



Annual Report & Accounts

Year to 31 March 2013

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President's report

In the last 12 months, NCT has continued to grow and reach even more parents across the UK and the Channel Islands. We now have over 100,000 members and are determined to reach even more parents as we push forward with our 20/20 strategy.

During the last year, we have held several events to celebrate the achievements of all those involved in NCT's work. In addition to our national awards ceremony, we also held our first regional Stars Awards ceremonies to mark the great achievements of our volunteers in their local communities. We also held our annual practitioners awards to celebrate the work of our outstanding antenatal teachers, breastfeeding counsellors and postnatal leaders. I highly commend all our volunteers and practitioners for their dedication in supporting families.

As many of you will already know, this has been a very difficult year for me personally because after a short illness, my husband died in October 2012. I want to thank all of you, my lovely NCT family, who have helped me and supported me and kept me going. Our Charity is really a very special one.

I also want to thank every single person who has contributed to the work of our Charity: our staff, our sponsors, our volunteers and our practitioners. The Charity would not have been able to work as effectively had it not been for a joint effort from Team NCT.

Thank you all for your continuing hard work!

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

Sue Saxey
President – November 2013

Chair's report

As the UK's leading charity on pregnancy, birth and early parenthood, NCT has continued to provide practical and emotional support to parents' right across the UK. This year, NCT has reached over two million parents, thanks to our committed staff and the growing number of dedicated volunteers who donate their time to support NCT's work.

This Annual Report covers the previous 12 months as we complete our move to a 31st March financial year-end. Over the past year NCT has seen growth and development through the increase in our number of volunteers, expansion of local community support and growing number of health and family services professionals.

I am delighted to announce that we have made significant strides towards our 20/20 strategy of reaching 20 million parents by 2020. We have developed several new partnerships with other charities, organisations and professional bodies in order to reach more parents. In March we introduced our new positioning to enable us to better demonstrate the nature and importance of NCT's support for parents. First 1,000 Days is NCT's new name for the transition to parenthood and describes the time from the start of pregnancy to a child's second birthday.

We have also continued to develop our work to influence public policy and have successfully influenced the Department of Business, Innovation and Skills to increase the flexibility of parental leave. We have also been working hard this year to extend paternity leave and fathers' rights to antenatal appointments.

The lack of breastfeeding support across the UK continues to be a key concern for NCT so I am pleased to announce that we have completed a successful merger with Baby Café. The merger will enable us to improve our reach to communities we have not always managed to support through breastfeeding drop-ins.

We are also merging with MIDIRS (Midwives Information and Resources Services). We have been working with MIDIRS for a number of years and this merger will further strengthen both our positions as trusted sources of evidence-based information. Joining together will also enable us to better support healthcare professionals, by making it easier for them to find the information they need to help parents.

Despite the continued unstable economic climate, I am pleased to announce that for the second year running, we have made a solid surplus which is helping to restore our reserves. It is encouraging to report that fundraising income from our branches has continued to remain stable despite the economic downturn. I commend our staff and branch volunteers for enabling this to happen and I would like to thank all the trustees who served during this period.

Thank you for all your efforts.



Seana Talbot
Chair (2012/13) – November 2013

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 are the most important to the wellbeing of a child throughout its life.

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

NCT is the largest, most trusted and crucially the only independent charity in the UK dedicated to a parent's First 1,000 Days; NCT's new name for the transition to parenthood and describes the time from the start of pregnancy to a child's second birthday.

For more than 56 years, we have helped parents to make choices and solve the dilemmas and issues they face in their early parent role, through access to high-quality information and support.

Over the last 12 months we have helped over two million parents nationwide, from all incomes and backgrounds, providing support across the First 1,000 Days, delivering:

- Antenatal and postnatal education and information
- Scientific and evidence-based facts from leading sources
- Services, support and networking by phone, online and through some 320 branches nationwide
- A parent voice that successfully influences legislation, policy and practice on a wide range of issues, from fathers attending their child's birth to getting Bisphenol A (BPA) banned from baby bottles.

We are continuing to expand our range of postnatal support across the First 1,000 Days to help support parents up to their child's second birthday.

For those parents on lower incomes, we offer reduced rates for membership and our courses. Member donations help us fund research, campaigns and provide services and support in more deprived areas.

NCT provides evidence-based information in easy-to-read formats via our website, e-newsletter, helplines, courses and publications. We also provide a free Babychange app and our helpline is available every day until midnight, including bank holidays, at the cost of a local call.

Our nationwide network of local branches allow all parents and parents-to-be to have access to local support networks through our dedicated volunteers. Our branches enable us to reach parents in their local communities giving them the opportunity to attend community social activities such as branch coffee mornings, Bumps and Babies groups and NCT Nearly New Sales.

The year in review

Continuation of our 2020 strategy

Last year, we launched a new strategy, updated our vision and set new priorities for the future to help us meet our goal of reaching 20 million parents by 2020. We focused on growth, increased thought leadership and the development of new partnerships and created the following five key themes to underpin our work:

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 year we have built on this work by launching a new strategic positioning. First 1,000 Days begins at the start of pregnancy and takes parents up to their child's second birthday. This new positioning will allow us to talk about the early parent journey with accuracy and significance and will reflect the continuous cycle of antenatal and postnatal support that parents need to carry out their role successfully.

There is now a plethora of evidence clearly showing the First 1,000 Days plays a vital role in whether children grow up happy, healthy and well-adjusted.

It is also a phase that can be the most challenging in a person's life because:

- First 1,000 Days are fraught with some of the most testing moments.
- Early parent priorities meet the existing priorities of everyday life.
- A maze of competing dilemmas and choices appear almost on a daily basis.
- It is common for parents to feel significant pressure and guilt at this time.
- Emotional, mental, physical and financial anxieties build as the responsibility and realisation of becoming a parent unfolds.

Our progress towards meeting our strategic goals continues:

Creating confident parents

Over 107,000 members

NCT membership offer parents the opportunity to engage in their local NCT networks, courses and events and raises money to help NCT deliver services such as our helpline, our online pregnancy, birth and parenting information centre and events taking place across our branches.

317 branches throughout the UK

Our branches offer face-to-face interaction and give parents the opportunity to make friends with other mums and partners. Branches regularly hold meet-ups and events such as Bumps and Babies groups, coffee mornings and Nearly New Sales, where parents can pass on their old baby items and pick up low-cost baby items.

Over 220,000 membership magazines distributed

Our membership magazine, NCT Matters, is published on a quarterly basis and covers key issues facing parents today as well as highlighting the great work of our volunteers.

Over 400,000 newsletters distributed

E-Matters, our e-newsletter, is distributed eight times a year to keep our members up-to-date with NCT's activity and the latest developments in parent information.

Over 2000 active NCT practitioners, with 216 students gaining their qualifications

Our practitioners are trained through NCT College, in partnership with the University of Worcester, which offers the only university-accredited qualification for parent education.

132 contracts to deliver antenatal, breastfeeding and postnatal support

We have a number of contracts with the NHS and Children Centres in England which enable more parents to access NCT courses.

48 breastfeeding peer support contracts

NCT runs an Open College Network accredited Breastfeeding Peer Support Programme. Peer support training builds support for mothers by mothers and is proven to improve breastfeeding rates within a community.

99,104 parents received support through our traditional courses

Our antenatal courses are focused on providing parents with evidence-based information and the skills needed to prepare for labour and birth. We also support parents with Breastfeeding, Early Days, Yoga for Pregnancy, Baby First Aid and Relax, Stretch and Breathe courses. Every NCT course offer parents the chance to get high-quality information, one-to-one support and to meet other parents in their local area.

22,293 calls to the helpline

Our helpline is staffed by qualified NCT practitioners who assist with questions or concerns that parents may have on any issues related to pregnancy, birth and early parenthood. The helpline is open every day until midnight including bank holidays.

Creating supportive services

181 MSLC representatives

Maternity Service Liaison Committees (MSLCs) play a significant role in influencing and guiding the development of maternity services and are a vehicle for change and improvement. There are currently 181 NCT user representatives who sit on their local MSLCs and we support them through the VOICES training programme to help them identify and prioritise key issues facing parents in their communities. This year, we have been working in partnership with other organisations to save MSLCs which are currently under threat due to major changes in the health service.

Over 400 health and family services professionals received NCT training

We offer a range of specialist workshops for health professionals, Children's Centre staff and MSLC representatives through NCT Professional's training service.

Preparing for Birth and Beyond

NCT worked with the Department of Health to develop a new antenatal education programme called Preparing for Birth and Beyond (PBB). We have been working with local NHS commissioners and children's centres to pilot PBB courses and the full PBB service was launched at the end of 2012.

9 CANParent courses

NCT is a leading provider of CANParent classes offering parents the opportunity to learn and improve skills as well as dealing with any problems that may arise in parenting. In February 2013, we also launched online CANParent classes in the High Peak area.

Completed merger with Baby Café

We have successfully completed our merger with Baby Café, a national network of breastfeeding drop-in centres. At a Baby Café drop-in, mums and partners can expect to receive up-to-date information about breastfeeding and professional help from staff skilled in helping women breastfeed. This year 110 Baby Café drop-in centres were set up across the UK, 6 of which were created after our merger in July 2013.

Birth and Beyond Community Support Programme

This year we expanded our Birth and Beyond Community Support Programme. Within this scheme we train and mentor peer supporters in four locations to work with women and families who may benefit from additional support. In the West Midlands and East Lancashire we are working particularly with Asian communities. In North Yorkshire we are working with young parents and military service families and in West Yorkshire we are working with refugees and asylum seekers. This year we trained 56 peer supporters.

Creating a positive image of parenthood

3,379 Items of Media Coverage

This year we have generated a substantial amount of media coverage both regionally and nationally. This has helped to drive forward policy change, enhance awareness of NCT's work and has enabled a larger number of people to benefit from NCT's information. Key sources of media coverage from the past 12 months include:

- NCT's advice on morning sickness following the news of the Duchess of Cambridge's pregnancy
- The publication of the 2010 Infant Feeding Survey
- NCT on Newsnight following the publication of the UNICEF breastfeeding report
- The launch of NCT's Babychange app on Android phones
- The publication of NCT's research on parents buying second-hand goods
- The publication of birth statistics from the Office of National Statistics
- NCT's practitioner awards

Providing high quality information

Four new overviews of evidence

NCT is committed to providing parents with high-quality information, using family-focused evidence-based research. This year we have produced four new overviews of evidence which have been distributed to NCT practitioners, students and health and social care professionals:

- Rayment J, McCourt C, Rance S et al. Maternity services in rural areas: learning from two trusts serving rural communities
- Glover R. Research overview: Is there evidence to support the use of soft slings?
- Ryan A. Improving the health and wellbeing of parents and children during the perinatal period: an introduction to behaviour change interventions
- Ryan A. Interventions to support smoking cessation in pregnancy: a systematic review of reviews

60,317 subscribers to Pregnancy and Baby email newsletter

Our Pregnancy and Baby email service offers information and support at every stage of pregnancy up until the baby is two years old. Parents can also get personalised access to the website and NCT's online info centre.

More than two million visitors to the website

The website remains a key source of information for parents on NCT's services and information related to pregnancy, birth and early parenthood. On average, we get 72,000 visits to our website every week.

70,000 copies of Perspectives distributed

Perspective is NCT's journal containing evidence and research on topics related to pregnancy and parenting. We distribute the publication to NCT practitioners as well as those subscribed to MIDIRS Digest and regularly feature articles on recent developments at NCT and our work with parents.

Building a more efficient organisation

This year NCT undertook a major structural change to ensure that we work efficiently as an organisation. We expanded our marketing team to develop more strategic marketing campaigns and set up a new Enquiries service in Bristol to enable us to respond to enquiries more efficiently.

Fundraising Success

Corporate fundraising

We are thankful for the sponsorship support we have received over the past 12 months by the following corporations: Barrett & Coe, Bepathen, Big Yellow, Bright Horizons, EMLA, Ford, Humzinger, lights by TENA, Legal & General, Photobox, Scottish Friendly, Pampers, Persil Non-Bio & Comfort Pure, Pregnacare & Jointace, TEVA and Butlins.

Grants

NCT received grants from the following UK and regional grant providers:

- Scottish Government, Unified Voluntary Sector Fund
- Awards for All
- John Ellerman Foundation
- Health and Social Care Volunteering Fund

Branches

Our nationwide network of branches fundraise a substantial amount of money for the Charity, largely from NCT Nearly New Sales, Cheeky Monkey Tea Parties, our Baby First Aid courses and the Big Push, our sponsored buggy push event.

Events

Successful fundraising challenge events include the Great North Run, Jump for Mother's Day, London Marathon, Great South Run and the British 10k Run.

Future plans

As we push forward with our 20/20 strategy, we are continuing to focus on growth, through leadership and partnerships in order to reach and support more parents.

We are exploring how we can expand our current antenatal provision to create courses that meet the needs of parents in different financial circumstances. This will include securing new contracts and courses with the NHS and Children's Centres.

We will expand our Birth and Beyond Community Support Programme to train more peer supporters in our four locations. Our target is to have 60 peer supporters trained in each of these four areas creating a total of 240 community supporters reaching out to ethnic minorities and asylum seekers.

In our work to influence public policy, we will continue to provide the secretariat for the All-Party Parliamentary Group on Maternity to address health and family issues in the UK. We will also continue to lobby for changes in policy to improve the support offered to new parents.

Financial review

This is NCT's first 12 month period of the April to March financial year, adopted to better reflect the flow of our activities during the year. This complicates direct comparisons with the previous transitory 18 month reporting period of 1 October 2010 to 31 March 2012. The 12 month period has been a financially good period with a surplus of £961k; an improvement on the surplus of £484k over the previous 18 months. Following substantial deficits in 2009 and 2010 this provides evidence that the direction of financial performance has changed and that NCT is in improving 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 improved after two years of decline. 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 a reduction in capital expenditure, after three years of growth, reflected financially in the stable fixed asset designated fund, as priority has been given to rebuilding reserves. Investment continues to be made in building improvements, telecoms and equipment for nearly new sales.

Reserves policy

In line with updated Charity Commission guidance the trustees approved, in February 2013, a new Reserves Policy that better reflects the true level of appropriate reserves for a charity of NCT's size, mix of incoming resources, and asset base. The policy provides a dynamic framework for determining reserves by taking each area of activity and determines an appropriate reserve level to combine with an assessment of working capital requirements. Using this policy the minimum and upper reserve levels at 31 March 2013 were £4.4m and £7.0m respectively. These compare to an actual reserve of £3.2m; a shortfall of £1.2m against the minimum level.

Trustees acknowledge the current shortfall, brought about through several years of small surpluses and deficits whilst turnover was expanding, and are committed to a policy of generating annual operating surpluses to restore reserves to at least the minimum level within two 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 2013 shows total funds of £4.1m (2012: £3.1m) of which £0.2m (2012: £0.2m) is restricted and £0.7m (2012: £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 2013 was £3.2m (2012: £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 14 September 2013.

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)	-
Beryl Hobson (Chair)	Appointed 10 June 2013
Seana Talbot (Vice Chair)	-
Amber Foster (Hon. Secretary)	Appointed 15 September 2012
Nina El-Imad (Hon. Treasurer)	Appointed 9 October 2012
David Adams (Deputy Hon. Treasurer)	Appointed 15 September 2012
Helen Ableman	Resigned 16 September 2012
Malcolm Ashton	Resigned 15 September 2012
Sanjay Bhasin	Resigned 15 September 2012
Susy Broekhuizen	Resigned 14 September 2013
Andre Clark	-
Lisa Coffee	Appointed 15 September 2012
Stephanie Darroch	Appointed 14 September 2013
Greg Hall	Appointed 14 September 2013
Rob Hayter	-
Bryan Macpherson	Resigned 15 September 2012 / Appointed 12 December 2013
Maral Mesrobian	Appointed 14 September 2013
Simon Mehigan	Resigned 6 August 2013
Robert Parry	Appointed 15 September 2012 / Resigned 31 July 2013
Ian Potts	-
Margaret Reid	-
Kathryn Scanlan	-
Claire Shadbolt	Resigned 30 November 2012
Tina Winders	Resigned 15 September 2012

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

Employees are based at the UK Office in London, 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 fifteen member elected trustees, including the Charity's President, and four appointed trustees, who are elected by the Board. Any member may stand for election as a trustee provided they gain the nomination of two other members, are not disbarred from being a Trustee and support the aims and objectives of the Charity. Member elected trustees are elected to coincide with the Annual General Meeting whilst appointed trustees may be elected during the course of the year. Any member elected Trustee vacancies arising during the year may also be filled by the Board. Trustees are elected for a term of three years (five years for the President) and may serve for a maximum of two successive terms.

The Nomination and Governance Committee of the Board has the responsibility for maintaining and enhancing the quality of NCT's Trustees. To this end it keeps 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. 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.

Each year the Board, upon the advice of the Nominations and Governance Committee, may determine that a particular skill or experience is required and that consequently a position should be reserved for a Trustee meeting these requirements.

The Board, usually upon the recommendation of the Nomination and Governance Committee, may appoint trustees during the year to fill vacancies amongst elected trustees. Any trustee so appointed during the year must stand for election by the membership at the following Annual General Meeting, stand down or become an appointed Trustee.

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 governance
- 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, budget and risk management
- Remuneration - remuneration policy for senior management and other key groups
- Nominations and Governance - trustee recruitment, training and appraisal, reviewing the governance framework 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.

Current trustee committee membership is as detailed in the table below:

Trustee / Committee	Audit and Risk	Impact	Nominations and Governance	Remuneration
Sue Saxey	X	X	X	X
Beryl Hobson	X	X	X	X
Seana Talbot		X	X	X
Amber Foster			X	
Nina El-Imad	X			X
David Adams	X			X
Andre Clark	X	X		
Lisa Coffee		X		
Stephanie Darroch	X			X
Greg Hall	X		X	
Rob Hayter		X	X	X
Maral Mesrobian	X	X		
Bryan Macpherson			X	
Ian Potts	X		X	
Margaret Reid		X		
Kathryn Scanlan		X		

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 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 the year the trustees adopted a new risk management policy, arranged appropriate management training, and by the year-end had implemented the policy.

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 the risk management policy NCT aims 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 the difficulty of recruiting and retaining suitable professionals and experienced volunteers as trustees, too much management time being devoted to the MIDIRS merger, too great a pace of change and external competition. While these risks cannot be eliminated trustees are satisfied that these risks are being managed.

The previously reported significant risks of reducing membership, changes to the NCT College government funding environment and the change of course accreditation from Bedfordshire to Worcester Universities 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 (2012: £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 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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, NCT Practitioners, members and supporters for their commitment to the vision and work of NCT.

During 2013 NCT, including NCT Trading, employed 167 (2012: 180) full time equivalent salaried staff. At the end of March 2013, NCT had 107,398 (2012: 97,309) members in 58,473 (2012: 46,322) households, 5,099 (2012: 4,774) registered volunteers, 1,268 (2012: 1,058) trained NCT Practitioners (antenatal teachers, breastfeeding counsellors and postnatal leaders) and 387 (2012: 608) 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 and in many other crucial roles 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 487(2) of the Companies Act 2006.

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

A handwritten signature in blue ink that reads "B. Hobson." The signature is written in a cursive style with a large initial 'B'.

Beryl Hobson
Chair
19th December 2013

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 year ended 31 March 2013 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure for the year 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 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial year 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

23/12/2013

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 Year Ended 31 March 2013**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 12 Months £'000	Total 2012 18 Months £'000
Incoming Resources					
Incoming resources from generated funds					
Voluntary income					
Membership		2,069	-	2,069	2,659
Donations		364	-	364	62
Grants receivable	3	-	302	302	356
		2,433	302	2,735	3,077
Activities for generating funds					
Community fundraising		1,857	-	1,857	2,714
Commercial fundraising		407	-	407	926
Trading		1,802	-	1,802	3,207
		4,066	-	4,066	6,847
Investment income					
Interest		15	-	15	22
Incoming resources from charitable activities					
NCT Courses		8,508	-	8,508	12,103
NCT College		406	-	406	383
Health Professional Contracts	4	721	-	721	991
		9,635	-	9,635	13,477
Other incoming resources					
Other income receivable		200	-	200	18
Total incoming resources		16,349	302	16,651	23,441
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income					
Membership		391	-	391	1,004
Grants receivable		-	-	-	28
		391	-	391	1,032
Fundraising trading					
Community fundraising	5	902	-	902	1,189
Commercial fundraising		22	-	22	560
Retail trading		2,091	-	2,091	2,757
		3,015	-	3,015	4,506
Charitable activities					
NCT Courses	6	6,846	347	7,193	10,429
NCT College		1,949	-	1,949	3,034
Health professionals		1,125	-	1,126	1,238
Policy, research and information		1,894	-	1,894	2,596
		11,814	347	12,162	17,297
Governance costs					
	7	123	-	123	122
Total resources expended		15,343	347	15,691	22,957
Net incoming / (outgoing) resources for the year		1,006	(45)	960	484
Transfer Between Funds		23	(23)	-	-
Net Movement in Funds	9	1,029	(68)	960	484
Reconciliation of funds					
Funds brought forward at 1 April 2012		2,871	246	3,117	2,633
Funds carried forward at 31 March 2013	15,16	3,900	178	4,077	3,117

NCT Consolidated Statement of Financial Activities (continued)

All of the group's activities derived from continuing operations during the above two financial periods. 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	2013 12 Months £'000	2012 18 Months £'000
Net movement in funds	960	484
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	(5)	(8)
Historical cost net movement in funds	955	476

**NCT Charity Statement of Financial Activities
Including Income & Expenditure Account for the Year Ended 31 March 2013**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 12 Months £'000	Total 2012 18 Months £'000
Incoming Resources					
Incoming resources from generated funds					
Voluntary income					
		2,069	-	2,069	2,659
		364	-	364	450
	3	-	302	302	356
		2,433	302	2,735	3,465
Activities for generating funds					
		1,857	-	1,857	2,714
		6	-	6	36
		529	-	529	1,074
		2,392	-	2,392	3,824
Investment income					
		17	-	17	30
Incoming resources from charitable activities					
		8,508	-	8,508	12,103
		406	-	406	383
	4	721	-	721	991
		9,635	-	9,635	13,477
Other incoming resources					
		200	-	200	41
		14,677	302	14,979	20,837
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income					
		391	-	391	1,004
		-	-	-	28
		391	-	391	1,032
Fundraising trading					
	5	902	-	902	1,189
		451	-	451	732
		1,353	-	1,353	1,921
Charitable activities					
	6	6,846	347	7,193	10,429
		1,949	-	1,949	3,034
		1,125	-	1,126	1,238
		1,894	-	1,894	2,596
		11,814	347	12,162	17,297
Governance costs					
	7	113	-	113	103
	8	13,671	347	14,019	20,353
Net incoming / (outgoing) resources for the year					
		1,006	(45)	960	484
Transfer Between Funds					
		23	(23)	-	-
	9	1,029	(68)	960	484
Reconciliation of funds					
		2,871	246	3,117	2,633
	15,16	3,900	178	4,077	3,117

NCT Charity Statement of Financial Activities (continued)

All of the NCT's activities derived from continuing operations during the above two financial periods. 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	2013 12 Months £'000	2012 18 Months £'000
Net movement in funds	960	484
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	<u>(5)</u>	<u>(8)</u>
Historical cost net movement in funds	<u>955</u>	<u>476</u>

NCT Balance Sheets as at 31 March 2013

	Notes	2013 Group £'000	2013 Charity £'000	2012 Group £'000	2012 Charity £'000
Fixed Assets					
Tangible Assets	11, 12	664	661	681	677
Current Assets					
Stocks		291	31	304	39
Debtors	13	1,341	1,937	1,290	1,916
Short term deposits		709	709	686	686
Cash at bank and in hand		4,663	4,220	3,945	3,476
		7,004	6,897	6,225	6,117
Creditors					
Amounts falling due within one year	14	(3,591)	(3,481)	(3,789)	(3,677)
Net current assets		3,413	3,416	2,436	2,440
Total net assets		4,077	4,077	3,117	3,117
Fund balances					
Charitable funds					
Restricted funds	15	178	178	246	246
Unrestricted funds	16				
General funds		3,238	3,238	2,194	2,194
Fixed asset fund		661	661	677	677
		3,899	3,899	2,871	2,871
Total funds	17	4,077	4,077	3,117	3,117

Approved by the Board of Trustees and signed on its behalf



Beryl Hobson
Chair
19 December 2013

Company Number: 2370573 (England & Wales)

NCT Consolidated Cash Flow Statement for the Year Ended 31 March 2013

	Notes	2013 £'000	2012 £'000
Net (outflow) / inflow from operating activities	(a)	835	970
Returns on investments and servicing of finance			
Interest received		15	22
Capital expenditure			
Payments to acquire tangible fixed assets		(109)	(390)
		741	602
Management of liquid resources			
(Increase)/decrease in short term deposits		(23)	343
Increase/(decrease) in cash	(b)	718	945

Notes to the cash flow statement

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

	2013 £'000	2012 £'000
Net movement in funds	960	484
Depreciation charge	126	198
Interest receivable	(15)	(22)
Decrease in stocks	12	22
(Increase) in debtors	(51)	(512)
(Decrease)/increase in creditors	(198)	800
Net cash (outflow)/inflow from operating activities	835	970

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

	2013 £'000	2012 £'000
Increase in cash	718	945
Cash used to increase / (decrease) liquid resources	23	(343)
Movement in net debt	741	602
Net funds at 1 April 2012	4,631	4,029
Net funds at 31 March 2013	5,372	4,631

(c) Analysis of changes in net debt

	2013 £'000	2012 £'000
At 1 April 2012:		
Cash at bank and in hand	3,945	3,000
Current asset investments	686	1,029
	4,631	4,029
Cash Flows	741	602
At 31 March 2013	5,372	4,631

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. 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.

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

Notes to the Financial Statements (continued)

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 and telecoms 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	2013	2012
	12 Months	18 Months
	£'000	£'000
Turnover	2,074	3,354
Cost of sales	(1,126)	(1,862)
Gross profit	948	1,492
Distribution costs	(130)	(231)
Administrative expenses	(701)	(865)
	(831)	(1,096)
Operating profit	117	396
Interest payable	(2)	(8)
Payment Under Gift Aid to NCT	(115)	(388)
Profit for period	-	-
Retailed loss brought forward	-	-
Retained in subsidiary	-	-
Balance Sheet – NCT Trading Ltd	31 March	31 March
	2013	2012
	£'000	£'000
Fixed Assets	3	4
Current Assets	917	912
Amounts falling due within one year	(920)	(916)
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	2013	2012
	£'000	£'000	12 months	18 months
	£'000	£'000	£'000	£'000
Scottish Exec. Health Dept. - Scottish worker training	-	6	6	6
Welsh Council for Voluntary Action - Welsh development	-	-	-	7
Improving Choice & Access (West Midlands) – Dept. of Health	-	-	-	14
Health and social care – volunteering fund	-	145	145	118
John Ellerman Foundation – Special Experiences Register	-	-	-	20
Grants to branches	-	151	151	191
	-	302	302	356

Notes to the Financial Statements (continued)

4 Incoming resources: health professional contracts

Group and Charity	Unrestricted	Restricted	Total	Total
	Funds	Funds	2013	2012
	£'000	£'000	12 Months	18 Months
			£'000	£'000
PCT Contracts for Services	151	-	151	106
Contracts for providing Peer Support services	180	-	180	286
Sure Start/Children's Centres Projects	248	-	248	394
Voices training	2	-	2	13
Baby Café local	75	-	75	75
Other	65	-	65	117
	721	-	721	991

5 Resources expended: community fundraising

Group and Charity	Unrestricted	Restricted	Total	Total
	Funds	Funds	2013	2012
	£'000	£'000	12 Months	18 Months
			£'000	Restated £'000
Branch fundraising	434	-	434	706
Central fundraising	468	-	468	483
	902	-	902	1,189

6 Resources expended: NCT courses

Group and Charity	Unrestricted	Restricted	Total	Total
	Funds	Funds	2013	2012
	£'000	£'000	12 Months	18 Months
			£'000	£'000
Antenatal	4,286	-	4,286	6,323
Breastfeeding support	586	-	586	777
Postnatal	239	-	239	543
Apportioned support costs	879	-	879	951
Practitioner training	-	-	-	22
General Parental Support	856	347	1,203	1,813
	6,846	347	7,193	10,429

7 Governance

Charity	Unrestricted	Restricted	Total	Total
	Funds	Funds	2013	2012
	£'000	£'000	12 Months	18 Months
			£'000	£'000
Board and Committee Services	41	-	41	20
Audit fee	35	-	35	50
Office and shared services	19	-	19	22
Apportioned support costs	18	-	18	11
	113	-	113	103

Notes to the Financial Statements (continued)

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 12 Months £'000	Total 2012 18 Months £'000
Board	41	-	41	20
Audit fee	45	-	45	69
Office and shared services	19	-	19	22
Apportioned support costs	18	-	18	11
	123	-	123	122

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 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

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 2013 12 Month £'000
Staff costs	33	-	24	4	427	242	103	138	9	980
Depreciation	4	-	3	1	54	31	13	17	1	124
Premises and equipment	7	-	5	1	93	52	22	30	2	212
Office supplies	4	-	3	-	49	28	12	16	1	113
Insurance	1	-	-	-	8	4	2	2	-	17
Irrecoverable VAT	4	-	3	-	48	28	12	16	1	112
Other	16	-	11	2	200	113	48	65	4	459
Support Costs	69	-	49	8	879	498	212	284	18	2,017
Direct Costs	322	-	853	443	6,414	1,451	914	1,610	95	12,002
Total Costs	391	-	902	451	7,193	1,949	1,126	1,894	113	14,019

Group	Membership £'000	Community Fundraising £'000	Commercial Fundraising £'000	Trading £'000	NCT Courses £'000	NCT College £'000	Health Professionals £'000	Policy, Research & Information £'000	Govern- ance £'000	Total 2013 12 Month £'000
Staff costs	33	24	-	4	427	242	103	138	9	980
Depreciation	4	3	-	1	54	31	13	17	1	124
Premises and equipment	7	5	-	1	93	52	22	30	2	212
Office supplies	4	3	-	-	49	28	12	16	1	113
Insurance	1	-	-	-	8	4	2	2	-	17
Irrecoverable VAT	4	3	-	-	48	28	12	16	1	112
Other	16	11	-	2	200	113	48	65	4	459
Support Costs	69	49	-	8	879	498	212	284	18	2,017
Direct Costs	322	853	22	2,083	6,414	1,451	914	1,610	105	13,674
Total Costs	391	902	22	2,091	7,193	1,949	1,126	1,894	123	15,651

9 Net movement in funds

	Charity		Group	
	2013	2012	2013	2012
	12 Months	18 Months	12 Months	18 Months
	£'000	£'000	£'000	£'000
Net movement in funds is stated after charging:				
Depreciation of tangible fixed assets	125	196	126	198
Staff costs (excluding agency staff)	4,344	6,193	4,731	6,695
Operating lease rentals	2	7	21	34
Auditors' remuneration	35	50	46	69

10 Staff costs and remuneration of the Board of Trustees

Staff costs during the period were as follows:

	Charity		Group	
	Total	Total	Total	Total
	2013	2012	2013	2012
	12 Months	18 Months	12 Months	18 Months
	£'000	£'000	£'000	£'000
Wages and salaries	3,940	5,600	4,297	6,062
Social security costs	319	469	348	508
Other pension costs	85	124	86	125
	4,344	6,193	4,731	6,695
Payments to agency staff	159	129	161	132
	4,503	6,322	4,892	6,827

Staff costs by function were as follows:

	Charity		Group	
	Total	Total	Total	Total
	2013	2012	2013	2012
	12 Months	18 Months	12 Months	18 Months
	£'000	£'000	£'000	£'000
Costs of generating voluntary income	244	665	244	665
Fundraising trading	173	147	562	652
Charitable activities	4,064	5,488	4,064	5,488
Governance	22	22	22	22
	4,503	6,322	4,892	6,827

Higher paid employees:

	Charity		Group	
	Total	Total	Total	Total
	2013	2012	2013	2012
	12 Months	18 Months	12 Months	18 Months
£60,000 – 69,999	2	2	2	2
£70,000 – 79,999	-	-	-	-
£80,000 – 89,999	1	1	1	1
	3	3	3	3

The pension cost for these employees, for 12 months, was £11,500 (2012, 18 months: £17,400).

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

	Charity		Group	
	Number	Number	Number	Number
	2013	2012	2013	2012
Costs of generating voluntary income	5	7	5	7
Fundraising trading	3	5	20	23
Charitable activities	184	199	184	199
Governance	3	1	3	1
Support	32	30	32	30
	227	242	244	260

Notes to the Financial Statements (continued)

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

	Charity		Group	
	FTEs 2013	FTEs 2012	FTEs 2013	FTEs 2012
Costs of generating voluntary income	4.2	5.0	4.2	5.0
Fundraising trading	3.0	5.3	20.0	21.3
Charitable activities	114.0	127.5	114.0	127.5
Governance	1.1	0.6	1.1	0.6
Support	27.3	25.8	27.3	25.8
	149.6	164.2	166.6	180.2

Expenses were reimbursed to 11 (2012: 17) members of the Board of Trustees during the period. Their expenses amounted to £8,374 (2012: £12,415) 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. No Trustees (2012: 1) were paid fees or expenses (2012: £223) for services at arm's length as an NCT Practitioner.

11 Fixed asset investments

Charity	2013 31 March £	2012 31 March £
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 Tangible fixed assets

Group	Freehold Property £'000	Building Services £'000	Equipment £'000	Website £'000	Total 31 March £'000
Cost or valuation					
At 1 April 2012	516	79	424	173	1,192
Additions	39	13	57	-	109
Disposals	-	-	-	-	-
At 31 March 2013	555	92	481	173	1,301
Depreciation					
At 1 April 2012	91	71	265	84	511
Charge for period	12	4	53	57	126
On disposals	-	-	-	-	-
At 31 March 2013	103	75	318	141	637
Net book values					
At 31 March 2013	452	17	163	32	664
At 31 March 2012	425	8	159	89	681
Cost	235	92	481	173	981
Valuation (1998)	320	-	-	-	320
	555	92	481	173	1,301

Notes to the Financial Statements (continued)

Charity	Freehold Property £'000	Building Services £'000	Equipment £'000	Website £'000	Total 31 March £'000
Cost or valuation					
At 1 April 2012	516	79	400	173	1,168
Additions	39	13	57	-	109
Disposals	-	-	-	-	-
At 31 March 2013	<u>555</u>	<u>92</u>	<u>457</u>	<u>173</u>	<u>1,277</u>
Depreciation					
At 1 April 2012	91	71	245	84	491
Charge for period	12	4	52	57	125
On disposals	-	-	-	-	-
At 31 March 2013	<u>103</u>	<u>75</u>	<u>297</u>	<u>141</u>	<u>616</u>
Net book values					
At 31 March 2013	<u>452</u>	<u>17</u>	<u>160</u>	<u>32</u>	<u>661</u>
At 31 March 2012	<u>425</u>	<u>8</u>	<u>155</u>	<u>89</u>	<u>677</u>
Cost	235	92	457	173	957
Valuation (1998)	<u>320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320</u>
	<u>555</u>	<u>92</u>	<u>457</u>	<u>173</u>	<u>1,277</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 £250,696 (2012 £239,093).

13 Debtors

	Charity		Group	
	2013 31 March £'000	2012 31 March £'000	2013 31 March £'000	2012 31 March £'000
Amounts due from subsidiary undertakings	810	804	-	-
Prepayments and accrued income	241	219	295	220
Trade and branch debtors	759	777	908	952
Tax recoverable	116	106	116	106
Other debtors	11	10	22	12
	<u>1,937</u>	<u>1,916</u>	<u>1,341</u>	<u>1,290</u>

14 Creditors: amounts falling due within one year

	Charity		Group	
	2013 31 March £'000	2012 31 March £'000	2013 31 March £'000	2012 31 March £'000
Expense creditors (incl. accrued purchases)	633	901	718	935
Social security and other taxes	158	141	166	149
Deferred income	2,265	2,197	2,265	2,197
Accruals	425	438	442	508
	<u>3,481</u>	<u>3,677</u>	<u>3,591</u>	<u>3,789</u>

Deferred income relates to sponsorship, training courses and grants.

Notes to the Financial Statements (continued)

15 Restricted funds

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

Group and Charity	Movements in Funds:				At 31 March 2013 £'000
	At 1 April 2012 £'000	Incoming Resources £'000	Outgoing Resources £'000	Fund Transfer £'000	
Midlands Development Worker – Dept. of Health	3	-	-	(3)	-
Disadvantaged Mother Project	20	-	-	(20)	-
Scottish Executive - Scottish Specialist Worker Training	-	6	(6)	-	-
John Ellerman Foundation – Special Experiences Register	5	-	(5)	-	-
Grants and donations received by branches	148	151	(157)	-	142
Welsh development worker	3	-	(3)	-	-
Health and social care volunteering fund	67	145	(176)	-	36
	246	302	(347)	(23)	178

16 Unrestricted funds

Group	At 1 April 2012 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfer between Funds £'000	At 31 March 2013 £'000
General Funds	2,194	16,349	(15,344)	39	3,238
Fixed Assets Fund	677	-	-	(16)	661
	2,871	16,349	(15,344)	23	3,899

Charity	At 1 April 2012 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfer between Funds £'000	At 31 March 2013 £'000
General Funds	2,194	14,677	(13,672)	39	3,238
Fixed Assets Fund	677	-	-	(16)	661
	2,871	14,677	(13,672)	23	3,899

17 Analysis of net assets between funds

Fund balances at 31 March 2013 are represented by:

Charity	Unrestricted Funds:			Restricted Funds £'000	2013 Total £'000
	General Funds £'000	Fixed Asset Fund £'000			
Tangible fixed assets	-	661	-	-	661
Net current assets	3,238	-	178	178	3,416
Total net assets	3,238	661	178	178	4,077

Notes to the Financial Statements (continued)

Group	Unrestricted Funds:			2013 Total £'000
	General Funds	Fixed Asset Fund	Restricted Funds	
	£'000	£'000	£'000	
Tangible fixed assets	3	661	-	664
Net current assets	3,235	-	178	3,413
Total net assets	3,238	661	178	4,077

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 100% controlled within the group.

One member of the Board of Trustees (2012: 1) had a beneficial interest in contracts (which were undertaken before the appointment as a trustee) with the Charity, under which payments amounted to £4,412, through their Directorship of Professional Governance Services. No other trustee (2012: 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.

No member of the Board (2012: 1) 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 eight, were also trustees of the NCT and one further trustee was a Director of NCT Trading Limited. There are no other related party transactions to disclose.

20 Operating lease commitments

At 31 March 2013 the group had annual commitments for buildings and equipment under operating leases as set out below:

	Charity		Group	
	2013 31 March £'000	2012 31 March £'000	2013 31 March £'000	2012 31 March £'000
Expire				
Within 1 year	3	1	5	1
After 2 - 5 years	-	8	10	26
After 5 years	-	-	-	-
	3	9	15	27

21 Charitable subsidiaries

On 6 December 2010 The Baby Café Charitable Trust (Baby Café), registered charity number 1110358, 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 would be dissolved and Baby Café would become part of the NCT with its work overseen by the main NCT Board. This transfer occurred on 10 July 2013 when the Charity was removed from the Charity Commission register and its assets of £33,734 transferred to NCT.

In the year to 31 March 2013 the Baby Café accounts, on a receipts and payments basis, had income of £9,731, expenditure of £621 and a year-end bank account credit balance of £28,405. In accordance with NCT's accounting policies the subsidiary's accounts have not been consolidated into the NCT group accounts on grounds of immateriality.

Notes to the Financial Statements (continued)

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 transfer to NCT after the 'longstop date' (12 May 2013) and MIDIRS will be dissolved; unless either party notifies the other within 30 days of the longstop that the strategic objectives have not been satisfied. As neither party notified the other a consequent transfer agreement was signed on 14 November 2013 binding the charities to complete the merger by 31 March 2014.

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 company's sole member relating to changing the Articles and Directors. NCT and MIDIRS were not managed on a unified basis. During the period NCT paid MIDIRS £83,203 (2012 18 months: £157,149), of which £nil (2012 18 months: £1,308) related to NCT Trading Limited, (excluding any applicable VAT), as a combination of fees for services and grants, representing 10% (2012: 16%) of MIDIRS turnover for the period. NCT recorded £nil income from MIDIRS. At 31 March 2013 NCT had a creditor balance with MIDIRS of £nil (2012: £40,551) and a £nil debtor balance (2012: £nil). Due to post year-end changes in the degree of control NCT expects to consolidate the MIDIRS accounts with effect from 1 July 2013 until the transfer date.

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
Beryl Hobson, Chair
Seana Talbot, Vice Chair
David Adams
Andre Clark
Lisa Coffee
Stephanie Darroch
Amber Foster
Greg Hall
Rob Hayter
Nina El-Imad
Bryan Macpherson
Maral Mesrobian
Ian Potts
Margaret Reid
Kathryn Scanlan

Directorate:

Belinda Phipps, Chief Executive
Joseph Lowe, Corporate Resources Director
Jill Creese, Human Resources Director
Charles Grey, Volunteers and Services Director
Sally Horrox, Marketing and Corporate Communications Director
Candy Perry, Healthcare Business Development Director
Caroline Seddon, Education and Research Director

Company Secretary

Joseph Lowe

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
Hempsons House
40 Villiers Street
London
WC2N 6NJ

Subsidiaries:

NCT Trading Limited
First 1,000 Days Foundation (from 7 August 2013, dormant)
NCT (Maternity Sales) Limited (dormant)
NCT (Publishing) Limited (dormant)
Midwives Information and Resource Service (from 1 July 2013)