



Annual Report & Accounts

Year to 31 March 2014

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President's report

The last year has seen us take great strides towards our 20/20 vision and I'd like to take this opportunity to thank our volunteers for the crucial part they've played in making it happen. Without our volunteers, NCT would not exist.

One of our aims as an organisation is to continue to increase our reach so that we benefit more parents. It is often our volunteers who do this by responding to parents' needs and finding creative ways to help them.

'Little Bundles', which delivers baby essentials for new parents who have next to nothing, demonstrates how we've started to reach a new group of mums and dads. We hope to extend the scheme further in the coming year.

Initiatives like this help increase the number of parents we reach by tackling problems at grass roots level. Some of the work that our branches have done to tackle tongue-tie is another great example of this. Leading the way was South Warwickshire NCT, who founded an action group of parents of children with tongue-tie to support other mums and dads who were experiencing similar problems and improve services in the area.

After much local campaigning over the last couple of years by volunteers, breastfeeding counsellors and supporters through numerous avenues, there is now a service at the local Warwick Hospital for treating tongue-tie. The work of the South Warwickshire NCT also shows that we are an organisation that can change things and create solutions to address the dilemmas that parents face.

For the first time in our history, our Board of Trustees met in Northern Ireland in June. We used this visit to thank our fantastic volunteers in Belfast and to engage with community leaders and politicians.

I would like to say thank you to all of you who took the time to volunteer. Without your contribution we would not be able to do the job of supporting parents and campaigning on their behalf.



Sue Saxey
President – June 2014

Chair's report

In June 2013 I was appointed as a trustee of the NCT and elected as Chair of the board. This was exactly 20 years after my initial encounter with the NCT when I attended antenatal classes before the birth of my first son. It is indicative of the important role that NCT plays in the lives of new parents that I am still in touch with both the antenatal teacher and all the members of our group (still lovingly referred to as 'my NCT friends'). One of the first major events I attended was *babble live*, and I was uplifted and excited by the enthusiasm and dedication of our volunteers and staff. It is this commitment which has maintained and allowed the NCT to flourish over nearly 60 years.

With this in mind, we are already starting to think about how to celebrate our Diamond Jubilee year in 2016. Looking back at the past sixty years we are reminded once again of the achievements of the women who first created NCT. Things that many new parents now take for granted, including having fathers present at their babies' birth were actually achievements fought for by NCT campaigners.

In the past year we have carried on this tradition of campaigning on parents' behalf, and we have been successful in highlighting some key areas of concern for new parents across the First 1,000 Days.

In May we had widespread coverage of our report 'Support Overdue' written in partnership with the National Federation of Women's Institute, and providing a stark reminder that, despite improvements in maternity care, there is still a lot more ground to cover before women have the choice and care they need. For example, the report found that 88% of women had not met any of the midwives who cared for them during labour and birth before going into labour.

The government delivered landmark changes to legislation this year, putting in place the framework for new arrangements such as shared parental leave and time off for partners to attend antenatal appointments. We should be proud of our involvement with the discussions at the Department for Business, Innovation & Skills which helped shape this legislation. While the legal changes will not deliver everything we would have liked to see, for example better paid statutory maternity/paternity pay, we did secure some changes to better support working parents. In 2014 we will focus on raising parents' awareness of this change.

In 2013 the UK started to climb back out of recession. Despite this, many parents were still feeling the impact of the downturn on their incomes. Our research with the Think Tank, the Institute for Public Policy Research (IPPR), produced strong evidence about the strains being placed on family budgets as a result of below inflation maintenance of maternity pay. It is shocking that maternity pay is still £100 per week less than the national minimum wage and in March we asked our members to write to their MPs about this.

After working together for a number of years we are pleased to welcome MIDIRS officially to the NCT.

I would like to thank you for all your work this year whether as a volunteer or staff member. Without you, NCT would not be the organisation it is today. My gratitude also goes to my colleagues on the board of the NCT for their hard work and commitment and for making me so welcome.



Beryl Hobson
Chair – June 2014

Trustees' report

Strategic Report

Our Approach and Vision

Our vision

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

Our charitable purpose

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

Becoming a parent is a major life change and for nearly six decades NCT has been a trusted voice of parents. Our role is to help parents through this exciting time. We support them through pregnancy and right up to their child's second birthday, a period known as the First 1,000 Days.

We want to create confident and capable parents. We do this by offering high quality information, services and support by helping build a society where parenthood is recognised as important and services are parent centred. As well as our antenatal and postnatal classes, NCT runs free and low-cost events for parents across the UK. These include 'Bumps and Babies', Baby Café drop-ins, and Nearly New Sales.

In 2014 we will increase this reach, both geographic and social, to all parents and expand our postnatal and early years services. We will continue to use our position of influence to change the perception of parenthood and to improve the support available for parents across the UK. In order to achieve this we will work in partnerships with other charities, governments and businesses.

Our volunteers are the backbone of NCT. In 2013 over 5,000 volunteers at 317 branches provided a network of support and information for parents across the UK.

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

The year in review

NCT in numbers

In 2014:

- 600 Nearly New Sales raised over £1,000,000
- Over 5,000 people volunteered at over 300 branches
- Our membership was over 100,000
- 5.3 million visits to our website
- 40,000 attended our antenatal courses
- Distributed over 300,000 NCT Matters and 500,000 E Matters
- 1,260 practitioners and 214 students

Helping hard-to-reach families

Birth and Beyond in the Community

Our Birth and Beyond in the Community Scheme (BBCS) demonstrates NCT's commitment to working with vulnerable parents. BBCS has been running for two and a half years and has supported parents

from low income homes and remote communities, as well as helping parents who are asylum seekers or refugees.

The scheme recruits and trains community volunteers as peer supporters, and through this training we improve their skills, knowledge and confidence. These volunteers are then empowered to help isolated or struggling members of their own community. Often these are vulnerable parents who are cut off from existing local services. Through BBCS, NCT is helping provide a bridge between these parents and local authorities, and connecting the parents to services which otherwise they might not be able to access.

BBCS has enabled NCT to make connections with parents in North Yorkshire, East Lancashire, West Yorkshire and the Midlands. We have worked with military families in Catterick, asylum seekers and refugees in West Yorkshire and vulnerable women from low income households in all four areas.

The majority of the 172 volunteers trained to date have felt that the experience has changed their lives for the better. Many of the volunteers have gained the confidence to either get a job or enter education. For example in East Lancashire and North Yorkshire some of the volunteers have gone on to train in nursing, midwifery or social work, while some have now passed their GCSEs or are on higher education access courses.

Others have spoken about how the experience improved their confidence and led them to play a greater role in their community. Many of them have continued to volunteer, including at local hospitals, children's centres or helping to run local women's groups.

One volunteer summed up their commitment being down to: "Because we know how hard it can be we want other parents to have the help we ... never had"

Case Study: Catterick North Yorkshire

"I now feel that I am not completely isolated or alone and there are people there if needed..." (Parent)

In Catterick BBCS has supported military families, civilian families living in remote communities and families struggling on low incomes and in difficult personal circumstances.

This in turn has led us to work in partnership with the local Garrison Commander and civilian and military families.

The volunteer training has been done in local community venues and has provided a safe and welcoming place for volunteers to train, together with a crèche to ensure women with young children could also take part. As of December 2013, 48 volunteers had been recruited and 59% of them were aged 20-29 years.

"The emotional support has been amazing... I am not as anxious or paranoid and not as worried about what other people think" (Parent)

Little Bundles

The 'Little Bundles' scheme is volunteer led and showcases the generosity and determination of our branch members. The initiative supports pregnant women and new parents on low incomes by offering them emergency packs of donated baby basics including toiletries, clothes and equipment.

Branches will work with various referral agencies, including midwives, health visitors, and other health professionals to identify vulnerable and low income parents in need of essentials for their new baby.

Little Bundles now operates in Sevenoaks and Tonbridge, Trafford, Basildon, Billericay, Chiswick & Hammersmith, Cranleigh and Godalming. In 2014, NCT provided Little Bundle packs to around 200 new parents. We are currently investigating how we can roll out the scheme in 2015 to other areas.

CASE STUDY: NCT Trafford

The NCT Trafford branch has been running Little Bundles since October 2013. They began by sending their bundles to a few agencies, and now receive referrals from health visitors, social workers, Home Start and Sure Start centres. The scheme is run by a small team of four volunteers; however the branch has received a great response and is in the process of letting more agencies know about what they can offer.

"Imagine being pregnant and not having any of the things that you need to take to the hospital for birth or not having clothes or nappies for your newborn. Imagine that you have to flee from your home due to domestic abuse, or that your house is on fire and you leave with nothing.

"As a charity with baby clothes and equipment, we are in a great position to do something about that, and that's where the Little Bundles Project can step in. It can take time for welfare benefits to come through and women need a few things for themselves and their new babies - maternity pads, breast pads, nappies, a nightie or pyjamas, toothbrush and toothpaste and an outfit for the baby.

"We're not talking luxuries here - just the basics so a woman can have some dignity."

George Nelson, NCT Trafford volunteer and Little Bundles co-ordinator

Support for new parents

NCT Essentials launch

Our antenatal classes have been bringing parents together for almost 60 years, helping parents meet new friends as they go through the life changing experience of becoming parents for the first time.

To support our strategic aim to reach 20 million parents by 2020, and in response to new best practice recommendations for antenatal education developed by the Department of Health, we have introduced NCT Essentials antenatal - a new type of antenatal course designed to support more new parents than ever before.

The course has a more structured, curriculum-based format with six standard themes covered over 12 hours. This innovative course is designed to be inclusive and appeal to a broad range of parents-to-be; it's priced lower than our traditional course and is designed for individuals, many of whom bring a partner with them. In order to reach more people, NCT Essentials courses often run in areas where we haven't held NCT courses before.

The courses are offered alongside our original course, rebranded as NCT Signature antenatal. Both courses are being supported by an integrated marketing campaign to increase awareness of NCT services among a wider audience.

Bookings for NCT Essentials antenatal courses are growing quickly. In 2014, 700 people attended and we are expecting a figure of around 3,000 attendees in 2015.

Baby Café

Our network of Baby Cafés continues to grow. Baby Café helps mothers with breastfeeding if they need useful tips or guidance, enabling them to meet other parents and providing them with the confidence needed to keep trying. Baby Café drop-ins are run by a range of staff including health professionals such as midwives, health visitors and lactation consultants and practitioners such as nursery nurses and breastfeeding counsellors. All will have specific training and experience in helping breastfeeding families.

Baby Café can be found in most places in the UK: from remote communities to urban settings; and as far and wide as Stirling to Devon.

In 2014, NCT operated 107 Baby Cafés which were visited by an estimated 10,000 mothers.

Nearly New Sales

Nearly New Sales are run by NCT branches across the UK and enable parents to buy and sell quality, nearly new baby and childcare clothes and equipment at bargain prices. They are a great way for parents to keep down the costs of raising a family. In 2014 NCT ran 600 Nearly New Sales with 150,000 parents getting involved.

We also carried out some market research to demonstrate the value of the Nearly New Sales. The research showed that new parents are turning to second hand goods to try and keep down the costs of raising a family, with one in two new parents (50%) buying second hand baby or toddler items in the last six months.

Reach and Influence

Media highlights

Throughout the year NCT has received positive coverage in the national media. Highlights include our first mention on Radio One when the BBC ran a story on the problems of getting tongue-tie diagnosed and treated in February 2014. The story was also covered on TV on BBC Breakfast, Radio 4's Today programme and Woman's Hour, Radio 2, 3 and 5 and over 25 BBC regional radio stations.

In response to the news that the Duchess of Cambridge was having a baby, NCT's statement of support received pick up in the Daily Mail, the Independent and in OK!, Look! & New!

In August, Woman's Hour was hosted by TV presenter Kirstie Allsopp and they invited Belinda Phipps along to take part in a group discussion on 'How to have the birth you want'. Kirstie re-tweeted positive tweets from NCT members who shared their good experiences with NCT, confirming that they felt well prepared for all eventualities of birth, including their C-sections.

Belinda Phipps wrote a letter to David Cameron and Nick Clegg in December asking the government to keep maternity and paternity pay outside the benefits cap, and keep it in line with the cost of living. The Daily Mirror ran the story, together with 51 regional papers.

Working with MPs and Parliament:

This year NCT has continued to build relationships with all major political parties.

We have met with MPs from the Conservative, Labour and Liberal Democrat parties, and a large number of parliamentarians also came to meet with volunteers at the November Stars Awards in the House of Lords. This work has been supported by NCT members writing to their MPs and calling for better services to diagnose and treat tongue-tie.

Our CEO, Belinda Phipps, was invited to give evidence to the influential Public Accounts Committee as part of their investigation into maternity services. The final report highlighted many concerns NCT has been raising for a long time on the need for better continuity of care and reforms to how maternity services are funded. The report extensively quoted Belinda's evidence.

In December an MP, Fiona O'Donnell, asked at Prime Minister's Questions how the Government's proposed 1% limit on annual increases to maternity and paternity leave would affect new parents' income. When it became clear no-one knew what impact this policy would have, NCT commissioned the think tank IPPR to look into it. We found that by 2015 a family would lose out by £224 across their full period of parental leave. This research and the infographic we created to illustrate the findings generated interest from a wide range of organisations as well as a media response from the Labour shadow minister for children.

On top of this NCT has been invited to participate in discussions with both the major parties to develop policies for their manifestos for the 2015 election. NCT took part in a discussion at Number 10 Downing Street with senior Conservative politicians and advisors about options to give women greater choice and

control over the maternity services they receive, and in a roundtable event led by members of the shadow cabinet on family-friendly employment practices.

Over the next year we will continue to build relationships with MPs, peers and advisors who will help us to press for a strong offer of support for new parents in the 2015 manifestos. This will include pressing for better family leave, including ensuring all fathers are able to take time off after the birth of their new baby, increasing maternity and paternity pay, a continuation in the increase in midwife numbers and reforms to enable them to offer continuity of care.

Merging with MIDIRS

NCT believes that Midwives provide the best care and support to new parents. NCT has long recognised the value of the services that the Midwives Information and Resource Service, known as MIDIRS, has provided to Midwives. Following an approach by MIDIRS, and in line with NCT's strategy of being an evidenced based organisation, NCT entered a period of merger discussions which resulted, on 31 March 2011, in the signing of a formal agreement to merge.

During the year we have provided ongoing financial and management support to the MIDIRS charity, and on 1st July 2013 MIDIRS formally became a subsidiary of The National Childbirth Trust. Thereafter the transfer was enacted and by 1 April 2014 the organisations had merged. Following the merger NCT is committed to fulfilling MIDIRS charitable objects through growing and extending the support and information provided to midwives.

NCT will continue to provide MIDIRS services and to ensure their editorial independence we have established, within NCT's Articles, the 'MIDIRS Advisory Committee'. This Committee, upon which independent professional members are required to form the majority, has control of the 'MIDIRS Editorial Board'; the body that has the final decision on the contents of MIDIRS publications.

Partnerships and fundraising

Our corporate fundraising strategy is focused on securing income generating sustainable contracts with fewer, larger and more strategic partners. This is combined with an approach that asks corporate partners to support the charitable work of NCT as well as focussing NCT as a channel to market.

THE FIRST 1,000 DAYS STUDY

NCT is conducting a two-year longitudinal study, funded by Pampers, of first-time mothers' and fathers' attitudes and experiences. This First 1,000 Days study is looking at several key aspects of parenthood, including: mothers' and fathers' health and well-being; their support needs and how they balance work and home life; as well as aspects of their babies' behaviour such as sleep, play and feeding.

In order to explore how parents' experiences, attitudes and concerns change or remain similar in the child's second year, the research focuses on two time points – when their babies are 6-9 months and 18-21 months old.

The first year of the study was completed in February 2014. Five focus groups were undertaken with parents from different backgrounds throughout England, followed by a detailed online survey with more than 800 mothers and 300 fathers.

Early findings suggest that there is wide variation in babies' sleep and waking patterns and that parents use a range of behaviours to help settle their baby to sleep at night. Mothers and fathers also reported differing attitudes towards their babies' sleep. Although the number of hours that parents reported spent playing with their baby varied greatly, there was evidence that play was a big part of the lives of these families.

The second phase of the study is now underway, and focus groups and online questionnaires will be completed with the same groups of parents when their children are 18-21 months. Findings from the First 1,000 Days study will be used by NCT to develop services for parents and to help us offer support and relevant information to mothers and fathers throughout this important phase of their lives.

Corporate Fundraising is will developing partnership programmes that highlight the charitable purpose of NCT. This includes: the Little Bundles, which supports vulnerable pregnant women and new parents with gifts of baby products.

Charities

NCT worked closely with a number of other charities including the National Federation of Women's Institutes (NFWI) and the Dogs Trust.

Our report in May, 'Support Overdue', was published jointly with the WI, and examined the experiences of over 5,000 women using maternity services in England and Wales. The report suggested a series of points for consideration by Welsh Health Boards, the NHS England (as it establishes a national framework for quality and choice) and Clinical Commissioning Groups (CCGs). It also secured wide ranging media coverage in both print and broadcast media.

In 2014 NCT also teamed up with dog welfare charity Dogs Trust to help parents prepare their pet for the arrival of a new baby. Together we produced a leaflet to help parents feel more confident about dealing with their dog alongside their new baby.

NCT continues to meet regularly with a range of other charities including the Maternal Mental Health Alliance, Relate, Bliss, TAMBA.

Commissioned Services

We currently have 68 contracts to deliver antenatal, breastfeeding and postnatal support and training packages to healthcare professionals. These enable even more parents to access and benefit from NCT services. Commissions are usually with the NHS, Children's Centres, Public Health Boards or Local Authorities. They include contracts with NHS Greater Glasgow and Clyde NHS Trust, Lewisham Public Health and Southampton Local Authority.

Of these commissions, 23 are breastfeeding peer support contracts. These are for services delivered by NCT practitioners who train groups of women to become peer supporters as part of an Open College Network accredited training programme. Peer support for breastfeeding is proven to improve breastfeeding rates within a community.

We are also re-launching the Breastfeeding Welcome Scheme. This scheme aims to normalise breastfeeding in public by inviting businesses and organisations to make their support public, at no cost to them, with welcome signs and logos. We have already secured a contract with Wandsworth Local Authority for such a scheme.

The move marks an expansion of the breastfeeding support NCT offers to local commissioners.

Financial review

The Group accounts include NCT Charity, NCT Trading Limited and, from 1 July 2013, the MIDIRS Charity. The year to 31 March 2014 has been a good year financially with a surplus of £509k (2013: £960k). This shows that NCT remains in a stable financial position.

Group turnover increased as a result of the merger with MIDIRS with the new incoming resource of professional publications, principally the journals and information search services of the Charity. The growth in NCT's courses for parents continued and now accounts for over 50% of turnover. NCT College also increased its income in line with the growth in the professional programmes delivered in partnership with the University of Worcester.

NCT Trading did less well in a challenging economic environment and consequently the profit gift aided to the Charity has been reduced as compared to the previous year. Income relating to community fundraising, services provided under contract to the NHS and Local Authorities and general donations also declined.

Expenditure increased with the two most significant factors being additional resources expended on marketing and communications and those relating to the incorporation of the costs of the MIDIRS Charity.

Reserves policy

NCT's current reserves policy was adopted in February 2013. This policy reflects the true level of appropriate reserves for a charity of NCT's size, mix of incoming resources, and asset base. The policy provides a dynamic framework for determining reserves by taking each area of activity and determines an appropriate reserve level to combine with an assessment of working capital requirements. Using this policy the minimum and upper reserve levels at 31 March 2014 were £4.7m (2013: £4.4m) and £7.5m (2013: £7.0m) respectively. These compare to actual free reserves of £3.8m (2013: £3.2m); a shortfall of £0.9m (2013: £1.2m) against the minimum level.

Trustees acknowledge the current shortfall, brought about through several years of small surpluses and deficits whilst turnover was increasing, and are committed to a policy of generating annual operating surpluses to restore reserves. Following the purchase of office accommodation in Bristol in May 2014, which resulted in a reduction of reserves, trustees now anticipate meeting minimum level by 31 March 2017.

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

Financial position

The Group balance sheet at 31 March 2014 shows total funds of £4.6m (2013: £4.1m) of which £0.1m (2013: £0.2m) is restricted and £0.7m (2013: £0.7m) are designated as the fixed assets fund. Restricted funds, analysed in Note 15, comprise donations and grants subject to donor-imposed conditions. The balance of the group general funds, representing the 'free reserves', of the group at 31 March 2014 was £3.8m (2013: £3.2m).

Risk Management

Trustees acknowledge their responsibility for ensuring effective risk management systems and procedures at NCT. During the year the new risk management policy, adopted in 2013, started to become embedded within the Charity.

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

The trustees have given consideration to the major risks to which the Charity is exposed. Currently the most significant risks facing NCT are those relating to: (i) the Charity's ability to recruit and retain sufficiently experienced employees, volunteers and trustees; (ii) the significant reliance placed on the income from antenatal courses sold directly to parents; (iii) the Charity's ability to grow commissioned services as anticipated; (iv) the Charity's ability to secure an association, in the minds of the media and the public, between NCT and the 'First 1,000 Days'; and (v) the ability of the NCT Trading subsidiary to continue to successfully maintain its position and grow, within a competitive market. While these risks cannot be eliminated, trustees are satisfied that these risks are being managed through a strategy agreed by the Board.

Future plans

Later in 2014 we will have the inaugural meeting of our First 1,000 Days Forum. The Forum is designed to bring together academics, charities, policy makers and journalists to examine what more we can all do to support new parents as they struggle to balance their life and work.

We will continue to invest in the growth and stability of MIDIRS and remain committed to its midwifery focus and editorial independence.

As the main political parties prepare their election manifestos for 2015, we are working hard to focus their minds on the needs and concerns of new parents. In particular we will press for these manifestos to include policies which:

- do more to help fathers to take time off after the birth of their new baby
- increase maternity and paternity pay to help families struggling to make ends meet once their baby is born
- support an increase in midwife numbers and reforms to deliver better continuity of care
- improve the care for women suffering from postnatal depression

These will be our policy priorities for 2015 and will provide a focus for much of what we do in the year ahead.

Other Information

Structure, Governance, Organisation and Management

NCT (the National Childbirth Trust) is a registered charity. It is a company limited by guarantee governed by its Articles of Association as adopted on 14 September 2013.

NCT is governed by a Board of Trustees who are the directors of the Charity for the purposes of the Companies Act. The names of trustees at the date at which the accounts were approved, or who served during the period are given below:

Sue Saxey (President)	-
Beryl Hobson (Chair)	Appointed 10 June 2013
Seana Talbot (Vice Chair)	-
Amber Foster (Hon. Secretary)	-
Nina El-Imad (Hon. Treasurer)	-
David Adams (Deputy Hon. Treasurer)	Resigned 17 June 2014
Susy Broekhuizen	Resigned 14 September 2013
Andre Clark	-
Lisa Coffee	-
Stephanie Darroch	Appointed 14 September 2013
Greg Hall	Appointed 14 September 2013
Rob Hayter	-
Bryan Macpherson	Appointed 12 December 2013
Maral Mesrobian	Appointed 14 September 2013
Simon Mehigan	Resigned 6 August 2013
Robert Parry	Resigned 31 July 2013
Ian Potts	-
Margaret Reid	-
Kathryn Scanlan	-

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

Employees are based at the UK Office in London, Bristol support centre or work from home. Employees of the Trading Company are based in London and Glasgow.

Recruitment and appointment of Trustees

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

The Nomination and Governance Committee of the Board has the responsibility for maintaining and enhancing the quality of NCT's trustees. To this end it keeps under review the vacancies and likely vacancies available on the Board and the skills, experience and other qualities the Board needs. Prior to the Annual General Meeting the Committee notifies members of the number of vacancies available and the skills and experience being sought at the time, and invites nominations. Recruitment Meetings are then arranged for those expressing interest to provide them with information about the role and discuss how they could contribute to the Board's work.

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

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

Induction and training of Trustees

Induction for new trustees consists of:

- An introductory session with existing trustees and key members of staff as part of the Board's annual Training Day
- Comprehensive written briefing about trustees' responsibilities, the work of the Board and the Charity's strategy, policies, and governance
- Mentoring of new trustees by existing trustees through a *buddy system*

Training is also provided during the year for trustees as required on topics relevant to the Board's current work. Trustees also attend external events and conferences.

The Board of Trustees

The Board of Trustees is ultimately responsible for running the Charity to ensure that it acts in the best interests of all parents, who are the Charity's beneficiaries. The Board of Trustees sets the strategy, policy and financial framework for the Charity and has the responsibility for its overall direction and control. Additionally the Board has responsibility for ensuring the Charity complies with the law and the safeguarding of the Charity's assets.

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

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

Board Committees

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

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

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

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

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

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 include:

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

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

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

Locally, NCT works in partnership with a wide range of voluntary and other organizations to improve services for parents and provide them with the information and support they need.

Trustee Benefits

Under the terms of its Articles of Association the Charity is enabled to pay trustees for the provision of services to achieve its objects, subject to certain safeguards. This includes the requirement that a

majority of the trustees must have received no payments from the NCT either as employees or for goods and services supplied to the NCT. No (2013: 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 10.

Statement of the Board's responsibilities as Trustees

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

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

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

Employees and volunteers

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

During 2014, NCT (including NCT Trading and MIDIRS) employed an average of 195 (2013: 167) full time equivalent salaried staff. At the end of March 2014, NCT had 104,308 (2013: 107,398) members in 57,130 (2013: 58,473) households, 5,400 (2013: 5,090) registered volunteers, 1,102 (2013: 1,268) trained NCT Practitioners (antenatal teachers, breastfeeding counsellors and postnatal leaders) and 240 (2013: 387) students.

Volunteers are the heartbeat of NCT, not just running our branches and regions, but also giving their time in many other ways including helping at Nearly New Sales, delivering newsletters, running Bumps and Babies groups, hosting coffee mornings and in many other crucial roles where a few hours of time can make such a difference.

Equal opportunities

NCT is committed to 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, and the Disability Discrimination Act.

Appointment of Auditors

Kingston Smith LLP have indicated their willingness to continue in office and are deemed reappointed in accordance with section 487(2) of the Companies Act 2006.

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:

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

Beryl Hobson
Chair
30th September 2014

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

We have audited the consolidated and parent charitable company's financial statements of The National Childbirth Trust (NCT) for the year ended 31 March 2014 which comprise the Group and Parent Charitable Company Statements of Financial Activities (incorporating the Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 13 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014 and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



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

16 December 2014

Devonshire House
60 Goswell Road
London EC1M 7AD

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

**NCT Consolidated Group Statement of Financial Activities
Including Income & Expenditure Account for the Year Ended 31 March 2014**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming Resources					
Incoming resources from generated funds					
Voluntary income					
		2,146	-	2,146	2,068
		171	-	171	250
	3	-	356	356	302
		2,317	356	2,673	2,620
Activities for generating funds					
		1,825	-	1,825	1,857
		448	-	448	566
		1,778	-	1,778	1,932
		4,051	-	4,051	4,355
Investment income					
		38	-	38	15
Incoming resources from charitable activities					
		9,068	-	9,068	8,508
		496	-	496	406
		421	-	421	-
	4	669	-	669	721
		10,654	-	10,654	9,635
Other incoming resources					
		141	-	141	26
		17,201	356	17,557	16,651
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income					
		526	-	526	391
Fundraising trading					
	5	833	-	833	902
		181	-	181	22
		1,821	-	1,821	2,091
		2,835	-	2,835	3,015
Charitable activities					
	6	7,146	393	7,539	7,193
		1,898	-	1,898	1,949
		933	-	933	1,126
		3,133	-	3,133	1,894
		13,110	393	13,503	12,162
Governance costs					
	7	184	-	184	123
	8	16,655	393	17,048	15,691
Net incoming / (outgoing) resources for the year					
		546	(37)	509	960
Transfer Between Funds					
		-	-	-	-
	9	546	(37)	509	960
Reconciliation of funds					
		3,899	178	4,077	3,117
	15,16	4,445	141	4,586	4,077

NCT Consolidated Statement of Financial Activities (continued)

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

Note of Historical Cost Movement in Funds

Group	2014 £'000	2013 £'000
Net movement in funds	509	960
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	(5)	(5)
Historical cost net movement in funds	504	955

**NCT Charity Statement of Financial Activities
Including Income & Expenditure Account for the Year Ended 31 March 2014**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming Resources					
Incoming resources from generated funds					
Voluntary income					
Membership		2,146	-	2,146	2,069
Donations		189	-	189	364
Grants receivable	3	-	356	356	302
		2,335	356	2,691	2,735
Activities for generating funds					
Community fundraising		1,825	-	1,825	1,857
Commercial fundraising		5	-	5	6
Trading		443	-	443	529
		2,273	-	2,273	2,392
Investment income					
Interest		38	-	38	17
Incoming resources from charitable activities					
NCT Courses		9,068	-	9,068	8,508
NCT College		496	-	496	406
Professional Publications		65	-	65	-
Health Professional Contracts	4	669	-	669	721
		10,298	-	10,298	9,635
Other incoming resources					
Other income receivable		247	-	247	200
Total incoming resources		15,191	356	15,547	14,979
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income					
Membership		526	-	526	391
Fundraising trading					
Community fundraising	5	833	-	833	902
Retail trading		363	-	363	451
		1,196	-	1,196	1,353
Charitable activities					
NCT Courses	6	7,146	393	7,539	7,193
NCT College		1,898	-	1,898	1,949
Health professionals		933	-	933	1,126
Policy, research and information		2,796	-	2,796	1,894
		12,773	393	13,166	12,162
Governance costs	7	148	-	148	113
Total resources expended	8	14,643	393	15,036	14,019
Net incoming / (outgoing) resources for the year		548	(37)	511	960
Transfer Between Funds		-	-	-	-
Net Movement in Funds	9	548	(37)	511	960
Reconciliation of funds					
Funds brought forward at 1 April 2013		3,899	178	4,077	3,117
Funds carried forward at 31 March 2014	15,16	4,447	141	4,588	4,077

NCT Charity Statement of Financial Activities (continued)

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

Note of Historical Cost Movement in Funds Charity

	2014 £'000	2013 £'000
Net movement in funds	511	960
Difference between historical cost depreciation and the actual depreciation charge calculated on the revalued amount	(5)	(5)
Historical cost net movement in funds	506	955

NCT Balance Sheets as at 31 March 2014

	Notes	2014 Group £'000	2014 Charity £'000	2013 Group £'000	2013 Charity £'000
Fixed Assets					
Tangible Assets	12	677	653	664	661
Investments	11	-	16	-	-
		677	669	664	661
Current Assets					
Stocks		321	37	291	31
Debtors	13	1,604	2,209	1,341	1,937
Short term deposits		1,216	1,216	709	709
Cash at bank and in hand		4,932	4,490	4,663	4,220
		8,073	7,952	7,004	6,897
Creditors					
Amounts falling due within one year	14	(4,164)	(4,033)	(3,591)	(3,481)
Net current assets		3,909	3,919	3,413	3,416
Total net assets		4,586	4,588	4,077	4,077
Fund balances					
Charitable funds					
Restricted funds	15	141	141	178	178
Unrestricted funds	16				
General funds		3,792	3,794	3,238	3,238
Fixed asset fund		653	653	661	661
		4,445	4,447	3,899	3,899
Total funds	17	4,586	4,588	4,077	4,077

Approved by the Board of Trustees and signed on its behalf



Beryl Hobson
Chair
30th September 2014

Company Number: 2370573 (England & Wales)

NCT Consolidated Cash Flow Statement for the Year Ended 31 March 2014

	Notes	2014 £'000	2013 £'000
Net inflow from operating activities	(a)	892	835
Returns on investments and servicing of finance			
Interest received		38	15
Capital expenditure			
Payments to acquire tangible fixed assets		(154)	(109)
		776	741
Management of liquid resources			
(Increase) in short term deposits		(507)	(23)
Increase in cash	(b)	269	718

Notes to the cash flow statement

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

	2014 £'000	2013 £'000
Net movement in funds	509	960
Depreciation charge	140	126
Net loss on disposal of fixed assets	1	-
Interest receivable	(38)	(15)
(Increase) / Decrease in stocks	(30)	12
(Increase) in debtors	(263)	(51)
Increase / (Decrease) in creditors	573	(198)
Net cash inflow from operating activities	892	835

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

	2014 £'000	2013 £'000
Increase in cash	269	718
Cash used to increase liquid resources	507	23
Change in net funds arising from cash flows	776	741
Net funds at 1 April 2013	5,372	4,631
Net funds at 31 March 2014	6,148	5,372

(c) Analysis of changes in net funds

	2014 £'000	2013 £'000
At 1 April 2013:		
Cash at bank and in hand	4,663	3,945
Current asset investments	709	686
	5,372	4,631
Change in funds arising from cash flows	776	741
At 31 March 2014	6,148	5,372

Notes to the Financial Statements

1 Principal Accounting Policies

a) Basis of accounting

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

b) Basis of consolidation

The statement of financial activities and balance sheet consolidate the financial statements of the Charity and all its subsidiary undertakings made up to the balance sheet date. Immaterial subsidiaries are not consolidated. The decision on consolidation is based on the degree of control that, in substance, NCT exercises over undertaking and the extent to which it operates on a unified basis with the parent undertaking.

c) Incoming resources

Incoming resources are recognised in the period in which the Charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or when the donor or funder has specified that the income is to be expended in a future accounting period. Legacies are included in the statement of financial activities when the Charity is advised by the personal representative of an estate, that payment will be made or property transferred and the amount involved can be quantified with reasonable certainty. Grants have been included as income from charitable activities where these amount to a contract for services. NCT affiliate courses are included in full within incoming resources.

d) Resources expended and the basis of apportioning costs

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

- The *costs of generating voluntary income* is categorised into membership and donations receivable.
 - *Membership* expenditure comprises the costs of the department that services members and perspective members and the team that provides support to members and Branches.
- *Fundraising trading* is categorised into community fundraising, commercial fundraising, and retail trading.
 - *Community fundraising* which comprises the community fundraising support team, the costs of Branch fundraising activities, and costs associated with the administration of Branches. Many of the fundraising events held by the branches have two objectives, to raise funds for the Charity, and also to meet the aims of the Charity in terms of providing postnatal support for families. There is no meaningful way of apportioning the costs of Branch fundraising events between fundraising costs and charitable activities.
 - *Commercial fundraising* are the costs of obtaining and managing the sponsorship of activities and events and undertakes other business activity on behalf of NCT by NCT Trading Limited.
 - *Retail trading* comprises the costs of the predominately on-line trading facility, operated by NCT Trading Limited, selling maternity and early years products to individual and corporate customers.
- *Charitable activities* which comprises expenditure on the Charity's primary purposes and are categorised as NCT Courses, NCT College, Health Professionals, and Policy, Research and Information.
 - *NCT Courses* comprise the costs of providing courses, for parents and perspective parents where the participant generally books the course.
 - *NCT College* comprises the costs of providing training and support for NCT Practitioners who deliver NCT courses.
 - *Health Professionals* comprises the costs of delivering services procured by under a contract for services or a grant.
 - *Policy, research and information* comprises the cost of the research team, the library, communications, marketing and providing specialist helplines and journals.
 - *Governance* costs comprise costs of the Charity which relate to the audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

Notes to the Financial Statements (continued)

e) Basis of apportioning support costs

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

f) Gifts in kind

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

g) Tangible fixed assets

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

Category	Asset Group	Rate per annum
Property	Freehold	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%

h) Fixed asset investments

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

i) Stocks

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

j) Fund accounting

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

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

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

k) Leased assets

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

l) Branches

Branch transactions are considered transactions of the Charity.

m) Pension costs

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

n) Liquid resources

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

Notes to the Financial Statements (continued)

2 Commercial trading operations

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

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

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

Profit and loss account – NCT Trading Ltd	2014	2013
	£'000	£'000
Turnover	1,865	2,074
Cost of sales	(1,075)	(1,126)
Gross profit	790	948
Distribution costs	(147)	(130)
Administrative expenses	(625)	(701)
	(772)	(831)
Operating profit	18	117
Interest payable	-	(2)
Payment Under Gift Aid to NCT	(18)	(115)
Profit for period	-	-
Retailed loss brought forward	-	-
Retained in subsidiary	-	-
Balance Sheet – NCT Trading Ltd	31 March	31 March
	2014	2013
	£'000	£'000
Fixed Assets	24	3
Current Assets	889	917
Amounts falling due within one year	(413)	(920)
Amounts falling due after more than one year	(500)	-
Net Assets	-	-

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

3 Incoming resources: grants receivable

Group and Charity	Unrestricted	Restricted	Total	Total
	Funds	Funds	2014	2013
	£'000	£'000	£'000	£'000
Scottish Exec. Health Dept. - Scottish worker training	-	-	-	6
Health and social care – volunteering fund	-	205	205	145
Grants to branches	-	151	151	151
	-	356	356	302

Notes to the Financial Statements (continued)

4 Incoming resources: health professional contracts

Group and Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
NHS Contracts for Services	258	-	258	151
Contracts for providing Peer Support services	119	-	119	180
Sure Start/Children's Centres Projects	87	-	87	248
Voices training	-	-	-	2
Baby Café local	113	-	113	75
Other	92	-	92	65
	669	-	669	721

5 Resources expended: community fundraising

Group and Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Branch fundraising	475	-	475	434
Central fundraising	358	-	358	468
	833	-	833	902

6 Resources expended: NCT courses

Group and Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Antenatal	4,481	-	4,481	4,286
Breastfeeding support	599	-	599	586
Postnatal	270	-	270	239
Apportioned support costs	804	-	804	879
General Parental Support	992	393	1,385	1,203
	7,146	393	7,539	7,193

7 Governance

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Board	46	-	46	41
Audit and professional accountancy fees	54	-	54	45
Office and shared services	58	-	58	19
Apportioned support costs	26	-	26	18
	184	-	184	123

Notes to the Financial Statements (continued)

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Board and Committee Services	31	-	31	41
Audit fee	33	-	33	35
Office and shared services	58	-	58	19
Apportioned support costs	26	-	26	18
	148	-	148	113

8 Support cost allocations

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

Group	Membership £'000	Community Fundraising £'000	Commercial Fundraising £'000	Trading £'000	NCT			Health Professionals £'000	Policy, Research & Information £'000	Govern- ance £'000	Total 2014 £'000
					Courses £'000	NCT College £'000	£'000				
Staff costs	61	26	-	4	382	248	78	285	12	1,096	
Depreciation	7	3	-	-	41	27	8	31	1	118	
Premises and equipment	13	6	-	1	81	53	17	61	3	235	
Office supplies	8	4	-	1	52	34	11	39	2	151	
Insurance	1	-	-	-	7	5	1	5	-	19	
Irrecoverable VAT	8	3	-	1	50	33	10	37	2	144	
Other	30	13	-	2	191	124	39	143	6	548	
Support Costs	128	55	-	9	804	524	164	601	26	2,311	
Direct Costs	398	778	181	1,812	6,735	1,374	769	2,532	158	14,737	
Total Costs	526	833	181	1,821	7,539	1,898	933	3,133	184	17,048	

Group	Membership £'000	Community Fundraising £'000	Commercial Fundraising £'000	Trading £'000	NCT			Health Professionals £'000	Policy, Research & Information £'000	Govern- ance £'000	Total 2013 £'000
					Courses £'000	NCT College £'000	£'000				
Staff costs	33	24	-	4	427	242	103	138	9	980	
Depreciation	4	3	-	1	54	31	13	17	1	124	
Premises and equipment	7	5	-	1	93	52	22	30	2	212	
Office supplies	4	3	-	-	49	28	12	16	1	113	
Insurance	1	-	-	-	8	4	2	2	-	17	
Irrecoverable VAT	4	3	-	-	48	28	12	16	1	112	
Other	16	11	-	2	200	113	48	65	4	459	
Support Costs	69	49	-	8	879	498	212	284	18	2,017	
Direct Costs	322	853	22	2,083	6,314	1,451	914	1,610	105	13,674	
Total Costs	391	902	22	2,091	7,193	1,949	1,126	1,894	123	15,651	

Charity	Membership £'000	Community Fundraising £'000	Trading £'000	NCT Courses £'000	NCT College £'000	Health Professionals £'000	Policy,		Total 2014 £'000
							Research & Information £'000	Govern- ance £'000	
Staff costs	61	26	4	382	248	78	285	12	1,096
Depreciation	7	3	-	41	27	8	31	1	118
Premises and equipment	13	6	1	81	53	17	61	3	235
Office supplies	8	4	1	52	34	11	39	2	151
Insurance	1	-	-	7	5	1	5	-	19
Irrecoverable VAT	8	3	1	50	33	10	37	2	144
Other	30	13	2	191	124	39	143	6	548
Support Costs	128	55	9	804	524	164	601	26	2,311
Direct Costs	398	778	354	6,735	1,374	769	2,195	122	12,725
Total Costs	526	833	363	7,539	1,898	933	2,796	148	15,036

Notes to the Financial Statements (continued)

Charity	Membership £'000	Community Fundraising £'000	Trading £'000	NCT Courses £'000	NCT College £'000	Health Professionals £'000	Policy, Research & Information £'000	Govern- ance £'000	Total 2013 £'000
Staff costs	33	24	4	427	242	103	138	9	980
Depreciation	4	3	1	54	31	13	17	1	124
Premises and equipment	7	5	1	93	52	22	30	2	212
Office supplies	4	3	-	49	28	12	16	1	113
Insurance	1	-	-	8	4	2	2	-	17
Irrecoverable VAT	4	3	-	48	28	12	16	1	112
Other	16	11	2	200	113	48	65	4	459
Support Costs	69	49	8	879	498	212	284	18	2,017
Direct Costs	322	853	443	6,314	1,451	914	1,610	95	12,002
Total Costs	391	902	451	7,193	1,949	1,126	1,894	113	14,019

9 Net movement in funds

	Charity		Group	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Net movement in funds is stated after charging:				
Depreciation of tangible fixed assets	118	125	140	126
Staff costs (excluding agency staff)	4,971	4,344	5,493	4,731
Operating lease rentals	3	2	19	21
Auditors' remuneration: audit services	33	35	45	46
Auditors' remuneration: non-audit services	2	-	2	-

10 Staff costs and remuneration of the Board of Trustees

Staff costs during the period were as follows:

	Charity		Group	
	Total 2014 £'000	Total 2013 £'000	Total 2014 £'000	Total 2013 £'000
Wages and salaries	4,526	3,940	5,005	4,297
Social security costs	372	319	413	348
Other pension costs	73	85	75	86
	4,971	4,344	5,493	4,731
Payments to agency staff	189	159	194	161
	5,160	4,503	5,687	4,892

Staff costs by function were as follows:

	Charity		Group	
	Total 2014 £'000	Total 2013 £'000	Total 2014 £'000	Total 2013 £'000
Costs of generating voluntary income	278	244	278	244
Fundraising trading	137	173	501	562
Charitable activities	4,683	4,064	4,846	4,064
Governance	62	22	62	22
	5,160	4,503	5,687	4,892

Higher paid employees:

	Charity		Group	
	Total 2014	Total 2013	Total 2014	Total 2013
£60,000 – 69,999	4	2	4	2
£80,000 – 89,999	1	1	1	1
£90,000 – 99,999	1	-	1	-
	6	3	6	3

Notes to the Financial Statements (continued)

The pension cost for these employees, was £17,002 (2013: £11,500).

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

	Charity		Group	
	Number 2014	Number 2013	Number 2014	Number 2013
Costs of generating voluntary income	10	5	10	5
Fundraising trading	4	3	20	20
Charitable activities	207	184	221	184
Governance	2	3	2	3
Support	34	32	35	32
	257	227	288	244

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

	Charity		Group	
	FTEs 2014	FTEs 2013	FTEs 2014	FTEs 2013
Costs of generating voluntary income	7.6	4.2	7.6	4.2
Fundraising trading	3.3	3.0	19.3	20.0
Charitable activities	124.6	114.0	135.9	114.0
Governance	1.6	1.1	1.6	1.1
Support	30.4	27.3	30.8	27.3
	167.5	149.6	195.2	166.6

Expenses were reimbursed to 14 (2013: 11) members of the Board of Trustees during the year. Their expenses amounted to £6,764 (2013: £8,374) in respect of expenses incurred as a trustee in attending board and related meetings and for regional and branch support and for attending trading company meetings. One trustee (2013: Nil) was paid fees and expenses of £435 (2013: £Nil) for services at arms' length as a NCT Practitioner.

11 Fixed asset investments

Charity	2014 31 March £	2013 31 March £
Investment in group undertakings:		
NCT (Maternity Sales) Limited	6	6
NCT Trading Limited	100	100
NCT Publishing Limited	2	2
Midwives Information and Resource Service (MIDIRS)	15,980	-
	16,088	108

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. The National Childbirth Trust is the sole member of MIDIRS, a company limited by Guarantee which is incorporated in England. The investment represents the reserves of the company at the date from which the accounts are consolidated into NCT, 1 July 2013.

Notes to the Financial Statements (continued)

12 Tangible fixed assets

Group	Leasehold Improvements £'000	Freehold Property £'000	Building Services £'000	Equipment £'000	Website £'000	Total 31 March £'000
Cost or valuation						
At 1 April 2013	-	555	92	481	173	1,301
Additions	22	-	-	132	-	154
Disposals	-	-	-	(43)	-	(43)
At 31 March 2014	22	555	92	570	173	1,412
Depreciation						
At 1 April 2013	-	103	75	318	141	637
Charge for period	3	12	5	89	31	140
On disposals	-	-	-	(42)	-	(42)
At 31 March 2014	3	115	80	365	172	735
Net book values						
At 31 March 2014	19	440	12	205	1	677
At 31 March 2013	-	452	17	163	32	664
Cost	22	235	92	570	173	1,092
Valuation (1998)	-	320	-	-	-	320
	22	555	92	570	173	1,412
Charity		Freehold Property £'000	Building Services £'000	Equipment £'000	Website £'000	Total 31 March £'000
Cost or valuation						
At 1 April 2013		555	92	457	173	1,277
Additions		-	-	110	-	110
Disposals		-	-	(2)	-	(2)
At 31 March 2014		555	92	565	173	1,385
Depreciation						
At 1 April 2013		103	75	297	141	616
Charge for period		12	5	70	31	118
On disposals		-	-	(2)	-	(2)
At 31 March 2014		115	80	365	172	732
Net book values						
At 31 March 2014		440	12	200	1	653
At 31 March 2013		452	17	160	32	661
Cost		235	92	565	173	1,065
Valuation (1998)		320	-	-	-	320
		555	92	565	173	1,385

The freehold property was valued professionally in December 1998 on the basis of Existing Use Value. Having previously adopted the transitional rules of FRS15, a valuation has not been repeated. The historical cost of the freehold property included above at a valuation of £320,000 was £583,168 and the aggregate depreciation thereon would have been £262,359 (2013: £250,696).

Notes to the Financial Statements (continued)

13 Debtors

	Charity		Group	
	2014 31 March £'000	2013 31 March £'000	2014 31 March £'000	2013 31 March £'000
Amounts due from subsidiary undertakings	782	810	-	-
Prepayments and accrued income	280	241	298	295
Trade and branch debtors	1,035	759	1,148	908
Tax recoverable	108	116	108	116
Other debtors	4	11	50	22
	2,209	1,937	1,604	1,341

'Amounts due from subsidiary undertakings' includes £0.5m (2013: £Nil) due from NCT Trading Limited in more than one year.

14 Creditors: amounts falling due within one year

	Charity		Group	
	2014 31 March £'000	2013 31 March £'000	2014 31 March £'000	2013 31 March £'000
Expense creditors	933	633	1,043	718
Social security and other taxes	146	158	154	166
Deferred income	2,411	2,265	2,411	2,265
Accruals	543	425	556	442
	4,033	3,481	4,164	3,591

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:

	At 1 April 2013 £'000	Movements in Funds:			At 31 March 2014 £'000
		Incoming Resources £'000	Outgoing Resources £'000	Fund Transfer £'000	
Grants and donations received by branches	142	151	(154)	-	139
Health and social care volunteering fund	36	205	(239)	-	2
	178	356	(393)	-	141

16 Unrestricted funds

Group	At 1 April 2013 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfer Between Funds £'000	At 31 March 2014 £'000
Fixed Assets Fund	661	-	-	(8)	653
	3,899	17,201	(16,655)	-	4,445

Notes to the Financial Statements (continued)

Charity	At 1 April 2013 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfer between Funds £'000	At 31 March 2014 £'000
General Funds	3,238	15,191	(14,643)	8	3,794
Fixed Assets Fund	661	-	-	(8)	653
	<u>3,899</u>	<u>15,104</u>	<u>(14,643)</u>	<u>-</u>	<u>4,447</u>

17 Analysis of net assets between funds

Fund balances at 31 March 2014 are represented by:

Group	Unrestricted Funds:			2014 Total £'000
	General Funds £'000	Fixed Asset Fund £'000	Restricted Funds £'000	
Tangible fixed assets	24	653	-	677
Net current assets	3,768	-	141	3,909
Total net assets	<u>3,792</u>	<u>653</u>	<u>141</u>	<u>4,586</u>

Charity	Unrestricted Funds:			2014 Total £'000
	General Funds £'000	Fixed Asset Fund £'000	Restricted Funds £'000	
Tangible fixed assets	-	653	-	653
Investment assets	16	-	-	16
Net current assets	3,778	-	141	3,919
Total net assets	<u>3,794</u>	<u>653</u>	<u>141</u>	<u>4,588</u>

18 Taxation

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

19 Related party transactions

During the year, The National Childbirth Trust entered into transactions in the normal course of activities with its subsidiary undertakings (listed in note 11). The Charity is exempt from disclosure of these transactions as the subsidiary undertakings are 100% controlled within the group.

No members of the Board of Trustees (2013: One) had a beneficial interest in contracts with the Charity other than in relation to contracts (which were undertaken before the appointment as a trustee) with the Charity under which payments amounted to £Nil (2013: £4,412) through their Directorship of Professional Governance Services. No other trustee (2013: Nil) had a beneficial interest in a contract with NCT during the period other than in relation to contracts for purchases of goods and services on the same terms as available to the public.

No member of the Board (2013: Nil) had a beneficial interest in a contract with a wholly owned subsidiary of NCT during the period other than in relation to contracts for purchases of goods and services on the same terms as available to the general public.

At the date of signing the accounts, three (2013: two) trustees of the Midwives Information and Resource Service, out of a Board of eight, were also trustees of NCT and two (2013: one) trustees were also Directors of NCT Trading Limited.

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

Notes to the Financial Statements (continued)

20 Operating lease commitments

At 31 March 2014 the group had annual commitments for buildings and equipment under operating leases as set out below:

	Charity		Group	
	2014 31 March £'000	2013 31 March £'000	2014 31 March £'000	2013 31 March £'000
Expire				
Within 1 year	-	3	-	5
After 2 - 5 years	1	-	21	10
After 5 years	-	-	1	-
	1	3	22	15

21 Charitable subsidiaries

On 6 December 2010 The Baby Café Charitable Trust (Baby Café), registered charity number 1110358, entered into a merger agreement with NCT. Under this agreement NCT became a Corporate Trustee of Baby Café with the right to appoint trustees and it is prescribed that two years after the merger agreement the Baby Café charity would be dissolved and Baby Café would become part of NCT with its work overseen by the main NCT Board. This transfer occurred on 10 July 2013 when the Charity was removed from the Charity Commission register and its assets of £30,078 transferred to NCT.

In the period 1 April 2013 to 10 July 2013 the Baby Café accounts, on a receipts and payments basis, had income of £1,673 (2013 12 months: £9,731), expenditure of £Nil (2013 12 months: £621) and a period-end bank account credit balance of £30,078. In accordance with NCT's accounting policies the subsidiary's accounts have not been consolidated into the NCT group accounts on grounds of immateriality.

On 31 March 2011 the Midwives Information and Resource Service (MIDIRS) registered charity number 295346, entered into a merger agreement with NCT. MIDIRS is also a Company Limited by Guarantee, number 2058212 (England and Wales). On 13 May 2011 MIDIRS adopted new Articles of Association making NCT the sole member of MIDIRS. The trustees of both charities entered into the agreement to achieve jointly agreed strategic objectives. Under the terms of the merger agreement the assets, liabilities, employees and activities of MIDIRS would transfer to NCT after the 'longstop date' (12 May 2013) and MIDIRS would be dissolved; unless either party notified the other within 30 days of the longstop that the strategic objectives had not been satisfied. As neither party notified the other a consequent transfer agreement was signed on 14 November 2013 binding the charities to complete the merger by 31 March 2014. By that date the business had transferred to NCT with all remaining assets transferred by 30 June 2014.

In the year to 31 March 2014 NCT paid MIDIRS £36,119 (2013: £83,203), of which £nil (2013 12 months: £Nil) related to NCT Trading Limited, (excluding any applicable VAT), as a combination of fees for services and grants.

The accounts of MIDIRS have been consolidated into the NCT Annual Report in accordance with the accounting policies of NCT; the Directors of NCT have concluded that from 1 July 2013 NCT had sufficient control over the management of MIDIRS as from this date NCT and MIDIRS were managed in a unified way. The amounts consolidated are incoming resources of £392,000, less a consolidation adjustment of £31,000, and resources expended of £368,000. In the three months prior to consolidation MIDIRS had incoming resources of £183k and resources expended of £194k.

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.

22 Post Balance Sheet Events

On 26 June 2014 NCT purchased a long leasehold interest Brunel House, The Promenade, Clifton Down, Bristol, BS8 3NG, for £1.2m.

Reference and Administrative information

Charity Registrations:

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

Registered Office:

Alexandra House
Oldham Terrace
London
W3 6NH

Board of Trustees:

Sue Saxey, President
Beryl Hobson, Chair
Seana Talbot, Vice Chair
Nina El-Imad, Hon. Treasurer
Amber Foster, Hon. Secretary
Andre Clark
Lisa Coffee
Stephanie Darroch
Greg Hall
Rob Hayter
Bryan Macpherson
Maral Mesrobian
Ian Potts
Margaret Reid
Kathryn Scanlan

Directorate:

Belinda Phipps, Chief Executive
Joseph Lowe, Corporate Resources Director
Jill Creese, Human Resources Director
Charles Grey, Volunteers and Services Director
Sally Horrox, Marketing and Corporate Communications Director
Jeremy Payne, Fundraising & Sales Director (acting)
Caroline Seddon, Education and Research Director

Company Secretary

Joseph Lowe

Auditors:

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

Bankers:

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

Solicitors:

Hempsons
Hempsons House
40 Villiers Street
London
WC2N 6NJ

Subsidiaries:

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