

Tommy's The Baby Charity

Financial statements 31 March 2002
together with chairman's and auditors' reports

Registered Charity number: 1060508

Registered Company number: 3266897



A09
COMPANIES HOUSE

AR8KYC9H

0705
06/07/02

06/01
COMPANIES HOUSE

27/06/02

Index to financial statements 31 March 2002

	Page
Trustees and advisors	1
Chairman's report	2
Auditors' report	8
Consolidated statement of financial activities	9
Consolidated balance sheet	10
Notes to the financial statements	11 - 23

Trustees and advisors

Constitution

Registered Charity No. 1060508

Registered Company No. 3266897 – Company limited by guarantee

Patron

Sarah, the Duchess of York

President

Lord Foster

Trustees

Sally Tennant

Co Chairman

Ron Dennis CBE

Co Chairman

Ian Fergusson FRCS FRCOG

Anthony Kenney FRCS FRCOG

The Hon Mrs James Nelson

John Dalton

Honorary Treasurer

Tom Shields QC

Dominic Proctor

Bea Teuten

Chief Executive

Jane Brewin

Principal Address

1 Kennington Road

London

SE1 7RR

Auditors

Andersen

180 Strand

London WC2R 1BL

Solicitors

Radcliffes Crossman Block

5 Great College Street

London SW1- 3SJ

Bankers

National Westminster Bank plc

91 Westminster Bridge Road

London SE1 7ZB

Investment advisors

Dresdner RCM Global Investors (UK) Limited

PO Box 191

Fenchurch Street

London EC3M 3LB

Chairman's report

For the year ended 31 March 2002

Introduction

2001-2002 has seen Tommy's income rise to its highest level to date, at over £2.7m. Despite this, demand for funding research projects and information campaigns still far exceeds our ability to supply so we continue to try to find more ways in which we can effectively raise funds.

Our goal remains constant; we want to reduce the incidence of miscarriage, premature birth and stillbirth which cause so much suffering to parents in the UK.

Every day in the UK*:

10 babies are stillborn

144 babies are born too soon

548 women experience a miscarriage

Tommy's believes that in the long term, research offers us the best chance to help all parents to maximise their chance of having a healthy baby.

Organisation

The charity is based in the UK with its headquarters in London. The decision was taken this year to close the regional fundraising office in Manchester. This move was taken to reduce our cost base and improve efficiency. We remain fully committed to raising funds in the Northwest of England and to fully supporting our Centre for Maternal and Fetal Health at St Mary's Hospital in Manchester. Our sincere thanks go to Maurice Watkins who has chaired our Fundraising Appeal for the Manchester Centre.

New Trustees are nominated by existing Trustees and selected by a majority vote. Every year one third of the Trustees resign and can be nominated for re-election.

The Trustees meet four times a year and also continue to meet in two further groups; the Business Advisory Group (BAG) which assists the charity with fundraising and communication objectives and the Medical Advisory Committee (MAC) which advises the charity on its medical research strategy. Each group's role has been agreed by the full Board of Trustees.

Most staff are engaged in fundraising activity, the details of which are contained within the fundraising section of this report.

- Average taken over a 12 month period

Chairman's report (continued)

Research

Tommy's has invested a total of £740,000 in medical research this year focused towards the following areas:

Centre for Maternal and Fetal Health – St Thomas' Hospital, London

Professor Poston and her team moved to the purpose built new facilities in the hospital which is adjacent to the newly refurbished maternity services so providing an excellent base for research.

The vitamins in pre-eclampsia trial was submitted to the Medical Research Council for funding and after several delays was finally turned down due to lack of available funds. Professor Poston will now try to secure funding from the Wellcome Trust for this study which could prove effective in reducing the number of women who contract pre-eclampsia, a life threatening disease for both mothers and babies.

Work has identified chemicals in the blood which act as an accurate predictor of women who will suffer from pre-eclampsia. A patent has been filed and companies have been approached who might help to develop an effective test.

Mr Shennan has continued his study of devices for the measurement of blood pressure. Mercury is being withdrawn from medical equipment and it is vital to be able to accurately measure blood pressure during pregnancy. Mr Shennan has invented his own device which is currently under development.

Dr Kelly has made good progress into understanding how blood vessels change during normal pregnancy and Dr Stone has completed her study into Antiphospholipid syndrome, making some interesting observations.

The PREMET trial is designed to evaluate the potential benefit of an antibiotic in the prevention of preterm labour. The results of the trial will be known in the latter part of 2002.

A study of Obstetric Cholestasis which is associated with preterm delivery was successfully completed this year and has found this disease is more prevalent than originally thought. Work continues to try and understand the biochemical basis of this disease.

Centre for Maternal and Fetal Health – St Mary's Hospital, Manchester

Professor Baker's team have successfully established themselves and are working on the following projects:

How the placenta develops in early pregnancy which will help us to understand what goes wrong in problem pregnancies.

The development of the mother's blood supply to the Uterus and the blood supply from the placenta to the baby.

Investigation into why placental cells die in problem pregnancies and how this can be prevented.

What causes the uterus to contract spontaneously in pre term labour.

Chairman's report (continued)

A detailed five year plan has been completed by Professor Baker and his team and this plan has been reviewed by two independent medical research experts.

No individual project grants were awarded this year but it our intention to continue funding research projects at research centres across the UK as soon as funds allow.

Our commitment remains to fund top quality research which will bring us ever closer to treatments which will save life and reduce suffering.

All expenditure is authorised by the Board of Trustees following a report on current and future activities and the presentation of a detailed budget.

All grants were completed this year were presented at a researchers meeting in May 2002 where their peer group had a chance to debate the results.

Education

Our education and information remit has been expanded this year to incorporate the following developments:

A plan was developed which sought to define how Tommy's can contribute to the provision of information to the general public and this plan was agreed by the Trustees.

An improved helpline service has been planned to offer information on a regular and consistent basis, we are currently applying for funding for this service.

New Toxoplasmosis leaflets have been produced and are being distributed to parents and health professionals. The publicity generated from the re-launch has significantly increased the demand for information about this preventable condition.

A new edition of the 'healthy pregnancy' leaflet was launched to coincide with National Pregnancy Week. These have been distributed to Doctors and Midwives to hand out to parents-to-be.

With the help of some very brave volunteers we now provide information to help parents with a range of issues 'when a baby dies'.

Information about premature labour has been developed for parents and midwives. This was funded by the Community Fund.

We launched a new detailed brochure which explains who we are and what we do and it has been used widely to clearly communicate our cause to both businesses and the public.

Chairman's report (continued)

Fundraising

We have continued our investment in the recruitment of donors through a committed giving scheme. Whilst returns in the short term are low, this represents a long term return which will provide Tommy's with a significant ongoing income in the years to come. Recruitment of donors from payroll giving has gone from strength to strength and we have made considerable progress in organising our database to ensure we maximise contributions from individuals.

We held three major events this year; a Summer Ball generously organised by Seda Arbib which raised over £87,000, Tim Henman's Tee Party which contributed a wonderful £42,000 and The Wine Dinner which raised a fantastic £295,000. Our sincere thanks go to Johnny Goedhuis who has once again made this event possible and his co-Chairman Guy Sangster.

We have held three national fundraising events this year; Splashathon and Baby Day which have persuaded lots of young children to raise funds for Tommy's and The London Marathon where many courageous supporters raised more than £120,000 for us.

Kimberly Clark has once again supported both Splashathon and The Parent Friendly Awards where we celebrated those organisations which provide good services and facilities to parents with young children.

National Pregnancy Week was generously sponsored by Steri-bottle this year whilst Virgin raised more than £100,000 on their Trans Atlantic flights.

Once again our volunteers from all over the UK have walked, jumped, eaten, drunk, swum, gone dotty, run, travelled, biked, baked, sung, golfed, lost weight, given up smoking and many more, all for Tommy's. Their efforts have inspired us all.

Our programme of activities for 2002/2003 are in place and during the year we will be undertaking a fund raising review of existing activities and potential new ones with the aim of generating steady, sustainable income growth over the next three years.

No significant events have occurred between the year end and the approval of the accounts to suggest any material change in our circumstances.

Lobbying Government

With the invaluable help of Professor Poston we have written a paper setting out the reasons why the Government should provide more funds for research into the causes and prevention of miscarriage, premature birth and stillbirth. We are trying to build support amongst MP's and the Department of Health.

Communication

With the invaluable help of J Walter Thompson and Mindshare we launched an advertising campaign to increase awareness of the work of Tommy's. We have been fortunate to be featured on television, posters, in the cinema, newspapers and magazines. We have been encouraged by the positive response we have received.

Chairman's report (continued)

Our corporate identity was updated and strengthened to better reflect our purpose and more clearly communicate our cause. This resulted in changing our name from Tommy's Campaign to Tommy's, The Baby Charity. Our thanks go to Enterprise IG who so generously donated their services and expertise.

We have achieved a large amount of coverage in the last year on the television, radio and in newspapers and magazines. We have been fortunate to have the support of many celebrities who have donated their time to speak on our behalf and whose personal experiences have helped many parents to come to terms with their experiences.

Trustees

Ian Fergusson stepped down as the Chairman of the Board of Trustees after more than 10 years having played a central role in setting up and establishing Tommy's and we are very grateful for all his immense dedication and thankful that he remains on the Board of Trustees. Ron Dennis and Sally Tennant have taken on the role of Co-Chairman.

Helene Plant has joined Tommy's as Company Secretary and joins us with a wealth of experience from her training as a solicitor.

Financial Review

Income for the year was £2.7m with resources expended on charitable objectives being £1.16m. This has increased reserves from £630,000 to £990,000.

Grants for medical research were £740,000, and expenditure on education and information projects £352,000 reflecting the increased focus on this area.

The Charity's fundraising costs (as measured by fundraising cost/total income ratio) have improved from 50% last year to 42% this year and further steps have been taken to reduce them still further to below 40% in the coming year.

The Charity's trading subsidiary The Baby Fund Trading Limited made a profit of £430,000. These profits which were raised mainly from corporate promotions and events will be transferred to the charity via gift aid.

Internal financial control

The Trustees report that the charity's internal financial controls conform with guidelines issued by the Charity Commission.

The systems of financial control are designed to provide all reasonable assurance against material misstatement or loss. They include:

- A corporate plan and an annual budget approved by the Trustees
- Regular consideration by the Trustees of actual results compared with budgets and forecasts
- Authority to spend within defined limits
- Segregation of duties
- Due consideration of risks by Trustees and line managers

Chairman's report (continued)

A risk assessment has been completed this year on strategy, fundraising, financial management, IT, grants administration, information, publicity, staff and volunteer management, health and safety and these are regularly reviewed and action taken to mitigate risk.

Reserves Policy

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income and expenditure streams, the need to match variable and fixed commitments and the nature of the reserves. The review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, a general reserve of 7 months anticipated unrestricted fund expenditure should be maintained to cover charitable expenditure, staff salaries, overheads and a portion of fundraising costs. This equates to a target of £880,000 of unrestricted funds. During the year the charity's unrestricted reserves rose from £430,317 to £827,484 in line with this policy.

Investment Policy

The Trustees review the investment policy for the charity's reserves on a regular basis. The present policy is to maintain a substantial part on term deposits timed to match anticipated cash flows, and to delegate the remainder to professional managers operating on a discretionary mandate. Their mandate is to invest on a broad basis between fixed interest and equity markets benchmarked by the WM Total Charities Index. On a rolling 12 months basis, Tommy's investment portfolio has exceeded the WM Total Charity fund index.

Trustees Responsibilities

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the charity and of the results of the group for that period. In preparing those financial statements, the Trustees have:

- Selected suitable accounting policies and applied them consistently
- Made judgements and estimates that are reasonable and prudent
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepared the financial statements on the going concern basis

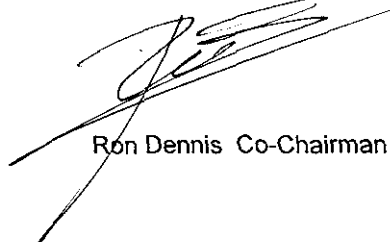
The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution proposing that PKF be appointed as auditors of the Charity will be put to the Annual General Meeting.

This report was approved by the Trustees on 13th June 2002 and signed on their behalf by:


Sally Tennant Co-Chairman


Ron Dennis Co-Chairman

Independent auditors' report to the trustees of Tommy's The Baby Charity:

We have audited the financial statements of Tommy's The Baby Charity for the year ended 31 March 2002, which comprise the Statement of financial activities, Balance sheet and the related notes numbered 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of trustees' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Chairman's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Chairman's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and of the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 March 2002 and of the group's incoming resources and resources expended, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

180 Strand
London
WC2R 1BL

13 June 2002

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2002

	Notes	Unrestricted funds £	Restricted funds £	Total 2002 £	Total 2001 £
Incoming resources					
Donations & Legacies	2	536,641	255,876	792,517	584,472
Activities in furtherance of the charity's objects:					
-National Lotteries Charities Board		-	41,609	41,609	54,478
-Prematurity Conference		-	-	-	19,564
-Toxoplasmosis Trust		-	-	-	26,362
Activities for generating funds:					
-Corporate sponsorship, promotions and events	3	1,121,982	112,475	1,234,457	1,360,272
-Regional fundraising		555,492	-	555,492	396,850
-Merchandising income		135	-	135	1,587
-Investment income and interest	4	94,013	2,161	96,174	122,941
Total incoming resources		<u>2,308,263</u>	<u>412,121</u>	<u>2,720,384</u>	<u>2,566,526</u>
Resources expended					
Cost of generating funds:					
Fund-raising and publicity costs					
- events and promotions		487,604	-	487,604	579,190
- others		667,802	-	667,802	711,774
Investment management fees		1,763	-	1,763	1,770
		<u>1,157,169</u>	<u>-</u>	<u>1,157,169</u>	<u>1,292,734</u>
Charitable expenditure:					
Grants for medical research	5	243,300	399,990	643,290	1,284,201
Other medical research		-	-	-	343
Education and information projects	6	335,289	16,712	352,001	320,077
Support costs		89,225	-	89,225	67,468
Management and administration		74,363	-	74,363	62,285
		<u>742,177</u>	<u>416,702</u>	<u>1,158,879</u>	<u>1,734,374</u>
Total resources expended	7	<u>1,899,346</u>	<u>416,702</u>	<u>2,316,048</u>	<u>3,027,108</u>
Net incoming resources/(resources expended) before transfers		408,917	(4,581)	404,336	(460,582)
Transfer between funds	15	32,193	(32,193)	-	-
Net incoming resources/(resources expended)		<u>441,110</u>	<u>(36,774)</u>	<u>404,336</u>	<u>(460,582)</u>
Net investment (losses)	11	(43,943)	-	(43,943)	(105,999)
Net movement in funds		<u>397,167</u>	<u>(36,774)</u>	<u>360,393</u>	<u>(566,581)</u>
Fund balances brought forward		530,317	99,746	630,063	1,196,644
Fund balances carried forward		<u>927,484</u>	<u>62,972</u>	<u>990,456</u>	<u>630,063</u>

All results have been derived from continuing activities. The group has no other recognised gains or losses other than those stated above.


The accompanying notes form an integral part of this consolidated statement of financial activities.

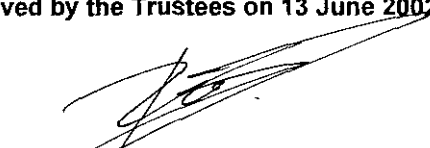
Consolidated balance sheet
31 March 2002

of Tommy's The Baby Charity

	Notes	Unrestricted funds £	Restricted funds £	Total 2002 £	Total 2001 £
Fixed assets					
Tangible assets	10	48,879	-	48,879	69,132
Investments	11	1,293,616	-	1,293,616	1,439,321
		<u>1,342,495</u>	<u>-</u>	<u>1,342,495</u>	<u>1,508,453</u>
Current assets					
Stocks		531	-	531	1,502
Debtors	12	332,382	-	332,382	110,990
Short term deposits		1,012,759	62,972	1,075,731	1,237,817
Cash at bank and in hand		304,804	-	304,804	89,303
		<u>1,650,476</u>	<u>62,972</u>	<u>1,713,448</u>	<u>1,439,612</u>
Creditors: amounts falling due within one year	13	<u>(2,065,487)</u>	<u>-</u>	<u>(2,065,487)</u>	<u>(2,218,559)</u>
Net current (liabilities)/assets		<u>(415,011)</u>	<u>62,972</u>	<u>(352,039)</u>	<u>(778,947)</u>
Total assets less current liabilities		<u>927,484</u>	<u>62,972</u>	<u>990,456</u>	<u>729,506</u>
Creditors: amounts falling due after more than one year	14	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,443)</u>
Net assets		<u>927,484</u>	<u>62,972</u>	<u>990,456</u>	<u>630,063</u>
Represented by					
Funds (including £133,769 unrealised gains (2001: £179,192))	15	827,484	62,972	890,456	530,063
Designated Funds		100,000	-	100,000	100,000
Total Funds		<u>927,484</u>	<u>62,972</u>	<u>990,456</u>	<u>630,063</u>

The financial statements on pages 9 to 23 were approved by the Trustees on 13 June 2002


Sally Tennant
Trustee


Ron Dennis
Trustee

The accompanying notes form an integral part of this consolidated balance sheet.

Notes to the financial statements

For the year ending 31 March 2002

1 Accounting policies

a) *Basis of accounting*

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments which are included on a market value basis. The financial statements have been prepared in accordance with applicable accounting standards and "Accounting and reporting by Charities" (SORP 2000).

b) *Basis of consolidation*

The group financial statements include the results for the year ended 31 March 2002 of Tommy's The Baby Charity and its subsidiary company The Baby Fund Trading Limited. The results of the subsidiary are included on a line by line basis and its own profit and loss account and balance sheet are shown in note 16.

An income and expenditure account has not been prepared for Tommy's The Baby Charity Ltd as it is exempt under s230 of the Companies Act 1985 and paragraph 304 of the SORP.

c) *Funds accounting*

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the fund.

Designated funds comprise general funds which are set aside at the discretion of the trustees for specific purposes.

Restricted funds are funds subject to restrictions imposed by donors or the nature of the appeal. The purpose and use of the restricted funds is set out in note 15.

d) *Incoming resources*

All incoming resources becoming available to the group during the year are included when there is certainty of receipt. The incoming resources are shown gross except for small events organised by volunteers, where expenses are netted off against income. For legacies entitlement is the earlier of the charity being notified of an impending distribution and of the legacy being received.

When gifts in kind are received they are valued at a reasonable estimate of their value in accordance with the Statement of Recommended Practice October 2000 paragraph 95.

e) *Medical research grants*

Medical research grants payable within three years are accounted for as expenditure when awarded by the Medical Advisory Group notwithstanding that the amounts may not be paid in the year. The amounts payable after three years are met from future income and have not been recognised as a liability. Where expenditure is charged to unrestricted funds in anticipation of receiving restricted funding in a subsequent year an adjustment is made to reflect this.

Notes to the financial statements (continued)

1 Accounting policies (continued)

f) Allocation of expenditure

Expenditure is classified under the principal headings of direct charitable and other expenditure rather than the type of expense in order to provide more useful information to the users of these accounts. Where costs cannot be directly attributed they have been allocated to activities on a utilisation basis.

Support costs comprise all services supplied centrally and identified as wholly or mainly in support of grants and education and information projects and include an appropriate proportion of general overheads. Details of allocation of expenditure are shown in note 7.

g) Depreciation of tangible fixed assets

Depreciation is provided on a straight line basis to write off the cost of assets over their estimated useful lives ranging between three and ten years.

h) Investments

Investments are stated at market value at the Balance Sheet date. It is the charity's policy to keep valuations up to date such that when investments are sold there is no gain and loss arising. As a result the statement of financial activities only includes those unrealised gains or losses arising from the revaluation of the investment portfolio throughout the year. A disclosure is made within note 11 to the financial statements of the differences between the historic cost and the sales proceeds of the investments sold during the year.

i) Stocks

Stocks are valued at the lower of cost and net realisable value.

j) Taxation

To the extent that it does not exceed the accounting profit for the period, any taxable profit of the subsidiary, The Baby Fund Trading Limited, is eliminated by deed of covenant in favour of the charity. The activities of the charity fall within the exemptions granted under section 505 of the Income and Corporation Taxes Act 1988.

k) Cash flow statement

The charity has taken advantage of the exemption from preparing a cash flow statement available under Financial Reporting Standard No. 1 (Revised) on account of its size.

Notes to the financial statements (continued)

2 Donations & Legacies

	2002 £	2001 £
Public donations	542,190	357,645
Legacies	3,139	-
Corporate	97,522	38,470
Trusts	149,666	188,357
	<u>792,517</u>	<u>584,472</u>

3 Corporate sponsorship, promotions and events

	2002 £	2001 £
Corporate sponsorship and promotions	567,054	682,321
Events	667,403	677,951
	<u>1,234,457</u>	<u>1,360,272</u>

4 Investment income and interest

	2002 £	2001 £
Investments	21,399	21,936
Interest	74,775	101,005
	<u>96,174</u>	<u>122,941</u>

Notes to the financial statements (continued)

5 Grants for medical research

	2002 £	2001 £
Outstanding grants at 1 April	2,088,551	1,867,833
Grants awarded during the year		
- Maternal and Fetal Health Team, St Thomas' Hospital, London	362,766	603,400
- Maternal and Fetal Health Team, St Mary's Hospital, Manchester	320,500	376,025
- Grants awarded by medical advisory group	56,330	354,118
- Senior lecturer's post	-	-
- Previous years grants not fully taken up	(96,306)	(49,342)
	643,290	1,284,201
Paid during the year	(1,311,841)	(1,063,483)
Outstanding grants at 31 March	1,420,000	2,088,551
Grants falling due within one year	1,420,000	1,989,108
Grants falling due after more than one year	-	99,443
	1,420,000	2,088,551

Full details of the grants awarded to institutions during the year are listed in the Annual Review 2001/2002. Details of grants awarded in the previous years are available on request.

Notes to the financial statements (continued)

6 Education and information projects

	2002 £	2001 £
Parent Friendly Awards	148,220	89,307
National Pregnancy Week	42,267	36,253
Medical conference	-	29,154
Pregnancy Accreditation	28,739	34,006
Website	9,155	29,774
Information Leaflets	101,705	79,404
Prematurity Book	-	4,971
Smalltalk	7,157	10,044
Annual review	10,164	3,628
Newsletter	4,594	3,536
	<u>352,001</u>	<u>320,077</u>

Annual review, newsletter and Smalltalk costs are a proportion that deal with education and information.

Notes to the financial statements (continued)

7 Analysis of allocated expenditure

	Staff costs £	Direct costs £	Other allocated costs £	Total 2002 £	Total 2001 £
Cost of generating funds					
Fund-raising and publicity	427,527	621,426	106,453	1,155,406	1,290,964
Investment Management Fees			1,763	1,763	1,770
	<u>427,527</u>	<u>621,426</u>	<u>108,216</u>	<u>1,157,169</u>	<u>1,292,734</u>
Charitable expenditure					
Maternal and Fetal Health Team, London	-	362,766	-	362,766	603,400
Maternal and Fetal Health Team, Manchester	-	320,500	-	320,500	376,025
Grants awarded by Medical Advisory Group	-	56,330	-	56,330	354,118
Previous years grants not fully taken up	-	(96,306)	-	(96,306)	(49,342)
Other medical research	-	-	-	-	343
Parent Friendly Awards	52,845	87,399	7,976	148,220	89,307
National Pregnancy Week and Conference	17,416	22,724	2,127	42,267	36,253
Pregnancy Accreditation	20,578	3,508	4,653	28,739	34,006
Other publications and website	53,533	68,873	10,369	132,775	160,511
Support costs	73,681	2,975	12,569	89,225	67,468
Management and administration	40,266	-	34,097	74,363	62,285
	<u>258,319</u>	<u>828,769</u>	<u>71,791</u>	<u>1,158,879</u>	<u>1,734,374</u>
Total	<u>685,846</u>	<u>1,450,195</u>	<u>180,007</u>	<u>2,316,048</u>	<u>3,027,108</u>

Notes to the financial statements (continued)

7 Analysis of allocated expenditure (continued)

Administration costs include fees paid to our auditors in respect to the audit for the group of £9,780 (2001: £9,545) and nil for other services (2001: £335).

8 Staff costs

	2002 £	2001 £
Salaries and wages	612,735	556,186
Social security costs	59,174	51,485
Pension costs	13,937	7,645
	<u>685,846</u>	<u>615,316</u>

The emoluments of 1 member of staff including benefits in kind are within the range of £80,000 to £89,999 (2001 – 1 member within the range of £100,000 - £109,999). Contributions were made to the personal pension scheme of the employee in the above band.

The average weekly number of persons employed during the year by department was:

	2002 Number	2001 Number
Charitable activities	4	4
Cost of generating funds	14	15
Management and administration of the charity	3	2
	<u>21</u>	<u>21</u>

9 Trustees

The Trustees received no remuneration or reimbursed expenses during the year (2001 - £Nil).

Notes to the financial statements (continued)

10 Tangible fixed assets

	Group £	Charity £
Office equipment		
Cost		
1 April 2001	213,156	208,211
Additions	7,442	7,442
Disposals	(22,183)	(22,183)
31 March 2002	198,415	193,470
Depreciation		
1 April 2001	144,024	139,079
Charge for the year	27,695	27,695
Disposals	(22,183)	(22,183)
31 March 2002	149,536	144,591
Net book value		
1 April 2001	69,132	69,132
31 March 2002	48,879	48,879

11 Fixed asset investments

Group	2002 £	2001 £
Market value of Portfolio at start of year	939,321	1,042,691
Held on deposit at start of year	500,000	1,000,000
Total market value at start of year	1,439,321	2,042,691
Additions	25,000	4,400
Disposals	(126,762)	(501,771)
Net investment (loss) in year	(43,943)	(105,999)
Total market value at 31 March	1,293,616	1,439,321
Market value of Portfolio at 31 March	893,616	939,321
Held on deposit at 31 March	400,000	500,000
Total market value at 31 March	1,293,616	1,439,321
Cost at 31 March	1,159,847	1,260,129
Cumulative unrealised gain	133,769	179,192

Notes to the financial statements (continued)

11 Fixed asset investments (continued)

	2002 £	2001 £
Sale proceeds	17,097	-
Historic cost of investment sold	15,617	-
Realised gains based on historic cost	1,480	-
UK Unit trusts	626,047	674,930
Overseas Unit Trusts	196,314	183,479
Cash	471,255	580,912
Total	1,293,616	1,439,321

In addition, the charity owns the whole of the issued share capital of £2 in The Baby Fund Trading Limited, a company incorporated in the UK. This company was formed to carry on the trading activities of the charity and profits are covenanted to the charity. The results of the trading subsidiary are shown in note 16.

12 Debtors

	Group		Charity	
	2002 £	2001 £	2002 £	2001 £
Trade debtors	259,897	64,267	40,883	33
Taxation recoverable	15,237	14,041	15,237	14,041
Amounts owed by subsidiary company	-	-	280,401	171,493
Prepayments and accrued income	57,248	32,682	28,045	32,682
	332,382	110,990	364,566	218,249

13 Creditors: amounts falling due within one year

	Group		Charity	
	2002 £	2001 £	2002 £	2001 £
Trade creditors	495,066	147,470	469,635	120,566
VAT payable	11,696	11,298	-	853
Medical grants outstanding within one year	1,420,000	1,989,108	1,420,000	1,989,108
Educational grant outstanding within one year	-	16,750	-	16,750
Amounts owed to subsidiary company	-	-	1,960	-
Accruals & Other creditors	138,725	53,933	30,154	28,699
	2,065,487	2,218,559	1,921,749	2,155,976

Notes to the financial statements (continued)

14 Creditors: amounts falling due after one year

	Group		Charity	
	2002 £	2001 £	2002 £	2001 £
Medical grants outstanding after one year	-	99,443	-	99,443

15 Statement of funds

	Balance 1 April 2001 £	Income £	Expenditure £	Transfers £	Investment gain £	Balance 31 March 2002 £
Unrestricted funds						
General fund	430,317	2,308,263	(1,899,346)	32,193	(43,943)	827,484
Designated funds						
Vitamins in Pre-eclampsia trial	100,000	-	-	-	-	100,000
Total designated funds	100,000	-	-	-	-	100,000
Total unrestricted funds	530,317	2,308,263	(1,899,346)	32,193	(43,943)	927,484
Restricted funds						
Research salary	12,240	-	-	(12,240)	-	-
Community midwives	2,886	103	-	-	-	2,989
Equipment fund	228	8	-	-	-	236
Other equipment funds	4,774	169	-	-	-	4,943
Prematurity book	1,388	50	-	-	-	1,438
NLCB Grant	-	41,609	(41,609)	-	-	-
Toxoplasmosis Information Programme	29,604	27,506	(16,712)	-	-	40,398
Medical advisory group grants	-	9,629	-	(9,629)	-	-
Maternal and Fetal Health Team, Manchester	-	181,876	(194,116)	12,240	-	-
Maternal and Fetal Health Team, London	-	37,425	(37,425)	-	-	-
Maternal and Fetal Health Team, London & Manchester	-	113,301	(126,840)	13,539	-	-
Vitamins in Pre-eclampsia trial	48,626	445	-	(36,103)	-	12,968
Total restricted funds	99,746	412,121	(416,702)	(32,193)	-	62,972
Total funds	630,063	2,720,384	(2,316,048)	-	(43,943)	990,456

Notes to the financial statements (continued)

Designated Funds

£100,000 had been designated by the trustees for the vitamins in pre-eclampsia trial. This is being carried out by the Maternal and Fetal Research Group at St Thomas' Hospital, London and is expected to begin at the end of 2002.

Restricted Funds

These are donations for specific projects as requested by the donors. The restrictions are as detailed above.

The charity awards grants each year and shows this expenditure in full as unrestricted expenditure. Of grants awarded in the previous year, donors contributed £9,629 during the year ended 31 March 2002. An adjustment has been made this year to the statement of financial activities to reflect the fact that these payments, previously charged to unrestricted funds, have been paid out of restricted funds, received in the current year to fund this specific expenditure.

Vitamins In Pre-eclampsia Trial included £13,539 from the Worshipful Company of Innholders, £11,282 from the Peacock Trust, and £11,282 from the Cleopatra Trust. The £13,539 has been transferred to Maternal and Fetal Health Team, London & Manchester. The Peacock Trust amount has been transferred to the unrestricted funds. The Cleopatra amount has been transferred to Medical Advisory Group Grants, which was then adjusted to the unrestricted funds.

Notes to the financial statements (continued)

16 Subsidiary company

The statement of financial activities and the consolidated balance sheet include the results, assets and liabilities of the charity's subsidiary, The Baby Fund Trading Limited, which undertakes fundraising activities on behalf of Tommy's The Baby Charity. The results of the subsidiary, which are consolidated on a line by line basis, are:

Profit and loss account

	Corporate 2001 £	Events 2001 £	Merchandise 2001 £	Total 2002 £	Total 2001 £
Turnover	111,700	837,211	3,136	952,047	974,650
Cost of Sales	(121,354)	(351,228)	(1,391)	(473,973)	(467,308)
Gross Profit	(9,654)	485,983	1,745	478,074	507,342
Interest Receivable				5,599	13,546
Administration costs				(53,275)	(49,751)
Net profit				430,398	(471,137)

Balance sheet

Fixed assets	-	-
Current assets	426,100	234,078
Current liabilities	(426,098)	(234,076)
Share capital	(2)	(2)

17 Related party transactions

Ian Fergusson and Anthony Kenney are members of the Women's and Children's Directorate of the Guy's and St Thomas' NHS Trust. Neither Trustee was awarded grants directly from the Charity. Grants totalling £ 362,766 (2001: £657,878) were made to Kings College London (Guy's, King's and St Thomas').

18 Commitments

There are no financial commitments other than those shown in the accounts and accompanying notes.

Notes to the financial statements (continued)

19 Charity balance sheet

as at 31 March 2002
Tommy's The Baby Charity

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Fixed assets					
Tangible assets	10	48,879	-	48,879	69,132
Investments	11	1,293,618	-	1,293,618	1,439,321
		<u>1,342,497</u>	<u>-</u>	<u>1,342,497</u>	<u>1,508,453</u>
Current assets					
Debtors	12	364,566	-	364,566	218,249
Short term deposits		872,759	62,972	935,731	1,102,817
Cash		269,411	-	269,411	55,963
		<u>1,506,736</u>	<u>62,972</u>	<u>1,569,708</u>	<u>1,377,029</u>
Creditors: amounts falling due within one year	13	(1,921,749)	-	(1,921,749)	(2,155,976)
Net current liabilities		<u>(415,013)</u>	<u>62,972</u>	<u>(352,041)</u>	<u>(778,947)</u>
Total assets less current liabilities		<u>927,484</u>	<u>62,972</u>	<u>990,456</u>	<u>729,506</u>
Creditors: amounts falling due after more than one year	14	-	-	-	(99,443)
Net Assets		<u>927,484</u>	<u>62,972</u>	<u>990,456</u>	<u>630,063</u>
Represented by					
Funds	15	<u>927,484</u>	<u>62,972</u>	<u>990,456</u>	<u>630,063</u>

The financial statements were approved by the Trustees on 13 June 2002.

Sally Tennant

Sally Tennant
Trustee

Ron Dennis

Ron Dennis
Trustee