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# Annual Report & Accounts

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30 September 2010

# Table of Contents

<b>PRESIDENT'S REPORT</b>	<b>1</b>
<b>CHAIR'S REPORT</b>	<b>2</b>
<b>TRUSTEES' REPORT</b>	<b>3</b>
NCT'S PURPOSE, VISION AND AIMS	3
THE YEAR IN REVIEW - STATISTICS	3
<i>Supporting parents through peers</i>	3
<i>Supporting parents through NCT professionals</i>	4
<i>Supporting parents through helplines</i>	4
<i>Supporting parents through information and research</i>	5
<i>Supporting parents through influencing</i>	6
<i>Supporting parents through training and supporting health professionals</i>	6
<i>Supporting parents through funded programmes</i>	7
FUTURE PLANS	8
FINANCIAL REVIEW	8
RESERVES POLICY	9
FINANCIAL POSITION	9
STRUCTURE, GOVERNANCE, ORGANISATION AND MANAGEMENT	9
RECRUITMENT AND APPOINTMENT OF TRUSTEES	10
INDUCTION AND TRAINING OF TRUSTEES	10
THE BOARD OF TRUSTEES	10
BOARD COMMITTEES	11
RISK MANAGEMENT	11
TRUSTEE BENEFITS	12
STATEMENT OF THE BOARD'S RESPONSIBILITIES AS TRUSTEES	12
EMPLOYEES AND VOLUNTEERS	12
EQUAL OPPORTUNITIES	13
<b>INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF NCT.</b>	<b>14</b>
<b>NCT CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES</b>	<b>16</b>
<b>NCT BALANCE SHEET AS AT 30 SEPTEMBER 2010</b>	<b>18</b>
<b>NCT CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2010</b>	<b>19</b>
<b>NOTES TO THE FINANCIAL STATEMENTS.</b>	<b>20</b>
<b>REFERENCE AND ADMINISTRATIVE INFORMATION</b>	<b>29</b>
<i>Charity Registrations</i>	29
<i>Registered Office</i>	29
<i>Board of Trustees</i>	29
<i>Directorate</i>	29
<i>Auditors</i>	29
<i>Bankers</i>	29
<i>Solicitors.</i>	29
<i>Subsidiary Companies.</i>	29

## President's report

I was absolutely delighted to be elected as NCT President in May 2010 and have loved working with all parts of the charity. I have especially loved learning just how much our charity has grown, changed and improved in the 22 years since I went to my first Bumps and Babies meeting. There is of course a lot more to do but I believe the charity is now better, than ever before, able to support all parents right across the UK.

I am delighted to be an ambassador for the vast network of branches and volunteers who give so much of their time for the charity, providing the local welcoming face of the charity. Our society has changed and parents are under more pressure than ever before. NCT can and should be there to support them. The value of our mutual support to individual parents is inestimable and truly does change lives.

It's been a great year for me personally. I have so enjoyed meeting many of you, working with you to improve services and conditions for parents, volunteers and staff. As we move towards the future with an exciting new strategy let us all work together to give every parent the support they need and deserve.

A handwritten signature in black ink, reading 'Sue Saxey' in a cursive script.

Sue Saxey  
President - April 2011

## Chair's report

NCT, led by our many thousands of volunteers, again increased the numbers of parents we supported in 2009-2010. We provided more services for parents, grew our helpline support, successfully campaigned, and increased the ability of all parents to access our services. As the next few pages describe, our vast network of mutual support across the UK reached more parents despite the continuing economic challenges. I would like to thank everyone involved for their continued support; the absolute heart of the charity.

Last year saw much work on our exciting new strategy as we developed the five themes that will form the basis of our work towards 2020. Many people volunteered their time and energy to help this project and we thank you all. The strategic plan will be presented through 2011 and shows what an ambitious, determined and influential organisation we are. The constantly changing political and economic environment may affect implementation, but work has begun and we will all play a part in improving our society by supporting people in their transition to parenthood.

We also made progress on two important mergers: The Baby Café is a network of free, drop-in centres across the UK; and MIDIRS works to support midwives and students by providing education and development resources. We hope to have finalised these mergers early in the next financial year which will enable us to both reach more parents and develop our relationships with health professionals.

However, despite our successes and consistently strong fundraising efforts by our 317 branches, we have had a challenging year financially. In the tough economic climate of 2009-2010 we saw income (such as from membership, donations and interest) increase but when combined with rising costs we present a deficit in this year's report. The impact of the economic challenges and government policy on household income continues to grow and this directly affects NCT. Our work to build up a portfolio of services for all parents in local communities has been affected by cuts to public spending and the NHS white paper proposing changes to how services are commissioned has caused uncertainty. 2010-2011 will also be challenging, and we are making the hard decisions to enable us to increase the financial reserves the organisation needs.

Since July 2010, the "Big Society" has championed empowerment of local people and communities. NCT has been empowering parents through local branches since 1956 and I call on everyone in our community of members, volunteers, staff, specialist workers, health professionals, partner organisations and sponsors to help us reach more parents in the forthcoming years.

Thank you again for your efforts on behalf of all parents.



Rob Hayter

Chair - April 2011

## Trustees' report

### NCT's Purpose, Vision and Aims

#### Our vision

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

#### Our charitable purpose

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

The trustees have referred to the Charity Commission guidance on public benefit in setting the aims and objectives of the charity and its future plans. NCT is fully committed to providing public benefit across our full range of data and services.

Our wealth of information from our library, evidence based research and over 50 years of experience is freely available on our website information centre, as are our information sheets and booklets, via mail, upon request. All our helplines are available for the cost of a local call and for those on reduced income we offer reduced rates to all our classes and courses, free subscription to our monthly e-guide *Stepping Stones* and annual membership for just £2. Member donations help us fund research and campaigns and deliver our services and support to those in more deprived areas, everyone, member or not, can enjoy any number of our community group activities such as *coffee mornings*, *bumps and babies* groups and our well established *Nearly New Sales*.

Alongside our services NCT works tirelessly to campaign for improved maternity services and support for all parents and is a leading influence in achieving positive outcomes across the UK

### The year in review - statistics

#### Supporting parents through peers

##### 100,000 Members

New and expectant parents are more likely to be socially isolated than ever before in our disparate society, as people move away for careers and partners and leave families elsewhere. Many of our members make life-long friends through their local NCT branch, which eases the isolation often associated with new parenthood.

##### 317 Branches Supported 117,500 Parents

NCTs network of branches provide a local community network of support across the UK. Through local events many new parents find these events the first opportunity to get out of the house alone with a new baby and see these relationships as a lifeline at this vital time.

##### 40% Increase in Active Volunteers

All branches are run by volunteers; demonstrating branches are reaching actively into their wider local community. More branches are reaching larger numbers of parents through antenatal and postnatal drop-ins, including for parents with specific support needs such as the 40 dads groups and 55 home birth groups.

In a survey of branches activities:

- 67% had passed on helpline numbers
- 38% took part in peer support
- 19% organised baby feeding groups with the NHS or children's services
- 14% organised postnatal drop-ins with the NHS or children's services
- 11% took part in hospital or birth centre audits
- 4% took part in or held talks at baby clinics or schools

#### **274,000 Membership Magazines Distributed**

NCT's award nominated, quarterly membership magazine, *NewGen* communicates NCT's ethos and activities alongside more detailed articles pertinent to expectant and new parents. Published in alternate months, members received 410,626 issues of e-Gen - the membership e-newsletter.

### **Supporting parents through NCT professionals**

#### **1,000 NCT Practitioners**

Over 1,000 NCT Practitioners, trained by NCT, hold a relevant diploma in one or more of three disciplines; Antenatal Teacher, Breastfeeding Counsellor, Postnatal Leader. They provide specific services to parents including face to face support in structured classes and courses and volunteer support via NCT's helplines

#### **86,000 Parents Received Antenatal Support**

525 antenatal teachers reached more than 86,000 parents and parents-to-be, an increase of 11% on the previous year. This included the near tripling of parents supported at drop-ins; from 2,350 last year to 6,810 this year. Teachers spent an average of at least 6 hours per month on voluntary work for their branch. An estimated 11% of first births in the UK - one in nine - are *NCT babies*; born to a parent who attended NCT antenatal classes.

#### **88,750 Parents Received Breastfeeding Support**

321 Breastfeeding counsellors reached over 88,750 parents through courses, drop-ins, telephone and email support. Breastfeeding counsellors spent 5 hours per month on average doing voluntary work for their branch.

#### **4,200 Parents Supported by Postnatal Leaders**

72 Postnatal leaders reached over 4,200 parents, an increase of 42%. Postnatal leaders spent an average of at least 7 hours per month on voluntary work for their branch.

### **Supporting parents through helplines**

#### **Breastfeeding Line - 21,945 Calls**

Established in 2000, the local-rate line, staffed by volunteers operates, throughout the UK from 8am to 10pm 365 days a year.

- Four in five parents were White British, 7% were Asian or Asian British, and 13% had other ethnic backgrounds
- 41% had babies up to and including one week old indicating support during the most vulnerable period for stopping breastfeeding

#### **Postnatal Line - 1,077 Calls**

This was the line's first full financial year in operation. Three quarters of callers were mothers or expectant mothers

- 22% were fathers or expectant fathers
- 85% were White and 13% had an Asian/Asian British ethnic background
- The most common enquiries were baby sleeping and postnatal depression

### **Pregnancy & Birth Line- 3,390 Calls**

Call numbers increased by 20%, the largest increase since inception.

- 69% were pregnant women
- 11% of callers were non-pregnant women who already had a baby or older child
- 10% were expectant fathers or men who already had a baby or older child
- Two thirds of all parents calling were in their thirties. One in fifty calls came from a parent aged 19 or younger, one in seventeen came from a parent aged 40 or older
- 87% were White, 5% Asian/Asian British, 5% Black/Black British and 3% had a mixed ethnic background

### **Supporting parents through information and research**

NCT provides a wealth of evidence based, unbiased information, freely available for all parents and health professionals, to enable informed choice on key decisions.

#### **15,706 Calls to Enquiry Line**

Calls topics included antenatal/postnatal depression, caesarean birth, childcare, Symphysis Pubis Dysfunction (SPD), exercise during pregnancy, experience register, first aid courses, home/natural/water births, maternity rights/benefits, miscarriage and sleepless / crying babies

#### **380,000 Parents Received Information Sheets**

NCT produces fact based information sheets free for parents to assist them in making informed decisions about their birth and parenting choices. They are distributed via health and social care professionals, volunteers and NCT Practitioners as well as being available to download.

#### **6,242 Information Packs Distributed**

All parents and expectant parents enquiring about classes receive an information pack and those that attend classes are given more information at the time including a *Mum's the word* DVD for new mums to help with the early days.

#### **Four New Research Overviews**

NCT produced four new research overviews which are disseminated to NCT Practitioners, health and social care professionals, voluntary agencies and students

- Bed-sharing and co-sleeping
- Working with pain in labour
- Understanding couple relationship breakdown
- Choosing a formula: what is the evidence for different milks and added ingredients?

#### **290,000 Expectant Parents Requested E-Newsletter**

NCT e-newsletter *Stepping Stones*, requested mostly by people not traditionally linked to NCT services, is focussed on individuals' expected due date or child's birth date.

#### **490,000 Bumps & Babies Magazines for Expectant Parents**

NCT's *Bumps & Babies* magazine is designed to help parents-to-be through the maze of information and adjustments and decisions during this life-change. Focused specifically on issues related to the third trimester, it is disseminated free of charge via health professionals in hospitals, health, social and voluntary services in children's centres and libraries.

#### **1,872,000 Website Visitors**

NCT's website is a key touch point for parents seeking information on services and topics of concern and interest during the transition to parenthood. New visitors to the site represented 58% of total visitors and almost 10 million page views. Popular pages included the Nearly New Sales finder, the Course finder and the Info Centre.

### **2,011 enquiries were made of the Library and Information Service**

Providing evidence based information, the majority of enquiries came from NCT Practitioners and students. To widen the audience new policy and evidence resources were developed for the website. Topics included baby feeding, pregnancy and birth, transition to parenthood, parental rights and family services, maternity services, and public health, access and diversity. NCT policy briefings, document summaries and position statements can be accessed and clinical guidance and publications from government and professional bodies are also signposted.

### **3,625 copies of New Digest distributed**

*New Digest* is NCT's professional development journal, distributed to all NCT Practitioners, students, maternity services reps, research networkers and special interest co-ordinators.

### **Supporting parents through influencing**

Since 1956 NCT has championed the needs of parents and sought to influence the media, policy and services to affect positive change for parents. Our extensive support network ensures that our lobbying, campaigning and influencing work is rooted in and reflective of the experiences and needs of parents-to-be and new parents using maternity and family support services.

NCT branches took part in National Breastfeeding Week and other campaigning activities on proposed changes in maternity services in their local area. NCT representatives are trained and supported to work with users of services locally to ascertain areas of concern. NCT representatives also worked in partnership with health professionals and health services management in multi-disciplinary committees in order to improve the experiences of local parents accessing services.

### **3,510 Items of Media Coverage**

NCT's media work on key issues seeks to raise awareness of the charity across broader audiences, to influence service and policy change and alert parents to NCT's work to improve service experiences. NCT media coverage includes promotion of NCT activities and support for parents across the UK via national and regional media and also provides commentary on issues relating to the care and support services for parents. The launch of NCT's *Location, location, location* campaign generated more than 70 pieces of coverage. Our *Back after the Bump* campaign, launching our Mothers Returning to Work resources and research had over 80 pieces of coverage.

### **1,000 Local Activists**

*NCT Active* has successfully grown across the last two years and registered members access online resources and information to support local involvement, campaigning and activism work.

### **Supporting parents through training and supporting health professionals**

A key aim of NCT's work is to use our evidence based information and training to affect an improvement in the services parents use. NCT Professional provides training, support and resources for those working in health, children's and family services.

### **Minimising Risk for 12,000 Women**

NCT Professional works with UK maternity services in providing a better birth environment for all parents.

### **715 Health Professionals Received NCT Training**

NCT Professional's training service provides bespoke training for health professionals and Children's Centre staff on a range of topics and training for Maternity Service Liaison Committees (MSLC) on effective partnership working.



Attendances were as follows:

- Running Effective Antenatal Classes - 102
- Running Effective Antenatal classes for Young Parents - 54
- Postnatal Depression Awareness for Support Workers - 94
- Supporting the Emotional Health of Teenage Parents -57
- Bespoke training around breastfeeding support - 100
- Voices workshops, specifically for members of MSLCs, Labour Ward Forums and Breastfeeding Support Groups, to help members understand their roles - 208

### **38,850 copies of Perspective distributed**

Perspective, NCT's publication for parent-centered midwifery, summarises news, research and evidence for midwives.

## **Supporting parents through funded programmes**

NCT receives very little government funding and grants and has developed a multi layered funding strategy to enable growth to reach more parents.

Fundraising income by category:

Category	2009/10 £'000	2008/9 £'000
Branch	2,141	2,071
Commercial	549	676
Grants	380	434
Events	59	24
<b>Total</b>	<b>3,129</b>	<b>3,205</b>

### *Branches*

Our branch network contributes the largest element of fundraising support principally through nearly *new sales* and sponsorship of local Newsletters.

### *Commercial Fundraising*

NCT received sponsorship support from Clorox®, Comfort Pure®, Jointace® Pampers®, Persil Non-Bio® and Pregnacare®.

### *Grants*

Our branches continued to receive grants. Eleven branches were awarded grants of over £5,000 for local projects including:

- John Ellerman Fund for the national Special Experiences Helpline - £20k
- Scottish Executive United Fund for outreach worker training in Scotland - £6k
- Department of Health (Improving Choice and Access Project, West Midlands) - £38k
- Welsh Assembly for Training of Breastfeeding Counsellors and Peer Supporters - £17k

### *Events*

Highlights from the fundraising events included:

- Jump for Mother's Day, with 16 volunteers, including the NCT President, tandem skydiving - £3k
- London Marathon and the British 10k - £12k
- Cheeky Monkeys Tea Parties - £20k
- sponsored raffles - £25k

## Future plans

In 2010/11 NCT's main activities will focus on beginning the implementation of our 20:20 strategy; which covers the next 10 years. NCT will work to further establish itself as the charity concerned with the process of helping people establishing their identity as a parent and coming to terms with what that means. Our aim is to enable that transition to be a positive one so that children have a better start in life and are able to grow up in a supportive and interconnected community. NCT's service delivery and campaigning work is primarily from conception till around the child's second birthday. Internally we currently call this period the *transition to parenthood*. NCT will seek to raise the public consciousness about the importance of this time period and through our work in this area further build upon our charitable proposition.

NCT will seek to raise the confidence of parents by enabling them to feel supported and informed. Courses for parents and prospective parents will continue to expand to reach even more of the population whilst we also streamline their administration. The training and support for volunteers will be revised and improved and a network of peer supporters developed. The Charity's web presence will grow with a new web site and iPhone app.

NCT will use its unique position of influence to develop and promote service and policy solutions for other organisations that provide services to those in the transition to parenthood. We will develop new ways for parents to influence services

NCT will focus on providing evidence based parent centred information which is widely available to enable all parents to make evidence based decisions and to reduce the amount of conflicting information and advice to which they are subject. The evidence base will include information on parents' needs and wants and will particularly enable a physiological normal transition to parenthood in line with the desires of most parents. Through the merger with MIDIRS we will both enhance the quality and reputation of NCT's information and research services and reach more practitioners. Media relations and activities in schools will be reviewed as NCT seeks to educate children and young people about parenthood and challenge the commercialisation of parenthood.

Through the merger with Baby Café the NCT will extend its work into communities that are not currently reached through contracts with the NHS and Children's Centres to provide *Baby Café Locals*. This will help us meet the challenge of creating greater ethnic and social diversity amongst its beneficiaries and supporters.

NCT will use the findings of the *blue-to-two* study to identify key issues for parents of babies aged 7 to 24 months. This will be used to help improve our capacity to work with parents of older babies and toddlers, reaching out to other organisations working with this age group.

Implementation plans will be developed and the necessary infrastructure will be put in place to ensure that the Charity is fit to deliver. IT and financial systems, that have not always kept pace with the recent growth of the Charity will be reviewed. NCT will consider the way it operates with and alongside the NHS given proposals in England to restructure commissioning and delivery of maternity and public health services and the increasingly divergent ways Health is managed and delivered across the UK and Islands.

Trustees will revise the Charity's policies for investment management, risk management and develop a framework of key performance indicators to monitor the implementation of the 20:20 strategy.

Fundamentally as NCT improves its core infrastructure it will remain a volunteer led branch based charity whose success depends on the commitment of thousands of volunteers. Regional support teams, as they become affordable, will be put in place to support this vital work.

## Financial review

2009/10 was planned to be a year of investment and growth. The charity increased income by 15% to £13.9m (2008/9: £12.1m). Income from charitable activities increased from £7.5m in 2008/09 to £8.9m - an increase of £1.8m (15%) - derived principally from additional income from courses and from membership subscriptions.

Total resources expended increased to £14.4m (2008/09: £12.6m) an increase of £1.8m (14%). This was mainly due to a rise in expenditure on services for parents, principally course provision, of £1.7m (27%) to £8.3m. Commercial trading expenditure decreased from £1.8m to £1.6m (8%) due to increased efficiencies as a result of previous investment in a new e-commerce site and integrated fulfilment software. Other significant increases in expenditure, corresponding to the increasing number of members, were on information for parents (17%) and on membership services (18%).

During the year the general economic climate affected financial performance leading to a deficit of £477k (2008/9: deficit £452k). The deficit resulted from the rapid expansion of the services provided directly to parents as well as further improvements in the IT infrastructure, including NCT Intranet, *Babble*. This is anticipated to lead to increased recruitment and retention of active members and consequent income generation. The IT investment will result in future efficiency savings. Consequently, as at 30 September 2010, reserves fell outside of the range set for the reserves policy with a shortfall of £350k.

The budget for 2010/11 includes additional income generation and efficiency savings, including the ending of the annual conference for the foreseeable future (£150k), to restore the reserves within the desired range. NCT will continue to build capacity in order to benefit when the economic climate improves without a significant decrease in current levels of service. Further surplus growth is anticipated from NCT Trading. A further £300k is forecast from sales by the Trading Company and a continuing increase in the uptake of Parent classes which should comfortably take the Reserves level back into range.

## Reserves policy

In line with Charity Commission guidelines the Trustees approved a Reserves Policy that reflects the true level of resources needed to cover fixed costs of charitable activity for between 4 and 6 months. The policy was reviewed during 2009/10 and found to remain appropriate. Using this policy a range of reserves for 2008/09 was unchanged from 2008/9 at £1.84m to £2.77m. At 30 September 2010 the actual level of free reserves was £1.5m.

A Fixed Assets Fund equivalent to the net book value of the tangible fixed assets used in the day-to-day operations of NCT has been maintained. These funds are not available for working capital. There have been no major acquisitions or disposals of fixed assets during the year.

## Financial position

The group balance sheet at 30 September 2010 shows total funds of £2.3m of which £0.3m are restricted. Restricted funds, analysed in Note 15, comprise donations and grants subject to donor-imposed conditions. The balance of the group general funds, representing the 'free reserves', of the group at 30 September 2010 was £1.5m. These decreased over the year in line with the year's deficit.

## Structure, Governance, Organisation 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 21<sup>st</sup> June 2008.

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 29.

The charity is a membership charity. Members are organized locally into 317 branches covering every postcode in the UK. Many volunteer to carry out the work of the charity at local level. Many members also train as specialist workers.

Employees are based at the UK Office in London, or work from home. Employees of the Trading Company are based in London and Glasgow.

## Recruitment and appointment of Trustees

The Board of Trustees may have up to 15 Trustees, including the Charity's President. 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.

The Nomination and Governance Committee of the Board has the responsibility to keep under review the vacancies and likely vacancies available on the Board and the skills, experience and other qualities the Board needs. Prior to the Annual General Meeting the Committee notifies members of the number of vacancies available and the skills and experience being sought at the time, and invites nominations. Trustee Recruitment Meetings are then arranged for those expressing interest to provide them with information about the role and discuss how they could contribute to the Board's work. All those submitting a duly completed nomination form go forward to the election at the annual general meeting. Available vacancies are also advertised externally.

The Board additionally may appoint Trustees during the year to fill vacancies. All candidates so appointed must have the support of the Nomination and Governance Committee who may recommend a preferred candidate or present a short list for the Board's decision. Any Trustee appointed during the year must stand for election by the membership at the following Annual General Meeting. Trustees are elected for a term of three years (five years for the President) and may serve for a maximum of 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 Trustees' responsibilities, the work of the Board and the charity's strategy, policies, and constitution
- Mentoring of new Trustees by existing Trustees through a *buddy* system

Training is also provided during the year for Trustees as required on topics relevant to the Board's current work. Trustees also attend external events and conferences.

## 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:

- Set 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, trained workers, contractors and others, so that they can work together to achieve the charity's aims
- Ensure the charity complies with the law
- Safeguard the charity's assets

The Board of Trustees sets the strategy, policy and financial framework for the charity and has the responsibility for its overall direction and control. Authority for the day to day management of the charity within that framework is delegated to the Chief Executive, supported by the Directorate. The Directorate comprises senior staff, who support the Chief Executive in meeting her responsibilities. Together they formulate strategy, policy and financial plans for the Board's approval, ensure delivery of required performance, and oversee the charity's day to day operation.

Each year the Board reviews past performance and sets future plans within a three year planning horizon. As part of that review and planning process the Trustees consider how future plans and performance relate to our aims and vision, and thus to our charitable purpose

One of the Board's Committees (see below) is now responsible for carrying out a rolling programme of reviews across the charity's principal areas of activity, so that we can demonstrate the outcome or longer term impact that we have on our beneficiaries, and ensure that we continue to achieve our charitable purpose. This structure is being used, during 2010/11 to review the NCT's mission for the years to 2020

## Board Committees

The Board of Trustees is supported in its work by four Committees:

- Audit and Risk - adequacy of financial control, external reporting of performance and risk management
- Remuneration - remuneration policy for senior management and other key groups
- Nominations and Governance - Trustee recruitment, training and appraisal, and assessing the Board's effectiveness
- Impact - Assessing the charity's outcomes and impact and demonstrating the achievement of intended public benefit

In addition, a number of advisory groups across the NCT's work enable internal and external stakeholders to be involved in decision-making.

## Key Relationships

NCT wholly owns one active Trading Company, NCT Trading Ltd, which gift aids its profits 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
- Commercial fundraising, which manages all sponsorship and advertising
- NCT Publishing

NCT works with many external organisations at national level in the UK to pursue its charitable aims and objectives. For example, NCT:

- Is a member of, and provides support for, the Breastfeeding Manifesto Coalition
- Is a member of the Baby Feeding Law Group and End Child Poverty
- Is represented on the Board of the National Collaborating Centre for Women and Children's Health, which develops evidence-based guidelines for the NHS
- Supports, services and participates in the Maternity Care Working Party
- Supports and services the All Party Parliamentary Group on Maternity
- Supports Jessica's Trust, Independent Midwives Association, Action Medical Research and MedAct's campaign to improve maternity services for refugees and asylum seekers

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

## Risk Management

This year the Trustees undertook a comprehensive review to identify sources of potentially significant risk after the Register had been revisited by the Chief Executive. Such risks are those which are likely to occur and which would have a severe impact on the NCT's ability to achieve its aims and objectives, or severely damage the charity's reputation and standing. The Board has concentrated on ensuring that the *significant risks* identified are being managed effectively. Changes implemented during 2009/10 or underway have substantially reduced potential risks in a number of areas.

As well as identifying relatively new areas such as reputational risk and potential alienation of volunteers/supporters arising as a result of the increased profile and organisational

changes NCT is undergoing during this period of rapid expansion, there was also a renewed focus on IT as it is increasingly being relied upon within a number of key areas within NCT

The Audit and Risk Committee is responsible for ensuring that effective risk management systems and processes are embedded within the NCT's work and that the Board of Trustees has a proper focus on major risk issues. The Committee has an on-going review process into the approach to risk management and regularly reports to the Board.

## **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. This includes the requirement that a majority of the Trustees must have received no payments from the NCT either as employees or for goods and services supplied to the NCT. No (2009: £nil) member of the Board of Trustees received any remuneration in respect of their services as trustees during the year. Expenses and other payments to Trustees are detailed in note 10 to the Financial Statements.

## **Statement of the Board's responsibilities as Trustees**

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

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

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

- there is no relevant audit information of which the NCT's auditor is unaware
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

## **Employees and volunteers**

The Board of Trustees would like to thank all staff, volunteers, specialist workers, members and supporters for their commitment to the vision and work of the NCT.

During 2009/10 NCT, including NCT Trading, employed 140 full time equivalent salaried staff and 82 Parent Service Area administrators. Further details are at Note 10.

In September 2010, NCT had 101,781 members (56,643 member households), approximately 4,000 regular volunteers, 1,009 trained specialist workers (antenatal teachers, breastfeeding counsellors and postnatal leaders) and 966 students

In addition, we estimate that there are a further 6,000 volunteers who help on an occasional basis such as by helping at nearly new sales, delivering newsletters, running bumps and babies groups, hosting coffee mornings or in no end of other tasks where a few hours of time can make such a difference.

## Equal opportunities

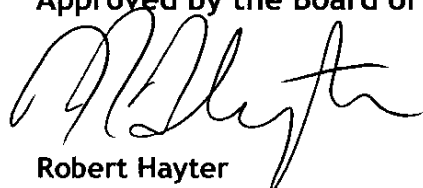
NCT is committed to a policy of equality of opportunity in its employment practices and aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of race, colour, national or ethnic origins, sex, sexual orientation or perceived sexuality, marital status, disability, membership or non-membership of trade union, *spent convictions* of ex-offenders, class, age, politics, religion or belief.

It is the NCT's policy to meet the provisions of the Sex Discrimination Act, the Equal Pay Act, the Race Relations Act, and the Disability Discrimination Act, which make it unlawful to discriminate on the grounds of sex, marital status, race and disability

## Appointment of Auditors

Kingston Smith LLP were the appointed auditors for the charity during 2009/10 and have expressed their willingness to continue in office.

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



Robert Hayter  
Chair of the Board of Trustees  
2 June 2011

## **Independent Auditors' Report to the Trustees and Members of NCT**

We have audited the consolidated and parent charitable company's financial statements of the National Childbirth Trust (NCT) for the year ended 30th September 2010 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein

This report is made solely to the charitable company's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's trustees those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's trustees and members as a body, for our audit work, for this report, or for the opinion we have formed

### **Respective Responsibilities of Trustees and Auditors**

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities

We have been appointed auditors under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you under those Acts.

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 United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information provided in the Trustees' Annual Report is consistent with the financial statements

In addition we report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's statement of account is not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chair's Report. 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 Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

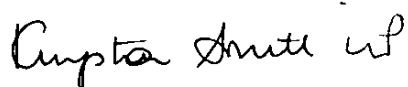
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 of the state of the group's and parent charitable company's affairs as at 30th September 2010 and of the group's incoming resources and application of resources, including the income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006
- The information given in the Trustees' Annual Report is consistent with the financial statements

Sandra De Lord, Senior Statutory  
Auditor



03.06.11

for and on behalf of Kingston Smith LLP, Statutory Auditors

Devonshire House  
60 Goswell Road  
London EC1M 7AD

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



**NCT Consolidated Statement of Financial Activities  
Including Income & Expenditure Account for the Year Ended 30 September 2010**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2010 £'000	Total 2009 £'000
<b>Incoming Resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income					
Donations		361	6	367	353
Grants receivable	2	-	380	380	434
		<u>361</u>	<u>386</u>	<u>747</u>	<u>787</u>
<b>Activities for generating funds</b>					
Fundraising activities		1,544	-	1,544	1,447
Commercial trading operations		2,208	-	2,208	1,985
Advertising in branch newsletters		430	-	430	389
Other income receivable		45	-	45	25
Interest receivable		11	-	11	35
		<u>4,238</u>	<u>-</u>	<u>4,238</u>	<u>3,881</u>
<b>Incoming resources from charitable activities</b>					
Fees from courses and conferences		6,636	-	6,636	5,662
Grants receivable	2	345	-	345	202
Membership subscriptions		1,795	-	1,795	1,500
Other income receivable		136	-	136	98
		<u>8,912</u>	<u>-</u>	<u>8,912</u>	<u>7,462</u>
<b>Total incoming resources</b>		<u>13,511</u>	<u>386</u>	<u>13,897</u>	<u>12,130</u>
<b>Resources Expended</b>					
<b>Costs of generating funds</b>					
Fundraising costs of voluntary income	4	69	-	69	74
<b>Activities for generating funds</b>					
Fundraising costs	5	807	-	807	783
Commercial trading operations		1,647	-	1,647	1,781
		<u>2,454</u>	<u>-</u>	<u>2,454</u>	<u>2,564</u>
<b>Charitable activities</b>					
Direct services to parents		7,844	410	8,254	6,514
Policy, campaigning and research		1,610	-	1,610	1,703
Information		1,088	-	1,088	929
Membership services		830	-	830	702
	6	<u>11,372</u>	<u>410</u>	<u>11,782</u>	<u>9,848</u>
<b>Governance costs</b>	8	<u>69</u>	<u>-</u>	<u>69</u>	<u>96</u>
<b>Total resources expended</b>		<u>13,964</u>	<u>410</u>	<u>14,374</u>	<u>12,582</u>
<b>Net (outgoing) resources for the year</b>		<u>(453)</u>	<u>(24)</u>	<u>(477)</u>	<u>(452)</u>
Transfer Between Funds	16	106	(106)	-	-
<b>Net Movement in Funds</b>	9	<u>(347)</u>	<u>(130)</u>	<u>(477)</u>	<u>(452)</u>
<b>Reconciliation of funds</b>					
Funds brought forward at 1 October 2009		<u>2,322</u>	<u>447</u>	<u>2,769</u>	<u>3,221</u>
<b>Funds carried forward at 30 September 2010</b>		<u>1,975</u>	<u>317</u>	<u>2,292</u>	<u>2,769</u>



## NCT Consolidated Statement of Financial Activities (continued)

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 below.

### Note of Historic Cost

	<u>2010</u> <u>£'000</u>	<u>2009</u> <u>£'000</u>
Net movement in funds	(477)	(452)
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	<u>(5)</u>	<u>(5)</u>
<b>Historical cost net movement in funds</b>	<b><u>(482)</u></b>	<b><u>(457)</u></b>

## NCT Balance Sheet as at 30 September 2010

	Notes	2010 Group £'000	2010 Charity £'000	2009 Group £'000	2009 Charity £'000
<b>Fixed Assets</b>					
Tangible Assets	11, 12	489	484	446	441
<b>Current Assets</b>					
Stocks		312	48	241	54
Debtors	13	1,048	1,579	1,148	1,541
Short term deposits		1,029	1,029	1,307	1,307
Cash at bank and in hand		3,000	2,541	3,051	2,644
		<u>5,389</u>	<u>5,197</u>	<u>5,747</u>	<u>5,546</u>
<b>Creditors</b>					
Amounts falling due within one year	14	(3,586)	(3,375)	(3,424)	(3,201)
<b>Net current assets</b>		<u>1,803</u>	<u>1,822</u>	<u>2,323</u>	<u>2,345</u>
<b>Total net assets</b>		<u>2,292</u>	<u>2,306</u>	<u>2,769</u>	<u>2,786</u>
<b>Fund balances</b>					
Charitable funds					
Restricted funds	15	317	317	447	447
Unrestricted funds	16				
General funds		1,487	1,505	1,878	1,898
Fixed asset fund		489	484	446	441
		<u>1,976</u>	<u>1,989</u>	<u>2,324</u>	<u>2,339</u>
<b>Non charitable trading funds</b>	3	(1)	-	(2)	-
<b>Total funds</b>		<u>2,292</u>	<u>2,306</u>	<u>2,769</u>	<u>2,786</u>

Approved by the Board of Trustees and signed on its behalf



Rob Hayter  
Chair of the Board of Trustees  
2 June 2011

Company Number: 2370573 (England & Wales)





## NCT Consolidated Cash Flow Statement for the Year Ended 30 September 2010

	Notes	2010 £'000	2009 £'000
Net (outflow)/inflow from operating activities	(a)	(199)	(433)
<b>Returns on investments and servicing of finance</b>			
Interest received		11	35
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(141)	(98)
		(329)	(496)
<b>Management of liquid resources</b>			
(Increase)/decrease in short term deposits		278	593
Increase/(decrease) in cash	(b)	(51)	97

### Notes to the cash flow statement

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

	2010 £'000	2009 £'000
Net movement in funds	(477)	(452)
Depreciation charge	98	77
Interest receivable	(11)	(35)
(Increase)/decrease in stocks	(71)	(51)
Decrease/(increase) in debtors	100	196
(Decrease)/increase in creditors	162	(168)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(199)</b>	<b>(433)</b>

#### (b) Analysis of changes in net debt

	2010 £'000	2009 £'000
Cash at bank and in hand		
At 1 October 2009	3,051	2,954
Cash Flows	(51)	97
<b>At 30 September 2010</b>	<b>3,000</b>	<b>3,051</b>

#### (c) Reconciliation of net cash flow to movement in net debt

	2010 £'000	2009 £'000
(Decrease) / increase in cash	(51)	97
Movement in net debt	(51)	97
Net debt at 1 October 2009	3,051	2,954
<b>Net debt at 30 September 2010</b>	<b>3,000</b>	<b>3,051</b>

## Notes to the Financial Statements

### 1 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 2006. 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 408 Companies Act 2006 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 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. 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.



## Notes to the Financial Statements (continued)

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.

**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.

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 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 20% - 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 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. 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 (continued)

### 2 Grants receivable

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2010 £'000	Total 2009 £'000
Dept of Health - Breastfeeding peer support	-	-	-	5
Scottish Exec. Health Dept Scottish worker training	-	13	13	6
Big Lottery Fund Premature baby project	-	-	-	16
Parenting fund NW Development with Sowing Seeds	-	-	-	19
Welsh development (Welsh Council for Voluntary Action)	-	25	25	-
Improving Choice & Access (West Midlands) - Dept of Health	-	52	52	38
John Ellerman Foundation - Special Experiences Register	-	20	20	20
Austin & Hope Pilkington Trust - Special Experiences Register	-	-	-	1
Big Lottery Fund - Investing in Ideas, Scotland	-	(2)	(2)	10
Grants to local branches	-	272	272	319
<b>Voluntary income</b>	<b>-</b>	<b>380</b>	<b>380</b>	<b>434</b>
PCT Contracts for Services	85	-	85	97
Contracts for providing Peer Support services	97	-	97	23
Sure Start/Children's Centres Projects	68	-	68	24
Voices training	30	-	30	12
Grants to Local Branches	2	-	2	1
Other	63	-	63	45
<b>Incoming resources from charitable activities</b>	<b>345</b>	<b>-</b>	<b>345</b>	<b>202</b>
	<b>345</b>	<b>380</b>	<b>725</b>	<b>636</b>

### 3 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. 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 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 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 subsidiary for the year are given below. Audited accounts will be filed with the Registrar of Companies

	2010 £'000	2009 £'000
Turnover	2,175	2,024
Cost of sales	(1,080)	(1,030)
Gross profit	1,095	994
Distribution costs	(171)	(152)
Administrative expenses	(601)	(698)
Interest payable	(8)	(30)
Operating profit	315	114
Payment Under Gift Aid to NCT	(314)	(113)
Accumulated profit for year	1	1
Retained loss brought forward	(2)	(3)
<b>Retained in subsidiary</b>	<b>(1)</b>	<b>(2)</b>

## Notes to the Financial Statements (continued)

Balance Sheet - NCT Trading Ltd	2010 £'000	2009 £'000
Fixed Assets	5	5
Current Assets	955	880
Creditors< 1 year	(961)	(887)
<b>Net Assets</b>	<b>(1)</b>	<b>(2)</b>

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.

### 4 Fundraising costs of voluntary income

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2010 £'000	Total 2009 £'000
Central fundraising	69	-	69	74
	<b>69</b>	<b>-</b>	<b>69</b>	<b>74</b>

### 5 Fundraising costs of activities for generating funds

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2010 £'000	Total 2009 £'000
Central fundraising	358	-	358	405
Branch fundraising	449	-	449	378
	<b>807</b>	<b>-</b>	<b>807</b>	<b>783</b>

### 6 Charitable activities expenditure

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2010 £'000	Total 2009 £'000
Direct services to parents				
Antenatal	3,737	-	3,737	2,698
Breastfeeding support	552	-	552	372
Postnatal	394	-	394	293
Apportioned support costs	572	44	616	646
Health professional training	339	-	339	293
General Parental Support	2,250	366	2,616	2,212
	<b>7,844</b>	<b>410</b>	<b>8,254</b>	<b>6,514</b>
Policy, campaigning and research	1,610	-	1,610	1,703
Information	1,088	-	1,088	929
Membership services	830	-	830	702
	<b>11,372</b>	<b>410</b>	<b>11,782</b>	<b>9,848</b>

### 7 Support cost allocations

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. The following table shows a breakdown of the amounts of these costs that have been included in each of the main headings for the accounts.

## Notes to the Financial Statements (continued)

Charity	Fundraising voluntary income	Fundraising cost of generating funds	Direct Services	Policy, campaigns and research	Informa tion	Member ship services	Governa nce	Total 2010	Total 2009
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	10	50	409	118	68	64	3	722	746
Depreciation	2	7	33	23	13	18	1	97	75
Premises and equipment cost	3	12	59	39	24	31	2	170	269
Postage, stationery and telephone	1	3	19	12	8	10	1	54	68
Irrecoverable VAT	1	4	20	14	8	10	1	58	85
Insurance	1	2	6	4	3	3	1	20	21
Irrecoverable VAT									
Adjustment branches	1	2	12	7	4	5	1	32	27
Other	2	12	58	38	23	30	1	164	289
<b>Support Costs</b>	<b>21</b>	<b>92</b>	<b>616</b>	<b>255</b>	<b>151</b>	<b>171</b>	<b>11</b>	<b>1,317</b>	<b>1,580</b>
<b>Direct Costs</b>	<b>48</b>	<b>715</b>	<b>7,638</b>	<b>1,355</b>	<b>937</b>	<b>659</b>	<b>58</b>	<b>11,410</b>	<b>9,221</b>
<b>Total Costs</b>	<b>69</b>	<b>807</b>	<b>8,254</b>	<b>1,610</b>	<b>1,088</b>	<b>830</b>	<b>69</b>	<b>12,727</b>	<b>10,801</b>

### 8 Governance

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2010 £'000	Total 2009 £'000
Board	13	-	13	12
Audit fee	25	-	25	28
Office and shared services	14	-	14	24
Apportioned support costs	11	-	11	20
	<b>63</b>	<b>-</b>	<b>63</b>	<b>84</b>

In addition there were costs of £5,730 (2009, £11,820) incurred for the audit of the Trading subsidiary

### 9 Net movement in funds

Group	Total 2010 £'000	Total 2009 £'000
Net movement in funds is stated after charging		
Depreciation of tangible fixed assets	98	77
Staff costs (excluding agency staff, note 10)	4,264	3,634
Operating lease rentals	12	10
Auditors' remuneration (group)		
Audit fees	30	33
Prior Year's Auditors Remuneration	1	7

The amounts of total incoming resources and net (outgoing) resources attributable to the parent charity were £12,357,000 and (£480,000) respectively (2009 £10,457,000 and (£453,000))

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

Group	Total 2010 £'000	Total 2009 £'000
Staff costs during the year were as follows		
Wages and salaries	3,871	3,312
Social security costs	332	278
Other pension costs	61	44
	<b>4,264</b>	<b>3,634</b>
Payments to agency staff	38	55
	<b>4,302</b>	<b>3,689</b>



## Notes to the Financial Statements (continued)

Group	Total 2010 £'000	Total 2009 £'000
Staff costs by function were as follows		
Charitable activities	3,765	3,173
Fundraising	275	247
Commercial Trading operations	262	269
	<u>4,302</u>	<u>3,689</u>

One employee earned between £80,000 and £90,000 p a (including taxable benefits) during the year (2009 1) The pension cost for this employee was £4,000 (2009 £4,000)

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

Group	Number 2010	Number 2009
Charitable activities	241	221
Fundraising voluntary income	2	2
Fundraising	9	9
Commercial trading operations	12	12
	<u>264</u>	<u>244</u>

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

Group	FTEs 2010	FTEs 2009
Charitable activities	121.7	103.7
Fundraising voluntary income	1.3	1.3
Fundraising	6.9	8.5
Commercial trading operations	10.1	10.1
	<u>140.0</u>	<u>123.6</u>

In addition 82 Parent Service Area (PSA) administrators formed part of the payroll (2009 56), these are paid salary on the basis of the numbers of courses booked in each PSA and not on the basis of an amount of contracted hours of work and thus do not form part of the above analysis of full-time equivalent members of staff.

Expenses were reimbursed to 14 (2009 15) members of the Board of Trustees during the year Their expenses amounted to £7,312 (2009 £6,170) 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

Two trustees (2009 2) were paid £607 fees and expenses (2009 £5,468) for services provided as tutors, teachers, counsellors, and similar services provided at arms' length Two Trustees had a beneficial interest in a contract with the charity through their spouses who provides services - one as a teacher (2009 1) and the other as a breastfeeding counsellor (2009 1) No other 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 other than 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 other member of the Board of Trustees (2009 £nil) had any beneficial interest in any other contract with the charity or its' wholly owned subsidiaries during the year other than in relation to contracts for purchases of goods and services on the same terms as available to the general public

### 11 Fixed asset investments

Charity	2010 £	2009 £
Investment in group undertakings:		
NCT (Maternity Sales) Limited	6	6
NCT Trading Limited	100	100
NCT Publishing Limited	2	2
	<u>108</u>	<u>108</u>



## Notes to the Financial Statements (continued)

### 12 Tangible fixed assets

Group	Freehold Property £'000	Building Services £'000	Office Equipment £'000	Total £'000
Cost or valuation				
At 1 October 2009	355	38	343	736
Additions	8	-	133	141
Disposals	-	-	-	-
At 30 September 2010	<u>363</u>	<u>38</u>	<u>476</u>	<u>877</u>
Depreciation				
At 1 October 2009	69	33	188	290
Charge for year	7	5	86	98
On disposals	-	-	-	-
At 30 September 2010	<u>76</u>	<u>38</u>	<u>274</u>	<u>388</u>
Net book values				
At 30 September 2010	<u>287</u>	<u>-</u>	<u>202</u>	<u>489</u>
At 30 September 2009	<u>286</u>	<u>5</u>	<u>155</u>	<u>446</u>
Cost	43	38	476	557
Valuation (1998)	320	-	-	320
	<u>363</u>	<u>38</u>	<u>476</u>	<u>877</u>
Charity	Freehold Property £'000	Building Services £'000	Office Equipment £'000	Total £'000
Cost or valuation				
At 1 October 2009	355	38	320	713
Additions	8	-	132	140
Disposals	-	-	-	-
At 30 September 2010	<u>363</u>	<u>38</u>	<u>452</u>	<u>853</u>
Depreciation				
At 1 October 2009	69	33	170	272
Charge for year	7	5	85	97
On disposals	-	-	-	-
At 30 September 2010	<u>76</u>	<u>38</u>	<u>255</u>	<u>369</u>
Net book values				
At 30 September 2010	<u>287</u>	<u>-</u>	<u>197</u>	<u>484</u>
At 30 September 2009	<u>286</u>	<u>5</u>	<u>150</u>	<u>441</u>
Cost	43	38	452	533
Valuation (1998)	320	-	-	320
	<u>363</u>	<u>38</u>	<u>452</u>	<u>853</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 £221,598 (2009 £209,935).

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

### 13 Debtors

	2010		2009	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Amounts due from subsidiary undertakings	-	750	-	664
Prepayments and accrued income	138	102	150	94
Trade and branch debtors	841	660	852	638
Tax recoverable	66	67	145	145
Other debtors	3	-	1	-
	<u>1,048</u>	<u>1,579</u>	<u>1,148</u>	<u>1,541</u>



## Notes to the Financial Statements (continued)

### 14 Creditors: amounts falling due within one year

	2010		2009	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Expense creditors (incl accrued purchases)	798	678	772	672
Social security and other taxes	164	112	139	110
Deferred income membership subscriptions	733	733	896	896
sponsorship, training and grants	1,719	1,719	1,378	1,378
Accruals	172	133	239	145
	<b>3,586</b>	<b>3,375</b>	<b>3,424</b>	<b>3,201</b>

Deferred income relates to annual subscriptions paid in advance and courses paid for but not taking place until 2010/11

### 15 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 2010 £'000
	At 1 October 2009 £'000	Incoming Resources £'000	Outgoing Resources £'000	Fund Transfer £'000	
NW England Development (NIFP)	38	-	-	(38)	-
Scottish Executive - Scottish Specialist Worker Training	-	13	(13)	-	-
Training maternity services user representatives	4	-	-	(4)	-
NW Development (Parenting fund)	51	-	-	(35)	16
NE Development (Northern Rock Foundation)	7	-	-	(7)	-
Premature baby (Big Lottery)	32	-	(10)	(22)	-
Midlands Development Worker - Dept of Health	-	52	(39)	-	13
Disadvantaged Mother Project	20	-	-	-	20
John Ellerman Foundation - Special Experiences Register	20	20	(31)	-	9
Austin & Hope Pilkington Trust - Special Experiences Register	1	-	(1)	-	-
Big Lottery Fund - Investing in Ideas - Scotland	10	(2)	(8)	-	-
Grants and donations received by branches	231	278	(289)	-	220
Other	33	25	(19)	-	39
	<b>447</b>	<b>386</b>	<b>(410)</b>	<b>(106)</b>	<b>317</b>

### 16 Unrestricted funds

	At 1 October 2009 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfer between Funds £'000	At 30 September 2010 £'000
<b>Group</b>					
General Funds	1,876	13,511	(13,964)	63	1,486
Fixed Assets Fund	446	-	-	43	489
	<b>2,322</b>	<b>13,511</b>	<b>(13,964)</b>	<b>106</b>	<b>1,975</b>
<b>Charity</b>					
General Funds	1,898	11,971	(12,427)	63	1,505
Fixed Assets Fund	441	-	-	43	484
	<b>2,339</b>	<b>11,971</b>	<b>(12,427)</b>	<b>106</b>	<b>1,989</b>

A transfer took place between the Unrestricted and Restricted funds to reflect costs previously charge to the Unrestricted Fund that were actually spent on Restricted fund items in previous years

## Notes to the Financial Statements (continued)

### 17 Analysis of net assets between funds

Fund balances at 30 September 2010 are represented by

Group	Unrestricted Funds:			Restricted Funds	2010 Total
	Non-Charitable Trading Funds	General Funds	Fixed Assets Fund		
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets		-	489	-	489
Net current assets	(1)	1,487	-	317	1,803
Total net assets	(1)	1,487	489	317	2,292

Charity	Unrestricted Funds:		Restricted Funds	2010 Total
	General Funds	Fixed Assets Fund		
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	484	-	484
Net current assets	1,505	-	317	1,822
Total net assets	1,505	484	317	2,306

### 18 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. Each year subsidiary companies, which do not have charitable status, Gift Aid any taxable profits to the National Childbirth Trust. The charity and group is not able to reclaim all VAT suffered on expenditure due to the partial exemption regulations.

### 19 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 10). 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 (2009: none).

### 20 Operating lease commitments

At 30 September 2010 the group had annual commitments for land and buildings under operating leases as set out below:

	2010		2009	
	Group	Charity	Group	Charity
	£'000		£'000	£'000
Expire				
In < 5 years	17	-	10	-

## Reference and Administrative information

### Charity Registrations:

The National Childbirth Trust ('NCT')  
Company Registration 2370573 (England & Wales)  
Registered Charity 801395  
Charity Registered in Scotland SCO41592  
VAT GB 6811 829 23

### Registered Office:

Alexandra House  
Oldham Terrace  
Acton  
London W3 6NH

### Board of Trustees:

Sue Saxey (President, Elected May 2010)  
Rob Hayter (Chair, Elected May 2010)  
Seana Talbot (Vice Chair)  
Helen Ableman (Elected May 2010)  
Malcolm Ashton  
Sanjay Bhasin  
Suzy Broekhuizen  
Andre Clark  
Julie Stein Hodges (Hon Secretary, Chair Nominations and Governance Committee)  
Bryan Macpherson  
Simon Mehigan (Elected May 2010)  
Kathryn Scanlan  
Tina Winders (Hon Treasurer, Chair Audit & Risk Committee)  
Don Evans (Resigned April 2010)  
Ian Chandler (Resigned May 2010)  
Gail Werkmeister (Resigned May 2010)  
Michelle Evans (Resigned May 2010)  
Tarun Chotai (Resigned September 2010)

### Directorate:

Belinda Phipps, Chief Executive  
Mark Atkinson, Voluntary Income Director  
Jill Creese, Head of Human Resources  
Sally Horrox, Marketing Director  
Joseph Lowe, Director of Corporate Resources  
Miranda Seymour-Smith, Operations Director  
Kate Williams, Director of Healthcare Professional Services

### 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 London SW15 6AB	Bates Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH	Keeble Hawkson Solicitors Old Cathedral Vicarage St James Row Sheffield S1 1AX
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### Subsidiary Companies:

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