from minority ethnic groups, 4% were on low incomes and 2% were very young parents aged 20 or under. We provided breastfeeding information and support to 36,500 expectant parents in breastfeeding classes and drop-ins. We reached approximately 20% of all first time parents through services provided by trained specialist workers.

During the first 9 months of 2007, there were 32,654 direct calls made to the Breastfeeding Line. 45% were first time callers. A call lasted on average 11 minutes. The Breastfeeding Counsellors also answered another approximately 2,700 messages over the same period.

For the period 1 October 06 - 30 September 07 we had 2,609 calls to our new Pregnancy and Birth Line. Most of the calls are made by pregnant women, at all stages of pregnancy, or parents of babies younger than 3 months. Compared with the previous year, there has been an increase to 18% in calls from people of Asian or Black ethnic background and those whose main language is not English. The main topics of discussion were pregnancy-related health questions, antenatal classes and birth options.

Report of the Board of Trustees 30 September 2007

In addition to their NCT roles an increasing number of our trained specialist workers undertake paid and voluntary work with parents in partnership with other organisations. This includes work with parents in Children's Centres and the NHS including the provision of courses and drop ins and the training of peer supporters. Some antenatal teachers work with expectant mothers in the Prison Service (e.g. Styal and Holloway prisons) or with parents from ethnic minority groups in charities such as Wai Yin charity for Chinese women in Manchester.

This year 62 new antenatal teachers, 8 Breastfeeding Counsellors and 2 postnatal leaders, 72 Specialist workers in all qualified, taking the total number of trained workers to 745.

We have trained 32 Breastfeeding Peer Support Trainers and 16 Mother groups are being established to train mothers to be peer supporters.

Using our development workers based in Scotland, NE England, NW England and Wales, we have run events and workshops provided information and developed partnerships with other organisations in order to make NCT services and support known to and used by many more people.

We have provided training for 700 healthcare and children's centre workers through our ConNeCT and VOICES workshops. These workers have then used what they have learned with parents using their own organisations.

Birth

Much of our work aims to enable women to feel supported to give birth with confidence and dignity, and with every opportunity to experience a straightforward birth. Most women want to have a straightforward, normal birth that leaves them, and their baby, physically and mentally whole and healthy.

We aim for women to feel supported to give birth with confidence and dignity, and with every opportunity to experience a vaginal birth. We made a major contribution to the development and implementation of *Maternity Matters* in England, and the audit of the *Clinical Standards for Maternity Services* in Scotland. We work to ensure that women all over the UK are offered choice of place of birth, and that all places of birth meet the standards requested by women. We aim to ensure all women have a midwife with them throughout labour. We work with all UK governments to ensure that women receive every support necessary to initiate and continue breastfeeding. We campaign for the provision of impartial information on feeding for all women and the removal of legislative loop-holes which allow commercially biased advertising of infant formula to parents. We aim to improve the experiences of new parents by working with governments to improve supports for new parents and those planning for parenthood.

NCT has helped to make these changes by

- Working with assemblies and government and relevant maternity organisations in England, Northern Ireland, Scotland and Wales on the development of their policies and implementation plans,
- Chairing and servicing the multi-disciplinary Maternity Care Working Party (MCWP) - MCWP members worked together to develop a consensus statement on normal birth in 2007,
- Providing the secretariat to the All Party Parliamentary Group on Maternity which brings together a range of Peers and Members of Parliament and facilitates keeping maternity issues on the agenda in the political process,
- Working with NICE on the development of Intrapartum Care Guideline,
- Campaigning for increased rates of normal birth, focussing on making sure women have one-to-one care from a midwife, choice of place of birth, including real access to home birth and the option to use a midwife-led unit as well as access to a well-facilitated local hospital unit,
- Promoting 'better birth environments' that meet the needs of women and their partners during labour and birth, through the promotion of resources and materials, to allow maternity services providers to audit and therefore improve their own provision,
- Celebrating good practice in England through the provision of Maternity Services Awards annually,
- Being present on almost all the Maternity Services Liaison Committees (MSLCs) in the UK and influencing local policy and practice, and

Report of the Board of Trustees 30 September 2007

- Providing training for 20 people sitting on MSLCs and supporting our network of local branches to campaign and challenge for change in their local area across the range of issues affecting local parents regarding their pregnancy, baby-feeding and early parenthood choices

As a result of our work

- More attention is being paid to making sure that women from all backgrounds have appropriate care, with additional attention being given to services for disadvantaged groups to ensure they are not overlooked by the system
- Normal birth rates in England are now rising and the increase in caesarean rates has slowed down
- Home birth rates are rising
- Government policy in all four countries of the UK has now recognised to a greater or lesser extent the need to give control back to women by making sure they are offered choice and evidence based information with which to make decisions
- The need to value normal birth is beginning to be recognised, together with the need for strong, clear midwifery leadership to facilitate opportunities to move around freely during labour, use a birthing pool, enjoy comfort and privacy and feel well supported, as the following extracts from government reports illustrate

"For the majority of women, pregnancy and childbirth are normal life events requiring minimal intervention. These women may choose to have midwifery-led care, including a home birth" (Department of Health, 2004)

"Birth environments (should be) regularly audited to ensure they optimise normality, privacy and dignity during labour and birth for the mother and birth partner(s)" (Welsh Assembly Government, 2005)

"Studies have shown that women who are supported during labour need to have fewer pain killers, experience fewer interventions and give birth to stronger babies. After their babies are born, supported women feel better about themselves, their labour and their babies" (NHS Quality Improvement Scotland, 2005)

In Northern Ireland policies are more medicalised and focus less on a social model of care. In 2002 there was a policy to develop midwife-led care.

"The development of midwife-led maternity units will be encouraged alongside consultant-led units, and two stand-alone midwife led units will also be piloted" (Northern Ireland Department of Health SsaPS, 2002)

However, there was no discussion about midwife-led units in the Audit of Acute Maternity Services, in Northern Ireland (2006), demonstrating the lack of a specific focus on promoting normality.

Baby Feeding

According to the 1995 Infant feeding survey, before birth, 70% of mothers in the UK intended to breastfeed their baby. However, only 45% of all mothers in the UK were exclusively breastfeeding at one week, 21% of all mothers were exclusively breastfeeding at six weeks and at six months the number of mothers breastfeeding exclusively was negligible at <1%.

This is largely as a result of lack of support, information and familiarity with breastfeeding. We champion the right of all women to breastfeed for as long as they wish and to be supported to do so wherever they are. The NCT has worked towards eliminating the barriers to breastfeeding and to enable women to feel comfortable, confident and supported to breastfeed by

- Campaigning and lobbying for women to be able to breastfeed while out and about in the UK without fear of being harassed. In Scotland this protection has been available since 2005
- Running the NCT Booby Prize, which rewards good practice and highlights poor practice
- Taking a leading role in promoting breastfeeding and the need for support during Breastfeeding Awareness Week
- Taking a leading role in setting up the Breastfeeding Manifesto Coalition and working as an active member of the Baby Feeding Law Group

Report of the Board of Trustees 30 September 2007

- Working to strengthen the legislation on promotion of formula to ensure formula feeding and breastfeeding mothers are given correct information instead of being subject to commercial pressure over their feeding decision

As a result of our work

- There is new strengthened legislation on formula promotion about to be taken through the Westminster parliament,
- There is a proposal for a law in England to protect mothers who breastfeed in public,
- Breastfeeding rates are rising slowly, and
- The Baby Friendly Initiative (a UNICEF programme) is gradually spreading to hospitals across the UK and the postnatal NICE guidelines ask hospitals to become Baby Friendly

Branches- support and friendship networks

This year the NCT has continued to work for women and their partners to feel prepared and supported to become confident, caring parents. Becoming a parent can be a very isolating experience. The NCT makes a difference for parents by bringing them together so they can support each other during the early months and years. Many people remain life-long friends with the people they met through the NCT. This year, we adopted the phrase "Branches are the local face of the NCT" to sum up the work they do to enable parents to get together – they provide a varied programme of Fun and Accessible events and are Caring and Encouraging to new parents.

Estimates indicate that around 300,000 parents or parents-to-be attend NCT activities across the UK. Branches run regular Bumps and Babies groups and open houses, Speed Bumps for expectant parents to get to know one another earlier in pregnancy, book groups, and other social get-togethers in every possible venue, from the pub to the park, for mums, dads, babies, toddlers and the whole family. Many more parents are in touch with each other online through NCT e groups. Approximately 250,000 local newsletters are produced to enable parents to find events suitable for them. The NCT website is being developed to enable parents to search for activities near them. The branch network covers every postcode in the UK.

Each branch is run by volunteers, supported by volunteer regional teams. The NCT has about 10,000 volunteers working across the UK to make a difference for parents through mutual support and through fundraising for all the charity's work.

Funding our work

The NCT is funded from the following sources

- The donation to the charity our members make by becoming and continuing to be members
- The fundraising efforts of the branches and UK office
- The income generated by our trading company
- The income generated from some of our services and information
- Grants from trust, statutory and lottery bodies

This year we have restructured our fundraising team and added a Fundraising Director to the management team. We have restructured and strengthened the membership function, which is now reporting to the Fundraising Director. We have increased the investment in our trading company in order to improve the potential for future profits and we have moved to the UK office the responsibility of managing our trained workers, freeing branches to fundraise more effectively and provide more support for local parents.

The UKO fundraising team supports branch fundraising, raises the trading company commercial income, and also raises some charitable fundraising through the raffle, and sponsored events such as the London marathon.

The branch fundraising, which comprises a variety of different events, but of which the nearly new sales of baby clothes or equipment are the most significant type of event both in terms of frequency and income generated, raised £887K profit an increase of 10% on the prior year, although slightly below the target of £907K.

Report of the Board of Trustees 30 September 2007

The UKO charitable fundraising events income was £53K compared to the target of £104K. The commercial fundraising income was £256K compared to the targeted £498K. The shortfall was due to the impact of the delay in recruiting and expanding the fundraising team and vacancies during the year.

Amongst many others, we would wish to thank the following companies for their support

Amber Medical
Bodyclock Health Care Ltd
Britax
Clarion Communications
Ford
Gap
Jaguar
John Lewis
Ketchum
Ocado
Philips
Procter & Gamble
The Sanctuary
Unilever (Persil Non-Bio and Comfort Pure)
Vitabiotics

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

- Big Lottery Fund (formerly community fund) Scottish Community Development worker (final year, £11,000 of a £130,000 grant) and POPPY Parents of Premature babies Project (second year, £77,000 of a £212,000 grant)
- Parenting Fund North West Development with Sowing Seeds (second year, £56,000 of £115,000 grant)
- Northern Rock Foundation NE Development (second year, £33,000 of £66,000 grant)
- Department of Health Breastfeeding peer support (£19,000)
- Welsh Council for Voluntary Action
- Scottish Executive Health Department
- HSBC Matched Funding
- Barclays Matched Funding
- Awards for All
- Parish councils
- Town councils
- Round Table
- Rotary Club

We would like to thank the Royal College of Midwives for providing a venue and refreshments for the Maternity Care Working Party Meetings

Plans for the Future

This year we plan to complete three of the capacity building projects. Phase two of the website redevelopment, the launch of the new charity logo and the completion of the roll out for the new way our parent services are organised. We will also progress the governance changes and incorporate the last major separate NCT database into the new NCT database in this year.

As the period of rapid change slows we will then start to stabilise and strengthen the charity. We will review our financial systems and progress the implementation of our IT strategy. We will review and replace or build systems and procedures based on policies in line with strategy. We will work to assess and strengthen the staff and volunteer team.

We will work to get onto a sound footing so we are able to return to holding 3 months reserves over the next 3 years.

Report of the Board of Trustees 30 September 2007

Using our new logo and restructured services and improved capacity we will start to re-position the charity as supporting the transition to parenthood and being relevant to all parents

We will also aim to increase involvement in the charity through enhancing our communication with potential and existing members integrated marketing activity that cross promotes NCT products and services, greater attendance at NCT branch support and fundraising events, more people using NCT services face to face, via the telephone or over the web, directly from NCT workers or volunteers or indirectly via the other public services. We will seek more activists to work on campaigning and parent representation. We will start to build our volunteer base. We will add 100 more qualified workers

The major changes the charity has seen were the result of strategic thinking carried out 5 years ago. This year we will start the process of revising and updating the NCT strategic plan

We will be developing a range of support and structures to ensure that we maximize opportunities for campaigning for change evenly across the 4 countries of the UK and across the range of issues affecting parents. To this end we will be developing internal advisory groups drawn from across our membership and staff which will identify opportunities for change and will develop plans and supports to assist local NCT members and branches across the UK to achieve change. We will also develop a network of activists to provide a core base of people who can campaign and engage with local and national policymakers and service providers to ensure that every opportunity to achieve change is utilized fully to the benefit of the NCT's strategic goals and our membership. This will involve developing resources to provide for consistency of skills and knowledge across our membership and across the UK

Our campaigning programme will expand to actively campaign for a change in the laws across the UK to provide protection and greater support for women breastfeeding their babies when out and about and legislative changes to provide for greater support and rights for breastfeeding mothers returning to paid employment outside the home. Additionally we will campaign with partner organisations across the family and parenting sector to ensure that parents have access to only good quality advice and information on childcare and parenting via TV programmes, challenging poor quality TV programming and leading the way in developing standards for responsible programming ensuring that the needs and wishes of parents are forefront in the minds of TV programme makers and broadcasters. Using opportunities afforded us from campaigning work on birth and pregnancy, we will continue to lobby and push for change to ensure that women have access to choice in the type of antenatal, intrapartum and postnatal care they receive from maternity services across the UK

We will continue to work wherever possible in coalition and partnership with other organisations across the UK to add value and the unique contribution of the NCT

Report of the Board of Trustees 30 September 2007

Financial review

This year the charity has made a major investment in new systems and structures designed to increase our capacity for the future. As a result the NCT incurred a deficit of £220K on a group basis. Reserves have, therefore, fallen below the three-month target minimum level to 2 months of projected annual expenditure. This is the first deficit in 7 years. This is a planned deficit coming after the restoration of the NCT's reserves to provide a secure base from which to develop and grow to meet the charity's beneficiaries' needs in the future.

Total incoming resources increased from £8.6m in 2005/6 to £9.6m in 2006/7, an increase of £1m, (12%). The increase was principally due to the increase in income from courses and conferences (which principally relates to antenatal classes) from £3.3m in 2005/6 to £4.0m in 2006/7 a growth of £700K, 21%. Commercial trading operations income (which relates to the sales of the trading company) increased by 6%, £88K from £1,468K in 2005/6 to £1,556K in 2006/7.

Total resources expended increased from £8.3m in 2006/7 to £9.9m in 2007/8, an increase of £1.6m, (20%). The increase was principally due to the increase in expenditure for services for parents of £905K, 24% to £4.7m. This reflects the higher volume of services provided and also the investment in the training of new NCT specialist workers to increase the NCT's capacity in the future. Commercial trading operations expenditure increased by £145K, from £1.4m, to £1.6m, 10% partly due to the higher sales and partly due to investing in professionalizing the trading company. The investment in the trading company and the restructuring and vacancies in the fundraising team, resulted in a loss of £33K being incurred by the Trading company. However, it is expected to return to profit in 2007/8. Expenditure on information increased by £378K, 25% from £1.5m to £1.9m, due to the NCT funded publication Bumps and Babies and the first phase of redeveloping the NCT website.

2007/8 will also be a year of investment and during this year the charity will need to start the process of rebuilding the reserves. The charity will continue to pursue a growth strategy in order to generate the income levels necessary to fund work to meet our aims and objectives.

Reserves policy

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 £3,200K, equivalent to three months projected annual expenditure on unrestricted funds at any one time. The Board of Trustees is of the opinion that this would provide 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 £2,907K. These funds include £308K which is restricted. These monies have been raised for, and their use is restricted to 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 financial statements 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 2007 totalled £2,137K and represent 'free reserves'.

The 'free reserves' are below 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 so that in future they reach and remain at least at the level of three months' expenditure, by continuing the growth strategy and careful control of costs.

Report of the Board of Trustees 30 September 2007

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements

Structure, Governance and Management

NCT (the National Childbirth Trust) is a registered charity. It is a company limited by guarantee governed by its Memorandum and Articles of Association, as last amended on 1 July 2006

NCT is governed by a Board of Trustees who are the directors of the charity for the purposes of the Companies Act. The names of Trustees at the date at which the accounts were approved are given on page 30

The charity is a membership charity organised locally in branches made of members many of whom volunteer to carry out the work of the charity. Staff are based at the UK office in London or in Glasgow

Recruitment and appointment of Trustees

The Board of Trustees may have up to 21 Trustees, up to 12 of whom are UK Trustees and 8 are regional Trustees. The charity's President is also a Trustee. Trustees must be members of the charity and are elected at the members' Annual General Meeting. Any member may stand for election as a Trustee with the support of at least two other members. In addition members standing as regional Trustees must be resident within their region and have served the charity at regional level. Prior to each AGM nominations are sought from members to fill available vacancies, which are also advertised externally on volunteering websites. The Board may co-opt Trustees during the year to fill vacancies, Trustees thereby appointed must stand for election by the membership at the following AGM. Trustees are elected for a term of three years (five years for the President) and may serve for two successive terms

Induction and training of Trustees

Induction for new Trustees consists of

- An introductory session with existing Trustees and key members of staff as part of the Board's annual Training Day,
- Comprehensive written briefing about Trustee responsibilities, the work of the Board and the charity's strategy and policies, and
- Mentoring of new Trustees by existing Trustees through a "buddy" system

The Board monitors the mix of skills amongst Trustees to ensure that as far as possible these meet the charity's current and forecast needs. Training is provided during the year for all Trustees as required on topics relevant to the Board's current work. Trustees also attend external events and conferences

Organisation

The Board of Trustees

The Board of Trustees is ultimately responsible for running the charity to ensure that it acts in the best interests of all parents, who are the charity's beneficiaries. Trustees

- Approve the charity's strategy and future direction, following advice from the charity's staff, and after consultation and discussion with the charity's stakeholders
- Set the right policy and financial framework for the charity's staff, volunteers, specialist workers, contractors and others, so that they can work together effectively to achieve the charity's aims
- Ensure the charity complies with the law
- Safeguard the charity's assets

Report of the Board of Trustees 30 September 2007

The Board of Trustees sets the strategic, policy and financial framework for the charity and has the responsibility for its overall direction and control. Authority for the management of the charity within that framework is delegated to the Chief Executive, supported by the Senior Management Team. The Senior Management Team comprises senior staff who support the Chief Executive in meeting her responsibilities. Together they formulate strategy and policy for the Board's approval, ensure its delivery and oversee the day-to-day operation of the charity. A list of the members of the Senior Management Team at the date at which the report was approved is given on page 30.

Board Committees

During 2006/7, the work of the Board was supported by five Committees, as follows:

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

The Committees cover all aspects of NCT's work. Special Interest Panels, Regional Committees and through them, Branch Committees, report to the Board. Board Committees work closely with relevant departments at UK Office. Board Trustees chair all Board Committees and other Trustees are expected to contribute to the work of at least one Committee. Regional Trustees sit on their regional Committees.

As we reported last year, during 2006 and 2007 the charity has undertaken a review of its governance arrangements. The Board approved the Review Group's recommendations in June 2007 and at time of writing we are in a period of transition from previous to new arrangements.

When the new arrangements are fully implemented, the Board of Trustees will be supported in its work by four new Committees:

- Audit and Risk
- Remuneration
- Nominations and Governance
- Impact

New arrangements are also being put in place to involve internal and external stakeholders in decision-making, across the charity's work.

Other changes which require amendments to current governing documents are expected to be put to members for their approval at the 2008 AGM.

Key Relationships

The charity wholly owns one active trading company, NCT Trading Ltd, which gift aids its profits directly to the charity. The Board of NCT Trading Ltd is responsible for its activities, which include NCT Sales, which offers goods for sale to the general public and to health professionals through mail and internet order, commercial fundraising, which manages all sponsorship and advertising relationships, conferences for health professionals, and NCT Publishing.

Report of the Board of Trustees 30 September 2007

The charity works with many external organisations at national level in the four countries of the UK to pursue its charitable aims and objectives. For example, it

- Is a member of the Breastfeeding Manifesto Coalition, which brings together more than thirty organisations working to improve awareness of the health benefits of breastfeeding and its role in reducing health inequalities
- Is represented with other user organisations and professional bodies on the Board of the National Collaborating Centre for Women & Children's Health, which develops evidence-based guidelines for the NHS in England & Wales
- Supports and participates in the Maternity Care Working Party, an independent, multi-disciplinary body involving user organisations and professional bodies which campaigns for improvements in maternity care across the UK
- Supports and services the All-Party Parliamentary Group on Maternity in the Westminster Parliament

Locally, NCT works in partnership with a wide range of voluntary and other organisations, to improve services for parents and provide them with the support they need

Risk management

Last year, the Trustees undertook a process to identify significant potential risks. Such risks are those which are likely to occur, and which would have a severe impact on the charity's ability to achieve its aims and objectives, or severely damage the charity's reputation and standing. The principal areas of risks identified were employment, reputation and volunteer management. This year the Board has concentrated on ensuring that the significant risks identified are being managed effectively. The new Audit and Risk Committee will have a particular focus on ensuring that effective risk management systems and processes are embedded within the charity's work.

Trustee benefits

Under the terms of its Memorandum of Association the charity is enabled to pay Trustees for the provision of services to achieve its objects, subject to certain safeguards. Three Trustees (2006 three) were paid a total of £5,000 fees (2006 £5000) and £1,000 expenses (2006 £2000) for services provided as tutors, teachers, counsellors and other similar services. 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 in relation to 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 £8,000 during the year (2006 £7000).

Trustees' liability insurance has been purchased by the charity at a cost of £2,000 (2006 - £4,000) as permitted by the Charity Commission and the Memorandum of Association.

Statement of the Board's responsibilities as Trustees

The Companies Act 1985 requires the members of the Board of Trustees, who are directors for the purposes of the Act, to prepare a report and financial statements 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 financial statements we follow best practice and

- Select suitable accounting policies and apply them consistently except where changes have arisen from the adoption of new accounting standards in the year
- Make judgements and estimates that are reasonable and prudent
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements
- Prepare them on a going-concern basis unless it is inappropriate to presume that the charity will continue in operation

The Board of Trustees is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and its subsidiaries and for ensuring 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.

Report of the Board of Trustees 30 September 2007

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 based on a survey carried out in the previous financial year. We have no reason to believe this has materially changed.

Equal Opportunities

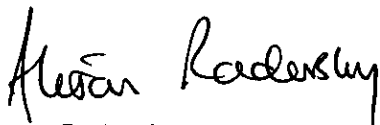
The charity operates an Equal Opportunities Policy. The following statement formalises the position and takes account of the progress already made and experience gained.

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 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

During the year Buzzacotts resigned as auditors and Kingston Smith LLP were appointed in their place. Kingston Smith LLP have expressed their willingness to continue in office, and 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



Alison Radevsky
Chairman
31 March 2008

Report of the Auditors 30 September 2007

Report of the Independent auditors to the members of The National Childbirth Trust

We have audited the financial statements which comprise the consolidated Statement of Financial Activities, the consolidated and charity Balance Sheets, the consolidated Cash Flow Statement and the related notes. The financial statements 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 in accordance with the accounting policies set out therein.

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 addressed to them 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 12, 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted accounting practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the report of the Board of Trustees is consistent with the financial statements. In addition we report to you if, in our opinion, 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 the other information contained in the report of the Board of Trustees and consider whether it is consistent with the audited financial statements. The other information comprises only the reports of the Chair and the Chief Executive. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Board of Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 30 September 2007 and of the incoming resources and application of resources, including the income and expenditure of the group in the year then ended,
- The financial statements 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 financial statements.

Kingston Smith LLP

Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

21 May 2008

The National Childbirth Trust

Consolidated statement of financial activities for the year ended 30 September 2007

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2007 £'000	Total 2006 £'000
Income and Expenditure					
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
• Donations		130	3	133	112
• Grants receivable	1	9	393	402	344
		<u>139</u>	<u>396</u>	<u>535</u>	<u>456</u>
Activities for generating funds					
• Fundraising activities		1,311	-	1,311	1,228
• Commercial trading operations		1,556	-	1,556	1,468
• Advertising in branch newsletters		384	-	384	411
• Other income receivable		21	-	21	40
• Interest receivable		200	-	200	128
		<u>3,472</u>	<u>-</u>	<u>3,472</u>	<u>3,275</u>
Incoming resources from charitable activities					
• Fees from courses and conferences		3,973	-	3,973	3,273
• Grants receivable	1	28	-	28	60
• Membership subscriptions		1,492	-	1,492	1,422
• Other income receivable		153	-	153	134
		<u>5,646</u>	<u>-</u>	<u>5,646</u>	<u>4,889</u>
Total incoming resources		<u>9,257</u>	<u>396</u>	<u>9,653</u>	<u>8,620</u>
Resources expended					
Costs of generating funds					
• Fundraising costs of voluntary income	3	24	5	29	45
Activities for generating funds					
• Fundraising costs	4	660	-	660	557
• Commercial trading operations		1,572	-	1,572	1,427
		<u>2,256</u>	<u>5</u>	<u>2,261</u>	<u>2,029</u>
Charitable activities					
• Direct services to parents	5	4,373	281	4,654	3,749
• Policy, campaigning and research		501	85	586	485
• Information		1,869	11	1,880	1,502
• Membership services		352	-	352	383
		<u>7,095</u>	<u>377</u>	<u>7,472</u>	<u>6,119</u>
Governance costs	7	145	-	145	103
Total resources expended		<u>9,496</u>	<u>382</u>	<u>9,878</u>	<u>8,251</u>
Net incoming/(outgoing) resources/net income for the year before other recognised gains and losses					
		(239)	14	(225)	369
Net gain/ (losses) on investment assets		5	-	5	(4)
Net movement in funds	8	<u>(234)</u>	<u>14</u>	<u>(220)</u>	<u>365</u>
Reconciliation of funds					
Funds brought forward at 1 October 2006		2,833	294	3,127	2,762
Funds carried forward at 30 September 2007		<u>2,599</u>	<u>308</u>	<u>2,907</u>	<u>3,127</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	(220)	365
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	(5)	(5)
Net unrealised (gains)/losses on investments	<u>(5)</u>	<u>4</u>
Historical cost net movement in funds	<u>(230)</u>	<u>364</u>

Balance Sheets as at 30 September 2007

	Notes	2007		2006	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Fixed assets					
Tangible assets	10	462	453	457	439
Investments	11	-	-	7	7
		<u>462</u>	<u>453</u>	<u>464</u>	<u>446</u>
Current assets					
Stocks		243	41	175	48
Debtors	12	535	715	816	902
Short term deposits		1,800	1,800	1,800	1,800
Cash at bank and in hand		2,336	2,269	1,958	1,752
		<u>4,914</u>	<u>4,825</u>	<u>4,749</u>	<u>4,502</u>
Creditors					
Amounts falling due within one year	13	2,469	2,319	2,086	1,804
		<u>2,445</u>	<u>2,506</u>	<u>2,663</u>	<u>2,698</u>
Net current assets					
		<u>2,445</u>	<u>2,506</u>	<u>2,663</u>	<u>2,698</u>
Total net assets		<u><u>2,907</u></u>	<u><u>2,959</u></u>	<u><u>3,127</u></u>	<u><u>3,144</u></u>
Fund balances					
Charitable funds					
Restricted funds	14	308	308	294	294
Unrestricted funds	15				
General funds		2,165	2,198	2,372	2,411
Fixed asset fund		462	453	457	439
		<u>2,627</u>	<u>2,651</u>	<u>2,829</u>	<u>2,850</u>
Non-charitable trading funds		(28)	-	4	-
		<u><u>2,907</u></u>	<u><u>2,959</u></u>	<u><u>3,127</u></u>	<u><u>3,144</u></u>

Approved by the Board of Trustees and authorised for issue on 31 March 2008



Alison Radevsky, Chairman

Consolidated cash flow statement for the year ended 30 September 2007

	Notes	2007 £'000	2006 £'000
Consolidated inflow from operating activities	(a)	238	439
Returns on investments and servicing of finance			
Interest received		203	125
Capital expenditure			
Payments to acquire tangible fixed assets		(75)	(140)
		<u>366</u>	<u>424</u>
Management of liquid resources			
Proceeds on sale of investments		12	-
Increase in short term deposits		-	(200)
Increase/ (decrease) in cash	(b)	<u>378</u>	<u>224</u>

Notes to the cash flow statement

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

	2007 £'000	2006 £'000
Net movement in funds	(220)	365
Depreciation charge	70	50
Net (gain)/loss on investments	(5)	4
Interest receivable	(200)	(128)
(Increase) in stocks	(68)	(26)
Decrease/ (Increase) in debtors	278	(295)
Increase in creditors	383	469
Net cash inflow from operating activities	<u>238</u>	<u>439</u>

(b) Analysis of changes in net funds

	At 1 October 2006 £'000	Cash flow £'000	At 30 September 2007 £'000
Cash at bank and in hand	1,958	378	2,336
Liquid resources	1,800	-	1,800
	<u>3,758</u>	<u>378</u>	<u>4,136</u>

Principal Accounting Policies

a) **Basis of accounting**

The financial statements 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 financial statements

b) **Basis of consolidation**

The statement of financial activities and balance sheet consolidate the financial statements of the charity and all its subsidiary undertakings made up to the balance sheet date. The charity has taken advantage of the exemption in section 230 Companies Act 1985 and paragraph 397 of SORP 2005 from the requirement to present a parent company Statement of Financial Activities

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 fulfill 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. Therefore, a proportion of the membership fees are deferred into the future accounting period(s) depending on the period of membership. 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 with reasonable certainty. 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. 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. There is no meaningful way of apportioning the costs of branch fundraising events between fundraising costs and charitable activities
- ♦ 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 and early days classes and related teachers' fees, venue costs and class materials, the costs of breastfeeding support, and the costs of postnatal support and the cost of training the antenatal teachers, breastfeeding counsellors and postnatal leaders which principally comprises the 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 utilised by the activity. Staff costs are allocated in the same proportion as directly attributable staff costs

Principal Accounting Policies

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
- ♦ 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 financial statements 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

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 are received from substantially all branches and regions. Estimated results have been included for the small number of branches from which returns had not been received at the date of preparation of the financial statements, based on other information available for those branches and consideration of materiality

l) Pension costs

The charity as an employer contributes to personal pension plans of its employees. The contributions are set at up to 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 financial statements

1 Grants receivable

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2007 £'000	Total 2006 £'000
GROUP & CHARITY				
Dept of Health – Breastfeeding peer support	-	19	19	-
Scottish Exec Health Department Scottish worker training	-	6	6	6
Big Lottery Fund Scottish community worker	-	11	11	44
Big Lottery Fund Premature baby project	-	77	77	54
NFPI NW community development	-	-	-	67
Parenting fund NW Develop't with Sowing Seeds	-	56	56	12
NE Development (Northern Rock Foundation)	-	33	33	33
Welsh development (Welsh council for vol action)	-	9	9	-
Grants to local branches	9	182	191	122
Other	-	-	-	6
Total voluntary income	9	393	402	344
Sussex connections Ltd antenatal classes for teenagers	19	-	19	21
West Herts maternity services review	2	-	2	10
Ealing PCT breastfeeding support	6	-	6	-
Other	1	-	1	29
Total incoming resources from charitable activities	28	-	28	60
	37	393	430	404

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, and the taxable profit 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 aids 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 2007 £'000	Total 2006 £'000
Turnover	1,582	-	-	1,582	1,471
Cost of sales	(873)	-	-	(873)	(783)
Gross profit	709	-	-	709	688
Distribution costs	(140)	-	-	(140)	(149)
Administrative expenses	(582)	-	-	(582)	(492)
Interest payable	(19)	-	-	(19)	-
Operating (loss)/profit	(32)	-	-	(32)	47
Amounts Gift Aided to the National Childbirth Trust	-	-	-	-	(43)
Accumulated (loss)/profit for year	(32)	-	-	(32)	4
Retained in subsidiary	(28)	-	-	(28)	4

Notes to the financial statements

	NCT Trading Limited £'000	NCT (Maternity Sales) Limited £'000	NCT Publishing Limited £'000	Total 2007 £'000	Total 2006 £'000
Balance sheet					
Fixed Assets	9	-	-	9	18
Current Assets	463	-	-	463	622
Creditors < 1 year	(500)	-	-	(500)	(636)
Net Assets	(28)	-	-	(28)	4

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 2007 £'000	Total 2006 £'000
GROUP				
Central fundraising	24	5	29	45
	24	5	29	45

4 Fundraising costs of activities for generating funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2007 £'000	Total 2006 £'000
GROUP				
Central fundraising	290	-	290	201
Branch fundraising	370	-	370	356
	660	-	660	557

Notes to the financial statements

5 Charitable activities expenditure

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2007 £'000	Total 2006 £'000
GROUP				
Direct services to parents				
- Antenatal	3,065	47	3,112	2,472
- Breastfeeding support	444	69	513	423
- Postnatal	351	165	516	463
- Apportioned costs of office and shared services	135	-	135	72
- Apportioned support costs	306	-	306	271
- Health professional training	72	-	72	47
- Other	-	-	-	1
Sub-total	4,373	281	4,654	3,749
Policy, campaigning and research	501	85	586	485
Information	1,869	11	1,880	1,502
Membership services	352	-	352	383
	7,095	377	7,472	6,119

Notes to the financial statements

6 Support cost allocations

GROUP	Fundraising voluntary income £'000	Fundraising cost of generating funds	Cost of maternity goods sold	Direct Services £'000	Policy, campaigns and research £'000	Information £'000	Membership services £'000	Governance £'000	Total 2007 £'000	Total 2006 £'000
Staff costs	9	76		157	84	139	71	24	560	437
Depreciation		2		7	3	5	2	1	20	13
Premises and equipment cost		3		6	3	6	3	1	22	18
Postage, stationery and telephone		1		3	1	2	1	1	9	13
Irrecoverable VAT		1		2	1	2	1		7	9
Insurance	1	4		7	4	7	3	1	27	24
Branch and volunteer communications and admin		10	4	85	-	12			111	211
Other	2	19		39	21	32	17	6	136	65
	12	116	4	306	117	205	98	34	892	790

Support costs are allocated in accordance with the accounting policy

Notes to the financial statements 30 September 2007

7 Governance

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2007 £'000	Total 2006 £'000
CHARITY				
Board	37	-	37	12
Audit fee	19	-	19	19
Office and shared services	55	-	54	39
Apportioned support costs	34	-	35	33
	145	-	145	103

8 Net movement in funds

	2007 Group £'000	2006 Group £'000
Net movement in funds is stated after charging		
Depreciation of tangible fixed assets	70	50
Staff costs (excluding agency staff, note 9)	2,190	1,617
Operating lease rentals	10	7
Auditors' remuneration (group)		
Audit fees	18	28
Other services	3	3

The amounts of total incoming resources and net (outgoing)/incoming resources attributable to the parent charity were £8,097,000 and (£193,000) respectively (2006 £7,152,000 and £365,000)

9 Staff costs and remuneration of the Board of Trustees

	2007 £'000	2006 £'000
GROUP		
Staff costs during the year were as follows		
Wages and salaries	1,990	1,470
Social security costs	169	123
Other pension costs	31	24
	2,190	1,617
Payments to agency staff	104	67
	2,294	1,684

	2007 £'000	2006 £'000
Staff costs by function were as follows		

GROUP		
Charitable activities	1,792	1,286
Fundraising	122	95
Commercial Trading operations	380	303
	2,294	1,684

One employee earned between £80,000 and £90,000 p a (including taxable benefits) during the year (2006 nil). The pension cost for this employee was £4,000 (2006 £4,000). No employees earned between £70,000 and £80,000 (2006 one). No employees earned between £60,000 and £70,000 (2006 nil).

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

	Number	Number
GROUP AND CHARITY		
Charitable activities	88.2	60.7
Fundraising voluntary income	2.0	1.0
Fundraising	3.4	4.5
Commercial trading operations	14.9	13.3
	106.5	79.5

Notes to the financial statements 30 September 2007

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

GROUP AND CHARITY	FTEs	FTEs
Charitable activities	60.5	44.8
Fundraising voluntary income	0.6	0.3
Fundraising	4.8	3.4
Commercial trading operations	12.5	10.2
	78.4	58.7

Expenses were reimbursed to 15 (2006 14) members of the Board of Trustees during the year. Their expenses amounted to £8,000 (2006 £7,000) 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 (2006 3) were paid £5,000 fees and £1,000 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 except in relation to contracts for purchases of goods and services on the same terms as available to the general public.

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 (2006 £nil).

Notes to the financial statements 30 September 2007

10 Tangible fixed assets

	Freehold Property £'000	Building Services £'000	Office Equipment £'000	Total £'000
GROUP				
Cost or valuation				
At 1 October 2006	320	38	325	683
Additions	-	-	75	75
Disposals	-	-	-	-
At 30 September 2007	<u>320</u>	<u>38</u>	<u>400</u>	<u>758</u>
Cost	-	38	400	438
Valuation (1998)	<u>320</u>	<u>-</u>	<u>-</u>	<u>320</u>
	<u>320</u>	<u>38</u>	<u>400</u>	<u>758</u>
Depreciation				
At 1 October 2006	50	9	167	226
Charge for year	6	8	56	70
On disposals	-	-	-	-
At 30 September 2007	<u>56</u>	<u>17</u>	<u>223</u>	<u>296</u>
Net book values				
At 30 September 2007	<u>264</u>	<u>21</u>	<u>177</u>	<u>462</u>
At 30 September 2006	<u>270</u>	<u>29</u>	<u>158</u>	<u>457</u>
CHARITY				
Cost or valuation				
At 1 October 2006	320	38	303	661
Additions	-	-	75	75
Disposals	-	-	-	-
At 30 September 2007	<u>320</u>	<u>38</u>	<u>378</u>	<u>736</u>
Cost	-	38	378	416
Valuation (1998)	<u>320</u>	<u>-</u>	<u>-</u>	<u>320</u>
	<u>320</u>	<u>38</u>	<u>378</u>	<u>736</u>
Depreciation				
At 1 October 2006	50	9	163	222
Charge for year	6	8	47	61
On disposals	-	-	-	-
At 30 September 2007	<u>56</u>	<u>17</u>	<u>210</u>	<u>283</u>
Net book values				
At 30 September 2007	<u>264</u>	<u>21</u>	<u>168</u>	<u>453</u>
At 30 September 2006	<u>270</u>	<u>29</u>	<u>140</u>	<u>439</u>

The freehold property was valued professionally in December 1998 on the basis of Existing Use Value. Having previously adopted the transitional rules of FRS15, a valuation has not been repeated. The historical cost of the freehold property included above at a valuation of £320,000 was £583,168 and the aggregate depreciation thereon would have been £186,609 (2006 £174,946).

Notes to the financial statements 30 September 2007

11 Fixed asset investments

	2007 £'000	2006 £'000
GROUP AND CHARITY		
Listed investments at market value		
At 1 October 2006	7	11
Disposals	(12)	-
Realised gain/(unrealised loss)	5	(4)
At 30 September 2007	-	7
Listed investments at cost	-	19
CHARITY		
Investment in group undertakings	£	£
NCT (Maternity Sales) Limited	6	6
NCT Trading Limited	100	100
NCT Publishing Limited	2	2
	108	108

Investments in group undertakings represent the entire called up share capital in the companies listed, all of which are incorporated in England

12 Debtors

	2007		2006	
	GROUP £'000	CHARITY £'000	GROUP £'000	CHARITY £'000
Amounts due from subsidiary undertakings	-	350	-	354
Prepayments and accrued income	148	72	170	80
Trade and branch debtors	249	193	357	207
Tax recoverable	100	100	247	247
Other debtors	38	-	42	14
	535	715	816	902

13 Creditors amounts falling due within one year

	2007		2006	
	GROUP £'000	CHARITY £'000	GROUP £'000	CHARITY £'000
Expense creditors (including accrued purchases)	677	538	669	525
Social security and other taxes	118	118	91	84
Deferred income				
- membership subscriptions	671	671	640	640
- sponsorship, training and grants	681	681	486	391
Accruals	322	311	200	164
	2,469	2,319	2,086	1,804
Deferred income - membership subscriptions				
At 1 October 2006	640	640	567	567
Income received in year	1,257	1,257	1,178	1,178
Amounts released to income	(1,226)	(1,226)	(1,105)	(1,105)
At 30 September 2007	671	671	640	640
Deferred income - sponsorship, training and grants				
At 1 October 2006	486	391	281	257
Income received in year	4,131	3,993	3,558	4,260
Amounts released to income	(3,936)	(3,703)	(3,353)	(4,126)
At 30 September 2007	681	681	486	391

Notes to the financial statements 30 September 2007

14 Restricted funds

The income funds of the charity and the group include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes

GROUP AND CHARITY	Movements in Funds			At 30 September 2007 £'000
	At 1 October 2006 £'000	Incoming Resources £'000	Outgoing Resources £'000	
NW England Development (NIFP)	58	-	41	17
Breastfeeding peer support (DOH)	4	19	9	14
Scottish community worker (Big Lottery)	38	11	32	17
Training maternity services user representatives	4	-	-	4
Scottish Executive Health Dept				
Scottish specialist worker training	-	6	-	6
NW Development (Parenting fund)	11	56	31	36
NE Development (Northern Rock Foundation)	14	33	30	17
Premature baby (Big Lottery)	24	77	84	17
Grants and donations received by branches	125	182	145	162
Other	16	12	10	18
	294	396	382	308

15 Unrestricted funds

	Movements in Funds					
	At 1 October 2006 £'000	Incoming Resources £'000	Outgoing Resources £'000	Net Realised Gain £'000	Transfer between Funds £'000	At 30 September 2007 £'000
GROUP						
General Funds	2,376	9,257	(9,496)	5	(5)	2137
Fixed Assets Fund	457	-	-	-	5	462
	2,833	9,257	(9,496)	5	-	2,599
CHARITY						
General Funds	2,411	7,962	(8,161)	5	(14)	2,198
Fixed Assets Fund	439	-	-	-	14	453
	2,850	7,962	(8,161)	5	-	2,651

Notes to the financial statements 30 September 2007

16 Analysis of net assets between funds

GROUP	Unrestricted Funds		Restricted Funds £'000	2007 Total £'000
	General Funds £'000	Fixed Assets Fund £'000		
Fund balances at 30 September 2007 are represented by				
Tangible fixed assets	-	462	-	462
Investments	-	-	-	-
Net current assets	2,137	-	308	2,445
Total net assets	<u>2,137</u>	<u>462</u>	<u>308</u>	<u>2,907</u>

CHARITY

Fund balances at 30 September 2007 are represented by

Fixed assets	-	462	-	462
Investments	-	-	-	-
Net current assets	2,189	-	308	2,497
	<u>2,189</u>	<u>462</u>	<u>308</u>	<u>2,959</u>

GROUP AND CHARITY

Unrealised losses included above on tangible fixed assets and investments

Unrealised losses at 1 October 2006	(12)	(263)	-	(275)
Disposal	12	-	-	12
Unrealised losses at 30 September 2007	<u>-</u>	<u>(263)</u>	<u>-</u>	<u>(263)</u>

17 Taxation

The National Childbirth Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities

Subsidiary companies, which do not have charitable status, Gift Aid any taxable profits to the National Childbirth Trust each year

The charity and group is not able to reclaim all VAT suffered on expenditure due to the partial exemption rules

18 Related party transactions

During the year, The National Childbirth Trust entered into transactions in the normal course of activities with its subsidiary undertakings (listed in note 11). The charity is exempt from disclosure of these transactions as the subsidiary undertakings are more than 90% controlled within the group. There were no other related party transactions (2006: none)

19 Operating lease commitments

At 30 September 2007 the group had annual commitments under operating leases as set out below

Expire In > 5 years	2007		2006	
	GROUP £'000	CHARITY £'000	GROUP £'000	CHARITY £'000
	<u>10</u>	<u>10</u>	<u>7</u>	<u>7</u>

Reference and Administrative information

Charity

The National Childbirth Trust ('NCT')
Registered Charity Number 801395
Company Registration Number 2370573

Registered Office

Alexandra House
Oldham Terrace
Acton
London W3 6NH

Board of Trustees

Malcolm Ashton
Suzy Broekhuizen (appointed 9 June 2007)
Sarah Brook
Alison Carey
Ian Chandler (appointed 9 June 2007)
Michelle Evans
Lionie Fletcher (appointed 28 November 2006)
Suzanne Grocott (Honorary Treasurer)
Gail McConnell (Vice Chair)
Alison Radevsky (Chair)
Julie Stein Hodgins (Honorary Secretary)
Gail Werkmeister (President)

Lucy Basnett-Maguire (resigned 31 May 2007)
Jo Bridgwater (resigned 20 April 2007)
Marc Duschene (appointed 9 June 2007, resigned 11 January 2008)
Victoria Groulef (appointed 9 June 2007, resigned 27 September 2007)
John Hardy (resigned 20 January 2008)
Sarah Hunt (resigned 13 September 2007)
Jane Neale (resigned 29 November 2006)
Julie-Anne Walkden (resigned 12 October 2007)
Tanva Tunley (resigned 9 June 2007)
Leda Tustin (resigned 12 October 2007)

Senior executives

Belinda Phipps, Chief Executive
Mark Atkinson, Fundraising Director
Dr Graham Cox, Education Manager
Joy Dyson, HR Director
Ruth Howard, Branch Support Manager
Mary Newburn, Head of Policy Research
Anne Fox, Campaigns Manager
Anne Spong, Finance Director
Kate Williams, Parent Services Director

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

Bankers

Lloyds TSB Bank plc
39 Threadneedle Street
London EC2R 8AU

Solicitors

Russell-Cooke
2 Putney Hill
Putney
London SW15 6AB

Subsidiary Companies

NCT Trading Limited
NCT (Maternity Sales) Limited (dormant)
NCT (Publishing) Limited (dormant)