



Annual Report & Accounts

18 months to 31 March 2012

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President's report

It has been 18 months since my last annual report, a result of changing the charity year end. Then I was newly elected as NCT President and still finding my feet, toddling maybe, now I feel I have learnt to walk and the path is clearer. It has been a great honour to represent the charity at various events, great and small. My favourite occasions, though, are visiting branches and regions, interacting with our wonderful network of volunteers and practitioners. To each and every one of you I say a huge thank you for all that you do for NCT and for parents. Thank you.

During the last year we have toured the UK with the hugely successful 2020 tour, launching our new 2010-2020 Strategy. Thank you to each of you who helped to make the tour and the strategy so good, in particular I want to say thank you to Anne Fox - we two were the only people to attend each 2020 event - and no, no tattoos were involved! Anne has now gone to work for another charity and we thank her enormously for all that she has done for NCT. Thank you too to everyone involved with the tour.

A special thank you goes to those branches who were so inspired by the 2020 tour that they went home and organised new and innovative services for parents, reaching out in ways and to people that NCT had not done before. Bravo!

I want to thank every single person who has contributed to the work of our charity: our staff, our sponsors, our volunteers, our practitioners. What a team. Writing this in London 2012 Olympic week, cheering on our Team GB, I am reminded that we are Team NCT and what a team we are!

Go Team NCT!

A handwritten signature in black ink that reads "Sue Saxey". The signature is written in a cursive, flowing style.

Sue Saxey
President – August 2012

Chair's report

As the UK's largest parenting charity, NCT touched the lives of around 2.1 million people in the past 18 months. We reached approximately 43% of those transitioning to parenthood¹ and we continue to reach more every year. Our increasing impact is made possible thanks to the many thousands of volunteers who give so generously each year as well as our hard-working staff.

This Annual Report covers the previous 18 months as we move our financial year end to 31st March. The period has been packed with challenges, successes, developments and change, and we have yet again been working with huge economic and political challenges as a backdrop.

Among the many achievements of 2010/2012 was the completion of our new, challenging strategy. We will focus on more growth, increased thought leadership and developing new partnerships with five key themes being created to provide the foundation for our ambitious aim to reach 20 million parents by 2020:

- Confident parents
- Supportive services
- Positive image of parenthood
- High-quality information
- An efficient organisation

This was communicated through a series of events late 2011 and early this year, being well received up and down the UK and serving to energise volunteers and staff alike.

Our work with Governments continued as we seek to influence public policy and we had great success leading on the Department of Health's Preparation for Birth and Beyond programme.

In this challenging economic environment, it is extremely encouraging to report that fundraised income from branches increased. This critical income is raised by our many thousands of volunteers and proved essential as other income lines struggled. Marketing staff and branch volunteers must be commended for this achievement. I am also pleased to report our first financial surplus since 2008. While we have still to restore our reserves, after several tough years we are on the way.

We have also been working at a Board and operational level with the two organisations with whom we are merging. MIDIRS has enabled us to improve our provision of evidence-based information and interaction with midwifery professionals. Baby Café has enabled us to improve our reach to communities that we have not always managed to support through breastfeeding drop-ins. Both charities are hugely welcomed to the NCT group.

With a continued uncertain economic outlook, the Board and I have been very impressed with the positive response of NCT's executive and their teams and by their determination to maintain and improve the service to our beneficiaries while making challenging changes. By making strides in several areas of our strategy, in particular with the fifth objective of building a more efficient organisation, we are ever better-placed to capitalise on the political and societal interest in improving support for parents.

I would thank all the trustees who have served during this period and in particular to acknowledge the work of the following trustees who retired from the Board – Malcolm Ashton, Sanjay Bhasin, Bernadine Burnell, Julie Stein Hodges, Jenny Ingram, Bryan Macpherson and Tina Winders.

Thank you again for all your efforts.



Rob Hayter
Chair (2010/12) – August 2012

¹ Based on national statistics of UK births. Including those who are pregnant, through the first 24 months to around the child/ren's second birthday.

Trustees' report

NCT's Purpose, Vision and Aims

Our vision

NCT's vision is a world where parents are valued and supported to build a strong society, believing that a child's early years significantly impact upon the future they help to shape.

Our charitable purpose

- We offer information and support in pregnancy, childbirth and early parenthood
- We aim to give every parent the chance to make informed choices
- We want to make sure that everyone has access to our services and activities

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

NCT is the UK's largest charity for parents. Since 1956 we have been a trusted voice and provided essential support for millions of parents.

We offer services across the UK, from our antenatal and parent preparation courses through to day to day peer support based in our local branches. We guide people through the transition to parenthood, from pregnancy up to their children's second birthday.

We provide evidence based information in easy-to-understand formats, via our website, helpline, courses, magazines and other publications. Information is freely available to new and expectant parents through our website information centre, Pregnancy and Baby email service, Babychange iPhone app and our helpline is available for the cost of a local call.

For those on lower incomes, we offer reduced rates to our courses and a reduced membership rate. Member donations help us to fund research and campaigns and deliver our services and support to those in more deprived areas. Alongside our traditional classes we also provide antenatal and breastfeeding support through the NHS and Children Centres in England.

Thanks to our nationwide network of local branches and dedicated volunteers, all parents and parents-to-be can access support when they need it most, and attend community group activities such as coffee mornings, Bumps and Babies groups and NCT Nearly New Sales.

We believe our role is to help parents through what will be one of the most challenging changes in their lives. We do this both through our own activities and by working externally with health professionals and maternity and family service providers as well as policymakers, opinion formers and employers. We continue work to campaign for improved maternity services and support for all parents and are a leading influence in achieving positive outcomes across the UK.

The 18 months in review

Launching a new strategy

Since 2005, the launch of NCT's first strategy, we have doubled in size, increased the number of people we support and created more services for them, as well as succeeding in many of our campaign goals. So, we have recently updated our vision, set new priorities for the future and developed our 2010-2020 Strategy for the coming decade.

Our aim is to benefit 20 million parents by 2020

To do this we will focus on:

Growth – increasing our reach, both geographically and socially as well as expanding our postnatal and early years services.

Thought leadership – using our position of influence to change the perception of parenthood and create breakthrough solutions to address the dilemmas parents face.

Partnership – working more formally with other organisations to increase the support available to new parents.

Five key themes will underpin all of our work to achieve our goals for 2020:

1. Creating **confident parents**
2. Creating **supportive services** for new and expectant parents
3. Creating a **positive image of parenthood**
4. Providing **high-quality, impartial information**
5. Building a more **efficient organisation**

This is how we have been working towards fulfilling our new strategy:

Creating confident parents:

Over 97,000 members

Our membership scheme enables parents to engage in their local NCT community, courses and events and raises money to help NCT to continue to deliver services such as our helpline and to support disadvantaged parents through a range of practical outreach projects.

318 branches throughout the UK

Our branches offer face-to-face support to parents and parents-to-be and run events such as Bumps and Babies groups where new parents make friends and NCT Nearly New Sales, where parents can pass on their baby clothes and pick up low-cost toddler essentials, saving money and reducing waste.

Over 450,000 membership magazines distributed

NCT Matters, covers key issues facing parents today and showcases the great work of our volunteers.

Over 1,000 active NCT Practitioners, with 216 students gaining their qualifications

NCT Practitioners' training is university accredited and ours is the only educational programme that teaches facilitators of antenatal and perinatal education.

133 contracts to deliver antenatal, breastfeeding and postnatal support

Contracted services with the NHS and Children Centres in England allowed over 25,000 parents' free access to NCT courses.

52 breastfeeding peer support contracts

Peer support for breastfeeding has an overall positive effect on the initiation and duration of breastfeeding. NCT ran courses for parents in NCT Children Centres and runs an Open College Network accredited Breastfeeding Peer Support programme.

127,200 parents received support through our traditional courses

Our antenatal courses focus on providing expectant parents with the information and skills they will need to make their own decisions about labour and birth. Additionally we supported parents through Breastfeeding, Early Days™, and Yoga for Pregnancy and Relax, Stretch and Breathe courses. Our groups give parents the opportunity to explore different approaches to important parenting issues with a qualified group leader and other new parents in their area.

36,600 calls to the helpline

Our helpline offers access to specialist information and support on pregnancy, birth and breastfeeding, from highly-trained breastfeeding counsellors and antenatal teachers. Our helpline also offers postnatal support with issues such as crying, sleep and depression in the weeks after birth.

Creating supportive services:

Over 200 MSLC representatives

We enable parents to represent the views of other parents at a local level. Maternity Services Liaison Committees (MSLCs) act as a forum for maternity service users, health professionals and commissioners to help improve the design of their facilities. There are currently over 200 NCT user representatives throughout the UK. To support their work, we developed the VOICES training programme which helps them to identify and prioritise key issues facing parents in their community and increase the effectiveness of their MSLC.

864 health and family services professionals received NCT training

NCT Professional's training service offers a range of bespoke workshops for health professionals and Children's Centre staff as well as training for MSLCs, to help increase their effectiveness.

Developing Preparation for Birth and Beyond (PBB)

We were centrally involved in the design and development of Preparation for Birth and Beyond (PBB) – a new antenatal education programme developed by the Department of Health in England. We are now looking to assimilate the model into our services by phasing in new courses and professional training. This will include new contracts and courses for the NHS and children's centres and offering a version of PBB alongside our traditional antenatal courses.

Merger agreement signed with Baby Café

In December 2010 the Baby Café, a network of breastfeeding drop-in centres, signed a merger agreement to merge with NCT; the merger to be completed December 2012. The drop in centres, which provides face-to-face breastfeeding support, are being expended with the support from NCT. During the last 18 months, Baby Café secured 50 new drop-ins, 40% of which have been set up as part of an NCT contract with a further 4% being set up by NCT branches.

Creating a positive image of parenthood:

3,233 Items of Media Coverage

We have continued to generate significant amounts of media coverage both nationally and regionally. This not only allows us to improve awareness of the charity's work but also helps to ensure an accurate media representation of the transition to parenthood.

Key sources of media coverage included:

- the launch of NCT's Postnatal Care Report
- a ban on the use of bisphenol-A (BPA) in baby bottles
- the launch of NCT's new Babychange iPhone app
- the NCT's Bumps & Babies media campaign
- the publication of the results of the Birthplace in England Research Programme
- new NICE guidelines on caesarean sections
- the launch of our 2010-2020 Strategy

Providing high quality information:

Six new overviews of evidence

NCT is committed to producing high-quality, impartial information and we have produced six new overviews of evidence, which are disseminated via our publications to NCT practitioners, students and health and social care professionals:

- Pregnant women's perceptions and decision-making about antenatal screening for Down's syndrome: a meta-synthesis
- Fathers' roles in perinatal mental health: causes, interactions and effects

- Postnatal depression - the impact for women and children and interventions to enhance the mother-infant relationship
- How important is continuous support for women in labour? An overview of evidence
- Research overview: self-hypnosis for labour and birth
- NCT Research overview: parent-child communication is important from birth

Merger agreement signed with MIDIRS

NCT has signed an agreement to merge, in June 2013, with the Midwives Information and Resource Services (MIDIRS) enabling NCT to be more involved in supporting the professionals who care for parents, whilst strengthening our position as a trusted source of evidence-based information.

More than 25,000 subscribers to Pregnancy and Baby email newsletter

NCT's free Pregnancy & Baby email service, launched in August 2011, offers timely support to new parents and parents-to-be. Parents can subscribe online to receive regular emails at every stage of their pregnancy and up until their baby is two years old. They can also gain personalised access to the website and NCT's on-line Info Centre.

More than 1.6 million website visitors

The website is a key touch point for parents seeking information on services and topics of concern and interest during the transition to parenthood.

75,000 copies of Perspective distributed

Perspective is NCT's journal on preparing parents for birth and early parenthood. The publication contains feature articles on working with parents, policy and service developments, and evidence on key topics of relevance for pregnancy, birth, feeding and parenthood for mums and dads with a baby or toddler. It is distributed to NCT Practitioners as well as those with an interest in maternity services and user involvement and to all subscribers to MIDIRS Digest.

Building a more efficient organisation:

To support the new strategy and to help restore financial health has undertaken organisational change. Additional resources have been put into establishing a new Enquiries Service and IT development teams in Bristol and an expanded marketing team in London whilst savings have been made in support roles. Efficiency savings are being sought through merged support services across NCT, NCT Trading, MIDIRS and Baby Café.

Fundraising Success

Corporate fundraising

NCT is grateful for sponsorship support from the following corporations: Barrett & Coe, Bayer, Bepanthen, Big Yellow, Bright Horizons, EMLA, Fisher-Price, Ford, Humdinger, Jaguar, Lights by TENA, Proctor and Gamble: Pampers, TEVA, Unilever: Persil, Persil Non-Bio, Comfort Pure, Vauxhall, Viatabiotics: Preganacare, Jointace and Walker Books.

Grants

We have received support from the following UK and regional grants providers:

- John Ellerman Foundation
- Scottish Government, Unified Voluntary Sector Fund
- Health and Social Care Volunteering Fund
- Awards for All
- Natwest Community Fund
- Catford South Assembly
- Ford Britain Trust

Branches

Our branch network contributes a large amount of fundraising support, primarily through NCT Nearly New Sales, as well as Cheeky Monkey Tea Parties and Baby first aid courses.

Events

Highlights from fundraising challenge events include Jump for Mother's Day, London Marathon and the Great South Run.

Future plans

The coming year will be focused on continuing to fulfil our 2010- 2020 Strategy through growth, thought leadership and working in partnership with others. The mergers with Baby Café and MIDIRS will be concluded.

We will be redesigning our curriculum for NCT Practitioners and launching NCT College in partnership with the University of Worcester. This innovative partnership means together we can help students to build and develop a flexible and rewarding career supporting parents during their journey from pregnancy to parenthood. Students will start training on the new courses from September 2012.

We will continue to increase our reach by expanding our postnatal and early years' services as well as fulfilling more contracts with local NHS trusts and Children Centres.

We will start to deliver the Department of Education's CAN Parent Classes in the selected pilot areas of Camden, Middlesbrough and High Peak in Derbyshire. The newly developed classes, which are expected to begin in October 2012, will offer courses which will help parents with issues such as difficult behaviour, sleeping and rules and routines, enabling them to feel more confident in their role.

Over the next three years we will be phasing in new PBB (Preparation for Birth and Beyond) courses and training. There will be new contracts and courses for the NHS and children's centres – allowing us to work with parents whom we don't usually reach. These new contracts and courses will also help us achieve our long term strategic objectives in supporting 20 million new parents by 2020. We will also offer a version of PBB alongside our traditional antenatal courses. This will increase choice and access for our customers, attracting more customers who may have previously felt priced out of our services.

Financial review

To better reflect the flow of activities the NCT has adopted a 31 March year-end resulting in this year's report and accounts covering an 18 month period. This complicates direct comparisons with the previous reporting period. The opportunity has also been taken to review the categorisation of activities within the Statement of Financial Activities (SOFA) and the revised format is considered a better presentation of the group's current activities. Several prior year adjustments have been undertaken as detailed in Note 22. Overall these have a positive net impact on opening group reserves of £340k.

The 18 month period has been a financially good period. After two years of deficits, with a reduction in funds of £1,078k, NCT reports a surplus of £484k. Whilst this does not recover the losses from the deficit years it provides evidence that the direction of financial performance has changed and that NCT remains in good financial health.

The largest contributor to the period's surplus is the growth of NCT Courses. This surplus generating activity has grown disproportionately to the rest of the group and now accounts for over 50% of turnover. Without this growth NCT would be in a far more difficult financial position. Additionally there has been growth in community led branch fundraising through NCT's growing volunteer base supported by a dedicated head office team. Savings have been made by reformatting volunteer and practitioner events, reducing printed materials and balancing areas of expanding headcount with reductions in other areas.

The contracted services department, branded NCT Professionals, has grown but during this period of expansion has required financial support as systems and products are developed, tested and marketed. Membership has declined and resuming growth is a key priority for the future. The professional education department has grown with more students graduating but as a subsidised activity this has required increased financial support. The sales division of the trading company, NCT Trading, has suffered from the recession and the increasingly competitive on-line retail market and consequently the profit gift aided to the charity has been reduced.

There has been investment in the charities infrastructure, reflected financially in the increase in the fixed asset designated fund, and consequently the growth in the general fund is lower than the period's surplus. This results from investment in the IT infrastructure and building of additional teaching space.

Reserves policy

In line with Charity Commission guidelines the trustees approved a Reserves Policy that reflects the true level of resources needed to cover fixed costs of charitable activity for at least 4 months. The policy was reviewed and updated during 2012. Using this policy the minimum reserve level for 2012 was £2.7m. At 31 March 2012 the actual level of free reserves was £2.2m, having fallen from £2.5m in 2008. Trustees acknowledge the current shortfall, brought about through several years of small surpluses and deficits whilst turnover was rapidly expanding, and are committed to a policy of generating annual operating surpluses to restore reserves to at least the minimum level within three years.

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

Financial position

The group balance sheet at 31 March 2012 shows total funds of £3.1m of which £0.2m are restricted and £0.7m are designated as the fixed assets fund. Restricted funds, analysed in Note 15, comprise donations and grants subject to donor-imposed conditions. The balance of the group general funds, representing the 'free reserves', of the group at 31 March 2012 was £2.2m.

Structure, Governance, Organisation and Management

NCT (the National Childbirth Trust) is a registered charity. It is a company limited by guarantee governed by its Articles of Association as adopted on 15 September 2012.

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, or who served during the period are given below:

Sue Saxey (President)	-
Rob Hayter	-
Seana Talbot (Vice Chair / Acting Chair)	-
Helen Ableman	Resigned 16 September 2012
David Adams	Appointed 15 September 2012
Malcolm Ashton	Resigned 15 September 2012
Sanjay Bhasin	Resigned 15 September 2012
Susy Broekhuizen	-
Bernadine Burnell	Appointed 6 December 2010, resigned 18 June 2011
Andre Clark	-
Lisa Coffee	Appointed 15 September 2012
Amber Foster	Appointed 15 September 2012
Julie Stein Hodges	Resigned 18 June 2011
Nina El-Imad	Appointed 9 October 2012
Jenny Ingram	Appointed 20 September 2010, resigned 18 June 2011
Bryan Macpherson	Resigned 15 September 2012
Simon Mehigan	-
Robert Parry	Appointed 15 September 2012
Ian Potts	Appointed 18 June 2011
Margaret Reid	Appointed 18 June 2011
Kathryn Scanlan	-
Claire Shadbolt	Appointed 18 June 2011
Tina Winders	Resigned 15 September 2012

The charity is a membership charity. Members are organized locally into 318 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, Bristol support centre 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 elected trustees, including the Charity's President, and four appointed trustees. Elected trustees must be members of the Charity and are elected preceding 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 valid nomination form go forward to the election. Available vacancies are also advertised externally.

The Board may appoint trustees during the year to fill vacancies amongst elected trustees. 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 either stand down or 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. The Board of Trustees sets the strategy, policy and financial framework for the charity and has the responsibility for its overall direction and control. Additionally the Board has responsibility for ensuring the charity complies with the law and the safeguarding of charity's assets.

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

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

Board Committees

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

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

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

Key Relationships

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

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

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

- Is an active member of the Baby Feeding Law Group, which lobbies for implementation of the International Code in the UK
- Is a member of End Child Poverty and the End Fuel Poverty Coalition
- Works with Maternity Action, Working Families, unions and others on parenting and work
- Is represented on the Board of the National Collaborating Centre for Women and Children's Health, which develops evidence-based guidelines for the NHS
- Supports, services and participates in the Maternity Care Working Party
- Supports and services the All Party Parliamentary Group on Maternity

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

Trustees acknowledge their responsibility for ensuring effective risk management systems and procedures at NCT. During 2012 the Trustees adopted a new risk management policy and arranged appropriate management training to aid its implementation.

The Audit and Risk Committee has delegated authority from the Board to review risk management systems and procedures and to advise the Board as to the principal risks faced by the NCT Group. The committee regularly reviews the risk register and works with management to ensure it is up to date. NCT recognises the level of inherent risk incurred in achieving its charitable activities. Through our risk management policy we aim to recognise the level of gross risk in our current and proposed activities and seek to reduce this to an acceptable level of net risk.

The trustees have given consideration to the major risks to which the charity is exposed. Currently the most significant risks facing NCT are those resulting from reducing membership (e.g. lower income, reducing volunteer base and local profile) and changes to the education department resulting from the withdrawal of HEFCE (Higher education funding council for England) funding and the change of accreditation from Bedfordshire to Worcester Universities (e.g. higher student fees, disruption to the service and implementation of a new curriculum). While these risks cannot be eliminated trustees are satisfied that these risks are being managed.

The action plan in place to reduce these risks, which includes a new membership pricing policy, the creation of a new Enquiries Service Centre and a detailed transition plan for the launch of NCT College, is expected to reduce these risks to a level consistent with the Group risk policy.

Previously reported risks relating to IT, reputation and the potential alienation of volunteers and supporters have been managed effectively and the residual risk has been reduced to a level acceptable to trustees.

Trustee Benefits

Under the terms of its Articles of Association the charity is enabled to pay trustees for the provision of services to achieve its objects, subject to certain safeguards. This includes the requirement that a majority of the trustees must have received no payments from the NCT either as employees or for goods and services supplied to the NCT. No (2010: £nil) member of the Board of Trustees received any remuneration in respect of their services as trustees during the period. Expenses and other payments to Trustees are detailed in Note 10.

Statement of the Board's responsibilities as Trustees

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

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

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

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

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

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

Employees and volunteers

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

During 2012 NCT, including NCT Trading, employed 164 (2010: 162) full time equivalent salaried staff. At the end of March 2012, NCT had 97,309 (September 2010: 101,781) members in 46,322 (September 2010: 53,240) households, 8,286 (September 2010: c.4,000) registered volunteers, 1,058 (September 2010: 1,009) trained NCT Practitioners (antenatal teachers, breastfeeding counsellors and postnatal leaders) and 608 (September 2010: 966) students.

Volunteers are the heartbeat of NCT, not just running our branches and regions, but also giving their time in many other ways including helping at nearly new sales, delivering newsletters, running bumps and babies groups, hosting coffee mornings or in no end of other tasks where a few hours of time can make such a difference.

Equal opportunities

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

It is the NCT's policy to meet the provisions of the Sex Discrimination Act, the Equal Pay Act, the Race Relations Act, and the Disability Discrimination Act.

Appointment of Auditors

Kingston Smith LLP have indicated their willingness to continue in office and are deemed reappointed in accordance with section 4787(2) of the Companies Act 2006.

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



Robert Hayter
Trustee
9th October 2012

Independent Auditor's Report to the Trustees and Members of NCT

We have audited the consolidated and parent charitable company's financial statements of the National Childbirth Trust (NCT) for the period ended 31 March 2012 which comprise the Group and Parent Charitable Company Statements of Financial Activities (incorporating the Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Trustees' Responsibilities Statement set out on page 11 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the trustees' annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2012 and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Sandra De Lord, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor

13-12-2012

Devonshire House
60 Goswell Road
London EC1M 7AD

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

**NCT Consolidated Group Statement of Financial Activities
Including Income & Expenditure Account for the Period Ended 31 March 2012**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2012 18 Months £'000	Total 2010 12 Months Restated £'000
Incoming Resources					
Incoming resources from generated funds					
Voluntary income					
Membership		2,659	-	2,659	1,946
Donations		43	19	62	53
Grants receivable	3	-	356	356	380
		2,702	375	3,077	2,379
Activities for generating funds					
Community fundraising		2,714	-	2,714	1,544
Commercial fundraising		926	-	926	449
Trading		3,207	-	3,207	2,323
		6,847	-	6,847	4,316
Investment income					
Interest		22	-	22	11
Incoming resources from charitable activities					
NCT Courses		12,103	-	12,103	6,911
NCT College		383	-	383	208
Health Professional Contracts	4	991	-	991	345
		13,477	-	13,477	7,464
Other incoming resources					
Other income receivable		18	-	18	45
Total incoming resources		23,066	375	23,441	14,215
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income					
Membership		1,004	-	1,004	683
Grants receivable		28	-	28	61
		1,032	-	1,032	744
Fundraising trading					
Community fundraising	5	1,189	-	1,189	766
Commercial fundraising		560	-	560	273
Retail trading		2,757	-	2,757	1,735
		4,506	-	4,506	2,774
Charitable activities					
NCT Courses	6	10,030	399	10,429	6,607
NCT College		3,034	-	3,034	1,882
Health professionals		1,238	-	1,238	485
Policy, research and information		2,596	-	2,596	2,281
		16,898	399	17,297	11,255
Governance costs					
	7	122	-	122	68
Total resources expended		22,558	399	22,957	14,841
Net incoming / (outgoing) resources for the period		508	(24)	484	(626)
Transfer Between Funds		57	(57)	-	-
Net Movement in Funds	9	565	(81)	484	(626)
Reconciliation of funds					
Funds brought forward at 1 October 2010		2,306	327	2,633	3,259
Funds carried forward at 31 March 2012	15,16	2,871	246	3,117	2,633

NCT Consolidated Statement of Financial Activities (continued)

All of the group's activities derived from continuing operations during the above two financial years. The group has no recognised gains or losses other than those shown above. The movement in reserves is shown above.

Note of Historic Cost

Group	2012 18 Months £'000	2010 12 Months Restated £'000
Net movement in funds	484	(626)
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	(8)	(5)
Historical cost net movement in funds	476	(631)

**NCT Charity Statement of Financial Activities
Including Income & Expenditure Account for the Period Ended 31 March 2012**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2012 18 Months £'000	Total 2010 12 Months Restated £'000
Incoming Resources					
Incoming resources from generated funds					
Voluntary income					
		2,659	-	2,659	1,946
		431	19	450	367
	3	-	356	356	380
		3,090	375	3,465	2,693
Activities for generating funds					
		2,714	-	2,714	1,557
		36	-	36	-
		1,074	-	1,074	876
		3,824	-	3,824	2,433
Investment income					
		30	-	30	19
Incoming resources from charitable activities					
		12,103	-	12,103	6,911
		383	-	383	208
	4	991	-	991	345
		13,477	-	13,477	7,464
Other incoming resources					
		41	-	41	68
		20,462	375	20,837	12,677
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income					
		1,004	-	1,004	683
		28	-	28	61
		1,032	-	1,032	744
Fundraising trading					
	5	1,189	-	1,189	766
		732	-	732	493
		1,921	-	1,921	1,259
Charitable activities					
	6	10,030	399	10,429	6,607
		3,034	-	3,034	1,882
		1,238	-	1,238	485
		2,596	-	2,596	2,281
		16,898	399	17,297	11,255
Governance costs					
	7	103	-	103	62
	8	19,954	399	20,353	13,320
Net incoming / (outgoing) resources for the period					
		508	(24)	484	(643)
Transfer Between Funds					
		57	(57)	-	-
	9	565	(81)	484	(643)
Reconciliation of funds					
		2,306	327	2,633	3,276
	15,16	2,871	246	3,117	2,633

NCT Charity Statement of Financial Activities (continued)

All of the NCT's activities derived from continuing operations during the above two financial years. The charity has no recognised gains or losses other than those shown above. The movement in reserves is shown above.

Note of Historic Cost

Charity	2012 18 Months £'000	2010 12 Months Restated £'000
Net movement in funds	484	(643)
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	(8)	(5)
Historical cost net movement in funds	476	(648)

NCT Balance Sheets as at 31 March 2012

	Notes	2012 Group £'000	2012 Charity £'000	2010 Group Restated £'000	2010 Charity Restated £'000
Fixed Assets					
Tangible Assets	11, 12	681	677	489	484
Current Assets					
Stocks		304	39	326	48
Debtors	13	1,290	1,916	779	1,310
Short term deposits		686	686	1,029	1,029
Cash at bank and in hand		3,945	3,476	3,000	2,541
		6,225	6,117	5,134	4,928
Creditors					
Amounts falling due within one year	14	(3,789)	(3,677)	(2,990)	(2,779)
Net current assets		2,436	2,440	2,144	2,149
Total net assets		3,117	3,117	2,633	2,633
Fund balances					
Charitable funds					
Restricted funds	15	246	246	327	327
Unrestricted funds	16				
General funds		2,194	2,194	1,822	1,822
Fixed asset fund		677	677	484	484
		2,871	2,871	2,306	2,306
Total funds	17	3,117	3,117	2,633	2,633

Approved by the Board of Trustees and signed on its behalf



Rob Hayter
Trustee
9 October 2012

Company Number: 2370573 (England & Wales)

NCT Consolidated Cash Flow Statement for the Period Ended 31 March 2012

	Notes	2012	2010
		£'000	Restated £'000
Net (outflow) / inflow from operating activities	(a)	970	(199)
Returns on investments and servicing of finance			
Interest received		22	11
Capital expenditure			
Payments to acquire tangible fixed assets		(390)	(141)
		602	(329)
Management of liquid resources			
(Increase)/decrease in short term deposits		343	278
Increase/(decrease) in cash	(b)	945	(51)

Notes to the cash flow statement

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

	2012	2010
	£'000	Restated £'000
Net movement in funds	484	(626)
Depreciation charge	198	98
Interest receivable	(22)	(11)
(Increase)/decrease in stocks	22	(85)
Decrease/(increase) in debtors	(512)	100
(Decrease)/increase in creditors	800	325
Net cash (outflow)/inflow from operating activities	970	(199)

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

	2012	2010
	£'000	Restated £'000
(Decrease) / increase in cash	945	(51)
Cash used to increase / (decrease) liquid resources	(343)	(278)
Movement in net debt	602	(329)
Net funds at 1 October 2010	4,029	4,358
Net funds at 31 March 2012	4,631	4,029

(c) Analysis of changes in net debt

	2012	2010
	£'000	Restated £'000
At 1 October 2010:		
Cash at bank and in hand	3,000	3,051
Current asset investments	1,029	1,307
	4,029	4,358
Cash Flows	602	(329)
At 31 March 2012	4,631	4,029

Notes to the Financial Statements

1 Principal Accounting Policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of the freehold property at a valuation and the inclusion of quoted investments at market value, and in accordance with the requirements of the Companies Act 2006. Applicable United Kingdom accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed.

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. Immaterial subsidiaries are not consolidated. The decision on consolidation is based on the degree of control that, in substance, NCT exercises over undertaking and the extent to which it operates on a unified basis with the parent undertaking.

c) Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or when the donor or funder has specified that the income is to be expended in a future accounting period. The comparative incoming resources have been restated following a change of accounting policy. Previously membership income was deferred over the period of the membership. This has been changed to recognise membership income as it is received and with no deferral for future years being made. This is considered a more appropriate treatment for a transaction that in substance is a donation and not refundable. 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 have been included as income from charitable activities where these amount to a contract for services. NCT affiliate courses are included in full within incoming resources. Previously only NCT booking and commission fees were included. This change has been made due to, in substance, the courses being run on the same basis as NCT directly provided courses. The comparatives have been restated accordingly.

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 voluntary income* is categorised into membership, donations and grants receivable.
 - *Membership* expenditure comprises the costs of the department that services members and perspective members and the team that provides support to members and Branches.
 - *Donations* expenditure comprises the costs of soliciting and managing major donations.
 - *Grants receivable* comprises the costs of delivering grant funded projects and the costs of soliciting grants.
- *Fundraising trading* is categorised into community fundraising, commercial fundraising, and retail trading.
 - *Community fundraising* which comprises the community fundraising support team, the costs of Branch fundraising activities, and costs associated with the administration of Branches. Many of the fundraising events held by the branches 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.
 - *Commercial fundraising* are the costs of obtaining and managing the sponsorship of activities and events and undertakes other business activity on behalf of NCT by NCT Trading Limited.
 - *Retail trading* comprises the costs of the predominately on-line trading facility, operated by NCT Trading Limited, selling maternity and early years products to individual and corporate customers.
- *Charitable activities* which comprises expenditure on the Charity's primary purposes and are categorised as NCT Courses, NCT College, Health Professionals, and Policy, Research and Information.
 - *NCT Courses* comprise the costs of providing courses, for parents and perspective parents where the participant generally books the course.
 - *NCT College* comprises the costs of providing training and support for NCT Practitioners who deliver NCT courses.
 - *Health Professionals* comprises the costs of delivering services procured by under a contract for services or a grant.
 - *Policy, research and information* comprises the cost of the research team, the library, communications, marketing and providing specialist helplines.

Notes to the Financial Statements (continued)

- *Governance* costs comprise costs of the Charity which relate to the audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

e) Basis of apportioning support costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of NCT it is necessary to provide support in the form of human resources, financial operations and management, information technology, general management and administration and office services. These costs are apportioned to the other activities within the Charity on the basis of average number of full-time equivalent employees utilised by the activity.

f) 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.

g) Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised. Freehold properties used for the work of the charity are included in these accounts at the valuation in 1998. Tangible fixed assets are capitalised and depreciated at the following rates per annum, based on cost, in order to write them off over their estimated useful lives:

Category	Asset Group	Rate per annum
Freehold property	Freehold property	2%
Building Services	Building Services including boilers and mechanical equipment	20%
Equipment	End user computer equipment and software	33%
	Computer network infrastructure and software	20%
	Furniture	10%
	Other equipment	33%
Website	Third party website development costs	33%

h) Fixed asset investments

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

i) Stocks

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

j) Fund accounting

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

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

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

k) 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.

l) Branches

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

m) 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.

n) Liquid resources

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

Notes to the Financial Statements (continued)

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 which has two principal activities; the promotion of the work of NCT and profit generation. It has two divisions, Commercial Fundraising which obtains sponsorship of activities and events and undertakes other business activity on behalf of NCT, and Sales which sells maternity and baby clothes, publications and practical items to expectant and new parents and health professionals and publishes maternity related books and information;
- NCT (Maternity Sales) Limited which did not trade during the period of these accounts; and
- NCT Publishing Limited which did not trade during the period of these accounts.

NCT Trading Limited gift aids its taxable profit to NCT. A summary of the results of the trading subsidiary for the period are given below.

Profit and loss account – NCT Trading Ltd	2012	2010
	18 Months	12 Months
	£'000	£'000
Turnover	3,354	2,175
Cost of sales	(1,862)	(1,080)
Gross profit	1,492	1,095
Distribution costs	(231)	(171)
Administrative expenses	(865)	(601)
	(1,096)	(772)
Operating profit	396	323
Interest payable	(8)	(8)
Payment Under Gift Aid to NCT	(388)	(313)
Profit for period	-	2
Retailed loss brought forward	-	(2)
Retained in subsidiary	-	-
Balance Sheet – NCT Trading Ltd	31 March	30
	2012	September
	£'000	2010
		£'000
Fixed Assets	4	5
Current Assets	912	956
Creditors < 1 year	(916)	(961)
Net Assets	-	-

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 Incoming resources: grants receivable

Group and Charity	Unrestricted	Restricted	Total	Total
	Funds	Funds	2012	2010
	£'000	£'000	18 months	12 months
			£'000	£'000
Scottish Exec. Health Dept. - Scottish worker training	-	6	6	13
Welsh Council for Voluntary Action - Welsh development	-	7	7	25
Improving Choice & Access (West Midlands) – Dept. of Health	-	14	14	52
Health and social care – volunteering fund	-	118	118	-
John Ellerman Foundation – Special Experiences Register	-	20	20	20
Big Lottery Fund – Investing in Ideas, Scotland	-	-	-	(2)
Grants to branches	-	191	191	272
	-	356	356	380

Notes to the Financial Statements (continued)

Group	Unrestricted Funds	Restricted Funds	Total 2012 18 Months	Total 2010 12 Months Restated
	£'000	£'000	£'000	£'000
Board	20	-	20	13
Audit fee	69	-	69	31
Office and shared services	22	-	22	14
Apportioned support costs	11	-	11	10
	122	-	122	68

8 Support cost allocations

Support costs are allocated to the expenditure headings in the Statement of Financial Activities, on the basis stated in Accounting Policies (note 1), as stated in the tables below:

Charity	Membership £'000	Grants Receivable £'000	Community Fundraising £'000	Trading £'000	NCT Courses £'000	NCT College £'000	Health Professionals £'000	Policy, Research & Information £'000	Govern- ance £'000	Total 2010 12 Month Restated
										£'000
Staff costs	42	6	28	3	197	213	54	173	5	721
Depreciation	6	1	4	-	27	29	7	23	1	98
Premises and equipment	10	2	7	1	47	50	13	41	1	172
Office supplies	3	1	2	-	15	16	4	13	-	54
Insurance	5	1	3	-	25	27	7	21	1	90
Irrecoverable VAT	1	-	1	-	5	6	1	5	-	19
Other	9	2	6	1	45	49	12	39	1	164
Support Costs	76	13	51	5	361	390	98	315	9	1,318
Direct Costs	607	48	715	488	6,246	1,492	387	1,966	53	12,002
Total Costs	683	61	766	493	6,607	1,882	485	2,281	62	13,320

Charity	Membership £'000	Grants Receivable £'000	Community Fundraising £'000	Trading £'000	NCT Courses £'000	NCT College £'000	Health Professionals £'000	Policy, Research & Information £'000	Govern- ance £'000	Total 2012 18 Month
										£'000
Staff costs	47	3	75	6	507	389	84	212	6	1,329
Depreciation	7	-	11	1	75	57	12	31	1	195
Premises and equipment	10	1	18	1	118	89	17	48	1	303
Office supplies	5	-	7	-	51	40	9	23	1	136
Insurance	1	-	2	-	12	9	2	5	-	31
Irrecoverable VAT	4	-	7	-	48	36	7	20	1	123
Other	14	1	20	1	140	111	29	62	1	379
Support Costs	88	5	140	9	951	731	160	401	11	2,496
Direct Costs	916	23	1,049	723	9,478	2,303	1,078	2,195	92	17,857
Total Costs	1,004	28	1,189	732	10,429	3,034	1,238	2,596	103	20,353

9 Net movement in funds

	Charity		Group	
	2012 18 Months £'000	2010 12 Months £'000	2012 18 Months £'000	2010 12 Months £'000
Net movement in funds is stated after charging:				
Depreciation of tangible fixed assets	196	97	198	98
Staff costs (excluding agency staff)	6,193	4,015	6,695	4,264
Operating lease rentals	7	-	34	12
Auditors' remuneration	50	25	69	31

Notes to the Financial Statements (continued)

10 Staff costs and remuneration of the Board of Trustees

Staff costs during the period were as follows:

	Charity		Group	
	Total 2012 18 Months £'000	Total 2010 12 Months £'000	Total 2012 18 Months £'000	Total 2010 12 Months £'000
Wages and salaries	5,600	3,644	6,062	3,871
Social security costs	469	311	508	332
Other pension costs	124	60	125	61
	6,193	4,015	6,695	4,264
Payments to agency staff	129	25	132	38
	6,322	4,040	6,827	4,302

Staff costs by function were as follows:

	Charity		Group	
	Total 2012 18 Months £'000	Total 2010 12 Months £'000	Total 2012 18 Months £'000	Total 2010 12 Months £'000
Costs of generating voluntary income	665	384	665	384
Fundraising trading	147	228	652	490
Charitable activities	5,488	3,414	5,488	3,414
Governance	22	14	22	14
	6,322	4,040	6,827	4,302

One employee earned between £80,000 and £90,000 per 12 months (including taxable benefits) during the period (2010: 1). The pension cost for this employee for 18 months was £6,000 (2010: £4,000).

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

	Charity		Group	
	Number 2012	Number 2010	Number 2012	Number 2010
Costs of generating voluntary income	7	5	7	5
Fundraising trading	5	5	23	21
Charitable activities	199	210	199	210
Governance	1	1	1	1
Support	30	27	30	27
	242	248	260	264

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

	Charity		Group	
	FTEs 2012	FTEs 2010	FTEs 2012	FTEs 2010
Costs of generating voluntary income	5.0	3.2	5.0	3.2
Fundraising trading	5.3	4.3	21.3	16.3
Charitable activities	127.5	131.3	127.5	131.3
Governance	0.6	0.5	0.6	0.5
Support	25.8	22.8	25.8	22.8
	164.2	162.1	180.2	174.1

Expenses were reimbursed to 17 (2010: 14) members of the Board of Trustees during the period. Their expenses amounted to £12,415 (2010: £7,312) 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. One Trustee (2010: 2) was paid £223 fees and expenses (2010: £607) for services at arms' length as a practitioner.

Notes to the Financial Statements (continued)

11 Fixed asset investments

Charity	2012 31 March £	2010 30 September £
Investment in group undertakings:		
NCT (Maternity Sales) Limited	6	6
NCT Trading Limited	100	100
NCT Publishing Limited	2	2
	<u>108</u>	<u>108</u>

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

12 Tangible fixed assets

Group	Freehold Property £'000	Building Services £'000	Equipment £'000	Website £'000	Total 31 March £'000
Cost or valuation					
At 1 October 2010	365	73	385	54	877
Additions	151	6	113	119	389
Disposals	-	-	(74)	-	(74)
At 31 March 2012	<u>516</u>	<u>79</u>	<u>424</u>	<u>173</u>	<u>1,192</u>
Depreciation					
At 1 October 2010	78	62	238	9	388
Charge for period	12	9	101	75	197
On disposals	-	-	(74)	-	(74)
At 31 March 2012	<u>91</u>	<u>71</u>	<u>265</u>	<u>84</u>	<u>511</u>
Net book values					
At 31 March 2012	<u>425</u>	<u>8</u>	<u>159</u>	<u>89</u>	<u>681</u>
At 30 September 2010	<u>286</u>	<u>11</u>	<u>147</u>	<u>45</u>	<u>489</u>
Cost	196	79	424	173	872
Valuation (1998)	320	-	-	-	320
	<u>516</u>	<u>79</u>	<u>424</u>	<u>173</u>	<u>1,192</u>
Charity	Freehold Property £'000	Building Services £'000	Equipment £'000	Website £'000	Total 31 March £'000
Cost or valuation					
At 1 October 2010	364	73	362	54	853
Additions	152	6	112	119	389
Disposals	-	-	(74)	-	(74)
At 31 March 2012	<u>516</u>	<u>79</u>	<u>400</u>	<u>173</u>	<u>1,168</u>
Depreciation					
At 1 October 2010	78	62	220	9	369
Charge for period	13	9	99	75	196
On disposals	-	-	(74)	-	(74)
At 31 March 2012	<u>91</u>	<u>71</u>	<u>245</u>	<u>84</u>	<u>491</u>
Net book values					
At 31 March 2012	<u>425</u>	<u>8</u>	<u>155</u>	<u>89</u>	<u>677</u>
At 30 September 2010	<u>286</u>	<u>11</u>	<u>142</u>	<u>45</u>	<u>484</u>
Cost	196	79	400	173	848
Valuation (1998)	320	-	-	-	320
	<u>516</u>	<u>79</u>	<u>400</u>	<u>173</u>	<u>1,168</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 £239,093 (2010 £221,598).

Notes to the Financial Statements (continued)

13 Debtors

	Charity		Group	
	2012 31 March	2010 30 September Restated	2012 31 March	2010 30 September Restated
	£'000	£'000	£'000	£'000
Amounts due from subsidiary undertakings	804	750	-	-
Prepayments and accrued income	219	102	220	138
Trade and branch debtors	777	391	952	572
Tax recoverable	106	67	106	66
Other debtors	10	-	12	3
	1,916	1,310	1,290	779

14 Creditors: amounts falling due within one year

	Charity		Group	
	2012 31 March	2010 30 September Restated	2012 31 March	2010 30 September Restated
	£'000	£'000	£'000	£'000
Expense creditors (incl. accrued purchases)	901	724	935	798
Social security and other taxes	141	112	149	164
Deferred income	2,197	1,474	2,197	1,474
Accruals	438	469	508	508
	3,677	2,779	3,789	2,990

Deferred income relates to sponsorship, training courses and grants.

15 Restricted funds

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

Group and Charity	At 1 October 2010 Restated £'000	Movements in Funds:			At 31 March 2012 £'000
		Incoming Resources £'000	Outgoing Resources £'000	Fund Transfer £'000	
North West Development (Parenting fund)	16	-	-	(16)	-
Midlands Development Worker – Dept. of Health	13	14	(13)	(11)	3
Disadvantaged Mother Project	20	-	-	-	20
Scottish Executive - Scottish Specialist Worker Training	-	6	(6)	-	-
John Ellerman Foundation – Special Experiences Register	19	21	(35)	-	5
Grants and donations received by branches	220	210	(282)	-	148
Welsh development worker	19	6	(22)	-	3
Health and social care volunteering fund	-	118	(41)	(10)	67
Other	20	-	-	(20)	-
	327	375	(399)	(57)	246

16 Unrestricted funds

Group	At 1 October Restated 2010 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfer between Funds £'000	At 31 March 2012 £'000
General Funds	1,822	23,066	(22,558)	(136)	2,194
Fixed Assets Fund	484	-	-	193	677
	2,306	23,066	(22,558)	57	2,871

Notes to the Financial Statements (continued)

Charity	At 1 October Restated 2010 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfer between Funds £'000	At 31 March 2012 £'000
General Funds	1,822	20,462	(19,954)	(136)	2,194
Fixed Assets Fund	484	-	-	193	677
	<u>2,306</u>	<u>20,462</u>	<u>(19,954)</u>	<u>57</u>	<u>2,871</u>

17 Analysis of net assets between funds

Fund balances at 31 March 2012 are represented by:

Group	Unrestricted Funds:			Restricted Funds £'000	2012 Total £'000
	General Funds £'000	Fixed Asset Fund £'000			
Tangible fixed assets	4	677	-	-	681
Net current assets	2,190	-	246	246	2,436
Total net assets	<u>2,194</u>	<u>677</u>	<u>246</u>	<u>246</u>	<u>3,117</u>

Charity	Unrestricted Funds:			Restricted Funds £'000	2012 Total £'000
	General Funds £'000	Fixed Asset Fund £'000			
Tangible fixed assets	-	677	-	-	677
Net current assets	2,194	-	246	246	2,440
Total net assets	<u>2,194</u>	<u>677</u>	<u>246</u>	<u>246</u>	<u>3,117</u>

18 Taxation

The National Childbirth Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. Each year subsidiary companies, which do not have charitable status, Gift Aid any taxable profits to the National Childbirth Trust. The charity and group is not able to reclaim all VAT suffered on expenditure due to the partial exemption regulations.

19 Related party transactions

During the period, 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.

Two members of the Board of Trustees (2010: 2) had a beneficial interest in contracts with the charity, under which payments amounted to £7,082, through their spouse working as an NCT Practitioner. No other trustee (2010: nil) had a beneficial interest in a contract with NCT during the period other than in relation to contracts for purchases of goods and services on the same terms as available to the general public.

One member of the Board of Trustees (2010: nil) had a beneficial interest, through their spouse, in a contract under which payments amounted to £6,801 (2010: £2937), with a wholly owned subsidiary of NCT, NCT Trading Ltd, for services provided at arms' length. No other members of the Board (2010: nil) had a beneficial interest in a contract with a wholly owned subsidiary of NCT during the period other than in relation to contracts for purchases of goods and services on the same terms as available to the general public.

At the date of signing the accounts, two trustees of the Midwives Information and Resource Service, out of a Board of nine, were also trustees of the NCT. One trustee of the baby Café charity, out of a Board of six, is also a trustee of the NCT. Two Directors of NCT Trading are also Trustees of the NCT. There are no other related party transactions to disclose.

Notes to the Financial Statements (continued)

20 Operating lease commitments

At 31 March 2012 the group had annual commitments for buildings and equipment under operating leases as set out below:

	Charity		Group	
	2012 31 March £'000	2010 30 September £'000	2012 31 March £'000	2010 30 September £'000
Expire				
Within 1 year	1	-	1	-
After 2 - 5 years	8	10	26	17
After 5 years	-	-	-	10
	9	10	27	27

21 Charitable subsidiaries

On 6 December 2010 the Baby Café, registered charity number 110358, entered into a merger agreement with NCT. Under this agreement NCT became a Corporate Trustee of Baby Café with the right to appoint trustees and it is prescribed that two years after the merger agreement the Baby Café charity will be dissolved and Baby Café will become part of the NCT with its work overseen by the main NCT Board.

In the year to 30 June 2011 the Baby Café Charity accounts, on a receipts and payments basis, had income of £11,413, expenditure of £4,950 and a bank account credit balance of £7,935. Thereafter, in accordance with the NCT Group policy, Baby Café changed its year end to 31 March. In the 9 months to 31 March 2012 the Baby Café Charity accounts, on a receipts and payments basis, had income of £11,735, expenditure of £375 and a bank account credit balance of £19,295. In accordance with NCT's accounting policies the subsidiary's accounts have not been consolidated into the NCT group accounts on grounds of immateriality.

On 31 March 2011 the Midwives Information and Resource Service (MIDIRS) registered charity number 295346, entered into a merger agreement with NCT. MIDIRS is also a Company Limited by Guarantee, number 2058212 (England and Wales). On 13 May 2011 MIDIRS adopted new Articles of Association making NCT the sole member of MIDIRS. The trustees of both charities entered into the agreement to achieve jointly agreed strategic objectives. Under the terms of the merger agreement the assets, liabilities, employees and activities of MIDIRS shall transfer to NCT 30 days after the 'longstop date' (12 May 2013) and MIDIRS will be dissolved; unless either party notifies the other that the strategic objectives have not been satisfied.

The accounts of MIDIRS have not been consolidated into the NCT Annual Report in accordance with the accounting policies of NCT; the Directors of NCT have concluded that at the balance sheet date NCT did not have a sufficient degree of control over the management of MIDIRS due to having minority representation on the Board and restrictions to the usual rights associated with being the sole companies member relating to changing the Articles and Directors. NCT and MIDIRS were not managed on a unified basis. During the period NCT paid MIDIRS £157,149, of which £1,308 related to NCT Trading Limited, (excluding any applicable VAT), as combination of fees for services and grants, representing 16% of MIDIRS turnover for the period. NCT recorded nil income from MIDIRS. At 31 March 2012 NCT had a creditor balance with MIDIRS of £40,551 and a nil debtor balance. Since the year-end the degree of control exercised by NCT over MIDIRS has changed, policies agreed for a unification of support services and, as the merger becomes imminent, NCT expects to consolidate the account of MIDIRS into the 2013 Annual Report.

22 Prior year adjustment

Prior years adjustments have been made to reflect revised accounting policies, as detailed in Note 1, to correct an accrual and for the reclassification of debtors and creditors this year which necessitated a restatement of the comparatives for consistency.

Previously membership income was deferred over the period of the membership. This has been changed to recognise membership income as it is received and with no deferral for future years being made. This is considered a more appropriate treatment for a transaction that in substance is a donation and not refundable. Income from NCT Practitioners working as 'affiliates' was previously excluded from incoming resources and resources expended other than the recognition within incoming resources of commission and service charges payable to NCT. Having reviewed the contractual arrangements and the way affiliate courses are managed in practice directors have concluded that these courses should be recognised in full within incoming resources and resources expended. This has no impact on the net movement in funds.

A prior year adjustment relating to NCT Courses for Practitioners and venue hire establishes accruals not previously identified as relating to the prior period of account.

Notes to the Financial Statements (continued)

Reserves

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2009 £'000
Funds previously stated at 30 September 2009	2,339	447	2,786
Restatement of accruals; NCT Courses	(406)	-	(406)
Membership income received	896	-	896
Funds restated at 30 September 2009	2,829	447	3,276

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2010 £'000
Funds previously stated at 30 September 2010	1,989	317	2,306
Opening balance adjustment; membership	896	-	896
Opening balance adjustment; NCT Courses	(406)	-	(406)
Membership income received	(163)	-	(163)
Support costs apportionment	(10)	10	-
Funds restated at 30 September 2010	2,306	327	2,633

Group	Non- charitable trading funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2009 £'000
Funds previously stated at 30 September 2009	(2)	2,324	447	2,769
Restatement of accruals; NCT Courses	-	(406)	-	(406)
Membership income received	-	896	-	896
Funds restated at 30 September 2009	(2)	2,814	447	3,259

Group	Non- charitable trading funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2010 £'000
Funds previously stated at 30 September 2010	(1)	1,976	317	2,292
Opening balance adjustment; membership	-	896	-	896
Opening balance adjustment; NCT Courses	-	(406)	-	(406)
Membership income received	-	(163)	-	(163)
Other	1	3	10	14
Funds restated at 30 September 2010	-	2,306	327	2,633

Reference and Administrative information

Charity Registrations:

The National Childbirth Trust ('NCT')
Company Registration: 2370573 (England & Wales)
Registered Charity: 801395
Charity Registered in Scotland: SC041592
VAT: GB 115 0789 24

Registered Office:

Alexandra House
Oldham Terrace
London
W3 6NH

Board of Trustees:

Sue Saxey, President
Seana Talbot (Vice / Acting Chair)
David Adams
Susy Broekhuizen
Andre Clark
Lisa Coffee
Amber Foster
Rob Hayter
Nina El-Imad
Simon Mehigan
Robert Parry
Ian Potts
Margaret Reid
Kathryn Scanlan
Claire Shadbolt

Directorate:

Belinda Phipps, Chief Executive
Joseph Lowe, Corporate Resources Director
Mark Atkinson, Director of Operations
Caroline Seddon, Education and Research Director
Sally Horrox, Marketing Director
Candy Perry, Healthcare Business Development Director
Jill Creese, Head of Human Resources

Auditors:

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

Bankers:

Lloyds TSB Bank plc.
39 Threadneedle Street
London
EC2R 8AU

Solicitors:

Hempsons	Keeble Hawkson Solicitors
Hempsons House	Old Cathedral Vicarage
40 Villiers Street	St James Row
London	Sheffield
WC2N 6NJ	S1 1AX

Subsidiaries:

NCT Trading Limited
Baby Café Charity
NCT (Maternity Sales) Limited (dormant)
NCT (Publishing) Limited (dormant)