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National Childbirth Trust

Annual Report and Accounts

30th September 2008

(Limited by guarantee)

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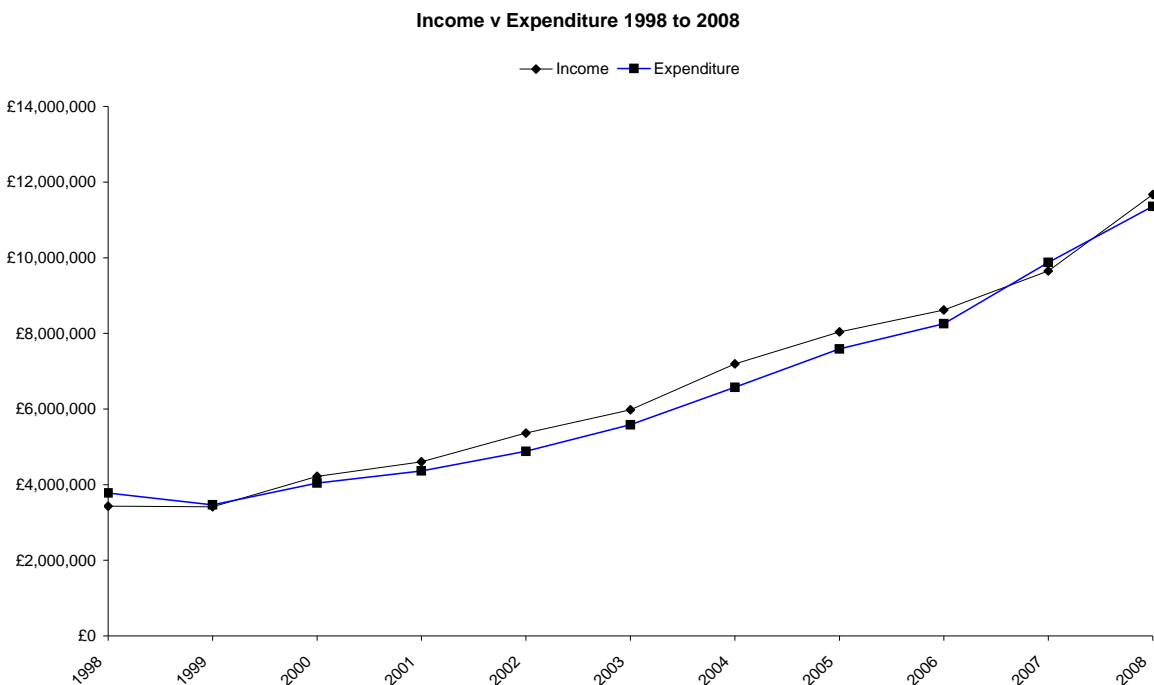
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CHAIR’S REPORT

I have had the privilege of taking over the position of Chair of the NCT Board of Trustees from Alison Radevsky at the end of this financial year. During the last year Alison has led the Board through a period of major change in which the charity completed its ninth successive year of growth, reached more parents than ever before and restructured to enable it to be capable of supporting every parent in the UK.

The graph below gives a retrospective look at our financial performance over ten years. It shows how the charity has invested steadily in growing and expanding the range of its services and activities, and in generating the income necessary to fund that expansion.

As a result we have been able to provide more services to more parents, and parents to be, each year for several successive years; as well as continuing to campaign for improvements in maternity services and for better support for parents. During that time we have sought to make a difference for all parents, not just those who are our members or who use our services; and this remains our aspiration for the future.



I am delighted to be taking responsibility for leading the Board of Trustees of so successful a charity as the NCT at a time when our services are more needed than ever before and our ability to meet that need has improved and continues to improve.

Ian Chandler
Chair of the Board of Trustees

CHIEF EXECUTIVE'S REPORT

This year we have been completing the five major change programmes we started in 2006/7. We have reorganised the way our systems and structures work for all our courses and branches, implemented a new database, launched a new visual identity and website, and revised our governance procedures. We have been making sure the new systems work and that back up IT and procedures are in place to support many more parents in the UK and Channel Islands than ever before.

At the end of 2007/8 the charity completed its evolution and created a system of providing services - from our self employed, now diploma qualified, antenatal, postnatal and breastfeeding specialist workers - which covers the whole UK and is capable of providing courses, classes and counselling support to many more parents. We have a new look with a new website and new logo being implemented across the charity. We have a new governance system in place and a new database installed and we are starting to consolidate all our information in one place.

All these changes were made to enable the charity to reach more parents and to become more effective at reaching across all social classes, ages, cultures, family types, and religions and to bring our services to those who are excluded or disadvantaged.

Even though NCT has achieved a great deal for parents over many years, becoming a parent is very tough in the UK today. It is a time of uncertainty and worry as well as joy and hope.

From the time that a woman decides to proceed with her pregnancy she and her partner have to make decisions about their pregnancy, the birth of their baby and what sort of parents they want to be. However, most people do not have information that is easily understood and readily available to enable them to make decisions that work for them.

Education of children and teenagers about what being a parent means and about birth and feeding is inadequate. This means that many find themselves expecting a baby without sufficient understanding of these important issues or the extent of the challenges parenthood brings.

Although there have been substantial and welcome improvements in policy on maternity care and breastfeeding, maternity services generally are not yet in a fit state to enable every woman to have a birth that is positive and empowering as well as safe. Women who are socially excluded have a disturbingly high risk of death when having a baby. The recent Healthcare Commission survey of maternity services in England showed that 25% of women are left alone and frightened in labour. Data for the rest of the UK is not available.

Although NCT's work led to dads being able to be present at the birth of their babies, partners and supporters of women often still feel excluded and may become disengaged from their children. Our experience of providing antenatal education to nearly 40,000 dads last year, and thousands more over the decades, convinces us that all partners need to be offered antenatal education and the new family needs opportunity and time to be together after the birth.

New parents at home struggle with isolation and loneliness. Relationship breakdown in the first few years after the birth of a child is high. One in five couples who are cohabiting at the time of birth, and one in seventeen married couples, split up before the child's third birthday.

Parents are seen more than ever as targets by businesses that want to generate profit by encouraging parents to make purchases which may be unnecessary.

Mothers and fathers feel caught between the economic necessity of working and the need to be with, and care for, their young child. Parents find it hard to balance the needs of their child with their own needs and their other responsibilities. Our society blames parents more than ever and criticises them for the way they parent.

Our society makes it extremely difficult for parents to care for their babies in the way that is supported by evidence.

Before birth, 70% of women want to breastfeed but at six weeks only 21% are breastfeeding. This is because the society in which they live does not support them in breastfeeding. We live in a culture where bottle feeding is the accepted normal way to feed a baby. Many parents are caught in the trap of doing what is expected to feel accepted and not being able to do what they feel is right for themselves and their baby.

All parents struggle with the transition to parenthood. There are additional challenges for parents who have specific social and medical needs or are from disadvantaged backgrounds. For example, parents from ethnic minorities, families on low income, families with disabilities, young parents and lone parents are known to have difficulties accessing the services and support they need.

Our charity exists to make a difference for all parents by working for a future society that supports people making the transition to parenthood. We work with individual parents today to help them to make the key decisions about birth and parenting and to decide on the sort of parent they want to be. We help them develop the confidence to carry out their decisions, supported by peers in their community.

Although we have achieved a great deal for parents over many years, it is clear that the need for our services, information and campaigning remains as great as ever. This report sets out what we have achieved and what we plan to do to help and support all parents and to create a society that values and respects parents who take responsibility for raising the next generation.

Belinda Phipps
Chief Executive

TRUSTEES' REPORT

NCT's Purpose, Vision and Aims

NCT's charitable purpose is:

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

Our vision reflects our charitable purpose and encapsulates the essence of the positive change we seek to achieve for our beneficiaries. It is:

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

To do this the NCT:

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

The focus of our work

As we have done for several years, in 2007/8 the NCT planned to work:

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

The particular focus of our work in 2007/8 was set in the strategy we developed in 2004/5, which remains the overall context for our plans and activities. This review looks at what we have achieved and the impact of our work.

To achieve the objectives set out above, the charity continued this year with a major programme of investment in additional capacity, to reach and benefit more parents and parents-to-be, and to strengthen our ability to achieve positive change for parents in line with our purpose, vision and aims. Whilst doing so, we continued to deliver services, provide information and campaign for change.

As planned, this year we:

- Completed the implementation of our new arrangements for delivering our courses and classes to parents, with a fairer system for our trained workers and better administrative arrangements for parents. This is already improving the charity's ability to reach and benefit more parents
- Took on providing services for NHS maternity units or community bodies, such as children's centres in England, to provide NCT quality support to a wide group of parents.
- Implemented a more effective governance system including agreeing a new memorandum and articles of association at the AGM.
- Further developed the charity-wide contact database and linked this to other key charity systems, reducing the likelihood of errors and taking pressure off volunteers and staff.

- Launched and started the roll out of the new logo across the charity with supporting work to reposition the charity in the minds of users and stakeholders and be more relevant to all those in the transition to parenthood.
- Reorganised our education function and our new team of employed tutors which, headed by our education manager, has increased our capacity to train new workers. The numbers qualifying have risen to 88 this year. Student numbers have increased to 823 and we have set up a new programme to train more peer supporters in breastfeeding. This project, which is funded by the Department of Health (England) is being evaluated.
- Built and organised an NCT activist network with the new campaigns team, to support those who are active locally to bring about the implementation of maternity policies for which the NCT has successfully lobbied. We took on the secretariat for the Breastfeeding Manifesto Coalition, which organises 40 different bodies to lobby for a society that is more supportive of breastfeeding and for women who choose to breastfeed to have the information and help they need.
- Launched the new website in January 2008 along with the new look for the charity and steadily built the amount of content on the site.
- Built capacity to produce information for parents and healthcare professionals and developed new services such as Stepping Stones - email information by age and stage, for parents-to-be and parents.
- Started planning for the reorganisation of our volunteer services - for implementation next year - and continued to build and develop our branch network through thousands of volunteers who offer parents in their locality a vital welcome, enabling mutual support, lifelong friendships, and successful fundraising for the charity's work.

We have taken the opportunity this year to consider how we will meet the new requirement to report on public benefit. We have referred to the Charity Commission's new guidance on public benefit, and on public benefit reporting, in reviewing and reporting our performance here. Later on in this report we set out how we ensure that our planned performance relates clearly to our aims and vision, and thus to our charitable purpose.

Achievements and performance during 2007/8

The NCT delivers public benefit and makes a difference for parents and parents-to-be in the UK through:

- The information we provide in printed and electronic form
- Services provided by trained workers
- Helplines staffed by trained workers or staff
- Volunteers working in branches
- Information and training for those who work with parents
- Campaigning for improvements in maternity services and better support for parents

Around 740,000 babies were born in the UK in 2007 and the NCT seeks to reach and benefit them and their parents in several different ways. Our main activities are described below. All our services and information, and our campaigning work, further our charitable purpose by aiming to ensure that:

- Women feel supported to give birth with confidence and dignity, and with every opportunity to experience a straightforward birth
- Women feel comfortable, confident and supported to breastfeed
- Women and men feel prepared and supported to become confident, caring parents

Services and Information

In 2007/8 our trained workers - antenatal teachers, breastfeeding counsellors and postnatal leaders - provided parents with high quality information and support about pregnancy, birth, baby feeding, and becoming a parent. This year we have been able to provide services to more parents and parents-to-be than ever before.

The number of parents booked on our courses in 2007/8 increased to just over 62,000, compared with 54,000 in 2006/7. This includes 1,600 parents on Early Days courses, 1,200 on refresher courses and 90 on the newly introduced, breastfeeding-only courses. We charge for our courses in order to pay the expenses of running them. However, in order to make sure every parent can benefit whatever their economic circumstances, we have lower prices for parents on lower incomes and charge only a nominal fee to young parents and parents receiving certain benefits. Parents can also pay for courses by instalments. Our courses are open to everyone and are available locally wherever parents are in the UK.

Our trained workers also provide information and support to parents and parents-to-be through our Breastfeeding and Pregnancy and Birth Helplines. The cost of providing these helplines is met by the charity and users are charged only the cost of a local call. Through the helplines and our booked courses in 2007/8 our trained workers directly supported over 130,000 parents and parents-to-be, and the health professionals who worked with them. This equates to about 20% of parents.

We have trained 88 new workers this year so we can continue to expand our service provision. By the end of the year we had 542 antenatal teachers, 290 Breastfeeding Counsellors and 60 postnatal leaders. We have developed training programmes for peer supporters and trained 50 trainers who have, so far, trained 102 breastfeeding Peer Supporters, and the training continues. In addition, we have provided training for 344 health care workers who have then used what they have learned with around 10,000 parents.

A qualitative survey of callers to the Breastfeeding Line carried out in the summer of 2008 concluded that the feedback from most of those who participated was extremely positive, with counsellors noted for their sensitivity, skills and knowledge. Some examples of feedback are quoted on page 10.

Access to our services by gender and by disadvantaged groups is important to us. Our trained workers worked with 41,567 men, 574 young parents, 924 parents from ethnic minorities, 900 parents on low incomes, 27 parents with disabilities and 435 lone parents on booked courses and drop-ins. A pilot project was run in Styal Prison to deliver antenatal sessions to women prisoners (see box on page 9.)

In some areas classes are run through the NHS and Children's Centres enabling parents from a wide range of backgrounds to attend wholly free of charge. This year we set up 5 live contracts with the NHS for the provision of antenatal education in hospital settings and 17 live contracts with Children's Centres in a range of locations for the provision of antenatal education, breastfeeding counselling and early days support to parents.

In addition to our direct services, we also provide parents and parents-to-be with many different sources of printed and electronic information. During 2007/8 we sent out 600,000 free copies of Bumps & Babies magazines, which included 150,000 "Mums the Word" DVDs on becoming a mother. These were also used as a cover mount for Prima Baby magazine in January 2009. Bumps & Babies has useful and approachable in-depth articles to help parents understand more about the choices they face during pregnancy, labour and the early days of parenthood.

There were more than a million visits to the website in the year, including over 600,000 to the information centre, which provides parents with accurate and evidence-based information on topics and issues they are likely to encounter during pregnancy, birth and early parenthood. A small panel of trained workers also responds to questions parents submit through the website and last year that panel answered 790 questions.

Stepping Stones, our new e-guide to life as a parent, was launched towards the end of the financial year and reached 10,000 parents per issue by the end of the year. It takes recipients from their third month of

pregnancy to their baby's second birthday and provides parents with access to good information distributed at a relevant time.

Finally we publish a wide range of accessible material for parents and professionals working with parents through our trading company, for which a charge is made to cover costs. We sent out 200,000 information sheets, 1,700 booklets and 2,600 books. During the year we published 4 new information sheets.

The benefits to people who use our services are illustrated by feedback from women who used the NCT Breastfeeding Line:

"It was a Godsend, just having someone to talk to, a lifeline" (28 year old White British mother)

"I was struggling with breastfeeding. The baby was crying, screaming, unsettled." (29 year old White-British mother)

"Fine, not at all apprehensive, it's all about making informed decisions." (30 year old White British mother)

"Absolutely fine, dedicated line, would know more than the health visitor." (36 year old Asian mother)

"I had a blocked duct, it was a weekend. [There was] someone there 24 hours and that's why I called." (30 year old Asian mother)

'It was good. Sometimes it's complicated to explain because English is not my first language, but it was very helpful.' (32 year old Mexican mother)

"Fine, these are the professionals, they know all about it." (White British mother aged 30-34)

"Helpful, I had a breast reduction on one side, counsellor was very reassuring" (35 year old Italian mother)

"Very helpful just to speak to someone." (35 year old Chinese mother)

"[Breastfeeding is] going fine now the baby is on solids. Breastfeeding is more comfortable." (29 year old Asian mother)

An example of how we have been able to help very vulnerable and disadvantaged women is the successful pilot project we carried out in 2008 to deliver antenatal sessions in Styal Prison. The sessions ran once a week, except when there was a lock-down or there was no staff available to accompany the antenatal teacher in to the session. The evaluation found that pregnant prisoners valued the opportunity to get together as a group and to share information. Generally, literacy levels were low and the women's concentration span was short. Teachers needed to be flexible enough to change the topic and move the discussion along according to the needs, concerns and concentration of the women attending that week. Simple visual presentations and DVDs were found to be useful teaching aids. Particular attention was given to diet in pregnancy and the growth of the baby. Less time was spent on relaxation and positions for birth than in other classes. The antenatal teachers emphasised to the women that they can move around during labour and that there is no need to use the bed provided.

The women and staff felt that it was really helpful to have the group led by an NCT antenatal teacher who made sure that every woman attending was given space to contribute and express their views and experiences. The women attending the evaluation session said they felt less frightened as a result of taking part in the sessions.

Campaigning

Our campaigning work enables us potentially to bring about improved services, support and health outcomes for all parents and parents-to-be, in all countries of the UK, in addition to those we help and support directly through our information and service provision. This year we have continued to campaign on issues relating to birth, baby feeding and support for parents.

NCT Active, our activists network, was launched in June 2008. NCT Active supports people to campaign for change in their local area and provides opportunities for action and for getting involved in national campaigns with the NCT. NCT Active provides resources and materials, including a Lobbying Guide via the NCT website, responds to local queries and alerts, and provides training and skills development at regional events. Over 300 people joined NCT Active in the year 2007/8.

Birth

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

We want to see:

- a reduction in the caesarean rate
- an improvement in the normal birth rate
- an increase in the home birth rate
- all women being offered choice of place of birth
- all places of birth meeting the standards requested by women
- all women having a midwife with them throughout labour

Largely, as a result of NCT lobbying, Government policy in all four countries of the UK now recognises the need to give control back to women by making sure they are offered choice and evidence based information with which to make decisions. The need to value normal birth and report on normal birth levels, as well as run services to improve the normal birth rate is at last being recognised, as is the importance of making sure that women from disadvantaged groups are given particular attention to ensure they are not overlooked by the system. Normal birth rates are now rising, in general, and the increase in caesarean rates has levelled out. Home birth rates are rising in many areas of the UK.

In 2008 the Department of Health for England issued a new health building note for maternity service facilities and these guidelines now cater for the physical environments that will facilitate more normal births, including access to water birth, spacious rooms for movement in labour and improved positioning at birth. Also the requirement for suitable birth environments has been written into policy documents and the charity's trading company sold approximately 100 birth couches to the health service. Those couches replaced hospital beds and made the environment more supportive for women in labour.

This year our focus has been moving towards making sure that nationally agreed policies are implemented locally and that local practice is in line with nationally agreed guidelines. In particular we have successfully lobbied for:

- a national survey of women's experiences of maternity care in England
- greater support for Maternity Services Liaison Committees (MSLCs)
- the need for better birth environments, and
- a positive focus on normal birth.

As a result the Healthcare Commission in England carried out a survey including both providers' information and women's experiences of using the maternity services, how well MSLCs were functioning and how many different community groups were represented, and what provision was made to encourage an active birthing position.

Over half of the women reported giving birth lying down or lying with their legs in stirrups (57%), positions discouraged by the National Institute for Health and Clinical Excellence (NICE). As this illustrates, not every woman yet has the best opportunity of experiencing a straightforward birth.

The NCT has been involved in supporting user representation across the UK to ensure that local plans and activities are in line with national government policies. We have supported local user representatives to take part in reviews and changes to local maternity services, including calling for service improvements and challenging threats to local services. The NCT has also provided expert evidence and represented the needs of women and their families on a range of national committees and structures across the UK.

The NCT submitted almost 50 responses with evidence and information to a range of reviews and consultations across the UK. NCT representatives sat on 18 standing committees and working groups contributing to policy development across the UK. The NCT has provided input to five major research programmes.

During 2007/8, working with our partners on the Maternity Care Working Party (MCWP), we published the Normal Birth Consensus Statement. The MCWP wants to encourage a positive focus on normal birth and the Consensus Statement took on board the Information Centre in England's working definition of normal labour and birth, called 'normal delivery', as the standard definition. The MCWP aim in developing the statement was to establish a standard definition of normal birth under the normal care of a midwife to: raise awareness about the management of labour and birth interventions; suggest strategies for maximising women's opportunities to have a straightforward birth; and enable normal birth rates to be audited and compared between different services and settings for birth.

As part of our campaigning work, the NCT has continued to provide secretariat support to the Westminster Parliament's All Party Parliamentary Group on Maternity (APPG). Over the last year (to September 2008) the APPG on Maternity has held three full meetings and a Reception:

- October 2007 – Formula advertising legislation (and AGM)
- November 2007 – NICE Intrapartum Care Guidance and the launch of the MCWP's Normal Birth Consensus Statement
- March 2008 – Healthcare Commission's Maternity Service Review
- Summer Reception 2008 (and AGM)

A particular focus of the APPG's activity every year is the Maternity Services Awards, which promote best practice in maternity services. The Maternity Services Awards were presented at the 2008 Summer Reception by the Parliamentary Under Secretary of State, Ann Keen MP.

When deciding on who should win the awards, the APPG looked for evidence that the initiatives were making a real difference to local women and for an innovative angle that was felt to be inspirational to other units. Altogether 50 maternity units put themselves forward for awards in the following categories:

- Inclusive services for disadvantaged groups and communities
- The normality of childbirth
- Responsive, woman-centred, family focussed postnatal care
- Involvement of women in improving local maternity services

The majority nominated themselves in the 'inclusive services for disadvantaged groups' category. The deadline had to be extended asking for nominations for the " Postnatal " category as only one or two had been received. Ten nominations were finally made in this category.

There were five winners (with a joint winner in the first category) and six received 'highly commended' for their work.

Our impact

This year we have continued to see a steady improvement in maternity services as a result of our work, though there remains much to do:

- The Healthcare Commission Review shows that some maternity units are starting to implement the policies for which the charity has lobbied.
- In England, some trusts are paying increased attention to the availability of choice of place of birth in line with the guarantees made in Maternity Matters. NCT representatives and local activists are now working to ensure that any local changes to the provision of services meet the needs of local women and their partners.
- In Scotland, NCT messages and recommendations have been included in the innovative Keeping Childbirth Natural and Dynamic programmes, providing women with improved expectations of normal birth outcomes.
- Normal birth rates (including home birth rates) continue to rise although slowly. Caesarean rates remain steady although too high with one in four women having a caesarean section.
- More than one hundred birth rooms have replaced their hospital birth bed with an NCT approved birth couch which provides better support for a straightforward birth.
- The Normal Birth Consensus Statement has been sent out to all Heads of Midwifery, clinical leads in obstetrics and the Commissioner for Women and Children's services in the UK. The document was referenced in the 'Standards for Maternity Care' and also highlighted in the Healthcare Commission's 'Towards Better Births: A review of maternity services in England'. It was referenced as additional guidance in the document and the recommendation for Trusts to work towards a realistic objective of 60% normal births was specifically highlighted.
- A number of proposed negative changes to maternity services across the UK were prevented. For example, the proposed closure of the Grange Birth Centre was averted.
- The new health building note for new maternity services facilities in England, with which NCT was heavily involved, has implemented into policy many of the recommendations of the NCT's Better Birth Environment campaign improving the physical environment for women and their families which should improve normal birth rates.
- NCT represented the views of women and their families in the consideration of proposals for changes to local maternity services, and as a result the views of local women and their families were part of the process of changes to maternity services across the UK.
- Good practice in maternity services was identified and promoted to a Government and parliamentary audience via the work of the NCT in supporting the APPG on maternity and organising the *Annual Maternity Services Awards for England*.

Baby Feeding

The NCT campaigns for all parents to feel supported in their decisions about how they feed their babies. We know that breastfeeding provides babies with the healthiest possible start in life, in terms of growth and development, and also has health benefits for mothers. We want to see a culture that supports breastfeeding and allows parents who decide to use formula milks to be able to access clear, non-commercial information about how to store, prepare and use these milks more safely.

According to the 2005 Infant Feeding Survey, before birth, 70% of mothers in the UK intend to breastfeed their baby. However only 45% of all mothers in the UK were exclusively breastfeeding at one week; 21% of mothers were exclusively breastfeeding at six weeks and at six months the number of mothers exclusively breastfeeding was negligible at <1%.

The low numbers choosing to breastfeed and the very low numbers succeeding in carrying out their wish are largely the result of a culture in the UK that is unsupportive of breastfeeding. Mothers-to-be and their partners are unfamiliar with breastfeeding. They are unlikely to have been taught about it at school nor are women comfortable enough to feed when out and about where other potential parents can see and become familiar with breastfeeding. The predominant images potential and new mothers and fathers see are babies being bottle fed. This is exacerbated by the very high level of advertising by formula milk

manufacturers. The NCT has continued to work to make the UK a place where it is easier to choose to breastfeed and to carry out that decision.

In 2008 we updated the NCT Baby Feeding Policy and published four policy briefing papers on: WHO Global Strategy on Infant and Young Child Feeding, Breastfeeding, Formula Feeding, Starting on Solid Foods.

We have remained a committed member of the Breastfeeding Manifesto Coalition (BMC), and took on the role of secretariat to the Coalition in June 2008. The Breastfeeding Manifesto Coalition brings together not-for-profit organisations to campaign and work together to increase breastfeeding rates across the UK. The Coalition is run by a Steering Group drawn from member organisations and NCT is a member of the Steering Group.

Much of NCT's campaigning work in relation to breastfeeding is conducted through our membership of, and support for, the BMC. During 2007/8 the Coalition focused principally on tightening regulations on the advertising and marketing of infant and follow-on formula, and on protecting women against discrimination when breastfeeding in public, through the inclusions of provisions in the Equality Bill.

In addition to working within coalitions for the achievement of our campaigning objectives, NCT itself has been involved in:

- Lobbying civil servants and ministers on the proposed Single Equality Bill,
- Supporting individual women who have been asked not to breastfeed in public places.
- Supporting implementation of the Baby Friendly Initiative, for instance in discussions with NICE on the Maternal and Child Nutrition guidance

We have also lobbied consistently to improve the quality of information for parents who are bottle feeding, producing a new information sheet and highlighting inaccurate instructions on formula tins, reporting misleading claims to the Advertising Standards Authority and examples of proscribed advertising to the Review Panel considering the law in the UK.

The UK Government implemented new European legislation on infant and follow-on formula by introducing regulations which set out stricter controls on the promotion, labelling and composition of infant and follow-on formula. The NCT, as a member of the Baby Feeding Law Group (BFLG) and the Breastfeeding Manifesto Coalition (BMC), fed into the consultation on the new regulations calling for the full implementation of the WHO Code.

NCT has campaigned locally and nationally for improved support for breastfeeding women when they are out and about. Through our activists' network, NCT Active, we have provided support and resources to allow instances of poor practice to be challenged and provided guidance on good practice approaches to welcoming women and supporting breastfeeding in public. Local NCT branches have also continued to promote breastfeeding-friendly practices with businesses in their local areas.

NCT branches across the UK have been involved in a range of activities in National Breastfeeding Awareness Week to promote their work and the support available locally, and to encourage greater investment in support for breastfeeding mothers in their local area.

In December 2007, NCT responded to a Highways Agency public consultation on a Roadside Facilities Policy Review. The proposed policy included a requirement for free baby changing facilities and a play area for children at all newly signed trunk road service areas in England, but did not include any requirements on baby feeding facilities. The NCT recommended that private baby feeding facilities should be provided for parents and carers at all Motorway Service Areas. The NCT specifically recommended that these facilities should be provided separately from the toilet facilities, include access to drinking water, an electric plug socket and hand washing facilities, provide a private space for mothers who choose to breastfeed in private and be appropriately signposted (ie not with a bottle symbol).

The Equalities Review has included a focus on the issues of a woman's right to breastfeed her baby in public areas. NCT supports the introduction of legislation to provide a right to breastfeed in public places

across the UK and the NCT nationally has been involved in lobbying on this issue. This work will continue into 2008/9 with the expected publication of the Equality Bill. This legal right would extend to women across the UK and would extend the benefits enjoyed by women in Scotland to women across all four UK countries.

Our impact

This year, as a result of our work, we have seen some welcome changes in the direction of creating a more supporting culture for breastfeeding and some improvements in the information for parents choosing to bottle feed. Again, there remains much to do.

Many instances of women being asked to stop breastfeeding in public have been challenged and many public venues and companies have been convinced to change signage of baby feeding areas, to ensure that breastfeeding mothers know that they are welcome.

From 2 April 2008 planning permission for all facilities designated as Rest Areas in England will be dependent on these facilities providing access to a signed, free, private breastfeeding area as a minimum for 24 hours a day, 365 days a year as well as changing facilities and play areas. The new policy on Rest Areas states that:

- Parent and child facilities should be separate and not combined with toilets though within toilet block
- Parent and child facilities must be fully accessible to disabled users
- The female parent/carer room must contain a screened area with seating, where women who do not wish to breastfeed in public can do so in private
- There is also a requirement for male and child rooms
- Baby-feeding facilities should be clearly signed
- Operators are also encouraged to adopt breastfeeding-friendly policies and should consider displaying the international breastfeeding symbol prominently in their amenity building.

The inclusion of these requirements is a success for NCT and other supportive organizations and individuals who responded to the consultation calling for better baby feeding facilities. The policy takes a step in the right direction by calling for operators to adopt breastfeeding-friendly policies and adopt the international breastfeeding symbol. However, in line with government policy, it does not require it. These requirements do not apply to facilities where a planning application was made before 2nd April 2008, but does apply to any redevelopment of existing facilities.

In England PCTs have been set targets on increasing their breastfeeding rates and the public spend on breastfeeding across the UK has been increased considerably. The effect on breastfeeding rates will not be seen until the publication of the next Infant Feeding Survey.

The new regulations on the promotion, labelling and composition of infant and follow-on formula announced by Dawn Primarolo, Minister for Public Health, in December 2007, was an attempt to restrict formula companies' ability to promote infant formula under the guise of follow-on formula promotion. However, the new regulations failed to implement the WHO code on the Marketing of Breastmilk substitutes and leave loopholes allowing companies to continue subjecting parents to commercial pressure to bottle-feed. Whilst the regulations were not as strict as NCT and the BMC would have liked, we succeeded in getting the Government to commit to a review period to assess the effect of the measures on the labelling, presentation, advertising and promotion of infant formula and follow on formula. It will be completed by October 2009 and will assess whether they were working as expected or if further action is needed.

Support for parents

NCT wants every parent to feel prepared, supported and confident in becoming a parent. What happens in the early days can have a major impact at the time and also may have long-term consequences for the mental and physical health of both the child and the parents, and may also impact on wider society.

High quality, evidence-based information helps new parents understand their new role and develop confidence in their abilities. This year, in addition to providing such information ourselves, NCT has also focused on information provided by others, especially by the broadcast media.

For a number of years there has been growing concern among children's, parenting and family charities and support organisations that some TV programming which features young children and their parents and aimed at parents is of poor quality and can be harmful to children and parents. Many organisations have worked to raise the profile of this issue, either through research, collective working and information sharing, or direct responses and complaints in relation to specific TV programmes during production or post-broadcast.

In late 2007 two events occurred which brought this issue again to the fore of the sector and public attention. Firstly, Channel 4 broadcast *Bringing Up Baby*, a four part series which followed six families with young babies from birth to three months as they tried out three parenting methods from popular childcare books of the 1950s, 1960s and 1970s, modelled on Dr Frederic Truby King's Strict Routine Method, Dr Benjamin Spock's *Baby and Childcare* and Jean Liedloff's Continuum Concept. In the series, the families were supported in using their chosen method by one of three mentors. The programme first caused concerns among organisations working with parents when they were approached to source families to take part prior to production. Concerns as to the evidence base and the appropriateness of the methods proposed were raised with producers at the time but these were ignored. When the programme aired there were a large number of complaints to children's parenting and family organisations and directly to Channel 4 and to OFCOM. Secondly, shortly after this series was broadcast, OFCOM published its new guidance on protecting under- eighteens in programmes which, while providing some useful principles of particular relevance for programmes featuring older children and young people, was found to be inadequate in protecting the youngest children and babies and their parents, as their needs were not considered.

NCT and other organisations for parents and children therefore remain concerned that programmes such as *Bringing up Baby*, *Baby Borrowers* and others in this genre which have caused concern, will continue to be produced and broadcast unless there is sufficient cause for them to be improved. However we are aware that not all parenting TV programmes are of poor quality and not all give poor advice to parents based on a lack of validated evidence. The main issue to address is that of inconsistency in the standard and quality of parenting programmes broadcast on TV.

In 2007/8 the NCT began working with a broad range of charities and professional bodies involved in supporting families with young children to improve the quality of TV parenting programmes to ensure that parents have access to evidence based, reliable information on parenting and childcare through TV programming. This work will continue into 2008/9 with a range of activities and we expect to report the results of our work in our next annual report.

The NCT has drawn attention to the significance of the social and emotional transition to parenthood. To this end, our professional development journal, *New Digest*, has run articles on effective strategies for promoting Early Days courses, NCT specialist workers' perspectives on the Government's Child Health Promotion Programme, a review of research on the development of secure attachment in babies and young children, the role of postnatal groups in supporting parents' mental health, and the emotional journey of 'Becoming a mother'. In *NewGen* our magazine for NCT members, we have published an article for parents on attachment theory.

During 2007/8, NCT became an active member of the Campaign to End Child Poverty, extending the membership and reach of the campaign to our members and supporters. 3.9 million children are living in poverty in the UK (after housing costs). The proportion of children living in poverty grew from one in ten in 1979 to one in three in 1998. Poor children are born too small; birth weight is on average 130 grams lower in children from social classes IV and V. Low birth weight is closely associated with infant death and chronic diseases in later life.

Poverty shapes children's development. Before reaching his or her second birthday, a child from a poorer family is already more likely to show a lower level of attainment than a child from a better-off family. By the

age of six a less able child from a rich family is likely to have overtaken an able child born into a poor family.

In 2007/8 NCT staff and members were heavily involved in lobbying at national and local level to ensure that the Government commitment to halve child poverty by 2010 and end child poverty by 2020 was realized, with commitment to spending in the 2009 budget. This resulted in a rally of over 10,000 people including NCT supporters and the commitment to enshrine the 2020 commitment to eradicate child poverty in legislation during the 2009 session of Parliament. The membership fee for the End Child Poverty Campaign is £200. In 2007/08, we also gave an extra contribution of £500 towards the costs of the Keep the Promise campaign, which was requested of all members to allow for the hosting of the 10,000 strong rally in October 2008.

Branches – support and friendship networks

Providing support for parents, and enabling parents to support each other, is the principal role of NCT branches. The branch network covers every postcode in the UK. Each branch is run by volunteers and supported by volunteer regional teams. The NCT has about 10,000 volunteers working across the UK to make a difference for parents through mutual support and through fundraising for all the charity's work. They make branches the local "FACE" of the NCT, providing Fun and Accessible activities and by Caring for and Encouraging parents in their new role. Activities, services and information provided by branches are open and accessible to all parents, whether or not they are members of the charity.

Branches are justifiably famous for the Bumps & Babies Groups and other open houses that they run for new parents and their babies/toddlers. These are held in all sorts of publicly accessible places as well as in homes. In 2008, we celebrated the many achievements of branches in the NCT's first ever Volunteer Awards ceremony at the Annual Conference in June. The winners illustrate the many ways in which NCT provides benefits to parents in local communities.

For example, the winner of the Bumps & Babies Group of the Year (Crawley Branch) had grown its group from a small coffee morning for a handful of mums to providing sessions on two days a week to over 120 mums, dads and other carers.

Other Awards were given for Reaching Out, Local Campaigning, Branch Communications and Fundraising. The Communications Award was given to a branch (Chiltern), which had produced a superb local guide for the parents of Under 5s. Highly commended were examples of some of the many branch newsletters that include supportive and interesting stories, information about local events and so on. About 250,000 newsletters are produced overall across the UK.

The Reaching Out Award was given to the innovative Little Ducks project in North Staffordshire, for raising funds through a grant application and providing tangible support to new families in genuine need, demonstrating the NCT's mission to reach all parents. Asylum seekers, victims of domestic violence and teenage mums are just some of those who benefited from the project.

The Fundraising Awards celebrated the performance of branches in raising funds for local purposes, training and all NCT activities. We plan to continue these Awards on an annual basis to recognize the immense contribution that volunteers make to the NCT.

During the year, we have undertaken the preparatory work to launch new volunteer regional teams to support branches, working with the Development Workers where we have these in place, and to simplify and update the operational guidance for branches following the PSA rollout and the governance changes. The new regions will follow the boundaries of the four countries of the UK and, within England, the regional government/strategic health authority boundaries. For branches, we have completed consultations about introducing a Branch Charter to maximize branches' ability to focus their work on supporting parents and minimize the administrative burden. The NCT website is being further developed to enable parents to search more easily for activities near them.

This year the NCT has continued to work for women and their partners to feel prepared and supported to become confident, caring parents. This year branches have run thousands of events, more than ever

before, ranging from Speed Bumps for the newly pregnant, to Toy Sales to help people manage the increased costs of having a child. In a survey carried out at the end of the 2007/8 year, nearly half of the volunteers (47%) did volunteer work up to two hours in a typical week. 42% spent between two to eight hours a week volunteering, and 11% more than nine hours. In comparison to 2003, the volunteers who answered the questionnaire spent more hours volunteering: the percentage of volunteers who did volunteer work for two to eight hours a week increased from 32% in 2003 to 42% in 2008. This demonstrates the amazing commitment of NCT volunteers to making a difference for parents.

Our impact

Estimates indicate that around 350,000 parents or parents-to-be attend NCT events across the UK. Many of these and more in addition are in touch with each other online through NCT e-groups.

Becoming a parent can be a very isolating experience. The NCT makes a difference for parents by bringing them together so they can support each other during the early months and years. The lasting benefit parents gain from this support is shown clearly by the way in which many people remain lifelong friends with the people they met through the NCT.

Funding our work

The NCT is funded by:

- Donations to the charity our members make by becoming a member
- Fundraising efforts of the NCT branches and UK office
- Income generated by our trading company
- Income generated from some of our services and information
- Grants from the Lottery, Trusts and Statutory sources

This year we have experienced a 16.1% growth in NCT members from 71,743 to 83,263 resulting in an extra £220,000 to support our work. Membership is open to everyone who supports the charity's aims and objectives. Substantially reduced membership is open to people receiving certain benefits.

This year we have further strengthened the fundraising function by improving the systems and support we provide to the volunteers in branches. We have broadened the work of the membership team which has now become the supporter relations team. We have started the process of renewing the IT and web infrastructure in our Trading Company in order to improve the potential for future profits. We have started to offer the health service the opportunity to contract with us so they can use us to supply services such as antenatal, breastfeeding and postnatal courses to their users. Our commercial fundraising team (who work within the Trading Company) has concentrated on the development of our product portfolio and this has resulted in winning more multi-year partnerships.

NCT branches have continued to perform strongly and this year has seen a dramatic increase in the amount of income generated via local grant applications to £112,000 of which £46,000 has been restricted for training NCT students.

We would like to thank all of our supporters, which include:

Angelcare
BabyCare Tens
Barclays
Big Lottery Fund
BT
Colgate
Department for Children, Schools and Families
Department of Health
Direct Line
Family Investments
Mamas and Papas
Organix
Parenting Fund
Pfizer
Procter & Gamble
Pur Flo
Russel Jones and Walker
Sanctuary
Surcare
Unilever
Unite
Vitabiotics
Weleda
Welsh Assembly

This year the Trading Company has performed well, due to increased commercial fundraising and to much better sales performance, and has been able to gift aid £214,000 to the charity.

FUTURE PLANS

During the next financial year we will continue to work:

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

We will use the capacity we have built over the past two years, and which we will continue to develop, to:

- Expand the number of parents we reach with our services
- Expand the number of parents using volunteer run mutual support services
- Extend our reach to those who have in the past been less likely to make use of NCT services and support
- Introduce new services
- Achieve greater recognition of our postnatal work
- Increase the number of parents with whom we are in touch who receive information and details of NCT services
- Improve our campaigning effectiveness through increasing support to user representatives and the expansion of NCT Active
- Increase the number of members, supporters and volunteers, so as to provide for the expected increase in number of parents using NCT for support.
- Increase the number of students qualifying as trained workers and therefore the total number of trained workers available to provide services to parents and health professionals

As a result of our work we expect to see:

- Continuing improvement in the normal birth rate
- Continuing improvement in the home birth rate
- A slowing in the growth of the caesarean section rate
- Increase in breastfeeding initiation rates and duration
- More women accessing a midwife as the first point of contact in pregnancy
- Improvement in the number of women being offered choice of place of birth
- More places of birth meeting the standards requested by women
- Many more women having a midwife with them throughout labour

Specifically we will:

Externally

- Expand the training of breastfeeding peer supporters across the UK.
- Set up an Early Days helpline.
- Train birth companions to be with women who would otherwise have no lay supporter in labour or would like additional support.
- Add more services for dads and continue to encourage them to become more involved as a parent.
- Create an improved web based information service for parents and parents-to-be.
- Launch a new publication for health care professionals “Perspective” to enable them to receive parent centred evidence based information and tips to improve their practice.
- As part of the POPPY project, funded by the Big Lottery Fund, develop a model of family-centred care, drawing on the results of the research, and submit this to the Government’s Neonatal Task Force for inclusion in standards for neonatal care. Academic research papers will be submitted to peer-reviewed journals.
- Develop a strategic partnership with One Plus One, drawing on their knowledge about the impact of having a new baby on couple relationships and on the NCT’s network of service providers and

knowledge of parents' experiences and concerns. This will be part of the NCT's commitment to address the social and emotional needs of both women and men during the transition to parenthood. New training opportunities will be explored and the NCT postnatal diploma module on relationships will be updated.

- With partners in the Breastfeeding Manifesto Coalition, campaign for improved support for women breastfeeding in public and in the workplace.
- Continue to support the work of the All Party Parliamentary Group on Maternity and the Maternity Care Working Party. Through the Maternity Services Awards we will promote and celebrate good practice and use these examples to call for improvements that benefit women and their partners across the UK. We will hold the first annual Maternity Services Awards celebrating good practice in care in Northern Ireland.
- Revise our campaign for Better Birth Environments ensuring that the successes to date are built upon and the supports available to campaigners are in keeping with changes in current policy and evidence.
- Work with the Scottish Government to support the roll-out of the Keeping Childbirth Natural and Dynamic programme ensuring that the midwife is promoted as first point of professional contact to women in Scotland.
- Continue to campaign nationally and locally to support the full implementation of Maternity Matters for all women and their partners across England, providing expert evidence and information and supporting local action and user representation.
- Review and expand our impact on the external policy environment, particularly our impact on the parliamentary process in the four countries of the UK. We will use the information from this review to further develop our work influencing each of the main political parties in advance of the next general election.

Internally

- Review our ethical policy 'SCRAP' with a view to having a policy which transcends commercial relationships to include other mechanisms of giving ie a Voluntary Income Policy.
- Survey women and men who attend NCT antenatal classes before and after birth to evaluate our services in terms of:
 - preparation for labour, birth and life with a new baby, addressing parents' expectations and experiences and their perceptions of the usefulness of antenatal classes
 - opportunities to meet and make friends with other parents at the same life stage
 - the needs and roles of fathers during labour and birth, and life with a new baby.
- Start the next phase of the website which we expect will provide much better support for volunteers and self employed workers so that they are more able to support parents.
- Complete the roll out of the new logo across the charity and review all activities to ensure they are congruent with the values and positioning represented by it.
- Complete the new governance changes including simplifying the system under which branches are run.
- Introduce a Volunteer Policy & Charter following consultation.
- Expand the type of payment options available for classes to include payment by direct debit. This will have the advantage of enabling attendees to spread the cost of classes over a number of payments
- Produce a comprehensive business continuity plan that will build more resilience into key systems, mindful of the increasing reliance of the organization on IT in general and the CARE, Intrabiz and email systems in particular which has increased the risk associated with those systems. This work forms the first step in bringing together a more comprehensive disaster recovery plan.

Diversity

A particular focus of our work will be to develop the charity's capacity to ensure that everyone has access to our services and activities. Trustees, senior managers and specialist workers in the West Midlands have received diversity training and a designated lead on diversity and access issues has also been established.

To build on this work and move it forward in 2008 – 2009:

- A *Programme for Access & Diversity* has been developed, outlining strategic priorities in relation to diversity and access issues. It will set out a work plan encompassing policy, research and evaluation and internal capacity and resource development work. The latter will involve development of strategy, internal policy, and supportive systems and resources.
- Work to develop a *Policy on Diversity Data Collection throughout the NCT* is underway to begin the collection of standard diversity data to provide socio-economic profiles of NCT members, service users, staff, specialist workers and volunteers. This will allow monitoring of the diversity of the parents NCT reaches and of those delivering NCT services, and help the charity to design services that reflect the needs of parents from a range of backgrounds.
- Changes have been made to the wording of enquiry forms and course booking forms so that the language is inclusive and welcoming to parents from all backgrounds.
- A policy briefing on domestic abuse and the postnatal period has been completed. Work has begun on an internal policy on identification of and response to domestic abuse to inform NCT Specialist Workers and volunteers.
- There will be increased focus on diversity issues in *New Digest*, beginning with a special themed diversity edition in October 2008 with a new *Reaching All Parents* column.
- A review of research on social inequalities in maternal and perinatal mortality will be completed and published in the October 2008 *New Digest*.
- The Director of Parents Services, will chair a cross-departmental NCT Diversity Working Group (DWG) to plan, coordinate and lead NCT work to increase the diversity of parents accessing, delivering and benefiting from NCT services.
- The DWG will develop an *Equality and Access to NCT Services Policy & Policy Statement* setting out the NCT's commitments to supporting all parents during the transition to parenthood and to ensuring equal access to our services. A strategy and plan will be developed for implementation of the policy.
- Practical engagement tools to support diversity work will be reviewed and new resources developed, including initial work to develop a *Reaching All Parents* section on the NCT website.
- We will complete some work to map the socio-economic profiles of child bearing families in the UK, the key needs and issues affecting diverse groups, and the organisations working on these issues.

Developing a new strategy

The changes that have been reported on over the last five years reflect the plans published in NCT's previous strategy. The work on developing a new NCT strategic plan will be started in 2008/9, now it is clear that much of what was called for in the first strategic plan has been completed ahead of schedule.

As a result of our new strategy we expect to develop plans that will set out a programme of work to reduce or eliminate some of the difficulties parents experience when they set out on the road to parenthood and make their transition much less stressful and more likely to produce confident able parents who can fulfill their dream and be the parents they wanted to be.



FINANCIAL REVIEW

Last year the charity made a significant investment in infrastructure to build capacity that has started to bear fruit. In the 2007/8 year the financial position improved from a planned deficit of £220K in the year ending 30 September 2007 to a surplus of £314K.

Total incoming resources increased from £9.7M in 2006/7 to £11.7M in 2007/8, an increase of £2.0M, (21%). The increase was principally due to the increase in income from courses and from commercial fundraising – income from NCT Trading, the subsidiary company, increased by £784K, (50%), to £2.3M.

Total resources expended increased from £9.9M in 2007/8, to £11.4M an increase of £1.5M (16%). The increase was due to an increase in expenditure on services for parents of £1.2M (26%) to £5.9M, and an increase in expenditure on policy, research and campaigning of £868K (148%) to £1.5M, this being the first full year of a full time Campaigns Department.

Commercial trading operations expenditure increased from £1.57M to £1.75M (11%) partly due to the higher sales and partly due to continued investment in the Trading Company. Expenditure on information decreased by £990K (53%) to £890K as the NCT made better use of electronic publications, and the information available on the website reduced the need for written communication.

2008/9 is also planned to be a year of investment and growth. However, the charity, like all organisations, faces an uncertain financial and economic climate and, accordingly, the Board has budgeted to achieve a "break-even" position for financial year 2008/9, notwithstanding the surplus achieved for 2007/8.

Achievement of this target will be a challenge due to current economic conditions and the charity's financial performance is being tightly monitored. The forecast position on general funds is therefore likely to be the same at 30 September 2009 as it was at 30 September 2008. However, it remains the Board's plan to improve the charity's financial performance over the medium term so as to continue to fund future growth and build reserves.

Reserves policy

The charity carries out a diverse range of activities both through its branch network and at its UK office. In previous years the Board of Trustees has considered that, given the nature of the charity's work, the level of "free reserves" should be approximately equivalent to three months projected annual expenditure on unrestricted funds at any one time. At 30th September 2008 the reserves target, on the basis of this policy, should amount to £3,039K. As at that date the free reserves amounted to £2,451K, which equates to 80.65% of the target level. However, in line with guidance from the Charity Commission, the Trustees are in process of reviewing the reserves policy to ensure it meets the diverse needs of the charity for the future. A further report will be made in next year's annual report.

Financial position

The group balance sheet shows total funds of £3.2M. These funds include £345K which is restricted. These monies have been raised for, and their use restricted, for specific purposes, or they comprise donations and grants subject to donor-imposed conditions. Full details of these restricted funds can be found in note 14 to the accounts together with an analysis of movements in the year.

A Fixed Assets Fund equivalent to the net book value of the tangible fixed assets used in the day-to-day operations of the NCT has been maintained. These funds are not available for working capital. The balance of the general funds of the group at 30 September 2008 totalled £2.4M and represent "free reserves". The "free reserves" have increased from last year though remain below the minimum desired level as set out in the charity's current reserves policy above.

The charity's assets

There have been no major acquisitions or disposals of fixed assets during the year.

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 21st 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 48.

The charity is a membership charity. Members are organized locally into more than 300 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 strategic, 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 Senior Management Team. The Senior Management Team 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. A list of the members of the Senior Management Team at the date at which the report was approved is given on page 48.

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 we have on our beneficiaries, and ensure that we continue to achieve our charitable purpose. We expect to draw on these reviews to report on public benefit in future annual reports.

Audit information

So far as each of the directors at the time the trustees' report is approved is aware:

- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Board Committees

As we reported last year, and in this report, the charity has undertaken a review of its governance arrangements, the recommendations of which have now largely been implemented. The Board of Trustees is supported in its work by four Committees:

- **Audit and Risk:** adequacy of financial control, the charity's external reporting of performance, and risk management
- **Remuneration:** remuneration policy for senior management and other key groups within the charity
- **Nominations and Governance:** Trustee recruitment, training and appraisal; assessing the Board's own 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 charity's work enable internal and external stakeholders to be involved in decision-making.

As part of the governance review, the Board carried out during 2007/8 a comprehensive review of the charity's governing documents. A considerable number of detailed changes were required to implement specific changes and bring provisions up to date with new charities and companies legislation. The Board was advised that the most practical way to handle the number of changes proposed was to ask members' approval to adopt a new Memorandum and a new set of Articles; and as reported earlier in this report, members agreed these at the 2008 Annual General Meeting.

Key Relationships

The charity wholly owns one active Trading Company, NCT Trading Ltd, which gift aids its profits directly to the charity. The Board of NCT Trading Ltd is responsible for its activities, which include:

- NCT Sales, which offers goods for sale to the general public and to health professionals through mail and internet order
- Commercial fundraising, which manages all sponsorship and advertising relationships
- NCT Publishing

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

- Is a member of, and provides support for, the Breastfeeding Manifesto Coalition (see page 13 of this report)
- Is a member of the Baby Feeding Law Group and End Child Poverty
- Is represented with other user organizations and professional bodies on the Board of the National Collaborating Centre for Women and Children's Health, which develops evidence-based guidelines for the NHS in England and Wales.
- Supports, services and participates in the Maternity Care Working Party (see page 11 of the report)
- Supports and services the All Party Parliamentary Group on Maternity in the Westminster Parliament
- Supports Jessica's Trust, Independent Midwives Association, Action Medical Research - the Standing up for Tiny Lives campaign – 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

The Trustees last undertook a comprehensive review to identify sources of potentially significant risk two years ago. Such risks are those which are likely to occur and which would have a severe impact on the charity's ability to achieve its aims and objectives, or severely damage the charity's reputation and standing. Since then the Board has concentrated on ensuring that the "significant risks" identified are being managed effectively. Changes implemented during 2007/8 or underway have substantially reduced potential risks in the areas of employment and of volunteer management. A priority for 2008/9 is work on business continuity and disaster recovery, in particular in relation to IT.

The Audit and Risk Committee is responsible for ensuring that effective risk management systems and processes are embedded within the charity's work and that the Board of Trustees has a proper focus on major risk issues. The Committee is in process of reviewing our approach to risk management and a further report will be made in next year's annual report.

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 charity either as employees or for goods and services supplied to the charity.

Two Trustees (2007: three) were paid a total of £2,748 fees and expenses (2007: £6,000) for services provided as tutors, teachers, counsellors and other similar services. One Trustee's spouse had a beneficial interest in a contract with the charity as a teacher. One Trustee is an employee of TPP, a company that supplied HR services to NCT on an occasional basis during 2007/8. During the period of his appointment as a Trustee (June –Sept 08) the value of these services totalled £12,247. The Trustee

concerned received no direct financial benefit personally and was not involved in any decision to award any contract for services to the company.

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. Payments to Trustees in respect of claims for expenses totalled £3,903 during the year (2007: £8,000).

Statement of the Board's responsibilities as Trustees

The Companies Act 1985 requires the members of the Board of Trustees, who are directors for the purposes of the Act, to prepare a report and financial statements for each financial year which give a true and fair view of the state of affairs of the charity and its wholly owned subsidiaries and of their incoming resources and application of resources, including their income and expenditure for that year. In preparing financial statements we follow best practice and:-

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

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

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 charity.

During 2007/8 NCT (and its trading company) employed 109 full time equivalent salaried staff and fifty-four Parent Service Area administrators (see note 9 to the accounts).

In September 2008, the NCT had 83,263 members (49,643 member households), 3975 registered volunteers, 803 trained specialist workers (antenatal teachers, breastfeeding counsellors and postnatal leaders) and 823 students.

In addition, we estimate that there may be 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

The 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 charity'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. This latter Act by definition has a slightly different emphasis to the other three; the employer can discriminate if he/she can justify the different treatment. The Rehabilitation of Offenders Act is also relevant.

Auditors

Kingston Smith LLP were appointed as the charity's auditors at the 2008 annual general meeting and will be deemed reappointed this year under the Companies Act 2006.

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

Ian Chandler
Chair
26 May 2009

AUDITORS' REPORT

We have audited the group and parent charitable company financial statements (the "financial statements") of The National Childbirth Trust for the year ended 30 September 2008 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company 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 members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees' (who are also the directors of The National Childbirth Trust 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) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the charitable company 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 other transactions is not disclosed.

We read the Trustees' Annual Report, which incorporates the Directors' Report required by the Companies Act 1985, 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 reports of the Chair and the Chief Executive. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company'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, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the group's and charitable company's affairs as at 30 September 2008 and of the group's incoming resources and application of resources, including the income and expenditure of the group for the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the Trustees' Annual Report is consistent with the financial statements.

Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith LLP
Chartered Accountants
and Registered Auditors

Date:

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2008 £'000	Total 2007 £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
*Donations		462	6	468	133
*Grants receivable	1	-	407	407	402
		462	413	875	535
Activities for generating funds					
*Fundraising activities		1,258	-	1,258	1,311
*Commercial trading operations		2,340	-	2,340	1,556
*Advertising in branch newsletters		398	-	398	384
*Other income receivable		83	-	83	21
*Interest receivable		193	-	193	200
		4,272	-	4,272	3,472
Incoming resources from charitable activities					
*Fees from courses and conferences		5,021	-	5,021	3,973
*Grants receivable	1	114	-	114	28
*Membership subscriptions		1,340	-	1,340	1,492
*Other Income receivable		49	-	49	153
		6,524	-	6,524	5,646
Total incoming resources		11,258	413	11,671	9,653
Resources expended					
Costs of generating funds					
*Fundraising costs of voluntary income	3	38	-	38	29
Activities for generating funds					
*Fundraising costs	4	708	-	708	660
*Commercial trading operations		1,746	-	1,746	1,572
		2,492	-	2,492	2,261
Charitable activities					
*Direct services to parents	5	5,530	319	5,849	4,654
*Policy, campaigning and research		1,397	57	1,454	586
*Information		890	-	890	1,880
*Membership services		591	-	591	352
		8,408	376	8,784	7,472
Governance costs	7	81	-	81	145
Total resources expended		10,981	376	11,357	9,878
Net incoming/(outgoing) resources/net income for the year before other recognized gains and losses		277	37	314	(225)
Net gain on investment assets		-	-	-	5
Net movement in funds	8	277	37	314	(220)
Reconciliation of funds					
Funds brought forward at 1 October 2007		2,599	308	2,907	3,127
Funds carried forward at 30 September 2008		2,876	345	3,221	2,907

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

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

Net movement in funds	314	(220)
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	(5)	(5)
Net unrealised (gains)/losses on investments	-	(5)
Historical cost net movement in funds	<u>309</u>	<u>(230)</u>

BALANCE SHEETS AS AT 30 SEPTEMBER 2008

	Notes	2008 Group £'000	Charity £'000	2007 Group £'000	Charity £'000
Fixed assets					
Tangible assets	10	425	420	462	453
Investments	11	-	-	-	-
		<u>425</u>	<u>420</u>	<u>462</u>	<u>453</u>
Current assets					
Stocks		190	52	243	41
Debtors	12	1,344	1,658	535	715
Short term deposits		1,900	1,900	1,800	1,800
Cash at bank and in hand		<u>2,954</u>	<u>2,654</u>	<u>2,336</u>	<u>2,269</u>
		6,388	6,264	4,914	4,825
Creditors					
Amounts falling due within one year	13	3,592	3,445	2,469	2,319
		<u>2,796</u>	<u>2,819</u>	<u>2,445</u>	<u>2,506</u>
Net current assets					
		<u>2,796</u>	<u>2,819</u>	<u>2,445</u>	<u>2,506</u>
Total net assets					
		<u><u>3,221</u></u>	<u><u>3,239</u></u>	<u><u>2,907</u></u>	<u><u>2,959</u></u>
Fund balances					
Charitable funds					
Restricted funds	14	345	345	308	308
Unrestricted funds	15				
General funds		2,454	2,474	2,165	2,198
Fixed asset fund		<u>425</u>	<u>420</u>	<u>462</u>	<u>453</u>
		2,879	2,894	2,627	2,651
Non-charitable trading funds	2	(3)	-	(28)	-
		<u>2,879</u>	<u>2,894</u>	<u>2,627</u>	<u>2,651</u>
Total funds					
		<u><u>3,221</u></u>	<u><u>3,239</u></u>	<u><u>2,907</u></u>	<u><u>2,959</u></u>

Approved by the Board of Trustees and authorised for issue on

Ian Chandler
Chair of the Board of Trustees

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Notes	2008 £'000	2007 £'000
Net cash inflow from operating activities	(a)	566	238
Returns on investments and servicing of finance			
Interest received		193	203
Capital expenditure			
Payments to acquire tangible fixed assets		(41)	(75)
		718	366
Management of liquid resources			
Proceeds on sale of investments		-	12
Increase in short term deposits		(100)	-
Increase in cash	(b)	618	378

Notes to the cash flow statement

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

	2008 £'000	2007 £'000
Net movement in funds	314	(220)
Depreciation charge	78	70
Net (gain)/loss on investments	-	(5)
Interest receivable	(193)	(200)
Decrease/(Increase) in stocks	53	(68)
Decrease/ (Increase) in debtors	(809)	278
Increase in creditors	1,123	383
Net cash inflow from operating activities	566	238

(b) Analysis of changes in net funds

	At 1 October 2007	Cash flow	At 30 September 2008
	£'000	£'000	£'000
Cash at bank and in hand	2,336	618	2,954
	2,336	618	2,954

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 in accordance with the requirements of the Companies Act 1985. Applicable United Kingdom accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements.

b) Basis of consolidation

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

c) Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfill conditions before becoming entitled to it or when the donor or funder has specified that the income is to be expended in a future accounting period. Therefore, a proportion of the membership fees are deferred into the future accounting period(s) depending on the period of membership. Legacies are included in the statement of financial activities when the charity is advised by the personal representative of an estate, that payment will be made or property transferred and the amount involved can be quantified with reasonable certainty. Grants from government and other agencies have been included as income from activities in furtherance of the charity's objectives where these amount to a contract for services.

d) Resources expended and the basis of apportioning costs

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

Resources expended comprise the following:

- The costs of generating funds include the salaries, direct costs and overheads associated with generating donated income and carrying out commercial trading operations through the charity's subsidiaries. Many of the fundraising events held by the branches of the charity have two objectives, to raise funds for the charity, and also to meet the aims of the charity in terms of providing postnatal support for families. There is no meaningful way of apportioning the costs of branch fundraising events between fundraising costs and charitable activities.
- The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the report of the Board of Trustees. Such costs include:
 - The cost of direct services to parents including the cost of antenatal and early days classes and related teachers' fees, venue costs and class materials, the costs of breastfeeding support, and the costs of postnatal support and the cost of training the antenatal teachers, breastfeeding counsellors and postnatal leaders which principally comprises the fees, course materials, and venue costs.
 - The costs of policy, campaigning and research which includes the costs in obtaining the research-based information to enable policies to be developed and campaigns to be performed which is research-based.
 - The costs of information, which principally includes the NewGen magazine and branch newsletters.

- The costs of membership services which, includes the costs of administering membership and supporting the branch and regional network of volunteers and specialist workers.
- Governance costs comprise the costs of governance arrangements, which relate to the general running of the charity and include audit fees, any legal advice for trustees and costs associated with the constitutional and statutory requirements e.g. the cost of trustee meetings and preparing statutory accounts.

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

e) Gifts in kind

Assets donated to the charity for its own use, are included in the incoming resources and resources expended at their market value as at the time of the gift. Items donated to the charity for resale are included within incoming resources when sold and no value is placed on stock of such items at the year-end.

f) Tangible fixed assets

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

Functional freehold property - Freehold properties used for the direct charitable work of the charity are included in these accounts at the valuation in 1998. Functional freehold properties are depreciated at a rate of 2% per annum on a straight-line basis in order to write the buildings off over their estimated useful economic life to the charity. Building services are depreciated at a rate of 20% per annum.

Other tangible fixed assets - Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

Furniture and general office equipment	10% per annum based on cost
Computer and similar equipment	33% per annum based on cost

g) Fixed asset investments

Investments in subsidiary undertakings are stated at net asset value. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

h) Stocks

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

i) Fund accounting

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

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

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

j) Leased assets

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

k) Branches

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

l) Pension costs

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

m) Liquid resources

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

NOTES TO THE FINANCIAL STATEMENTS – NCT YEAR ENDING 30 SEPTEMBER 2008

1 Grants receivable

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2008 £'000	Total 2007 £'000
GROUP & CHARITY				
Dept. of Health – Breastfeeding peer support	-	20	20	19
Scottish Exec. Health Department: Scottish worker training	-	-	-	6
Big Lottery Fund: Scottish community worker	-	-	-	11
Big Lottery Fund: Premature baby project	-	72	72	77
Parenting fund: NW Development with Sowing Seeds	-	83	83	56
NE Development (Northern Rock Foundation)	-	-	-	33
Welsh development (Welsh council for vol action)	-	13	13	9
Midlands Development Worker	-	9	9	-
Scottish Development Worker	-	8	8	-
Disadvantaged Mothers Project	-	20	20	-
Grants to local branches	-	182	182	191
Total voluntary income	-	407	407	402
Sussex connections Ltd: antenatal classes for teenagers	-	-	-	19
West Herts: maternity services review	-	-	-	2
Ealing PCT: breastfeeding support	10	-	10	6
Kirklees PCT	2	-	2	-
Sure Start Projects	12	-	12	-
Connect Training – Countess of Chester Project	18	-	18	-
Connect Training – Portsmouth NHS Trust	15	-	15	-
Voices Training	7	-	7	-
Grants to Local Branches	6	-	6	-
Other	44	-	44	1
	114	-	114	28
Total incoming resources from charitable activities	114	407	521	430

2 Commercial trading operations

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

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

NCT Trading Limited gift aids its taxable profit to the National Childbirth Trust. A summary of the results of the trading subsidiary for the year are given below. Audited accounts will be filed with the Registrar of Companies.

	2008	Total
	£'000	2007
		£'000
Turnover	2,088	1,582
Cost of sales	(1,119)	(873)
Gross profit	<u>969</u>	<u>709</u>
Distribution costs	(74)	(140)
Administrative expenses	(647)	(582)
Interest payable	(9)	(19)
Operating profit/(loss)	<u>239</u>	<u>(32)</u>
Amounts Gift Aided to the National Childbirth Trust	214	-
Accumulated profit/(loss) for year	<u>25</u>	<u>(32)</u>
Retained in subsidiary	<u>(3)</u>	<u>(28)</u>

	NCT	Total
	Trading	2007
	Limited	£'000
	£'000	
Balance sheet		
Fixed Assets	5	9
Current Assets	722	463
Creditors < 1 year	(730)	(500)
Net Assets	<u>(3)</u>	<u>(28)</u>

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

3 Fundraising costs of voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2008 £'000	Total 2007 £'000
GROUP				
Central fundraising	38	-	38	29
	38	-	38	29

4 Fundraising costs of activities for generating funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2008 £'000	Total 2007 £'000
GROUP				
Central fundraising	328	-	328	290
Branch fundraising	380	-	380	370
	708	-	708	660

5 Charitable activities expenditure

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2008 £'000	Total 2007 £'000
GROUP				
Direct services to parents:				
- Antenatal	3,103	-	3,103	3,112
- Breastfeeding support	677	-	677	513
- Postnatal	387	-	387	516
- Apportioned support costs	517	-	517	441
- Health professional training	135	-	135	72
- General Parental Support	711	319	1,030	-
Sub-total	5,530	319	5,849	4,654
Policy, campaigning and research	1,397	57	1,454	586
Information	890	-	890	1,880
Membership services	591	-	591	352
	8,408	376	8,784	7,472

6 Support cost allocations

GROUP	Fundraising voluntary income	Fundraising cost of generating funds	Direct Services	Policy, campaigns and research	Information	Membership services	Governance	Total 2008	Total 2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	6	48	373	169	23	54	6	679	560
Depreciation	1	9	19	21	10	11	2	73	20
Premises and equipment cost	2	13	26	28	13	15	2	99	22
Postage, stationary and telephone	1	4	9	10	5	5	1	35	9
Irrecoverable VAT	1	9	19	20	10	11	1	71	7
Insurance	1	2	4	5	2	2	-	16	27
Irrecoverable VAT	-	3	6	6	2	3	1	21	111
Adjustment (Branches)									
Other	4	29	61	66	32	35	4	231	136
	16	117	517	325	97	136	17	1,225	892

Support costs are allocated in accordance with the accounting policy.

7 Governance

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2008 £'000	Total 2007 £'000
CHARITY				
Board	7	-	7	37
Audit fee	24	-	24	19
Office and shared services	23	-	23	54
Apportioned support costs	17	-	17	35
	<u>71</u>	<u>-</u>	<u>71</u>	<u>145</u>

In addition there were costs of £10,000 incurred for the audit of the Trading subsidiary.

8 Net movement in funds

	2008 Group £'000	2007 Group £'000
Net movement in funds is stated after charging:		
Depreciation of tangible fixed assets	78	70
Staff costs (excluding agency staff, note 9)	2,777	2,190
Operating lease rentals	10	10
Auditors' remuneration (group)		
Audit fees	32	24
Prior Year's Auditors Remuneration	2	-
Other services	-	3

The amounts of total incoming resources and net incoming/ (outgoing) resources attributable to the parent charity were £9,883,000 and £280,000 respectively (2007: £8,097,000 and (£193,000)).

9 Staff costs and remuneration of the Board of Trustees

GROUP	2008 £'000	2007 £'000
Staff costs during the year were as follows:		
Wages and salaries	2,467	1,990
Social security costs	270	169
Other pension costs	40	31
	<u>2,777</u>	<u>2,190</u>
Payments to agency staff	183	104
	<u>2,960</u>	<u>2,294</u>
Staff costs by function were as follows:		
GROUP	2008 £'000	2007 £'000
Charitable activities	2,493	1,792
Fundraising	218	122
Commercial Trading operations	249	380
	<u>2,960</u>	<u>2,294</u>

One employee earned between £80,000 and £90,000 p.a. (including taxable benefits) during the year (2007: one). The pension cost for this employee was £4,000 (2007: £4,000).

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

GROUP AND CHARITY	Number 2008	Number 2007
Charitable activities	197.0	88.2
Fundraising: voluntary income	2.0	2.0
Fundraising	6.0	3.4
Commercial trading operations	12.0	14.9
	217.0	108.5

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

GROUP AND CHARITY	FTEs 2008	FTEs 2007
Charitable activities	91.3	60.5
Fundraising: voluntary income	2.0	0.6
Fundraising	5.5	4.8
Commercial trading operations	10.1	12.5
	108.9	78.4

In addition 28 Parent Service Area (PSA) administrators formed part of the payroll (2007: none), 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 13 (2007:15) members of the Board of Trustees during the year. Their expenses amounted to £3,903 (2007: £8,000) in respect of expenses incurred as a trustee in attending board and related meetings and for regional and branch support and for attending trading company meetings.

Two trustees (2007: three) were paid £2,748 fees and expenses (2007: £6,000) for services provided as tutors, teachers, counsellors, and similar services provided at arms' length. One Trustee had a beneficial interest in a contract with the charity through his spouse who provides services as a teacher. 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 member of the Board of Trustees received any remuneration in respect of their services as trustees during the year (2007: £nil).

10 Tangible fixed assets

GROUP	Freehold Property £'000	Building Services £'000	Office Equipment £'000	Total £'000
Cost or valuation				
At 1 October 2007	320	38	400	758
Additions	-	-	41	41
Disposals	-	-	(135)	(135)
At 30 September 2008	<u>320</u>	<u>38</u>	<u>306</u>	<u>664</u>
Cost	-	38	306	344
Valuation (1998)	320	-	-	320
	<u>320</u>	<u>38</u>	<u>306</u>	<u>664</u>
Depreciation				
At 1 October 2007	56	17	223	296
Charge for year	6	8	64	78
On disposals	-	-	(135)	(135)
At 30 September 2008	<u>62</u>	<u>25</u>	<u>152</u>	<u>239</u>
Net book values				
At 30 September 2008	<u>258</u>	<u>13</u>	<u>154</u>	<u>425</u>
At 30 September 2007	<u>264</u>	<u>21</u>	<u>177</u>	<u>462</u>
CHARITY				
Cost or valuation				
At 1 October 2007	320	38	378	736
Additions	-	-	41	41
Disposals	-	-	(135)	(135)
At 30 September 2008	<u>320</u>	<u>38</u>	<u>284</u>	<u>642</u>
Cost	-	38	284	322
Valuation (1998)	320	-	-	320
	<u>320</u>	<u>38</u>	<u>284</u>	<u>642</u>
Depreciation				
At 1 October 2007	56	17	210	283
Charge for year	6	8	60	74
On disposals	-	-	(135)	(135)
At 30 September 2008	<u>62</u>	<u>25</u>	<u>135</u>	<u>222</u>
Net book values				
At 30 September 2008	<u>258</u>	<u>13</u>	<u>149</u>	<u>420</u>
At 30 September 2007	<u>264</u>	<u>21</u>	<u>168</u>	<u>453</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 £198,272 (2007 £186,609).

11 Fixed asset investments

	2008 £'000	2007 £'000
GROUP AND CHARITY		
Listed investments at market value		
At 1 October 2007	-	7
Disposals	-	(12)
Realised gain/(unrealised loss)	-	5
At 30 September 2008	-	-
Listed investments at cost	-	-
CHARITY		
Investment in group undertakings:		
	£	£
NCT (Maternity Sales) Limited	6	6
NCT Trading Limited	100	100
NCT Publishing Limited	2	2
	108	108

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

12 Debtors

	2008		2007	
	GROUP £'000	CHARITY £'000	GROUP £'000	CHARITY £'000
Amounts due from subsidiary undertakings	-	583	-	350
Prepayments and accrued income	181	132	148	72
Trade and branch debtors	1,083	873	249	193
Tax recoverable	70	70	100	100
Other debtors	10	-	38	-
	1,344	1,658	535	715

13 Creditors: amounts falling due within one year

	2008		2007	
	GROUP £'000	CHARITY £'000	GROUP £'000	CHARITY £'000
Expense creditors (including accrued purchases)	1,347	1,251	677	538
Social security and other taxes	116	90	118	118
Deferred income				
– membership subscriptions	737	737	671	671
– sponsorship, training and grants	1,247	1,247	681	681
Accruals	145	120	322	311
	3,592	3,445	2,469	2,319

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 30 September 2008 £'000
	At 1 October 2007 £'000	Incoming Resources £'000	Outgoing Resources £'000	
GROUP AND CHARITY				
NW England Development (NIFP)	17	83	46	54
Breastfeeding peer support (DOH)	14	20	20	14
Scottish community worker (Big Lottery)	17	8	31	(6)
Training maternity services user representatives	4	-	-	4
Scottish Executive Health Dept:				
Scottish specialist worker training	6	-	-	6
NW Development (Parenting fund)	36	-	-	36
NE Development (Northern Rock Foundation)	17	-	-	17
Premature baby (Big Lottery)	17	72	56	33
Midlands Development Workers	-	9	23	(14)
Disadvantaged Mother Project	-	20	-	20
Grants and donations received by branches	162	182	194	150
Other	18	19	6	31
	308	413	376	345

15 Unrestricted funds

	Movements in Funds					At 30 September 2008 £'000
	At 1 October 2007 £'000	Incoming Resources £'000	Outgoing Resources £'000	Net Realised Gain £'000	Transfer between Funds £'000	
GROUP						
General Funds	2,137	11,258	(10,981)	-	37	2,451
Fixed Assets Fund	462	-	-	-	(37)	425
	2,599	11,258	(10,981)	-	-	2,876
CHARITY						
General Funds	2,198	9,473	(9,230)	-	33	2,474
Fixed Assets Fund	453	-	-	-	(33)	420
	2,651	9,473	(9,230)	-	-	2,894

16 Analysis of net assets between funds

GROUP	Non-Charitable Trading Funds £'000	Unrestricted Funds		Restricted Funds £'000	2008 Total £'000
		General Funds £'000	Fixed Assets Fund £'000		
Fund balances at 30 September 2008 are represented by:					
Tangible fixed assets		-	425	-	425
Net current assets	(3)	2,451	-	345	2,796
Total net assets	<u>(3)</u>	<u>2,451</u>	<u>425</u>	<u>345</u>	<u>3,221</u>

CHARITY

Fund balances at 30 September 2008 are represented by:

Fixed assets	-	420	-	420
Investments	-	-	-	-
Net current assets	2,474	-	345	2,819
	<u>2,474</u>	<u>420</u>	<u>345</u>	<u>3,239</u>

GROUP AND CHARITY

Unrealised losses included above on tangible fixed assets

Unrealised losses at 1 October 2007	-	(263)	-	(263)
Disposal	-	-	-	-
Unrealised losses at 30 September 2008	-	<u>(263)</u>	-	<u>(263)</u>

17 Taxation

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

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

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

18 Related party transactions

During the year, The National Childbirth Trust entered into transactions in the normal course of activities with its subsidiary undertakings (listed in note 11). The charity is exempt from disclosure of these transactions as the subsidiary undertakings are more than 90% controlled within the group.

There were no other related party transactions (2007: none).

19 Operating lease commitments

At 30 September 2008 the group had annual commitments under operating leases in respect of the rent of land and buildings as set out below:

	2008		2007	
	GROUP £'000	CHARITY £'000	GROUP £'000	CHARITY £'000
Expire In > 5 years	10	-	10	-

REFERENCE AND ADMINISTRATION INFORMATION – YEAR ENDING 30TH SEPTEMBER 2008

Charity:

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

Registered Office:

Alexandra House
Oldham Terrace
Acton
London W3 6NH

Board of Trustees

Malcolm Ashton
Suzy Broekhuizen
Sarah Brook
Alison Carey (to June 2008)
Ian Chandler (Chair, from September 2008)
Tarun Chotai (appointed March 2009)
Marc Duschenes (Resigned January 2008)
Michelle Evans
Lonnie Fletcher (To June 2008)
John Hardy (resigned January 2008)
Suzanne Grocott (Hon. Treasurer)
Rob Hayter (Appointed June 2008)
Julie Hodgins (Honorary Secretary, reappointed June 2008)
Gail McConnell (Vice Chair)
Alison Radevsky (Chair, resigned September 2008)
Kathryn Scanlan (Appointed June 2008)
Gail Werkmeister (President)
Tina Winders (Appointed March 2009)

Senior executives:

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

Auditors

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

Bankers:

Lloyds TSB Bank plc
39 Threadneedle Street
London EC2R 8AU

Solicitors

Russell-Cooke
2 Putney Hill
Putney
London SW15 6AB

Bates Wells & Braithwaite
2-6 Cannon Street
London EC4M 6YH

Subsidiary Companies:

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