



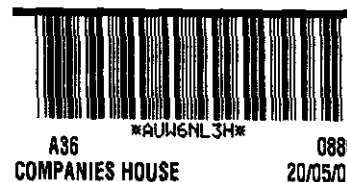
## The National Childbirth Trust

Alexandra House, Oldham Terrace, Acton, London, W3 6NH  
Telephone 0870 770 3236

(Limited by Guarantee)

### REPORT AND ACCOUNTS

30 SEPTEMBER 2002



**Buzzacott**

Company Registration Number 2370573

Registered Charity Number 801395

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## Legal and Administrative Information 5 March 2003

Board of Trustees:	<p>Gillian Fletcher, President Dorotka Griffin, Chair (<i>Bernadette Matus retired on 22 June 2002</i>) Sarah Ross, Vice Chair (<i>Ruth Howard retired on 22 June 2002</i>) Anne Brome Thompson, Honorary Secretary (<i>Sue Saxey retired on 22 June 2002</i>) Jo Bridgwater (elected 22 June 2002) Alison Carey (elected 22 June 2002) Cynthia Clarkson Anne Dolphin (elected 22 June 2002) Catherine George Liz Goudie Richard Hallett (elected 22 June 2002) Caroline Lofthouse Jill Oliver Joy Oxenham Tracey Sheldrake (elected 22 June 2002) Sara Tomkinson Tanya Tunley Linda Turner (<i>Julie Salmon, resigned 6 February 2002</i>)</p>
Senior Executives:	<p>Belinda Phipps, Chief Executive Anne Spong, Finance Director Diane Emery, Head of Fundraising Mary Newburn, Head of Policy Research Kate Williams, Parent Services Manager Roz Collins, Marketing and Communications Manager</p>
Company Secretary:	Anne Spong
Auditors:	<p>Buzzacott Chartered Accountants &amp; Registered Auditors 12 New Fetter Lane London, EC4A 1AG</p>
Bankers:	<p>Lloyds TSB Bank plc 39 Threadneedle Street London EC2R 8AU</p>
Solicitors:	<p>Trowers &amp; Hamlins Sceptre Court 40 Tower Hill London EC3N 4DX</p>
Status:	<p>Company limited by guarantee without share capital, registration number 2370573. In the event of winding up each member is liable to contribute a sum not exceeding £1 whilst a member or within 12 months of ceasing membership. Charity registration number 801395.</p>
Subsidiary Companies:	<p>NCT (Maternity Sales) Limited NCT Publishing Limited NCT Trading Limited</p>
Registered Office:	<p>Alexandra House Oldham Terrace London, W3 6NH</p>

## **Report of the Board of Trustees 30 September 2002**

The Board of Trustees presents the statutory report with the accounts of the National Childbirth Trust ('the NCT') for the year ended 30 September 2002.

The report has been prepared in accordance with Part VI of the Charities Act 1993.

The accounts have been prepared in accordance with the accounting policies set out on pages 15 to 16 of the attached accounts and comply with the charitable companies memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice on 'Accounting and Reporting by Charities' issued in October 2000 by the Charity Commission.

### **Organisation**

The Board of Trustees sets the overall strategic policy framework and budget of the Charity. Three main Committees report to it:

- Policy, Research & Campaigns Committee (PRCC)
- Direct Services & Training Committee (DSTC)
- Finance, Fundraising, Membership & Marketing Committee (FFMMC)

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

The NCT has three commercial companies:

- NCT Publishing Ltd
- NCT Trading Ltd
- NCT (Maternity Sales) Ltd

NCT Trading Ltd and NCT (Maternity Sales) Gift Aid their profit to the NCT. NCT Publishing Limited did not trade during the period of these accounts, the publishing and sale of books and magazines was undertaken and financed through a collaboration agreement with Book Production Consultants plc.

In order to facilitate the smooth running of the Charity the Board of Trustees has devolved the day-to-day management of the NCT to the Chief Executive and Senior Management Team.

### **Principal aims and activities**

The National Childbirth Trust 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.

To achieve this the NCT operates in three main areas:

- We campaign on pregnancy, birth, breastfeeding and postnatal issues;
- We publish and disseminate parent-centred, evidence-based information; and
- We provide support services to parents and health professionals.

### **NCT Review of the year October 2001 to September 2002**

#### **1) Campaigns**

The NCT campaigns to improve all aspects of maternity care for all new parents and parents-to-be. This is achieved throughout the UK, both on a local level through our NCT branches and at government level, by lobbying and influencing maternity services' policy makers, commissioners and providers.

#### **Major achievements in 2001/2002**

In England, the NCT was successful in lobbying for a maternity module in the Government's Children's National Service Framework and was invited onto the reference groups developing the framework. In the UK, we successfully lobbied with other parents organisations, (including the Maternity Alliance), for improved parental leave, maternity rights and pay, resulting in maternity leave being extended and the right to two weeks paid paternity leave being introduced from April 2003. We were represented on the Department of Health Maternal and Neonatal Workforce Group, which produced a report for ministers reviewing the factors affecting reconfiguration of maternity services in England.

## Report of the Board of Trustees 30 September 2002

The NCT was also involved in the following lobbying activities and campaigns to improve parents' experiences of pregnancy, birth, breastfeeding and postnatal issues. We:-

- campaigned across the UK for the caesarean section rate to be reduced in line with the findings of the World Health Organization (WHO), and for better access to home birth and midwife-led birth centres,
- lobbied for implementation of the breastfeeding strategies in Northern Ireland, Wales and most NHS Board areas in Scotland and for development of a breastfeeding strategy in England,
- worked for the adoption of the WHO Code and Resolutions in the UK, for international standards on appropriate labelling of solid foods, and an end to unacceptable claims in formula milk marketing,
- developed and disseminated the four page NCT Birth Policy after detailed consultation with NCT members and supporters,
- participated in the National Sentinel Caesarean Section Audit, and organised the third in a series of campaigning conferences, *The Rising Caesarean Rate – From audit to action*, in partnership with the Royal College of Obstetricians and Gynaecologists, and the Royal College of Midwives on 31 January 2002. A report of the day was published and widely disseminated to primary care trusts, obstetricians, midwives, user representatives and chairs of maternity services liaison committees,
- launched a successful media campaign, based on a billboard advertisement in London for Breastfeeding Awareness Week (May 12-18) which achieved significant coverage in local and national media across the UK,
- extended the NCT Baby Feeding Policy to include the introduction of solid foods, based on new reviews of the evidence from the World Health Organisation and the Cochrane Library.
- continued to coordinate and service the multi-disciplinary Maternity Care Working Party (MCWP),
- supported and serviced the All-Party Parliamentary Group on Maternity at Westminster. We organised meetings for MPs, peers and voluntary groups on the National Sentinel Caesarean Section Audit and on domestic violence,
- surveyed pregnant women and parents with young children on Balancing Work and Babies. Results were presented at the NCT conference in June 2002 and articles were published in the parenting magazines and a midwifery journal.

### 2. Parent-centred, evidence-based information

Information is provided by the UK office, branches and specialist workers, including:

- help lines (enquiry line and breastfeeding line),
- books, booklets, magazines, local newsletters, under 5 guides, leaflets and fact sheets,
- website information,
- research reports and evidence based briefings.

### Major achievements in 2001/2002

In Scotland and England, parent representatives with an interest in research (NCT Research Networkers) contributed to numerous research projects, and to the development of evidence-based clinical guidelines, on postnatal depression and puerperal psychosis (Scottish Intercollegiate Guidelines Network), electronic foetal monitoring, induction of labour, caesarean section and antenatal care (National Institute for Clinical Effectiveness). The NCT also successfully increased the reach of the free NCT magazine "Bumps & Babies" to around 75% of all pregnant women in the UK.

The NCT has increased the quality and range of information it produces and has been successful in disseminating these to a wider audience to increase reach. We:-

- published an article from the Access study on *The experiences of pregnant women with disabilities or special needs* and evidence-based briefings for NCT workers on continuous electronic monitoring, induction of labour, epidural anaesthesia and caesarean section,
- worked with the MCWP to publish and disseminate *Modernising Maternity Care – A commissioning toolkit for primary care trusts in England*,
- were represented at the annual conference of the UK Cochrane collaboration, Community Practitioner and Health Visitors Association and the Royal College of Midwives in England and Wales,
- published new information sheets on: "Chickenpox", "Breech Baby", "When do I start my Baby on Solids?", "Breastfeeding and Your Nipples" and "Miscarriage" and disseminated these to audiences including Health Visitors and A&E departments and maternity units,
- produced a series of cartoon information sheets on breastfeeding to broaden the accessibility of our information to those with a low reading age or for whom English is not their first language,

## Report of the Board of Trustees 30 September 2002

- in conjunction with the baby feeding policy, produced an evidenced-based briefing and an information sheet for NCT workers and health professionals on the introduction of solid foods.
- Published new NCT Booklets on "Breastfeeding a Good Start", "Home Birth" and "Your Pelvic Floor",
- re launched the NCT books published for us by Thorsons: "Help your Baby to Sleep", "Toddler Tantrums", "First Foods and Weaning", "Breastfeeding for Beginners", "Successful Potty Training",
- updated and reprinted The NCT book on Postnatal Depression. The CPHVA endorsed the book. The NCT leaflet on Postnatal Depression was updated and reprinted,
- increased the information quality and range available from the NCT Parents' Enquiry Line,
- developed a poster to encourage midwives and women to recommend and use upright and mobile positions for labour and birth.

### 3. *Support services*

Support services are provided by the NCT through its UK wide network of branches and specialist workers, from staff based at the UK office and via its trading companies, and include:

- antenatal classes, Breastfeeding support (classes, telephone help and one to one support). Postnatal courses and drop-ins,
- branch based events for mothers, fathers and children,
- a register of parents who have had a difficult experience who are willing to support others who are going through a similar dilemma,
- specialist support groups (e.g. home birth, caesarean),
- short and long-term hire of high quality breast-pumps and valley cushions,
- expert fitters to provide women with comfortable nursing bras,
- goods (nearly new and new) for parents to be, new parents and their babies.

### **Major achievements in 2001/2002**

The NCT has focused on improving the quality of existing services and extending their reach to enable a greater proportion of the parents and parent to be population to have the opportunity to benefit. The NCT has particularly focused on reaching young people, disadvantaged groups, those in rural areas and those from ethnic minorities.

### ***Services to parents and health care professionals were improved in several areas. The NCT has:***

- made marked improvements in access for parents to the services the NCT provides,
- increased the proportion of antenatal teachers, breastfeeding counsellors and postnatal workers who are providing services to young women, women whose first language is not English and those living in poverty,
- seen an increase of over 10% in student numbers by October 2002,
- launched a group starter pack to widen our reach,
- almost doubled the monthly calls to the NCT breastfeeding line to 30,000 per annum,
- increased the awareness of our charity among parents (71% of women with a child under one are now aware of the NCT compared with 61% three years previously),
- commenced training for over 100 breastfeeding counselling trainees who will work in low-income areas,
- introduced a system for the collection of all training fees centrally,
- updated the Foundation Training programme used for training of NCT local volunteers and extended it to include a module on postnatal work,
- identified the training needs and support needs of other groups in the NCT and in the case of Maternity Services Reps developed a training programme,
- supported the implementation of the new Birth Policy and updated Baby Feeding policy through changes to the content of services provided by specialist workers,
- improved the uptake of the NHS-ConNeCT training programme,
- introduced new NHS-ConNeCT workshops for health professionals in running effective antenatal classes for teenagers.

Several large companies have now started providing NCT supplied materials to support their pregnant employees.

## Report of the Board of Trustees 30 September 2002

### Future plans

#### 1. Campaigns

In the year 2002-2003 the following activities and projects are on the work plan:

Review of the NCT's campaigning objectives, with emphasis on increasing the number of straightforward normal births and increasing support for breastfeeding throughout society.

In England and Wales, the NCT will continue to influence maternity services through its work on the reference groups for Children's National Service Frameworks. In Scotland, the NCT will contribute to the project group on clinical standards for Maternity Services. Manifestos will be published to inform the elections in Scotland and Wales, and in Northern Ireland if elections are held.

Launch of a Better Birth Environment campaign with a survey of parents, and awards for maternity units presented at the NCT 2003 annual conference. We will continue to work to make sure that increasing numbers of women have access to home birth and birth in midwife-led birth centres.

The Labour and Birth Positions poster will continue to form the basis of the "Don't Take it Lying Down" campaign to enable all women to feel able to keep moving around and use positions that are comfortable for them, increasing their chance of a straightforward birth.

If external funding can be secured, we will conduct an in depth Birth Survey on women's current experiences of birth in the UK.

Preliminary work will begin on evaluating the effectiveness of antenatal classes.

NCT will continue to campaign, provide information and services so that women have the practical support they need to start and continue breastfeeding. We will actively contribute to Breastfeeding Awareness Week across the UK working with the relevant bodies.

We will work to see the implementation of breastfeeding strategies in Scotland, Northern Ireland and Wales, with the development of a policy and strategy in England. We will work with the Baby Feeding Law Group towards the implementation of the International WHO Code and Resolutions.

An NCT information sheet on introducing solid foods for babies will be sent to all health visitors in the UK.

We will work to ensure all women have postnatal care, which is respectful, kind and emotionally supportive. In Scotland, in partnership with the Royal College of Midwives, the NCT will hold an *Early Daze* conference on improving preparation for and support during, the transition to parenthood.

Working jointly with Maternity Alliance, we plan to raise awareness of the new rights on maternity and parental leave being introduced in April 2003.

Support for the NCT maternity services representatives and research networkers will include representation training (Voices) and understanding research (CASP) training at regional days.

We plan to update the 'Campaigning Effectively' Handbook and publish a guide for local communities on how to respond to proposed reconfiguration of services, including threatened closure of local maternity units.

We will continue to support and service the Maternity Care Working Party and All-Party Parliamentary Group on Maternity with meetings to discuss reconfiguration of maternity services, breastfeeding and the needs of disabled parents. We will again host the summer reception, which will include awards for NHS trusts with an increased rate of normal births and the most improved home birth rate.

We will apply for funding for a Policy development Officer for Scotland.

We will develop and maintain a virtual Welsh region through email networks.

## **Report of the Board of Trustees 30 September 2002**

### **2. *Parent-centred, evidence-based information***

In the year 2002-2003 the following activities and projects are on the work plan:

Further evidence-based briefings for NCT workers are planned on caesarean section, introduction of solid foods for babies, depression before and after childbirth, active management of labour and episiotomy.

We will continue to build on our series of information sheets and leaflets, new titles planned so far include Labour and Birth in Water, Early Days Help Yourself to a Straightforward Vaginal Birth, Induction of Labour, Caesarean Section Your Questions Answered. Vaginal Birth after Caesarean will be updated as will any other printed information requiring reprinting in year.

We will update and re print the NCT book of Safe Foods and we will work on a book to support women to have a straightforward birth and one on caring for a new baby.

We will continue to work to increase the distribution of our "Bumps and Babies" magazine for pregnant women to closer to 100%.

The 12 NCT free leaflets are undergoing revision, and will be available during this coming year.

We will continue to be aware that for many English is not their first language and will publish our information in suitable formats.

We will continue to publish evidence-based research, starting with the Reconfiguration Survey.

We will update and re-launch our parents' website.

We hope to develop a range of interactive material to reach and be more accessible to, a much wider audience of parents.

We will develop our enquiry service into a help-line so it is more able to cope with the range of questions we are now receiving from the 80,000 people who contact us each year by telephone and e-mail.

### **3. *Support services***

In the year 2002-2003 the following activities and projects are on the work plan.

We will further develop the ability of our workers to provide services for the harder to reach groups.

We will launch an improved experiences register to provide parent-to-parent support for those who are going through especially difficult or unusual situations in pregnancy or as new parents.

We will provide information on how to book local antenatal or postnatal courses on our website. Extended working by specialist workers to better meet the needs of parents in the early postnatal period will be encouraged.

Work will start on the development of an NCT breastfeeding peer support training programme if grant funding become available.

We will provide an easy route to a local breast pump agent via the breastfeeding line.

Our reduced fee policy will be updated to improve access to our courses for financially disadvantaged parents throughout the UK.

### **4. *Funding***

The work of the NCT would not have been possible without the funding provided by our 48,000 members and the fundraising work of the 330 NCT branches. We also thank all those individuals who have raised funds for us through events like the London Marathon, Flora Light Women's Challenge, British 10K Road race, parachute jumps, recycling printer cartridges, mobile phones and abseiling. We also received a substantial legacy from Mrs. Sidonie Nixon.



## Report of the Board of Trustees 30 September 2002

Funding has also been provided by the following commercial companies and in the form of a Department of Health grant for training breastfeeding counsellors.

Major sponsors were:

- Lever Faberge (Persil Non-Bio),
- Tetley, who supported our annual fundraising event the NCTea party,
- Kodak Easyshare digital cameras,
- Mamas & Papas Ltd.,
- Ford Motor Company Ltd.,
- Jigsaw Group Ltd.

Other sponsors included:

Grobag Ltd; Daval Ltd; Natural Mat Company; Beach Magazines; G&S Safety Products; Bodyclock; Birthworks; Insight Music Ltd; Ocado Ltd; Ease of Minders Ltd; Peterhurst Ltd; Philips Electronics UK Ltd; Clarion Events Ltd; Calpol; Karvol; Trowers & Hamlins.

The impact generated in Breastfeeding awareness week by the 96sheet backlit poster at Vauxhall Bridge, was achieved through the following organisations and individuals donating their expertise, time and costs for free:

- Poster Publicity
- Think 1
- MediaVest
- Clear Channel UK
- Garry Hunter
- Madalyn Roker

Corporate employee membership grew in the financial year – clients include:

- Ford Europe
- Ashridge Management College
- Nissan Motor (GB) Ltd
- Renault UK Ltd
- Visteon UK Ltd

The Maurice Fry Charitable Trust continued their regular support for the NCT

### Financial report for the year

The group has continued to improve its financial position and performance, recording a surplus of income over expenditure for the third year running. The surplus of £483,000 in 2001/2002 is £242,000 higher than in 2000/2001. This has been achieved through increased income from antenatal classes, membership subscriptions and trading income from NCT Trading and NCT Maternity Sales and continued control over expenditure. This improved performance has also enabled some further investment in key areas of the charity's work.

Total incoming resources increased to £5.4m in 2001/2002 from £4.6m in 2000/2001, an increase of £0.8m (17%). The increase was mainly due to an increase of £227K (16%), in income from courses and conferences (which principally relates to antenatal classes run by branches), higher membership subscriptions of £168K (20%), the increase in income of the trading companies of £112K (14%), and an increase in fundraising income of £80K, (9%).

Total resources expended increased to £4.9m in 2001/2002 from £4.4m in 2000/2001, an increase of £0.5m (12%). The increase was due principally to increased expenditure on services to parents of £255K (17%), increased expenditure by the trading companies of £97K, (13%) and additional expenditure on fundraising of £68K (17%).

Fundraising surpluses generated by branches and the UK office were £536K (2001 £524K), 54% of fundraising income (2001 57%). Many of the fundraising events held by the branches of the charity have two objectives, to raise funds for the charity, and also to meet the aims of the charity in terms of providing postnatal support for families. Consequently, this dual role increases the cost, and therefore reduces the profitability, of the events.

## **Report of the Board of Trustees 30 September 2002**

The surplus of £483K includes the £85K profit from commercial trading, £47K surplus by branches and £351K surplus by the UK office. In 2000/2001 the surplus of £241K included £70K profit from commercial trading, £53K surplus by branches and £118K surplus by the UK office.

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

As explained above the charity carries out a diverse range of activities both by its branch network and its UK office. The Board of Trustees has examined the requirement for 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 £1,186K equivalent to three months' annual expenditure on unrestricted funds at any one time. The Board of Trustees is of the opinion that this provides sufficient flexibility to cover temporary shortfalls in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

### **Financial position**

The group balance sheet shows total funds of £1,304K. These funds include £172K, which is restricted. These monies have been raised for, and their use restricted for specific purposes, or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 14 to the accounts together with an analysis of movements in the year.

Funds totalling £21K have been designated, or set aside, by the Board of Trustees for specific purposes. These purposes and analysis of the funds are set out in note 15 to the accounts.

General funds of the group at 30 September 2002, total £1,111K. These funds are represented by tangible fixed assets with a net book value of £313K and 'free reserves' of £798K.

The 'free reserves' fall short of their desired level as set out in the charity's reserves policy above. This shortfall has been taken into account by the Board of Trustees whilst preparing a five year financial plan and the Board of Trustees intends to retain £150K over each of the next four years until the target for unrestricted free reserves is achieved.

### **Risk management**

The revised Statement of Recommended Practice (SORP), issued by the charity commission in October 2000, includes a requirement that the trustees' report should include a statement confirming that the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks. (Paragraph 31 (g)). The trustees have ensured that the process of identifying, assessing and mitigating risk is linked to the objectives of the NCT; that the process covers key risk areas; and that risk management is ongoing and embedded in management and operational procedures. The process covers all areas of risk- financial, governance, operational and reputational, and is focused primarily on major risks.

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

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

### **Trustees**

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

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

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

The Companies Act 1985 requires the Board of Trustees, who are directors for the purpose of that Act, to prepare accounts of the charity for each financial year which give a true and fair view of the state of affairs of the charity and its wholly owned subsidiaries and of their surplus or deficit for that year. In preparing accounts giving a true and fair view the Board of Trustees has followed best practice and has:

- Selected suitable accounting policies and then applied them consistently;

## **Report of the Board of Trustees 30 September 2002**

- Made judgements and estimates that are reasonable and prudent;
- Followed applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- Prepared the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

### **Board of Trustees**

A list of members of the Board of Trustees at the date the accounts were approved is given as part of the legal and administrative information on page 1. Trustees are elected by members at the Annual General Meeting of the NCT. Richard Hallett, Alison Carey, Anne Dolphin and Tracey Sheldrake were elected in June 2002. Bernadette Matus, Ruth Howard, and Sue Saxey retired in June 2002. Julie Salmon resigned in February 2002. The Board of Trustees met 7 times in 2001/2002.

No member of the Board of Trustees had any beneficial interest in any contract with the charity or its wholly owned subsidiaries during the year.

### **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.

### **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**

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

**Approved by the board and signed on their behalf by:**



Dorotka Griffin  
Chairman  
5 March 2003

## **Report of the Auditors 30 September 2002**

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

We have audited the accounts on pages 11 to 24, which have been prepared under the historical cost convention, as modified by the inclusion of freehold property at a valuation and the inclusion of quoted investments at market value, and the accounting policies set out on pages 15 to 16. This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As described on page 8 the members of the Board of Trustees, who are also the directors of The National Childbirth Trust for the purposes of company law, are responsible for the preparation of the report of the Board of Trustees and accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We are not required to consider whether the statement in the report of the Board of Trustees concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

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

### **Basis of opinion**

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

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

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the charitable company and the group as at 30 September 2002 and of their incoming resources and application of resources, including their income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Buzzacott

Buzzacott, Chartered Accountants and Registered Auditors  
12 New Fetter Lane, London, EC4A 1AG  
5 March 2003

The National Childbirth Trust

Consolidated statement of financial activities for the year ended 30 September 2002

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2002 £'000	Total 2001 £'000
<b>Income and Expenditure</b>					
<b>Incoming resources</b>					
<b>Donations, legacies and similar income</b>					
• Donations		103	25	128	114
• Legacies		97	-	97	-
<b>Activities in furtherance of the charity's objects</b>					
• Fees from Courses and Conferences		1,621	-	1,621	1,394
• Membership subscriptions		1,022	-	1,022	854
• Other income receivable		69	-	69	63
<b>Activities for generating funds</b>					
• Fundraising activities		1,001	-	1,001	921
• Grants receivable	1	-	149	149	129
• Commercial trading operations	2	920	-	920	808
• Advertising in Branch Newsletters		287	-	287	244
• Other income receivable		39	-	39	37
Interest receivable		32	-	32	40
<b>Total incoming resources</b>		<b>5,191</b>	<b>174</b>	<b>5,365</b>	<b>4,604</b>
<b>Less: costs of generating funds</b>					
• Fundraising costs	3	465	-	465	397
• Commercial trading operations	2	835	-	835	738
		<b>1,300</b>	<b>-</b>	<b>1,300</b>	<b>1,135</b>
<b>Net incoming resources available for charitable application</b>		<b>3,891</b>	<b>174</b>	<b>4,065</b>	<b>3,469</b>
<b>Charitable expenditure</b>					
<b>Costs in furtherance of the objects of the charity</b>					
• Direct services to Parents		1,639	129	1,768	1,513
• Policy, campaigning and research		263	-	263	254
• Information		680	9	689	655
• Publicity		45	2	47	43
• Membership services		213	-	213	206
<b>Support costs</b>	5	425	-	425	383
<b>Management and administration</b>	6	177	-	177	174
<b>Total charitable expenditure</b>		<b>3,442</b>	<b>140</b>	<b>3,582</b>	<b>3,228</b>
<b>Total resources expended</b>		<b>4,742</b>	<b>140</b>	<b>4,882</b>	<b>4,363</b>
<b>Net movement in funds &amp; net income for the year</b>	7	<b>449</b>	<b>34</b>	<b>483</b>	<b>241</b>
Funds brought forward at 1 October 2001		683	138	821	580
<b>Funds carried forward at 30 September 2002</b>		<b>1,132</b>	<b>172</b>	<b>1,304</b>	<b>821</b>

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

**Historical cost net movement in funds**

Net movement in funds	483	241
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	(5)	(5)
Historical cost net movement in funds	<u>478</u>	<u>236</u>

**The National Childbirth Trust**

**Charity statement of financial activities for the year ended 30 September 2002**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2002 £'000	Total 2001 £'000
<b>Income and Expenditure</b>					
<b>Incoming resources</b>					
<b>Donations, legacies and similar income</b>					
* Donations		103	25	128	114
* Legacies		97	-	97	-
<b>Activities in furtherance of the charity's objects</b>					
* Fees from Courses and Conferences		1,621	-	1,621	1,394
* Membership subscriptions		1,022	-	1,022	854
* Other Income receivable		69	-	69	63
<b>Activities for generating funds</b>					
* Fundraising activities		1,001	-	1,001	921
* Sales of Maternity Goods		130	-	130	143
* Advertising in Branch Newsletters		287	-	287	244
* Gift Aided income from subsidiaries		69	-	69	75
* Other income receivable		90	-	90	78
<b>Interest receivable</b>		32	-	32	40
<b>Total incoming resources</b>		<b>4,521</b>	<b>174</b>	<b>4,695</b>	<b>4,055</b>
<b>Less: costs of generating funds</b>					
* Fundraising costs	3	493	-	493	426
* Cost of maternity goods sold		143	-	143	159
		<b>636</b>	<b>-</b>	<b>636</b>	<b>585</b>
<b>Net incoming resources available for charitable application</b>		<b>3,885</b>	<b>174</b>	<b>4,059</b>	<b>3,470</b>
<b>Charitable expenditure</b>					
<b>Costs in furtherance of the objects of the charity</b>					
* Direct services to Parents		1,639	129	1,768	1,513
* Policy, campaigning and research		263	-	263	254
* Information		700	9	709	655
* Publicity		45	2	47	43
* Membership services		213	-	213	206
<b>Support costs</b>	5	428	-	428	395
<b>Management and administration</b>	6	177	-	177	174
<b>Total charitable expenditure</b>		<b>3,465</b>	<b>140</b>	<b>3,605</b>	<b>3,240</b>
<b>Total resources expended</b>		<b>4,101</b>	<b>140</b>	<b>4,241</b>	<b>3,825</b>
Net gains on investments		-	-	-	-
<b>Net movement in funds &amp; net income for the year</b>	7	<b>420</b>	<b>34</b>	<b>454</b>	<b>230</b>
Funds brought forward at 1 October 2001		733	138	871	641
<b>Funds carried forward at 30 September 2002</b>		<b>1,153</b>	<b>172</b>	<b>1,325</b>	<b>871</b>

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

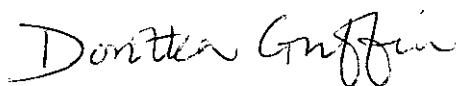
**Historical cost net movement in funds**

Net movement in funds	454	230
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	(5)	(5)
<b>Historical cost net movement in funds</b>	<b>449</b>	<b>225</b>

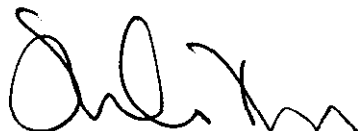
## Balance Sheets as at 30 September 2002

	Notes	2002		2001	
		Group £'000	Charity £'000	Group £'000	Charity £'000
<b>Fixed assets</b>					
Tangible assets	9	313	313	348	348
Investments	10	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
		<u>314</u>	<u>314</u>	<u>349</u>	<u>349</u>
<b>Current assets</b>					
Stocks		88	46	87	64
Debtors	11	329	396	439	489
Cash at bank and in hand		<u>1,751</u>	<u>1,513</u>	<u>1,011</u>	<u>878</u>
		<u>2,168</u>	<u>1,955</u>	<u>1,537</u>	<u>1,431</u>
<b>Creditors</b>					
Amounts falling due within 1 year	12	1,178	944	1,065	909
<b>Net current assets</b>		<u>990</u>	<u>1,011</u>	<u>472</u>	<u>522</u>
<b>Total net assets</b>		<u><u>1,304</u></u>	<u><u>1,325</u></u>	<u><u>821</u></u>	<u><u>871</u></u>
<b>Fund balances</b>					
<b>Charitable funds</b>					
Restricted funds	14	172	172	138	138
Unrestricted funds	15				
General funds		1,112	1,132	683	712
Designated funds		<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>
		<u>1,133</u>	<u>1,153</u>	<u>704</u>	<u>733</u>
		1,305	1,325	842	871
<b>Non-charitable trading funds</b>		(1)	-	(21)	-
		<u><u>1,304</u></u>	<u><u>1,325</u></u>	<u><u>821</u></u>	<u><u>871</u></u>

Approved by the Board of Trustees on 5 March 2003  
and signed on its behalf by



Dorotka Griffin, Chairman



Sarah Ross, Vice Chairman

**Consolidated cash flow statement for the year ended 30 September 2002**

	Notes	2002 £'000	2001 £'000
<b>Consolidated inflow from operating activities</b>	(a)	719	163
<b>Returns on investments and servicing of finance</b>			
Interest received		32	33
Interest paid		-	(6)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(11)	(33)
		<u>740</u>	<u>157</u>
<b>Financing</b>			
Capital element of finance lease rentals		-	(10)
<b>Increase in cash</b>	(b)	<u>740</u>	<u>147</u>

**Notes to the cash flow statement**

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

	2,002 £'000	2,001 £'000
Net movement in funds	483	241
Depreciation charge	46	31
Net loss on disposal of fixed assets	-	(2)
Interest receivable	(32)	(40)
Interest payable	-	3
(Increase)/ decrease in stocks	(1)	16
Decrease/ (Increase) in debtors	110	(148)
Increase in creditors	113	62
	<u>719</u>	<u>163</u>

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

	At 1 October 2001 £'000	Cash flow £'000	At 30 September 2,002 £'000
Cash at bank and in hand	<u>1,011</u>	<u>740</u>	<u>1,751</u>



## Principal Accounting Policies 30 September 2002

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

The accounts have been prepared under the historical cost convention, as modified by the inclusion of the freehold property at a valuation and the inclusion of quoted investments at market value, and in accordance with the requirements of the Companies Act 1985. Applicable United Kingdom accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) have been followed in these accounts.

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

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

### c) **Incoming Resources**

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

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

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

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

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

Resources expended comprise the following:

- ◆ The costs of generating funds include the salaries, direct costs and overheads associated with generating donated income and carrying out commercial trading operations through the charity's subsidiaries.
- ◆ The costs of activities in furtherance of the charity's objects comprise expenditure on the charity's primary charitable purposes as described in the report of the Board of Trustees. Such costs include:
  - ◆ The cost of direct services to parents including the cost of antenatal classes and related teachers' fees, venue costs and class materials, the costs of breastfeeding support, and the costs of postnatal support and discussion and the cost of training the antenatal teachers, breastfeeding counsellors and postnatal leaders which principally comprises the tutor fees, course materials, and venue costs
  - ◆ The costs of policy, research and campaigning 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 New Generation 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
- ◆ 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.
- ◆ Management and administration comprises the costs incurred by finance, human resources and directorate departments which are directly attributable to management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

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

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

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

## Principal Accounting Policies 30 September 2002

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.

♦ **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

A change in depreciation policy for computer equipment from 20% to 33% resulted in all computer assets over three years old being fully depreciated in the year to bring them in line with the new policy. Assets under three years old have also been further depreciated to bring them in line with the new policy. The effect of this new policy has been to increase the depreciation charge for the year by £8,151 in respect of previous years.

g) **Fixed asset investments**

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

h) **Stocks**

Stocks represent goods for resale and are stated at the lower of cost and net realisable value.

i) **Fund accounting**

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

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

Non-charitable trading funds consist of the retained profits or accumulated losses of activities conducted through non-charitable trading subsidiaries.

j) **Leased assets**

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

k) **Branches**

Branch transactions are considered transactions of the charity. Branch returns were received from 330 of the NCT's branches and regions, representing 92% of the total. Estimated results have been included for those branches from which returns had not been received at the date of preparation of the accounts.

l) **Pension costs**

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

# Notes to the accounts 30 September 2002

## 1 Grants receivable

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2002 £'000	Total 2001 £'000
<b>GROUP &amp; CHARITY</b>				
Department of Health:				
- Breastfeeding counsellor training	-	23	23	24
Home Office: support starter pack	-	28	28	18
Grants to local branches	-	96	96	86
Other	-	2	2	1
	-	149	149	129

## 2 Commercial trading operations

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

- NCT Trading Limited whose principal activities are to promote the work of the National Childbirth Trust, to obtain sponsorship of activities and events and to undertake other business activity on behalf of the NCT;
- NCT (Maternity Sales) Limited whose principal activity is the sale of maternity clothes and publications;
- NCT Publishing Limited did not trade during the period of these accounts. The publishing and sale of books and magazines was undertaken and financed through a collaboration agreement with Book Production Consultants plc.

NCT Trading Limited and NCT (Maternity Sales) Limited have Gift Aided their 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 2002 £'000	Total 2001 £'000
<b>Turnover</b>	339	572	-	911	800
<b>Cost of sales</b>	(221)	(322)	-	(543)	(446)
<b>Gross profit</b>	118	250	-	368	354
Distribution costs	-	(68)	-	(68)	(89)
Administrative expenses	(76)	(134)	-	(210)	(184)
Interest payable	-	(1)	-	(1)	(2)
<b>Operating profit</b>	42	47	-	89	79
<b>Amounts Gift Aided to the National Childbirth Trust</b>	(42)	(27)	-	(69)	(75)
Accumulated profit for year	-	20	-	20	4
<b>Retained in subsidiary:</b>					
<b>Accumulated losses</b>	(1)	-	-	(1)	(21)

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.

## Notes to the accounts 30 September 2002

### 3 Fundraising costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2002 £'000	Total 2001 £'000
GROUP				
Central fundraising	76	-	76	79
Branch fundraising	389	-	389	318
	<u>465</u>	<u>-</u>	<u>465</u>	<u>397</u>
CHARITY				
Central fundraising	104	-	104	108
Branch fundraising	389	-	389	318
	<u>493</u>	<u>-</u>	<u>493</u>	<u>426</u>

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

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

### 4 Charitable expenditure

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2002 £'000	Total 2001 £'000
GROUP				
Direct services to parents:				
- Antenatal	1,212	29	1,241	1,046
- Breastfeeding support	158	74	232	222
- Postnatal	169	26	195	156
- Apportioned costs of office and shared services	64	-	64	55
- Health professional training	33	-	33	34
- Other	3	-	3	-
Sub-total	<u>1,639</u>	<u>129</u>	<u>1,768</u>	<u>1,513</u>
Policy, campaigning and research	263	-	263	254
Information	680	9	689	655
Publicity	45	2	47	43
Membership services	213	-	213	206
Support costs (note 5)	425	-	425	383
Management and administration (note 6)	<u>177</u>	<u>-</u>	<u>177</u>	<u>174</u>
	<u>3,442</u>	<u>140</u>	<u>3,582</u>	<u>3,228</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2002 £'000	Total 2001 £'000
<b>CHARITY</b>				
Direct services to parents:				
- Antenatal	1,212	29	1,241	1,046
- Breastfeeding support	158	74	232	222
- Postnatal	169	26	195	156
- Apportioned costs of office and Shared services	64	-	64	55
- Health professional training	33	-	33	34
- Other	3	-	3	-
Sub-total	1,639	129	1,768	1,513
Policy, campaigning and research	263	-	263	254
Information	700	9	709	655
Publicity	45	2	47	43
Membership services	213	-	213	206
Support costs (note 5)	428	-	428	395
Management and administration (note 6)	177	-	177	174
	3,465	140	3,605	3,240

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

## 5 Support costs

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2002 £'000	Total 2001 £'000
<b>GROUP</b>				
Staff costs	239	-	239	221
Depreciation	10	-	10	9
Premises and equipment costs	11	-	11	6
Postage, stationery and telephone	17	-	17	21
Irrecoverable VAT	23	-	23	35
IT lease finance costs	-	-	-	3
Insurance	25	-	25	19
Branch communications and support	72	-	72	57
Other	28	-	28	12
	425	-	425	383
<b>CHARITY</b>				
Staff costs	242	-	242	233
Depreciation	10	-	10	9
Premises and equipment costs	11	-	11	6
Postage, stationery and telephone	17	-	17	21
Irrecoverable VAT	23	-	23	35
IT lease finance costs	-	-	-	3
Insurance	25	-	25	19
Branch communications and support	72	-	72	57
Other	28	-	28	12
	428	-	428	395

# Notes to the accounts 30 September 2002

## 6 Management and administration

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2002 £'000	Total 2001 £'000
GROUP & CHARITY				
Board of Trustees, board committees and working groups	24	-	24	21
Branch/regional committees and Administration	83	-	83	94
Audit fee	18	-	18	15
Other	52	-	52	44
	<u>177</u>	<u>-</u>	<u>177</u>	<u>174</u>

## 7 Net movement in funds

	2002		2001	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Net movement in funds is stated after charging:				
Depreciation of tangible fixed assets	46	46	31	31
Staff costs (excluding agency staff, note 8)	783	780	667	667
Auditors' remuneration				
Audit fees	24	18	22	15
Other services	1	-	1	-
Operating lease rentals	<u>1</u>	<u>1</u>	<u>11</u>	<u>11</u>

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

	2002 £'000	2001 £'000
GROUP		
Staff costs during the year were as follows:		
Wages and salaries	704	601
Social security costs	59	48
Other pension costs	<u>20</u>	<u>18</u>
	783	667
Payments to agency staff	<u>109</u>	<u>91</u>
	<u>892</u>	<u>758</u>

### CHARITY

Staff costs during the year were as follows:

Wages and salaries	701	601
Social security costs	59	48
Other pension costs	<u>20</u>	<u>18</u>
	780	667
Payments to agency staff	<u>109</u>	<u>91</u>
	<u>889</u>	<u>758</u>

Staff costs by function were as follows:

### GROUP

Charitable activities	761	675
Fundraising	77	42
Commercial Trading operations	<u>54</u>	<u>41</u>
	<u>892</u>	<u>758</u>

### CHARITY

Charitable activities	761	675
Fundraising	77	42
Commercial Trading operations	<u>51</u>	<u>41</u>
	<u>889</u>	<u>758</u>

## Notes to the accounts 30 September 2002

One employee earned between £50,000 and £60,000 p.a. (including taxable benefits) during the year (2001 one). The pension cost for this employee was £3,000. (2001 £3,000)

The average number of employees including part-time staff, analysed by function was:

Group and Charity		
Charitable purposes	28.1	25.0
Fundraising	1.3	0.6
Commercial Trading Operations	1.7	1.0
	<u>31.0</u>	<u>26.6</u>

No member of the Board of Trustees received any remuneration in respect of their services during the year (2001 - £ nil).

Expenses were reimbursed to 17 (2001 19) members of the Board of Trustees during the year. Their expenses amounted to £15,000 (2001 £16,000). 18 (2001:5) Trustees were paid £16,000 (2001: £14,000) for services provided as tutors, teachers, counsellors, and similar services provided at arms' length and for expenses reimbursed for regional support and for attending trading company meetings.

### Indemnity Insurance

During the year, the charity purchased insurance to protect the charity from loss arising from any wrongful or dishonest act of any Trustee or employee and to indemnify any trustee or employee against the consequences of any wrongful act on their part. The total cover provided by such insurance is £5 million and the total premium paid in respect of such insurance was £3,000 (2001 £3,000)

## 9 Tangible fixed assets

	Charity Freehold Property £'000	Charity Office Equipment £'000	Charity Total £'000	Group Total £'000
Cost or valuation				
At 1 October 2001	320	233	553	553
Additions	-	11	11	11
Disposals	-	(4)	(4)	(4)
At 30 September 2002	<u>320</u>	<u>240</u>	<u>560</u>	<u>560</u>
Cost	-	240	240	240
Valuation (1998)	<u>320</u>	<u>-</u>	<u>320</u>	<u>320</u>
	<u>320</u>	<u>240</u>	<u>560</u>	<u>560</u>
Depreciation				
At 1 October 2001	19	186	205	205
Charge for year	6	40	46	46
On disposals	-	(4)	(4)	(4)
At 30 September 2002	<u>25</u>	<u>222</u>	<u>247</u>	<u>247</u>
Net book values				
At 30 September 2002	<u>295</u>	<u>18</u>	<u>313</u>	<u>313</u>
At 30 September 2001	<u>301</u>	<u>47</u>	<u>348</u>	<u>348</u>

The freehold property was valued professionally in December 1998 on the basis of Existing Use Value. Under FRS15 transitional rules, 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 £128,294 (2001 £ 116,631).

# Notes to the accounts 30 September 2002

## 10 Fixed asset investments

At 30 September 2002, fixed asset investments comprised:

	2002 £	2001 £
<b>Group and charity</b>		
Listed UK equity Abbey National plc	515	998
Investment in group undertakings:		
NCT (Maternity Sales) Limited	6	6
NCT Trading Limited	100	100
NCT Publishing Limited	2	2
	108	108
<b>Total charity investments</b>	623	1,106

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

The cost of the equity holding in Abbey National is negligible.

## 11 Debtors

	2002		2001	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Amounts due from subsidiary undertakings	-	218	-	287
Prepayments	60	16	56	25
Trade and branch debtors	206	114	327	133
Tax recoverable	30	30	16	16
Other debtors	33	18	40	28
	329	396	439	489

## 12 Creditors: amounts falling due within one year

	2002		2001	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Expense creditors (including accrued purchases)	252	168	276	215
Social security and other taxes	53	43	37	36
Deferred income - subscriptions and grants in advance	732	619	611	533
Accruals	141	114	141	125
	1,178	944	1,065	909

## 13 Leasing commitments

### GROUP AND CHARITY

#### Operating leases

The group and charity have annual commitments under non-cancellable operating leases as follows:

	2002 £'000	2001 £'000
Operating leases which expire within two to five years	1	1



**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:

	Movements in Funds		
	At 1 October 2001 £'000	Incoming Resources £'000	Outgoing Resources £'000
GROUP AND CHARITY			At 30 September 2002 £'000
Breastfeeding promotion	25	-	8
Breastfeeding counsellor training	15	23	5
Training maternity services user reps	4	-	-
Foundation training	1	-	1
Support starter pack (Home office)	17	28	24
Grants and donations received by branches	72	119	101
Other	4	4	1
	<u>138</u>	<u>174</u>	<u>140</u>
			<u>172</u>

**15 Unrestricted funds**

	Movements in Funds		
	At 1 October 2001 £'000	Incoming Resources £'000	Outgoing Resources £'000
GROUP			At 30 September 2002 £'000
General Funds	662	5,191	4,742
Designated Funds			
Capital replacement fund	6	-	-
Equal opportunities	10	-	-
Information - Foundation training	5	-	-
	<u>21</u>	<u>-</u>	<u>-</u>
	<u>683</u>	<u>5,191</u>	<u>4,742</u>
			<u>1,132</u>
CHARITY			
General Funds	712	4,521	4,101
Designated Funds			
Capital replacement fund	6	-	-
Equal opportunities	10	-	-
Information - Foundation training	5	-	-
	<u>21</u>	<u>-</u>	<u>-</u>
	<u>733</u>	<u>4,521</u>	<u>4,101</u>
			<u>1,153</u>

**16 Analysis of net assets between funds**

GROUP	Unrestricted Funds			2002 Total
	General and Non-	Designated Funds	Restricted Funds	
	Charitable Trading Funds			
	£'000			
Fund balances at 30 September 2002 are represented by:				
Tangible fixed assets	313	-	-	313
Investments	1	-	-	1
Net current assets	797	21	172	990
Total net assets	1,111	21	172	1,304

**CHARITY**

Fund balances at 30 September 2002 are represented by:

Fixed assets	313	-	-	313
Investments	1	-	-	1
Net current assets	818	21	172	1,011
	<u>1,132</u>	<u>21</u>	<u>172</u>	<u>1,325</u>

**GROUP AND CHARITY**

**Unrealised losses included above on tangible fixed assets**

Unrealised losses at 1 October 2001	(263)	-	-	(263)
Unrealised losses at 30 September 2002	<u>(263)</u>	<u>-</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 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.