

# Annual report & accounts

Year to 31 March 2018



**nct**  
1ST 1 000 DAYS  
NEW PARENT SUPPORT



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# Chair's report



The past year has been one of real progress.

Our 10-year ambition to support all new parents, set out in #ourNCTstory, is a challenging one – and we've made a strong start.

And we've done that while continuing to deliver our vital services that make such a difference to the lives of new parents.

We should all be proud of the information, support and friendship that NCT has provided to hundreds of thousands of new mums and dads through our antenatal and postnatal courses, breastfeeding support and volunteer-run branch activities.

Good governance is a vital foundation of our ten-year ambition, and 2017-18, NCT's 60<sup>th</sup> year, gave us a lot to consider.

As well as making progress on foundational issues such as safeguarding, we commissioned a review of our governance, said goodbye to some long serving trustees, and did a lot of listening to volunteers, practitioners and staff across the UK.

In the past year trustees have reflected carefully on what we have heard, and taken action to implement the lessons we've learnt in Board's everyday ways of working.

Good governance is a journey, not a destination. I'm really excited by the work we've begun on Board development. We've introduced more time for trustee training and reflection and a new governance handbook, and are looking ahead to trustee appraisals. We owe it to you and to parents to be the best we can be.

I've always believed that NCT's strength lies in our movement of parents, volunteers, practitioners, staff and wider members. The commitment and expertise you bring to NCT is powerful and inspiring.

Whatever role you play in supporting new parents, thank you.

**Jess Figueras**

Chair, October 2018

# The Trustees

## Carey Oppenheim

Carey is an independent consultant and has previously held a number of senior positions including Chief Executive of The Early Intervention Foundation, Co-Director of the Institute for Public Policy Research, and Special Adviser in the No 10 Policy Unit (2000-2005).

## Caroline Flint

Caroline has been a midwife for 39 years and ran a Birth Centre for over 20 years. Caroline is also a retired NCT Practitioner and has facilitated classes for more than 45 years.

## David Shanks

### Vice Chair

David is a lawyer, currently working at Google as Senior Counsel. Previously, David was an associate at Freshfields in the City. He has significant experience in managing risk and has knowledge of the digital and tech industries. He is also a trustee of a dance charity and sits on their Finance and General Purposes Committee.

## Elaine Lambe

Elaine works as the coordinator of a local charity-run community centre and has previously run her own business and taught children with autism. Elaine has been an NCT member for over a decade and was the West Midlands Regional Coordinator for eight years.

## Jessica Figueras

### Chair of Trustees

Jessica is currently Chief Analyst at a technology advisory company, where she leads a multi-million pound public sector research programme. Previously she has worked as a strategy consultant and director at a digital start-up company. She is also an NCT breastfeeding counsellor and longstanding NCT volunteer.

## Marsha Daniel

### Honorary Secretary

Marsha has held a number of positions across the Financial Services sector including business development, client management and programme management roles. She is an active volunteer, with her voluntary work including being media reporter for the 2002 Commonwealth Games. Additionally she has founded a Women's Network.

## Richard Smothers

### Honorary Treasurer

Richard is Chief Financial Officer at Greene King having previously been Chief Financial Officer and Executive Director at Mothercare. Richard has held senior positions in a number of FTSE 100 companies both in the UK and internationally.

## Sarah Brown

Sarah is currently a solicitor at the Medical Protection Society having had previous roles at the General Medical Council, Greater Manchester Police and in local government. Sarah is also a trustee of Leeds Mencap, a charity providing services to improve the lives of children and adults with a learning disability, along with their families and carers.

## Seána Talbot

### NCT President

Seána is a non-executive director on the Board of the NI Patient & Client Council. Formerly a speech and language therapist, Seána has worked as a manager in an NHS Trust on Teesside, Sure Start Co-ordinator at the Northern Ireland Department of Health and as an NHS commissioner, commissioning maternity and child health services in Northern Ireland.

## Stephanie Maurel

Stephanie is Chief Executive of Concordia, a charity promoting international volunteering. She began her career in the commercial sector before moving into customer focused and strategy roles at Sport England. Stephanie is also a trustee of her county sports partnership.

Trustees'

report



## About us

**Our vision** is of a world in which no parent is isolated and all parents are supported to build a strong society.

**Our mission** is to support parents throughout the first 1,000 days to have the best possible experience of pregnancy, birth and early parenthood.

Since 1956, we have supported millions of women and parents through birth and early parenthood, while also securing major advances in professional practice and public policy.

At our core we are a movement of parents supporting parents. We do this through our 332 local branches and the support of almost 5,800 volunteers, who offer a wide range of activities, from Bumps and Babies drop-in sessions to money-saving Nearly New Sales and Baby First Aid courses.

Our practitioners provide practical and emotional support for expectant and new parents before and after their baby arrives.

Our breastfeeding counsellors and peer supporters support mums with feeding. Our online information centre and national support line provide information to over five million parents each year.

To achieve our mission we focus collectively on three interconnected aims:

### Knowledge

We provide evidence-based information for parents online and face-to-face, aiming to give every parent the chance to make informed choices

### Networks

We support parents to build networks through our 327 branches across the UK, forging vital, often lifelong, friendships

### Voice

We campaign on the issues that matter most to families throughout the first 1,000 days, working to make the UK more parent-friendly

# The year in review

NCT in numbers in 2017 - 2018



**5,791**  
volunteers supported  
new parents through  
**332**  
local branches



**95,662**  
parents attended one of  
our courses or classes



**95%**  
of participants rated  
their antenatal course as  
excellent or good



**371**  
Nearly New Sales  
were hosted by  
NCT volunteers, raising over  
**£560,000**



**29,573**  
women supported  
feeding their babies by  
breastfeeding counsellors



**6.5M**  
visits to our website  
**+12.6M**  
page views



**90**  
students qualified as NCT  
practitioners to support the  
parents of the future



**3,101**  
mentions of NCT in the  
media which reached  
**496,189,781**  
readers, listeners  
and viewers

**nct**  
**1ST 1,000 DAYS**  
**NEW PARENT SUPPORT**

## #ourNCTstory – a 10-year view

In order to fulfil our ambition of supporting all parents across the first 1,000 days we need to create a mass and mainstream movement of parents supporting parents to have the best possible experience of pregnancy, birth and early parenthood.

To achieve this, we have committed to five core goals for the decade ahead:

- » Strengthening our core work in antenatal education and infant feeding
- » Increasing our reach into less affluent communities and to parents at greater risk of social isolation
- » Expanding the work we provide to parents postnatally
- » Modernising our image to ensure we are seen as consistently relevant and trusted in all sections of society
- » Building a brilliant organisation to support our incredible movement of volunteers, practitioners and staff

To truly increase our reach (work with more parents) and expand the scope of our work (work with them for longer) we must:

- » Build a surplus on our core services
- » Match this with new, additional investment; and
- » Deliver at scale through peer support, digital and local partnerships

Strengthening our core offer and building a stronger organisation are not easy, but they are financially feasible within our current model.

Expanding our scope and increasing our reach are not, so we must re-engineer our delivery and ensure our financial model can support this strategy.

As we strengthen our current offer then expand our scope and extend our reach, we will modernise our image – our image will only truly shift when it is authentically rooted in what we do.



## 2017-18: setting the pace

This has been the first full year of delivery within #ourNCTstory, our highly-ambitious, ten-year strategy to reach all parents across the first thousand days. This requires fundamental renewal and reform of NCT. And we've made a strong start.

Building on the foundational work of the previous year, in 2017-18 we set a brisk but realistic pace for achieving progress against our core goals. This time last year we committed to:

### Strengthening our core offer:

by focusing on continual improvement of our courses and venues, alongside beginning a full review of our services for parents

### Increasing reach and expanding scope:

- » by taking more of our programmes to scale,
- » driving our mass mobilisation campaign to improve maternal mental health
- » creating campaigning tools for our volunteers so they can influence change in their local area
- » beginning our work to improve our support for NCT volunteers.

### Modernising our image:

- » by beginning the work to upgrade our website to make it more parent-focused,
- » revising our online information centre to make it more accessible for more parents,
- » improving our media presence by building our team of relatable spokespeople.

### Building a stronger organisation:

- » by significantly improving our IT capability to fully support the ambition within our new strategy.

Alongside this work we have continued to deliver our core services for parents:

- » 95,662 parents attending courses
- » almost 30,000 women supported in individual breastfeeding sessions
- » supported many more new parents thanks to our 5,791 registered volunteers in 332 branches across all four nations.

We recognise that our strategy must be relevant to and rooted in our movement of volunteers, staff and practitioners.

The #ourNCTstory workshops we now run annually with our movement are crucial to this.

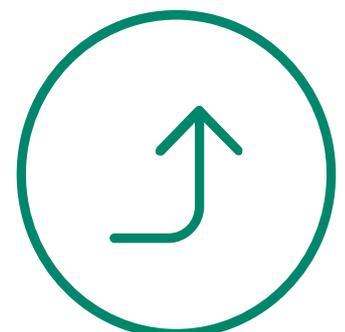
What began as a one-off set of engagement events to agree our Common Purpose in 2016 has fundamentally changed the way we engage with our internal stakeholders.

It is now a vital part of our annual planning process and we have built a planning and budgeting framework that will always incorporate the views of our volunteers, practitioners and staff.

At the end of the first year of our ten year strategy we know there is still much more to do if we are to truly provide support to all parents right across the First 1,000 Days.

But while our ambition is great, we also think it's achievable and have made a promising start.

So what progress have we made against our core goals in the past year...?



“ Our tutor was absolutely fantastic. She made the course fun but informative and relaxed me personally about the challenges of labour. I feel much more prepared and ready for our little arrival. ”

“ The course leader was fantastic. Knowledgeable, welcoming, passionate and expert at including the whole group. She provided all the tools we needed to make our own informed decisions, without preaching a particular viewpoint. ”

“ I now feel more confident and my partner does too about becoming parents. It was also lovely to have met other new parents who are due around the same time, and to build up a circle of peers, and the course leader encouraged us to stay in contact. ”

# Strengthening our work in antenatal education and infant feeding

**Last year we committed to:** focusing on continual improvement of our courses and venues, alongside beginning a full review of our services for parents

The First 1,000 Days of parenthood, from the start of pregnancy until a child's second birthday, can be joyful.

But it's also full of challenges and our core work with parents through our antenatal courses and offering information and support on feeding offers vital help during this time.

Signature	+55
Essentials	+47
Early Days	+44
Score range from -100 to +100 and a score above 0 is considered good	

As part of our ongoing work to drive up the quality of our courses, we have analysed parent feedback and worked with practitioners to reduce Feedback of Immediate Concern from parents by half over the past year.

Looking in depth at parent feedback revealed that where we do receive poor course feedback a high proportion of this related to the quality of the venue used, so we've stopped using 118 venues that were not comfortable and have found alternatives.

In response to feedback about the quality of course resources, we worked in partnership with practitioners to develop a plan for improved resources which will be rolled out in 2018-19.

Conscious of the need to train more practitioners to deliver our courses, we recruited the largest ever cohort of students to our training partner, University of Worcester.

The opening of our new Cardiff-based tutor group was an important part of the project to ensure there is practitioner training in all four nations of the UK.

We help new parents to prepare for feeding their baby as part of our antenatal education. We also offer one-to-one sessions delivered by volunteer breastfeeding counsellors and peer supporters, have 46 Baby Cafes across the UK and a free, feeding helpline.

And we also provide evidence-based information on breast, bottle and mixed feeding on our website.

Across all of these offers, the focus is on evidence-based, parent-centred and non-judgemental support – listening to, respecting and supporting parents to make the decisions that work for them and their family.

To ensure high-quality, clear communication around feeding, we refreshed and re-shared our internal Infant Feeding Message Framework.

## #ourNCTservices

We have begun a systematic review to understand how, over the next ten years we ensure NCT's services for parents are as relevant, accessible and impactful as possible.

Parents' voices were at the centre of this work. We carried out 130 in-depth interviews with new parents, both those who had used NCT services and who hadn't. We also analysed thousands of lines of feedback, cost, impact and reach data from 30 of our existing services, bringing it together for the first time.

On top of input from parents, we drew on the deep expertise of NCT volunteers, practitioners and staff through 70 workshops and conversations held across 12 regions.

This review offers an enormous opportunity to deliver greater impact for parents at the time that they need it, make best use of the time and skills across our organisation, and cut complexity and make things simpler.

**Next year we will:** analyse our findings from the #ourNCTservices review, create a first draft of service options and explore the feasibility, risk assessment and resource requirements for implementation of these options.

A photograph showing a woman in the foreground wearing a teal t-shirt with the nct logo and text. She is facing a man with a beard and a pregnant woman. The man is looking down at something, and the pregnant woman is looking towards the man. The background shows an indoor setting with arched doorways and some equipment.

**nct** 1ST 1,000 DAYS  
NEW PARENT SUPPORT  
Here to help

# Expanding scope and increasing reach

**Last year we committed to:** taking more of our programmes to scale and, and beginning our work to improve our support for NCT volunteers

## Birth and Beyond Community Peer Support

We were successful in securing funding from Nesta, a global innovation foundation, to increase the reach of our Birth and Beyond Community Supporter (BBCS) programme by training 220 new volunteers who will support a similar number of new mothers across five regions in England.

Our BBCS programme enables us to support parents in areas that we haven't previously worked in by training volunteers to support local families. The early outcomes from the pilot were fantastic, showing strong benefits to both the parents who are supported, and the volunteers themselves.

By the end of 2017-18 we had trained the first tranche of volunteers and begun matching them with parents referred to the programme.

Our project is one of five which have been funded from an Early Years Social Action Fund, run by Nesta and supported by the Department for Digital, Culture, Media and Sport.

Participating projects have to focus on supporting families most in need, and aim to build confidence in parents and carers.

We're proud of this endorsement of the work already done by many within NCT over the years and now to understand peer support and to shape this programme so it can have impact and be cost effective at the same time.

We know that partnerships will be crucial to the success of this programme.

In each of the five areas we are working with locally-based organisations, including housing associations and schools, to enable us to reach new parents and complement and build on existing service provision.

Our partners are:

- » South Yorkshire Housing (South Yorkshire)
- » Cross Keys Housing (Peterborough)

- » Reach Academy (Hounslow, London)
- » Better Births Lincolnshire
- » Ark Academy Trust (South Birmingham).

All five are interested in working with NCT on other projects as well as BBCS. We're also looking for additional partners who are interested in working with us to deliver peer support for new parents.

## Parents in Mind

Parents in Mind is a localised programme, developed in partnership with the Institute of Health Visiting and funded by the Department of health, that provides safe and effective peer support for women with mild to moderate perinatal mental health challenges.

We have trialled the programme in three areas: Coventry and Warwickshire, Newham and Runcorn and Widnes.

It trains women who have experienced mental health problems during pregnancy or after birth to support other mums in the same position.

At the mid-point of the pilot, independent evaluation by City University Parents showed:

- » Across-the-board significant reductions in anxiety and depression (HADS) scores for women receiving peer support for at least eight weeks
- » 80% of women receiving the peer support reported feeling less lonely/isolated
- » 74% said they feel like they have someone to talk to who understands them
- » 80% know where to get help
- » 71% know where to access services.

“Just being in that room and knowing that everyone has suffered like you... I felt okay because I looked at the other mums and I thought, 'Yes, they know what it's like to be in my head.’”



We're focusing on driving up referral rates in collaboration with local services, while building the case and relationships to help us secure continuation funding, and have begun to explore funding opportunities to scale up to other sites.

## Supporting our volunteers

To better support our volunteers, we have established the first point of call with our Enquiries team to quickly handle simple questions. We established a new Volunteer Support team to provide more specialist help and harnessed support with and through our volunteer regional teams.

New volunteers all receive a welcome email along with key information to help them in their role and those in key roles are invited to join an induction webinar to make sure they have the information they need and answer any questions they might have.

We've undertaken work to make our sling libraries safer and are focusing on how we can better help volunteers running Baby First Aid courses and Nearly New Sales.

## Boosting Nearly New Sales

The Nearly New Sales run by NCT volunteers give parents the chance to buy preloved maternity, baby and children's clothes and equipment at bargain prices and to sell on items they no longer need.

Our new Volunteer Support Team have been working to support new and emerging sales and helping our most successful sales to continue to develop and thrive. Since September, the new team provided tailored support to over 40 Nearly New Sale teams.

The aim was to help them identify areas where they can grow, become more efficient, or boost income. Volunteers have appreciated the one-to-one support and recognition from the team and the opportunity to discuss and resolve challenges or concerns.

“ This time last year we had 64 sellers registered, 280 buyers, £3,000 through the till. Today we had 120 seller registered, 460 buyers and £7,500 through the till. ”

**Next year we will:** deliver and learn from the experience of taking our Birth and Beyond Community Supporters programme to scale; and work more closely with commissioners and funders, adapting services to fit parents' and partners' needs. We will also continue to strengthen our support for volunteers in our 332 branches.

## Saying thank you

Our volunteers do amazing things for parents every day. We celebrate and value the contributions of volunteers in a number of ways.

Our annual awards, NCT Stars, saw over 300 volunteers nominated and over 5,000 people voting for the volunteer who inspired them the most.

The new Volunteer Support team made sure that NCT volunteers received thank you cards, and collected and shared stories, which created waves of volunteer appreciation on social media.

“ I just wanted to thank you for your card and express my appreciation. I continue to enjoy volunteering for the NCT and have gained so much. ”

## Campaigning for change

**Last year we committed to:** driving our mass mobilisation campaign to improve maternal mental health and creating campaigning tools for our volunteers so they can influence change in their local area

NCT is proud of the changes our movement has campaigned for.

Our campaigning achievements include pressing to allow fathers into the delivery room; the labelling and then banning of Bisphenol A in baby bottles; reducing unnecessary interventions during childbirth; and influencing the Equality Act in Britain and the Breastfeeding etc. (Scotland) Act 2005 to protect women breastfeeding in public.

In June 2017 we launched our #HiddenHalf campaign to improve identification of postnatal mental illness.

In England we are calling for funding for the six-week check so that GP practices can give every new mother a full appointment dedicated to her mental and physical wellbeing, rather than squeezing it in alongside checks on the baby.

We have recruited 37 volunteers to become campaign champions, representing all four nations, driving forward local action through their branch to support the campaign, and launched online tools to make it easy for our members to take action to support the campaign. As a result:

- » 6,000 people signed up as campaign supporters
- » Almost 3,000 have emailed their MP about the campaign
- » 20 MPs from a range of parties and representing all four nations have submitted written questions on behalf of the campaign
- » 53 MPs and two peers signed a letter to Health Minister Steve Brine, in support of the campaign proposals.

During the year we continued to shape maternity policy through our involvement in the implementation of:

- » The Best Start report, the Scottish Maternity and Neonatal Review
- » Better Births, the National Maternity Review for England.

Having campaigned over many years for the introduction of greater continuity of carer in maternity services, so women see the same midwife they know and trust, we were delighted by the announcement by the Secretary of State for Health of a set of measures to increase midwife numbers and ensure 20 per cent of women receive continuity of carer by March 2019.

Our volunteers in Northern Ireland have also been campaigning for a range of improvements to maternity services.

Our behind-the-scenes influencing work on maternity discrimination in the workplace resulted in a review



#hiddenhalf

of health and safety guidance for pregnant women at work and a redesign of the MatB1 form to include a link to a website that explains the rights women have at work while pregnant, during maternity leave and on their return.

Working with the new co-production crew from our volunteer base, we recruited a group of volunteers from all four nations to work together with staff to jointly draw up a local campaigning guide and other tools to support volunteers to campaign on local issues in all four nations.

The will be formally launched in 2018-19.

**Next year we will:** continue to push for measures to improve the identification of maternal mental health problems, launch our local campaign toolkit and take forward our policy development work on postnatal care.

## Modernising image

**Last year we committed to:** refreshing our website, making it mobile friendly and overhauling our parent content.

To reach all parents across the First 1,000 Days, we need to modernise our image so we're seen as trusted and relevant right across society.

Our website is the first point of contact many new and expectant parents have with NCT and we knew we needed to make it as accessible and engaging as possible.

By the end of March we agreed the mobile-first design for our new homepage and our new, expanded Information Centre.

We have also created a new tone of voice guide and a new corporate style, which will both be rolled out alongside the new website in 2018-19.

**In 2017-18 our digital reach included:**

- » 6.5 million visits to our website
- » 12.6 million page views on our website
- » 60,000 Facebook likes: a 20% increase on tlast year

**Our most popular webpages in 2017:**

1. What to do if your child has a temperature or a fever
2. Bleeding after birth guide: What to expect
3. First stage of labour
4. Early signs of labour
5. Mixed feeding: combining breastfeeding and bottle feeding.

**Media strategy**

We're continuing to focus our media work on channels that support the modernisation of our image as well that those that enable us to reach parents with whom we've previously had less engagement.

Over the past year we have focused strongly on gaining coverage in lifestyle publications and websites, as well as maintaining levels of coverage in national print and broadcast outlets.

## The Baby Show

We know many parents have not heard of NCT and we want to raise the profile of our brand so more parents can see us as a source of support. In 2017 we teamed up with The Baby Show, as their official charity partner.

This provided an amazing opportunity to engage with an audience entirely focused on and in the middle of their First 1,000 Days and to reach many expectant parents who might not normally have come into contact with NCT.

During the year we did two shows that introduced us to more than 48,000 expectant and new parents, two-thirds of them expecting their first baby.

We had a stand run by practitioners, volunteers and staff which enabled us to promote our courses and workshops, our digital support, as well as the support offered by our volunteer-run branches.

From just two shows we:

- » Ran taster sessions for our antenatal and postnatal courses attended by 412 expectant parents
- » Hosted a pop-up Baby Café, supporting dozens of families with feeding their babies
- » Gave out 4,850 branded gift bags with samples and information for new parents
- » Generated 550 course enquiries over two weekends
- » Made travelling to and from work a bit easier for 3,000 mums-to-be, with our special edition NCT Baby on Board badges

**Next year we will:** deliver our new website, including a redesign of our information centre, local branch pages and booking journey.



# Building a better organisation

**Last year we committed to:** refreshing our IT infrastructure ensuring we are prepared for the implementation of the UK General Data Protection Regulation, and making improvements for staff, practitioners and volunteers based on information gathered from them in 2016-17.

To achieve our ambition of supporting all parents across the First 1,000 Days and build an organisation fit for the future, we knew we needed to transform our IT infrastructure. And central to this work was the appointment of a Chief Technology Officer to support the transformation of our platforms and strategy.

This year we developed an IT transformation programme to be delivered across 2018-19 to provide better tools to support the work of our staff, volunteers and practitioners.

A crucial part of this was conducting a data review to equip us to meet the new GDPR requirements on data protection, including new policies, guidance and training.

We selected Salesforce as the platform to introduce new tools, replacing our existing ones, and have engaged a development partner to work with us as we migrate to the new platform.

To better engage and support our practitioners, volunteers and staff we have:

- » Conducted engagement surveys to establish how we can improve our support for them in 2018-19
- » Introduced Regional Practitioner Forums and improved the way we work with a refreshed Practitioners' Representative Body
- » Improved our volunteer induction process to ensure new volunteers have the information and support they need to carry out their role
- » Established staff SquareTables to improve communications with staff whether working in London, Bristol or at home
- » Launched our Catalyst leadership programme to develop our newly formed Leadership Team.

Building on the engagement with volunteers, practitioners and staff delivered by the Common Purpose workshops in 2016, we ran 26 #ourNCTstory workshops across the four nations to gather input from our movement which will shape next year's plan.

## Feedback from #ourNCTstory events:

I know...

“ What the future holds and how we go about achieving it. ”

“ That volunteers, practitioners and staff all want the same thing and have the same goals. ”

I feel...

“ Re-energised and excited about ambitious changes for the future. ”

“ Inspired that we are moving forward. ”

Having created a new Safeguarding policy and procedure in 2016 to ensure the safeguarding of parents and babies is central to our work, we built on this during the year with training for staff, practitioners and volunteers and continue to work hard to embed our processes.

**Next year we will:** transform our course booking journey and customer experience by migrating our existing platforms to Salesforce.

## Where next?

As we move into 2018-19, the second full year of #ourNCTstory, we're excited by the progress we've made so far. There is still much to do to achieve our longer term ambition of supporting all parents across the First 1,000 Days and we're excited to get started on the year's work...

### Strengthening our core offer

By analysing the findings from the #ourNCTservices review and exploring what services within our current portfolio we should stop, start or adapt.

### Increasing reach and expanding scope

By delivering and learning from the Nesta investment to take our Birth and Beyond Community Supporters programme to scale; engaging more closely with commissioners and funders to adapt services to fit parents' and partners' needs; and further improve the support for volunteer-run branches to create an even greater network of parents supporting parents.

### Modernising our image

By delivering a new website, including a redesign of our information centre, local branch pages and booking journey, and continuing to build brand awareness digitally, and through our media work and partnerships.

### Building a stronger organisation

By migrating, over time, all our core systems to Salesforce, to transform our customer experience and allow us to do more for parents.





# Financial review

In order to support our three year strategy, we set out a breakeven operating budget for 2017-18 which was supported by our forward agenda investment plan.

This plan set out 12 areas for investment, supporting our five core goals, totaling £446k in addition to the anticipated major investment in our IT systems.

This investment was funded from the portion of our reserves allocated to strategic development and therefore our budget anticipated a net reduction in funds.

Our actual performance improved on the budget creating an operating surplus. This offset the impact of our forward agenda investment resulting in lower than expected group net operating expenditure of £0.4m, compared to a budgeted £1.4m.

In the year to 31 March 2018, the charity saw a small decrease in our primary income stream, courses delivered direct to parents, which reduced by £0.3 to £10.4m (2017: £10.7m).

We chose in 2016 to change the way we sell membership and to make it more transparent to parents, which as anticipated led to a significant reduction in membership income in the last financial year.

Although we saw the majority of the impact of this in 2016-17 (and proactively reduced our cost base to offset it) the remainder of the impact was felt in 2017-18.

Following a significant recruitment drive in the previous year led by the marketing team, NCT College enjoyed an increase in student numbers on their professional programmes which has contributed to an increase in income.

NCT College continues to support the provision of increased bursaries to encourage the development of practitioners in geographical areas with greater need.

With continued work undertaken this year for our core goal of building a stronger organisation we have seen increased expenditure on improving internal processes particularly in relation to our information systems, and this work is expected to continue in to 2019.

Cost control across the group has been strong, resulting in an operating surplus and expenditure on forward agenda investment lower than expected.

In summary, the charity has generated a smaller than anticipated net deficit before gains on investment

assets of £509k (2017: surplus £589k) and unrealised investment gains decreased funds by £121k (2017: increased by £586k).

The Group, which also incurred additional costs in the prior year relating to the decision to stop its loss making retail activity, generated a deficit of £357k (2017: surplus of £514k).

The Trading Company's surplus for the period was £151k (2017: loss of £74k) returning to profit this year.

The Group accounts include NCT Charity and NCT Trading Limited.

NCT ended the year in a strong financial position with net assets of £7.9m. This provides a solid base as the charity continues to strengthen its charitable purpose under the Forward Agenda programme.



## Investment policy

NCT adopted a revised investment policy in December 2014.

Under this policy NCT considers that it holds a mixed motive investment in NCT Trading Limited.

This is because the investment has two aims:

1. To provide funding which will generate a financial return for NCT
2. To contribute to NCT's charitable purpose by promoting goods and services that are beneficial and dilemma solving to prospective and new parents. This will assist the charity in achieving its strategic objective of providing new parent support.

The investment in NCT Trading Limited has been made through holding 100% of its issued share capital at a cost of £100.

## Financial position

The Group balance sheet at 31 March 2018 shows total funds of £7.9m (2017: £8.4m) of which £0.2m (2017: £0.2m) is restricted and £1.6m (2017: £1.7m) is 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 2018 was £6.1m (2017: £6.5m).

## Reserves policy

The policy provides a dynamic framework for determining reserves by identifying the three components of the risk management reserve, which comprise the costs of winding down, funds to protect

against uncertainty identified in the risk management process and cash flow requirements.

Any surplus funds represent the strategic development reserve.

At 31 March 2018 the combined risk reserve, which represents the minimum level of reserves the charity must hold, amounted to £4.7m (2017: £4.7m) and the strategic development reserve sat at £3.1m (2017: £3.5m).

The reduction in strategic development reserve followed investment in safeguarding and IT capacity.

The policy also addresses what form each element should be held in.

The Fixed Asset Fund represents assets which cannot be converted to cash in the short term including property and equipment. Given their illiquid nature these funds are allocated to the element of the risk management reserve which would cover the costs of winding up the charity.

At 31 March 2018 the fund amounted to £1.6m (2017: £1.7m).

The Trustees are satisfied the charity meets the minimum level defined by its reserves policy.



## Risk management

Trustees acknowledge their responsibility for ensuring effective risk management systems and procedures at NCT. The Charity engages its three senior teams; the leadership team, executive team and board of trustees in the identification and mitigation of risk.

The Audit, Risk and Scrutiny 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.

Through the risk management policy, NCT aims to recognise the level of gross risk in our current and proposed activities and seeks to reduce this to an acceptable level of net risk.

As part of the recent review of risk, the trustees identified the following lead risks to which the Charity is exposed: design of our core antenatal product, dependence on IT systems and a lack of practitioners to deliver services in some areas.

While these risks cannot be eliminated, trustees are satisfied that these risks are being managed through a strategy agreed by the Board.

Specifically the #ourNCTservices project is a systematic review of all our services with a proportionate focus on our core antenatal product.

We have also initiated an a major IT transformation process which will address the security and reliability of our network and centralise all our data in a single system while increasing investing in the digital skills of NCT staff.

The 2018-19 annual plan outlines a number of tactical actions to safeguarding practitioner availability and the charity is committed continuing to ensure we have a sustainable education programme in place.

## Other information

### Public benefit statement

We believe that we have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance, as published by the Charity Commission in its guidance documents:

- » PB1 “Public benefit, the public benefit requirement”
- » PB2 “Public benefit: running a charity and
- » PB3 “Public benefit: reporting”

because our charitable services provide value to the public in general and new parents in particular.

# Structure and governance

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 26 September 2015.

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.

The Board are very grateful for the work and commitment of Trustees who have served NCT and stood down in 2017-18. We also welcomed six Trustees to the Board in this period.

Name	Date of most recent appointment	Date of resignation
Amber Foster	Elected 26 September 2015	Resigned 29 June 2017
Carey Oppenheim	Appointed 7 August 2017	-
Caroline Flint	Elected 26 September 2015	-
Dafydd Elgan Owen	Appointed 30 March 2017	Resigned 4 November 2017
David Shanks (Vice Chair)	Appointed 7 August 2017	-
Elaine Lambe	Elected 4 November 2017	-
Felicity Oswald	Elected 4 November 2014	Resigned 24 January 2018
Helen Stephenson	Appointed 25 September 2015	Resigned 15 May 2017
Jessica Figueras (Chair)	Elected 8 October 2016	-
Lois Swift	Elected 4 November 2014	Resigned 29 June 2017
Marsha Daniel (Honorary Secretary)	Elected 4 November 2014	
Richard Smothers (Honorary Treasurer)	Appointed 5 February 2016	-
Seána Talbot (President)	Elected 4 November 2017	-
Sarah Brown	Elected 4 November 2017	-
Stephanie Maurel	Appointed 7 August 2017	-

The Charity is a membership charity. Members are organised locally into 332 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 NCT Practitioners.

# Recruitment and appointment of Trustees

The Board of Trustees may have up to eight member-elected trustees and four appointed trustees.

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 (AGM) while appointed trustees may be appointed during the course of the year.

Any member-elected trustee vacancies arising during the year may also be filled by the Board.

Elected and Appointed Trustees have a term of four years and the president has a term of five years.

An individual may serve a maximum of two terms as an Elected Trustee, two terms as an Appointed Trustee and two terms as President.

The Nominations and Remuneration Committee of the Board has the responsibility for maintaining and enhancing the mix and balance of NCT's trustees.

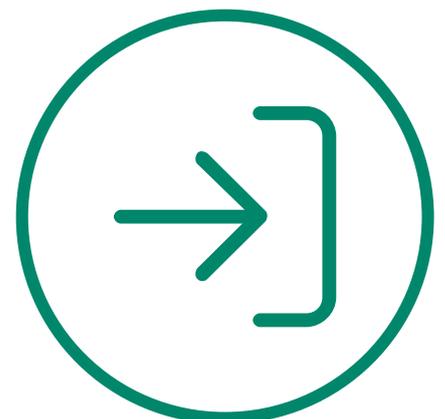
To this end it keeps under review the vacancies and likely vacancies available on the Board and the skills, experience and other qualities the Board needs.

Prior to the Annual General Meeting the Committee notifies members of the number of elected trustee vacancies available and the skills and experience being sought at the time, and invites nominations.

Roles are advertised on the charity's website where a downloadable candidate information pack is available.

Opportunities are offered for those expressing an interest to discuss, with current trustees, the role and how they could contribute.

The Board, usually upon the recommendation of the Nominations and Remuneration Committee, may fill any vacancy for elected trustee by making a temporary appointment lasting up until the next AGM.



# Induction and training of Trustees

Induction for new trustees currently consists of comprehensive written briefing about trustees' responsibilities, the work of the Board and the Charity's strategy, policies, and governance.

In addition, new trustees have induction meetings with the Chair, Chief Executive and other members of the Executive Team.

Following a trustee audit in early 2018, a new board development plan was agreed in March with a programme of activities set out for the next year.

Training is also provided during the year for trustees as required on topics relevant to the Board's current work.

## The Board of Trustees

The Board of Trustees is ultimately responsible for the governance of 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 the Charity's assets, including its money, property and reputation.

Authority for the day-to-day management of the Charity within that framework is delegated to the Chief Executive, supported by the Executive Team.

The Executive Team comprises senior staff, who support the Chief Executive in meeting his 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 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.

In 2017 NCT commissioned an independent report into its charitable governance, which was published in full.

It commissioned a further independent report at the request of some of its members into the handling of the invitations to resign of trustees in 2016, which has also been published.

The Trustees scheduled four governance events across the UK to answer members' questions on this matter.

The Board welcomed the findings from these two far-reaching governance reviews and continue the important work of implementing the recommendations.

The Trustees are committed to ensuring NCT's governance and constitutional framework reflect current thinking on best practice.



## Board committees

The Board of Trustees is supported in its work by committees.

Implementing a recommendation of the governance reviews noted above, the committee structure was streamlined during the year to reduce duplication in governance processes.

There are now two committees:

- » Audit, Risk and Scrutiny – covering the adequacy of financial control, external reporting of performance, and budget and risk management
- » Nominations and Remuneration – covering trustee recruitment and remuneration policy for senior management and other key groups

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

Trustees have also taken on 'lead trustee' roles in relation to a number of key strands of NCT's work to provide additional support, scrutiny and oversight in priority areas.

The full Board maintains collective responsibility for these areas and receive update reports from lead trustees at Board meetings.

Committee membership and lead trustee roles as at 31 March 2018 are detailed in the table below.

Name/committee	Role	Committee membership	Lead trustee role
Carey Oppenheim			#ourNCTservices
Caroline Flint			MIDIRS
David Shanks	Vice Chair	Nominations & Remuneration	
Elaine Lambe*			ProjectLego Engagement
Jessica Figueras	Chair	All ex-officio**	
Marsha Daniel	Honorary Secretary	Nominations & Remuneration (Chair)	Diversity
Naomi Horsfall***	Independent Committee		
Member	Audit, Risk & Scrutiny		
Richard Smothers	Honorary Treasurer	Audit, Risk & Scrutiny (Chair)	
Sarah Brown		Nominations & Remuneration	
Seána Talbot	President		#ourNCTservices
Stephanie Maurel		Audit, Risk & Scrutiny	Safeguarding

\*Elaine Lambe subsequently joined the Audit, Risk & Scrutiny Committee in July 2018.

\*\*The Chair sits ex officio on all committees.

\*\*\*Implementing a recommendation of the governance review to appoint an independent member to the Audit, Risk and Scrutiny Committee, Naomi Horsfall was welcomed to the committee in March 2018. Naomi is a chartered accountant working for the firm Grant Thornton and volunteers for her local NCT branch.

## Key relationships

NCT wholly owns one active commercial company, NCT Trading Ltd, which gift aids its profits to the Charity.

The Board of NCT Trading Ltd is responsible for its activities, which during 2017-18 included commercial fundraising and sponsorship.

Charity Commission guidance makes it clear that the trustee Board is responsible for establishing the overarching principles within which its subsidiary's trading activities must take place.

Trustees have established a comprehensive Commercial Activities policy within which the Trading Board is required to operate.

## Trustee benefits

Under the terms of its Articles the Charity is enabled to pay trustees for the provision of services to achieve its objectives, subject to certain safeguards.

This includes the requirement, that a majority of the trustees must have received no payments from NCT, either as employees or for goods and services supplied to NCT.

No (2017: No) 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 9.

# Statement of the board's responsibilities as trustees

The trustees (who are also directors of 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, including FRS102, 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, as amended by the Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

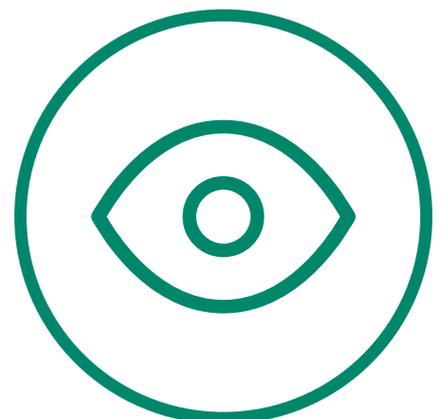
They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 & 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 2017-18, NCT (including NCT Trading Limited and MIDIRS) employed an average of 163 (2016: 191) full time equivalent salaried staff. Employees are based at the UK Office in London, Brunel House in Bristol, or work from home.

At the end of March 2018, NCT had 54,244 (2017: 72,012) members in 30,466 (2017: 39,877) households. The charity anticipated this reduction in membership numbers as the result of changes we have made to make the membership process more transparent.

In addition the charity had 5,791 (2017: 5,689) registered volunteers, 1,136 (2017: 1,047) trained NCT Practitioners (antenatal teachers, breastfeeding counsellors and postnatal leaders) and 239 (2017: 194) 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.

## Remuneration policy

NCT recognises that pay is part of a wider employment offer to staff, which also includes the satisfaction of working for a charity, personal development, family-friendly policies and working practices and a range of other benefits including access to the Charity's pension scheme. NCT operates a benchmarked market rate system, using reputable and appropriate data.

NCT aims to pay employees between plus/minus 10% margin of the market median salary for most roles.

Employees will not normally be paid less than the lower decile or higher than the higher decile for any role. NCT will take into account the following factors when benchmarking pay and benefits including comparing against charities of similar size, employee numbers and income, work place location and competitors. Additionally,

a specialist consultancy will be commissioned to independently review the market rate for the salaries of the Executive Team every three years.

Each year NCT will consider whether to uplift all employees by the cost of living. This will take into account the Consumer Price Index, Retail Price Index and the national average increase in earnings. Any decision will be based on affordability.

## Equal opportunities

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

The strategic report, which forms part of the Trustees' Annual Report, is approved by the Trustees in their capacity as Directors of the Company.

The Trustees' Report is approved by the Board of Trustees and signed on its behalf by:

Jessica Figueras  
Chair

27 September 2018

# Independent auditor's report to the Trustees and members of NCT

## Opinion

We have audited the financial statements of The National Childbirth Trust (NCT) for the year ended 31 March 2018 which comprise 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, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of the group'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
- » have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law.

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are

relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- » the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- » the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- » the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- » the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or 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 adequate and sufficient 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.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- » Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- » Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

**Andrew Stickland**  
Senior Statutory Auditor

for and on behalf of Kingston Smith LLP,  
Statutory Auditor  
27 September 2018

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



# Statement of financial activities

# NCT Consolidated group statement of financial activities

Including Income & Expenditure Account for the Year Ended 31 March 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000
<b>Income from</b>							
<b>Charitable activities</b>							
NCT Courses		10,425	-	10,425	10,704	-	10,704
NCT College		644	-	644	542	-	542
Professional Publications		374	-	374	399	-	399
Health Professional Contracts	3	517	66	583	742	-	742
		<u>11,960</u>	<u>66</u>	<u>12,026</u>	<u>12,387</u>	<u>-</u>	<u>12,387</u>
<b>Donations</b>							
Membership		1,463	-	1,463	1,780	-	1,780
Donations		39	-	39	51	-	51
Grants receivable	4	76	344	420	31	239	270
		<u>1,578</u>	<u>344</u>	<u>1,922</u>	<u>1,862</u>	<u>239</u>	<u>2,101</u>
<b>Other trading activities</b>							
Community fundraising		1,027	1	1,028	1,333	-	1,333
Commercial fundraising		225	-	225	207	-	207
Trading		75	-	75	446	-	446
		<u>1,327</u>	<u>1</u>	<u>1,328</u>	<u>1,986</u>	<u>-</u>	<u>1,986</u>
<b>Investments</b>							
Interest		14	-	14	13	-	13
Investment portfolio income		147	-	147	103	-	103
		<u>161</u>	<u>-</u>	<u>161</u>	<u>116</u>	<u>-</u>	<u>116</u>
<b>Other income</b>							
Other income receivable		116	-	116	133	-	133
		<u>15,142</u>	<u>411</u>	<u>15,553</u>	<u>16,484</u>	<u>239</u>	<u>16,723</u>
<b>Total incoming resources</b>							
<b>Expenditure on</b>							
<b>Charitable activities</b>							
NCT Courses	5	7,500	147	7,647	7,684	124	7,808
NCT College		2,403	6	2,409	2,123	26	2,149
Health professionals		1,086	204	1,290	1,090	72	1,162
Policy, research and information		3,146	-	3,146	2,869	-	2,869
		<u>14,135</u>	<u>357</u>	<u>14,492</u>	<u>13,766</u>	<u>222</u>	<u>13,988</u>
<b>Other trading activities</b>							
Community fundraising	6	522	-	522	786	-	786
Commercial fundraising		89	-	89	82	-	82
Trading		20	-	20	688	-	688
		<u>631</u>	<u>-</u>	<u>631</u>	<u>1,556</u>	<u>-</u>	<u>1,556</u>
<b>Raising funds</b>							
Membership		787	-	787	665	-	665
		<u>15,553</u>	<u>357</u>	<u>15,910</u>	<u>15,987</u>	<u>222</u>	<u>16,209</u>
<b>Total Expenditure</b>							
<b>Net operating income/(expenditure)</b>							
		<u>(411)</u>	<u>54</u>	<u>(357)</u>	<u>497</u>	<u>17</u>	<u>514</u>
Gain/ (loss) on investment assets	12	(121)	-	(121)	586	-	586
		<u>(532)</u>	<u>54</u>	<u>(478)</u>	<u>1,083</u>	<u>17</u>	<u>1,100</u>
<b>Net income/(expenditure) and net movement in funds</b>							
<b>Reconciliation of funds</b>							
Total funds brought forward		8,183	183	8,366	7,100	166	7,266
<b>Total funds carried forward</b>	15,16	<u>7,651</u>	<u>237</u>	<u>7,888</u>	<u>8,183</u>	<u>183</u>	<u>8,366</u>

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.

# NCT Charity statement of financial activities

Including Income & Expenditure Account for the Year Ended 31 March 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000
<b>Income from</b>							
<b>Charitable Activities</b>							
NCT Courses		10,425	-	10,425	10,704	-	10,704
NCT College		644	-	644	542	-	542
Professional Publications		374	-	374	399	-	399
Health Professional Contracts	3	517	66	583	742	-	742
		<u>11,960</u>	<u>66</u>	<u>12,026</u>	<u>12,387</u>	<u>-</u>	<u>12,387</u>
<b>Donations and legacies</b>							
Membership		1,463	-	1,463	1,780	-	1,780
Donations		39	-	39	51	-	51
Grants receivable	4	76	344	420	31	239	270
		<u>1,578</u>	<u>344</u>	<u>1,922</u>	<u>1,862</u>	<u>239</u>	<u>2,101</u>
<b>Other trading activities</b>							
Community fundraising		1,027	1	1,028	1,333	-	1,333
Commercial fundraising		-	-	-	-	-	-
Trading		75	-	75	147	-	147
		<u>1,102</u>	<u>1</u>	<u>1,103</u>	<u>1,480</u>	<u>-</u>	<u>1,480</u>
<b>Investments</b>							
Interest		25	-	25	27	-	27
Investment portfolio income		147	-	147	103	-	103
		<u>172</u>	<u>-</u>	<u>172</u>	<u>130</u>	<u>-</u>	<u>130</u>
<b>Other income</b>		<b>120</b>	<b>-</b>	<b>120</b>	<b>161</b>	<b>-</b>	<b>161</b>
<b>Total income</b>		<b>14,932</b>	<b>411</b>	<b>15,343</b>	<b>16,020</b>	<b>239</b>	<b>16,259</b>
<b>Expenditure on</b>							
<b>Charitable activities</b>							
NCT Courses	5	7,500	147	7,647	7,684	124	7,808
NCT College		2,403	6	2,409	2,123	26	2,149
Health professionals		1,086	204	1,290	1,090	72	1,162
Policy, research and information		3,146	-	3,146	2,869	-	2,869
		<u>14,135</u>	<u>357</u>	<u>14,492</u>	<u>13,766</u>	<u>222</u>	<u>13,988</u>
<b>Other trading activities</b>							
Community fundraising	6	522	-	522	786	-	786
Trading		51	-	51	231	-	231
		<u>573</u>	<u>-</u>	<u>573</u>	<u>1,017</u>	<u>-</u>	<u>1,017</u>
<b>Raising funds</b>		<b>787</b>	<b>-</b>	<b>787</b>	<b>665</b>	<b>-</b>	<b>665</b>
<b>Total resources expended</b>	7	<b>15,495</b>	<b>357</b>	<b>15,852</b>	<b>15,448</b>	<b>222</b>	<b>15,670</b>
<b>Net operating income/(expenditure)</b>		<b>(563)</b>	<b>54</b>	<b>(509)</b>	<b>572</b>	<b>17</b>	<b>589</b>
Gain/ (loss) on investment assets	12	(121)	-	(121)	586	-	586
<b>Net income/(expenditure) and net movement in funds</b>	8	<b>(684)</b>	<b>54</b>	<b>(630)</b>	<b>1,158</b>	<b>17</b>	<b>1,175</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		8,131	183	8,314	6,973	166	7,139
<b>Total funds carried forward</b>	15,16	<b>7,447</b>	<b>237</b>	<b>7,684</b>	<b>8,131</b>	<b>183</b>	<b>8,314</b>

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.

# NCT Balance sheets

as at 31 March 2018

	Notes	2018 Group £'000	2018 Charity £'000	2017 Group £'000	2017 Charity £'000
<b>Fixed Assets</b>					
Tangible Assets	10	1,574	1,574	1,644	1,644
Intangible Assets	11	20	20	31	31
Investments	12	4,915	4,915	4,922	4,922
<b>Total Fixed Assets</b>		<b>6,509</b>	<b>6,509</b>	<b>6,597</b>	<b>6,597</b>
<b>Current Assets</b>					
Stocks		-	-	3	3
Debtors	13	1,397	1,395	1,721	1,886
Short term deposits		1,158	1,158	1,789	1,789
Cash at bank and in hand		2,680	2,467	2,699	2,340
		<b>5,235</b>	<b>5,020</b>	<b>6,212</b>	<b>6,018</b>
<b>Creditors</b>					
Amounts falling due within one year	14	<b>(3,856)</b>	<b>(3,845)</b>	<b>(4,443)</b>	<b>(4,301)</b>
<b>Net current assets</b>		<b>1,379</b>	<b>1,175</b>	<b>1,769</b>	<b>1,717</b>
<b>Total net assets</b>		<b>7,888</b>	<b>7,684</b>	<b>8,366</b>	<b>8,314</b>
<b>Fund balances</b>					
<b>Charitable funds</b>					
<b>Restricted funds</b>	15	<b>237</b>	<b>237</b>	<b>183</b>	<b>183</b>
<b>Unrestricted funds</b>	16				
General funds		6,057	5,853	6,508	6,456
Fixed asset fund		1,594	1,594	1,675	1,675
		<b>7,651</b>	<b>7,447</b>	<b>8,183</b>	<b>8,131</b>
<b>Total funds</b>	17	<b>7,888</b>	<b>7,684</b>	<b>8,366</b>	<b>8,314</b>

Approved by the Board of Trustees and signed on its behalf

Jessica Figueras  
Chair  
27 September 2018

Company Number: 2370573 (England & Wales)

# NCT Consolidated cash flow statement

## for the Year Ended 31 March 2018

### Cashflows from Operating Activities

	2018 £'000	2017 £'000
Net deficit/ (income) for the reporting period	(478)	1,100
Loss/ (Gains) on investments	121	(586)
Depreciation and amortisation charge	109	172
Loss on disposal of fixed assets	1	-
Investment income	(147)	(103)
Interest receivable	(14)	(13)
Decrease in stocks	3	115
Decrease / (increase) in debtors	324	(145)
Increase / (decrease) in creditors	(611)	17
<b>Net cash provided by operating activities</b>	<b>(692)</b>	<b>557</b>

### Cash flows from Investing Activities

Payments to acquire tangible fixed assets	-	(48)
Purchase of Investments	(229)	(2,369)
Proceeds from the sale of Investments	220	5
Dividends received	147	103
Interest receivable	14	13
<b>Net cash from investing activities</b>	<b>152</b>	<b>(2,296)</b>

### Cash flows from Financing Activities

Payments for finance leases	(5)	-
<b>Net cash from financing activities</b>	<b>(5)</b>	<b>-</b>

Change in cash and cash equivalents in the reporting period

Cash and cash equivalents at the beginning of the reporting period

Cash and cash equivalents at end of the reporting period

(545)	(1,739)
4,668	6,407
4,123	4,668

### Analysis of cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank and in hand	2,680	2,699
Short term deposits	1,158	1,789
Cash held by investment managers	285	180
<b>Total cash and cash equivalents</b>	<b>4,123</b>	<b>4,668</b>

# Notes to the financial statements

## 1. Principal Accounting Policies

### a) Basis of accounting

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014, the Charities Trust Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended in 2014.

The charity is a public benefit entity for the purposes of FRS 102 and a registered charity. The charity has therefore also prepared its individual and consolidated financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

The financial statements are prepared in sterling, which is the functional currency of the charity. Amounts included in the financial statements are rounded to the nearest thousand pounds.

### b) Basis of consolidation

The statement of financial activities and balance sheet consolidate on a line-by-line basis 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) Income

Incoming resources are recognised in the period in which the Charity is entitled to receipt, the receipt is probable and the amount can be measured reliably. 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.

# Notes to the financial statements

## d) Expenditure

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 *expenditure on raising funds* is categorised into donations received via membership. *Membership* expenditure comprises the costs of the department that services members and prospective members and the team that provides support to members and Branches.
- » *Other trading activities* 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, as well as meeting 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* is the cost of obtaining and managing the sponsorship of activities and events and undertakes other business activity on behalf of NCT by NCT Trading Limited.
  - » *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* comprises the costs of providing courses, for parents and prospective 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 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 and journals.

## e) Basis of apportioning support costs

Support costs, which includes governance 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 based on the 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 value to the charity as at the time of the gift.

## g) Tangible and intangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised. Leasehold properties used for the work of the Charity are included in these accounts at the cost of acquisition. 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
Property	Leasehold	2%
	Leasehold improvements	Lease length, minimum 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	20%
	Warehouse equipment	20%
	Other equipment	33%
Website	Third party website development costs	33%

At the end of each reporting period residual values and useful lives are reviewed and adjusted as necessary. Assets are also reviewed annually for impairment.

# Notes to the financial statements

## h) Fixed asset investments

Listed equities are included in the financial statements at fair value as at the balance sheet date. Investments in subsidiary undertakings are held at cost less impairment. 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 and intangible 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.

Rental applicable to finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee are recognized as assets at the lower of the assets fair value at the date of inception and the present value of minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activity so as to produce a constant periodic rate of interest in the remaining balance of the liability.

## l) Branches

Branch transactions are considered transactions of the Charity.

## m) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## n) 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.

## o) Financial Instruments

The National Childbirth Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

## p) Preparation of the accounts on a going concern basis

At the 31 March 2018 the National Childbirth Trust Charity reported unrestricted reserves of £7.4m and cash and cash equivalents of £3.6m. The National Childbirth Trust Group reported unrestricted reserves of £7.7m and cash equivalents of £3.8m. Both the Charity and the Group have reported a net deficit for the year to 31 March 2018.

The Trustees are of the view that the operating expenditure and the agreed investment in future plans ensure the Group has sufficient funds for the foreseeable future and on this basis it is appropriate to prepare the Group and Charity accounts on the going concern basis.

# Notes to the financial statements

## q) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Any bank overdrafts would be shown within borrowings in current liabilities.

## r) Irrecoverable VAT

All expenditure is charged to the SOFA on an accruals basis including the charge for VAT which is not recoverable.

## s) Accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the board to have most significant effect on amounts recognised in the financial statements.

Tangible fixed assets are depreciated to their estimated residual value over their estimated useful economic life as detailed above.

Accrued course expenditure is estimated at the year end date using algorithmic modelling based on contracted hours and pre-agreed rates and anticipated venue costs.

# Notes to the financial statements

## 2. Commercial trading operations

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

- » NCT Trading Limited, which has two principal activities; the promotion of the work of NCT and profit generation;
- » NCT (Maternity Sales) Limited which did not trade during the period of these accounts;
- » NCT Publishing Limited which did not trade during the period of these accounts;
- » First 1,000 Days Foundation which did not trade during the period of these accounts.

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

<b>Profit and loss account - NCT Trading Ltd</b>	<b>2018</b>	2017
	<b>£'000</b>	£'000
Turnover	225	512
Cost of sales	(10)	(223)
Gross profit	215	289
Administrative expenses	(53)	(349)
Loss on ordinary activities before interest	162	(60)
Interest payable	(11)	(14)
<b>Gain/ (loss) for the period</b>	<b>151</b>	<b>(74)</b>

<b>Balance Sheet - NCT Trading Ltd</b>	<b>31 March 2018</b>	31 March 2017
	<b>£'000</b>	£'000
Current Assets	235	522
Amounts falling due within one year	(31)	(309)
Amounts falling due after more than one year	-	(160)
<b>Net Assets</b>	<b>204</b>	<b>53</b>

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

# Notes to the financial statements

## 3. Income: health professional contracts

<b>Group and Charity</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2018 £'000</b>	<b>Total 2017 £'000</b>
National Health Service	192	66	258	273
Local Authorities	296	-	296	411
Baby Café	5	-	5	31
Other	24	-	24	27
	<u>517</u>	<u>66</u>	<u>583</u>	<u>742</u>

## 4. Income: grants receivable

<b>Group and Charity</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2018 £'000</b>	<b>2017 Total £'000</b>
Parents in Mind	-	108	108	92
NESTA	-	59	59	-
Scottish Exec. Health Dept. - Scottish worker	-	-	-	8
Grants to branches	76	166	242	170
Drop Ins	-	11	11	-
	<u>76</u>	<u>344</u>	<u>420</u>	<u>270</u>

## 5. Expenditure: NCT courses

<b>Group and Charity</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2018 £'000</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2017 £'000</b>
Antenatal	4,903	-	4,903	5,122	-	5,122
Breastfeeding support	416	-	416	505	-	505
Postnatal	335	-	335	360	-	360
General Parental Support	813	147	960	848	124	972
Apportioned support costs	1,033	-	1,033	849	-	849
	<u>7,500</u>	<u>147</u>	<u>7,647</u>	<u>7,684</u>	<u>124</u>	<u>7,808</u>

## 6. Expenditure: community fundraising

<b>Group and Charity</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total 2018 £'000</b>	<b>Total 2017 £'000</b>
Branch fundraising	343	-	343	438
Central fundraising	179	-	179	348
	<u>522</u>	<u>-</u>	<u>522</u>	<u>786</u>

# Notes to the financial statements

## 7. 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:

Group	Membership £'000	Community Fundraising £'000	Commercial Fundraising £'000	Trading £'000	NCT Courses £'000	NCT College £'000	Health Professionals £'000	Policy, Research & Information £'000	Total 2018 £'000
Staff costs	79	-	-	-	328	312	135	305	1,159
Depreciation	7	-	-	-	30	29	13	28	107
Premises and equipment	20	-	-	-	82	78	34	76	290
Office supplies	15	-	-	-	63	60	26	58	222
Insurance	5	-	-	-	19	18	8	18	68
Irrecoverable VAT	26	-	-	-	108	102	44	100	380
Other	97	-	-	-	403	382	166	374	1,422
<b>Support Costs</b>	<b>249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,033</b>	<b>981</b>	<b>426</b>	<b>959</b>	<b>3,648</b>
<b>Direct Costs</b>	<b>538</b>	<b>522</b>	<b>89</b>	<b>20</b>	<b>6,614</b>	<b>1,428</b>	<b>864</b>	<b>2,187</b>	<b>12,262</b>
<b>Total Costs</b>	<b>787</b>	<b>522</b>	<b>89</b>	<b>20</b>	<b>7,647</b>	<b>2,409</b>	<b>1,290</b>	<b>3,146</b>	<b>15,910</b>

Group	Membership £'000	Community Fundraising £'000	Commercial Fundraising £'000	Trading £'000	NCT Courses £'000	NCT College £'000	Health Professionals £'000	Policy, Research & Information £'000	Total 2017 £'000
Staff costs	83	2	-	40	304	278	141	303	1,151
Depreciation	14	-	-	7	50	46	23	49	189
Premises and equipment	20	1	-	10	74	68	35	74	282
Office supplies	8	-	-	4	30	28	14	30	114
Insurance	4	-	-	2	16	15	8	17	62
Irrecoverable VAT	21	-	-	10	78	72	36	80	297
Other	81	2	-	39	297	271	138	296	1,124
<b>Support Costs</b>	<b>231</b>	<b>5</b>	<b>-</b>	<b>112</b>	<b>849</b>	<b>778</b>	<b>395</b>	<b>849</b>	<b>3,219</b>
<b>Direct Costs</b>	<b>434</b>	<b>781</b>	<b>82</b>	<b>576</b>	<b>6,959</b>	<b>1,371</b>	<b>767</b>	<b>2,020</b>	<b>12,990</b>
<b>Total Costs</b>	<b>665</b>	<b>786</b>	<b>82</b>	<b>688</b>	<b>7,808</b>	<b>2,149</b>	<b>1,162</b>	<b>2,869</b>	<b>16,209</b>

Charity	Membership £'000	Community Fundraising £'000	Trading £'000	NCT Courses £'000	NCT College £'000	Health Professionals £'000	Policy, Research & Information £'000	Total 2018 £'000
Staff costs	79	-	-	328	312	135	305	1,159
Depreciation	7	-	-	30	29	13	28	107
Premises and equipment	20	-	-	82	78	34	76	290
Office supplies	15	-	-	63	60	26	58	222
Insurance	5	-	-	19	18	8	18	68
Irrecoverable VAT	26	-	-	108	102	44	100	380
Other	97	-	-	403	382	166	374	1,422
<b>Support Costs</b>	<b>249</b>	<b>-</b>	<b>-</b>	<b>1,033</b>	<b>981</b>	<b>426</b>	<b>959</b>	<b>3,648</b>
<b>Direct Costs</b>	<b>538</b>	<b>522</b>	<b>51</b>	<b>6,614</b>	<b>1,428</b>	<b>864</b>	<b>2,187</b>	<b>12,204</b>
<b>Total Costs</b>	<b>787</b>	<b>522</b>	<b>51</b>	<b>7,647</b>	<b>2,409</b>	<b>1,290</b>	<b>3,146</b>	<b>15,852</b>

# Notes to the financial statements

Charity	Membership £'000	Community Fundraising £'000	Trading £'000	NCT Courses £'000	NCT College £'000	Health Professionals £'000	Policy, Research & Information £'000	Total 2017 £'000
Staff costs	83	2	40	304	278	141	303	1,151
Depreciation	14	-	7	50	46	23	49	189
Premises and equipment	20	1	10	74	68	35	74	282
Office supplies	8	-	4	30	28	14	30	114
Insurance	4	-	2	16	15	8	17	62
Irrecoverable VAT	21	-	10	78	72	36	80	297
Other	81	2	39	297	271	138	296	1,124
Support Costs	231	5	112	849	778	395	849	3,219
Direct Costs	434	781	119	6,959	1,371	767	2,020	12,451
Total Costs	665	786	231	7,808	2,149	1,162	2,869	15,670

## 8. Net movement in funds

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Net movement in funds is stated after charging:				
Depreciation/amortisation of fixed assets	109	172	109	178
Cost of inventories recognised as an expense	-	223	-	-
Staff costs (excluding agency staff)	5,288	5,284	5,231	5,199
Operating lease rentals	134	155	134	135
Auditors' remuneration: audit services	36	43	31	33
Auditors' remuneration: non-audit services	2	10	1	7

## 9. Staff costs and remuneration of the Board of Trustees

Staff costs during the period were as follows:

	Group		Charity	
	Total 2018 £'000	Total 2017 £'000	Total 2018 £'000	Total 2017 £'000
Wages and salaries	4,746	4,677	4,695	4,607
Redundancy costs	25	126	25	118
Social security costs	384	357	379	351
Other pension costs	133	124	132	123
	5,288	5,284	5,231	5,199
Payments to agency staff	2	14	2	8
	5,290	5,298	5,233	5,207

Staff costs by function were as follows:

	Group		Charity	
	Total 2018 £'000	Total 2017 £'000	Total 2018 £'000	Total 2017 £'000
Raising funds	509	423	509	423
Other trading activities	108	268	51	177
Charitable activities	4,673	4,607	4,673	4,607
	5,290	5,298	5,233	5,207

# Notes to the financial statements

## Higher paid employees:

	Group		Charity	
	Total 2018	Total 2017	Total 2018	Total 2017
£60,000 – 69,999	2	2	2	2
£70,000 – 79,999	2	-	2	-
£80,000 – 89,999	1	-	1	-
£90,000 – 99,999	1	2	1	2
	<u>6</u>	<u>4</u>	<u>6</u>	<u>4</u>

The pension cost for these employees, was £20,985 (2017: £29,620), which includes the Chief Executive who received a salary of £95,000 (2017: £95,000) and pension contributions of £4,750 (2017: £4,750).

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

	Group		Charity	
	Number 2018	Number 2017	Number 2018	Number 2017
Raising funds	10	11	10	11
Other trading activities	-	6	-	4
Charitable activities	213	215	211	215
Support	21	27	21	27
	<u>244</u>	<u>259</u>	<u>242</u>	<u>257</u>

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

	Group		Charity	
	FTEs 2018	FTEs 2017	FTEs 2018	FTEs 2017
Raising funds	9.0	10.0	9.0	10.0
Other trading activities	-	5.0	-	3.0
Charitable activities	122.9	123.3	120.9	123.3
Support	20.0	24.4	20.0	24.4
	<u>151.9</u>	<u>162.7</u>	<u>149.9</u>	<u>160.7</u>

The key management personnel of the charity comprise the trustees and the executive team. The total employee benefits of the key management personnel of the charity were £459,162 (2017 - £468,856).

Expenses were reimbursed to 5 (2017: 8) members of the Board of Trustees during the year. Their expenses amounted to £1,624 (2017: £4,192) 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 were remunerated in the current or prior year.

# Notes to the financial statements

## 10. Tangible fixed assets

<b>Group and charity</b>	Property £'000	Equipment £'000	<b>Total 31 March £'000</b>
<b>Cost or valuation</b>			
At 1 April 2017	1,504	447	1,951
Additions	-	29	29
Disposals	-	(2)	(2)
At 31 March 2018	<u>1,504</u>	<u>474</u>	<u>1,978</u>
<b>Depreciation</b>			
At 1 April 2017	56	251	307
Charge for period	30	68	98
On disposals	-	(1)	(1)
At 31 March 2018	<u>86</u>	<u>318</u>	<u>404</u>
<b>Net book values</b>			
At 31 March 2018	<u>1,418</u>	<u>156</u>	<u>1,574</u>
At 31 March 2017	<u>1,448</u>	<u>196</u>	<u>1,644</u>

Property relates to a leasehold building.

## 11. Intangible fixed assets

<b>Group and charity</b>	Software £'000	Website £'000	<b>Total 31 March £'000</b>
<b>Cost or valuation</b>			
At 1 April 2017	230	169	399
Additions	-	-	-
Disposals	-	-	-
At 31 March 2018	<u>230</u>	<u>169</u>	<u>399</u>
<b>Amortisation</b>			
At 1 April 2017	199	169	368
Charge for period	11	-	11
On disposals	-	-	-
At 31 March 2018	<u>210</u>	<u>169</u>	<u>379</u>
<b>Net book values</b>			
At 31 March 2018	<u>20</u>	<u>-</u>	<u>20</u>
At 31 March 2017	<u>31</u>	<u>-</u>	<u>31</u>

# Notes to the financial statements

## 12. Fixed asset investments

	Group		Charity	
	2018 31 March £	2017 31 March £	2018 31 March £	2017 31 March £
<b>Investment in group undertakings:</b>				
NCT (Maternity Sales) Limited	-	-	6	6
NCT Trading Limited	-	-	100	100
NCT Publishing Limited	-	-	2	2
First 1,000 Days Foundation	-	-	-	-
<b>Other investments:</b>				
Managed investment funds	4,914,809	4,921,770	4,914,809	4,921,770
	<u>4,914,809</u>	<u>4,921,770</u>	<u>4,914,917</u>	<u>4,921,878</u>

On 7 August 2013, the 'First 1,000 Days Foundation' was formed as a company limited by guarantee (registered in England and Wales 864816) with the sole member as The National Childbirth Trust. The Company has been dormant since incorporation.

Investments in NCT (Maternity Sales) Limited, NCT Trading Limited, and NCT Publishing Limited represent the entire called up share capital of the companies, all of which are incorporated in England.

	Registered Company Number	Reserves at 31 March 2018 £	Reserves at 31 March 2017 £
<b>Investment in Group undertakings:</b>			
NCT (Maternity Sales) Limited	01291517	6	6
NCT Trading Limited	02488491	204,000	53,000
NCT Publishing Limited	03017833	2	2
First 1000 Days Foundation	08641816	-	-

## Managed investment funds

Group and Charity	2018 31 March £'000	2017 31 March £'000
Market value at 1 April 2017	4,742	1,792
Acquisitions	229	2,369
Disposals	(220)	(5)
Net investment gains/ (losses)	(121)	586
Market value at 31 March 2018	<u>4,630</u>	<u>4,742</u>
The Market value is represented by:		
Equities	3,551	3,668
Bonds	1,079	1,074
	<u>4,630</u>	<u>4,742</u>
Cash held by investment managers	285	180
Total Investment fund	<u>4,915</u>	<u>4,922</u>

The charity's actively managed investment fund is revalued annually at the balance sheet date. The increase or decrease in value as a result of this valuation is recognised as an unrealised investment gain or loss.

# Notes to the financial statements

## 13. Debtors

	Group		Charity	
	2018	2017	2018	2017
	31 March	31 March	31 March	31 March
	£'000	£'000	£'000	£'000
Amounts due from subsidiary undertakings	-	-	21	327
Prepayments and accrued income	830	968	830	968
Trade and branch debtors	549	728	526	567
Tax recoverable	17	22	17	22
Other debtors	1	3	1	2
	<u>1,397</u>	<u>1,721</u>	<u>1,395</u>	<u>1,886</u>

'Amounts due from subsidiary undertakings' includes £nil (2017: £160k) due from NCT Trading Limited in more than one year.

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

	Group		Charity	
	2018	2017	2018	2017
	31 March	31 March	31 March	31 March
	£'000	£'000	£'000	£'000
Obligation under finance lease	24	-	24	-
Expense creditors	354	495	353	473
Social security and other taxes	124	101	124	98
Deferred income	2,664	2,849	2,660	2,777
Accruals	690	998	684	953
	<u>3,856</u>	<u>4,443</u>	<u>3,845</u>	<u>4,301</u>

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	Movements in Funds:				
	At 1	Incoming	Outgoing	Fund Transfer	At 31 March
	April	Resources	Resources		2018
	2017	£'000	£'000	£'000	£'000
	£'000	£'000	£'000	£'000	£'000
Grants and donations received by branches	147	166	(147)	-	166
Drop Ins	-	11	(5)	-	6
Garfield Weston Foundation	16	-	(6)	-	10
Glasgow Service Delivery	-	66	(24)	-	42
Parents in Mind	20	109	(116)	-	13
NESTA	-	59	(59)	-	-
	<u>183</u>	<u>411</u>	<u>(357)</u>	<u>-</u>	<u>237</u>

The grant from the Garfield Weston Foundation supports a peer support project in North East England.

# Notes to the financial statements

## 16. Unrestricted funds

Group	At 1 April 2017 £'000	Incoming Resources £'000	Outgoing Resources £'000	Unrealised Investment Gains £'000	Transfer Between Funds £'000	At 31 March 2018 £'000
General Funds	6,508	15,142	(15,553)	(121)	81	6,057
Fixed Assets Fund	1,675	-	-	-	(81)	1,594
	<u>8,183</u>	<u>15,142</u>	<u>(15,553)</u>	<u>(121)</u>	<u>-</u>	<u>7,651</u>

Charity	At 1 April 2017 £'000	Incoming Resources £'000	Outgoing Resources £'000	Unrealised Investment Gains £'000	Transfer Between Funds £'000	At 31 March 2018 £'000
General Funds	6,456	14,932	(15,495)	(121)	81	5,853
Fixed Assets Fund	1,675	-	-	-	(81)	1,594
	<u>8,131</u>	<u>14,932</u>	<u>(15,495)</u>	<u>(121)</u>	<u>-</u>	<u>7,447</u>

## 17. Analysis of net assets between funds

Fund balances at 31 March 2018 are represented by:

Group	Unrestricted Funds:			2018 Total £'000
	General Funds £'000	Fixed Asset Fund £'000	Restricted Funds £'000	
Fixed assets	-	1,594	-	1,594
Investment assets	4,915	-	-	4,915
Net current assets	1,142	-	237	1,379
Total net assets	<u>6,057</u>	<u>1,594</u>	<u>237</u>	<u>7,888</u>

Charity	Unrestricted Funds:			2018 Total £'000
	General Funds £'000	Fixed Asset Fund £'000	Restricted Funds £'000	
Fixed assets	-	1,594	-	1,594
Investment assets	4,915	-	-	4,915
Net current assets	938	-	237	1,175
Total net assets	<u>5,853</u>	<u>1,594</u>	<u>237</u>	<u>7,684</u>

# Notes to the financial statements

## 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, may 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. Operating lease commitments

At 31 March 2018 the group's future minimum operating lease payments were as follows:

	Group		Charity	
	2018 31 March £'000	2017 31 March £'000	2018 31 March £'000	2017 31 March £'000
Expire				
Within one year	157	180	157	157
Between one and five years	276	278	276	277
	<u>433</u>	<u>458</u>	<u>433</u>	<u>434</u>

## 20. Financial Instruments

The financial statements include the following in respect of items held at fair value at the balance sheet date

	Group		Charity	
	2018 31 March £'000	2017 31 March £'000	2018 31 March £'000	2017 31 March £'000
Financial assets measured at fair value through profit and loss	4,630	4,742	4,630	4,742
Financial assets measured at amortised cost	811	983	789	832
Financial liabilities measured at amortised cost	(1,044)	(1,471)	(1,017)	(1,237)
	<u>4,397</u>	<u>4,254</u>	<u>4,402</u>	<u>4,337</u>

## 21. Related party transactions

NCT Trading Limited is a subsidiary of The National Childbirth Trust and its shares are 100% controlled within the group.

During the year the National Childbirth Trust purchased services from NCT Trading of £7k (2017: £21k) on normal commercial terms. The National Childbirth Trust supplied services to NCT Trading of £12k (2017: £45k).

At the 31 March 2018 NCT Trading Limited owed The National Childbirth Trust £21k (2017: £327k), during the current year NCT Trading Limited repaid a long-term loan of £160k which was included in the previous year debt. Interest on the loan, paid by NCT Trading Limited to The National Childbirth Trust, amounted to £11k (2017: £14k).

No members of the Board of Trustees (2017: Nil) had a beneficial interest in contracts with the Charity. No member of the Board (2017: Nil) had a beneficial interest in a contract with a wholly owned subsidiary of The National Childbirth Trust during the period. At the date of signing the accounts, nil (2017: one) trustee was also a Director of NCT Trading Limited.

There are no other related party transactions to disclose other than set out elsewhere in these accounts.

# 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:

30 Euston Square  
Stephenson Way  
London  
NW1 2FB

## Board of Trustees:

Carey Oppenheim  
Caroline Flint  
David Shanks (Vice Chair)  
Elaine Lambe  
Jessica Figueras (Chair)  
Marsha Daniel (Hon. Secretary)  
Richard Smothers (Hon. Treasurer)  
Sarah Brown  
Seána Talbot (President)  
Stephanie Maurel

## Executive Team:

Nick Wilkie, Chief Executive

Sam Grimstone, Executive Director of  
Communications and Development  
Juliet Mountford, Executive Director for  
Parent Services  
Peter Pedersen, Chief Technology Officer (from 03  
July 2017)  
Thom Harvey, Executive Director of Organisational  
Services (from 25 Jan 2018)

## Company Secretary:

David Raeburn

## Auditors:

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

## Bankers:

Lloyds Bank plc.  
39 Threadneedle Street  
London  
EC2R 8AU

## Investment Advisors:

Rathbone Brothers PLC  
1 Curzon Street  
London  
W1J 5FB

## Solicitors:

Hempsons  
Hempsons House  
40 Villiers Street  
London  
W1J 5FB

Bates Wells & Braithwaite London LLP  
10 Queen Street Place  
London  
EC4R 1BE

Kemp Little  
Cheapside House  
138 Cheapside  
London  
ECV2 6BJ

## Subsidiaries:

First 1,000 Days Foundation  
(limited by guarantee, dormant)  
NCT Trading Limited  
NCT (Maternity Sales) Limited (dormant)  
NCT Publishing Limited (dormant)



