

3266897

Index to financial statements 31 March 2008

	Page
Trustees and advisors	1
Trustees' report	2
Independent Auditors' report	10
Consolidated statement of financial activities	11
Consolidated balance sheet	12
Notes to the financial statements	13 - 24



Trustees and advisors

Constitution

Registered Charity No 1060508

Registered Company No 3266897 – Company limited by guarantee

Charity Registered in Scotland No SC039280

Patron

Sarah, the Duchess of York

President

Lord Foster

Trustees

Ron Dennis CBE

Co Chairman

Sally Tennant

Co Chairman

Anthony Kenney FRCS FRCOG

Richard Laphorne CBE

Dominic Proctor

Stephen Russell

Honorary Treasurer

Anita Charlesworth

Jeffrey Braithwaite

Resigned 26 June 2007

Judith Bollinger

John Hampel

Professor Phillip Bennett BSc PhD MD FRCOG

Chief Executive

Jane Brewin

Principal Address

Nicholas House

3 Laurence Pountney Hill

London

EC4R 0BB

Auditors

PKF (UK) LLP

Farringdon Place

20 Farringdon Road

London EC1M 3AP

Solicitors

Harbottle & Lewis LLP

Hanover House

14 Hanover Square

London W1S 1HP

Bankers

National Westminster Bank plc

91 Westminster Bridge Road

London SE1 7ZB

Trustees' Report

Objectives and Activities

Our goal remains to reduce the incidence of miscarriage, premature birth and stillbirth which cause so much suffering to more than a quarter of all parents across the UK

We believe that disseminating information can help parents to minimise the risks inherent in pregnancy whilst funding medical research which will increase our understanding of the fundamental causes and hence lead to identifying those most at risk and treating them

Our main objectives for the year were

- To grow our income on a sustainable basis year by year to fund our activities
- To continue to fund medical research at St Thomas' Hospital, London and St Mary's Hospital, Manchester
- To open a third research centre at the University of Edinburgh and Edinburgh Royal Infirmary in April 2008
- To continue to expand our information programme to mothers-to-be

This year we have made progress on our medical research projects and information programme. Full details are set out in the **Activities and Performance** section on page 3

In the current year grants were awarded to maternal and fetal research groups based at St Thomas' Hospital, Kings College London and St Mary's Hospital, Manchester University. Reports on their activities and proposed budgets were presented to the Trustees by Professors Poston and Baker, who lead the research centres, and were discussed and formally agreed.

We had a successful year in fundraising with income reaching £3.4 million, growing by 17 percent on last year. Further details are set out in the **Activities and Performance** section on page 5 and the **Financial Review** on page 7.

Structure, Governance and Management

The charity operates in the UK with its headquarters based in central London. The charity and trading subsidiary are governed by memorandum and articles of association.

New Trustees are nominated by existing Trustees and selected by majority vote. All new Trustees are inducted, the programme covers

- A meeting with the Co-Chairman
- The role of a Trustee including a copy of the memorandum and articles of association
- A meeting with the Chief Executive, staff and a visit to Tommy's offices
- Tommy's goals, strategy and main activities
- How Tommy's assess and manage risk
- Financial reporting and current performance of the charity including reserves policy
- Main areas of fundraising
- Our pregnancy information programme
- Our approach to communicating with our supporters and beneficiaries
- Our medical research programmes including a visit to one of our maternal and fetal research units
- Completion of Companies House documentation

Every year one third of the Trustees resign and can be nominated for re-election. Trustees meet four times a year and five Trustees sit on the Business Advisory Group which also meets three times a year and concentrates on our fundraising strategy. The groups' role has been agreed by the full Board of Trustees.

The Trustees have delegated the management of Tommy's to the Chief Executive who, together with the Finance Director, report on the performance against the budget and strategic plan, which are approved annually by the Trustees. Management accounts and the balance sheet are reviewed four times a year at the Trustees meetings and by the Business Advisory Group. Each month the Chief Executive reports to Sally Tennant, Co-Chairman on performance and key issues.

The majority of staff are engaged in fundraising activity which is detailed in the fundraising section of this report. Nine staff are employed in our pregnancy information department and PR department. The remaining five are employed in finance, IT support and office management duties.

The charity continues to occupy space owned by a company controlled by a Trustee, Ron Dennis CBE, which he has kindly allowed the charity to lease at a greatly discounted rate to the market place.

Trustees

Jeffrey Braithwaite decided to stand down as a trustee this year. The Board of Trustees would like to register their gratitude for the contribution he made to the charity.

Internal Financial Control and Risk Assessment

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

The systems of financial control are designed to provide all reasonable but not absolute assurance against material misstatement or loss. They include:

- A fundraising plan and annual budget approved by the Trustees
- Regular consideration by the Trustees of actual financial results compared with budgets and forecasts
- Authority to spend within defined limits
- Segregation of duties
- Consideration of risks by Trustees and line managers
- Compliance reviews by expert advisors

The key risks are identified as:

- Loss of business continuity due to a major incident in the City of London
- Loss of significant income
- Provision of information concerning pregnancy to women

Risks are formally reviewed by the Chief Executive, Finance Director and key staff each month and actions documented for follow up.

Activities and Performance

Research

Tommy's, the baby charity is committed to funding high quality medical research into the problems women experience during pregnancy which lead to the death of the baby or the birth of a low birth-weight baby. We aim to reduce the incidence of conditions such as miscarriage, pre-eclampsia and pre-term labour and help women reduce the risks inherent in pregnancy.

Tommy's research aims to understand the underlying mechanisms in both 'healthy' and 'problem' pregnancies so we can:

- Identify those most at risk of having a pregnancy problem
- Find ways to diagnose problems early on in pregnancy before they become medical emergencies
- Test treatments and interventions that are safe and effective for women during pregnancy
- Provide evidence based information to women to improve their pregnancy outcome

Tommy's has invested £1,351,885 this year in medical research including:

- Maternal and Fetal Research Unit at St Thomas' Hospital, London - £400,000
- Maternal and Fetal Research Unit at St Mary's Hospital, Manchester - £399,508
- Maternal and Fetal Research Unit at the University of Edinburgh at the Royal Infirmary - £398,291

Results from Tommy's funded studies help the groups to attract funding for further and larger studies, effectively multiplying our contribution to up to ten times over the initial investment.

Maternal and Fetal Research Unit at St Thomas' Hospital, London headed by Professor Lucilla Poston and Professor Andrew Shennan

- The pregnancy outcome for first time obese mothers was studied, they have high rates of caesarean section, pre-eclampsia and fetal growth restriction leading to small babies. The study suggests that clinicians should be aware that scanning for growth restriction is advisable in this group. The details we collected on the diet of these women will be helpful in designing potential intervention studies.
- The research group completed the PULSE study which has shown that the pulsed delivery of oxytocin in labour gives the same outcome in induced women as the continuous delivery of the drug in terms of numbers of caesarean sections. However there was less fetal distress. So if clinicians use less of the drug the outcome is as good if not better than conventional practice, so we're recommending that national protocols should be revisited.
Very importantly the study shows that oxytocin protocols for induction of labour and augmentation of labour should be separately considered.
- The research group has continued to recruit first time mothers-to-be into the MAPS study which looks to find the best predictive markers of pre-eclampsia, growth restriction and pre-term birth. A number of studies looking at markers in the blood and other body fluids, clinical measurements of the uterus and placenta are underway. We hope to be able to identify those women most at risk and in so doing concentrate medical care on them before mother or baby are adversely affected.
- The team are investigating the physiological processes and cellular and molecular mechanisms whereby a baby's exposure to an aberrant hormonal or nutritional environment in pregnancy and lactation gives rise to increased risk of obesity and associated disorders in later life.
- The team are assessing the efficacy of abdominal stitches to the uterus in preventing premature birth – previous studies have shown that stitches lower down the uterus are ineffective at preventing premature birth but it is hoped that placing the stitch higher up may be effective in helping pregnancies to go full term. In this way we can improve the outcome of many pregnancies which currently end too soon so improving the survival rates and health of the baby.
- Professor Poston has been awarded a grant to study the impact of an exercise programme in obese pregnant women. It is hoped that by encouraging women to take regular modest exercise it will improve the outcome of the pregnancy and reduce the number of sickly babies.

Maternal and Fetal Research Unit at St Mary's Hospital, Manchester headed by Professor Colin Sibley

- Adequate placental development and function are essential for a healthy pregnancy. The group are investigating a number of projects from inception through to late gestation. One project is looking at replicating the first steps of early pregnancy and finding biomarkers which indicate when the uterus is receptive to receiving the embryo.
- The placenta develops a specialised layer of cells which control the baby's nutrient and waste exchange – the team is looking at how these cells are constantly renewed during pregnancy.
- The research team has discovered that the placentas of teenage mothers transport nutrients to the baby less effectively than adult mothers and this helps to account for why they tend to have small babies. We are now assessing how we could intervene in this process to improve outcomes.
- A study has shown that the risk of schizophrenia and related disorders are increased in the children of women who suffer extreme levels of stress in the first three months of pregnancy – this adds further evidence that women should avoid stress as much as possible during pregnancy.
- A placenta clinic is being established in St Mary's to collect data about pregnancy hormone levels, blood flow in the placenta and the structure of the placenta – it is hoped that we will be able to identify those women who are at increased risk of stillbirth or a growth restricted baby. It will help clinicians to target care earlier in pregnancy to those in most need.
- Diabetes is a common problem in pregnancy leading to many complications. The research team are investigating how raised levels of blood sugar affect the function of the blood vessels supplying the baby.
- The team have undertaken a review of the methods used to count fetal movements. They have found that current practise is non-evidence based and that the mother's perception of reduced movements by the baby in the uterus is a reliable prediction of the baby's morbidity and mortality. The team are now going on to investigate whether educating women to count fetal movements can reduce the incidence of stillbirths.

Research performance indicators

Our research centres in London and Manchester completed their first annual reports measuring their research effectiveness. The measures included

- How successful they were in raising funds from other sources
- Success rate of their applications
- Projects finished on time and on budget

- Number of academic papers and their impact factor
- Number of patents
- Significant contributions to improvements in maternal and fetal health such as prediction, diagnosis and management

This information will be published on the website from September 2008

Two important projects were completed during 2008

Cost of prematurity project – Oxford NPEU

We funded a project to assess the economic and health costs of being born premature up to the age of 18. We have shown that there are considerable costs involved with caring for premature babies not only in the first few months of life but through-out childhood and into early adulthood not only in healthcare but also in education and social care. We are briefing the relevant government departments to help inform the debate about how important our work is to reduce the number of babies born prematurely in the UK.

Teenage pregnancy project

Our project to assess the impact of diet, growth status and ethnicity in the outcome of teenage pregnancies was completed in 2007. We confirmed that teenage women do have poorer pregnancy outcomes than older mothers. We showed an important link between insufficient vitamin D and folic acid with small for gestational age babies. We also demonstrated that many of the girls are anaemic and that girls with too much fat deposits or indeed too little tend to have poorer pregnancy outcomes.

We are working with the Department of Health to implement our findings amongst young women and the health professionals who care for them.

Maternal and Fetal Research Unit at The Royal Infirmary/University of Edinburgh, headed by Professor Jane Norman and Professor Andrew Calder

Tommy's third centre was opened in Edinburgh on 10th April 2008 by Sarah Brown. We have brought together the expertise of the scientists at the University with the new Royal Infirmary and other research funders including the Jennifer Brown research unit. The centre will focus attention and resources on the detrimental impact that obesity is having upon pregnancy outcome for both mothers and babies in the UK. Our thanks go to Professor Andrew Calder for helping us to get this centre up and running so smoothly.

Education and Information

We provide pregnancy information, free to the end user, to health professionals and direct to the general public. By improving availability of evidence based pregnancy information we aim to help reduce the risks inherent in pregnancy.

Pregnancy information is distributed in the following ways: website www.tommys.org, pregnancy information line and publications.

Developments this year included:

- Developing a pregnancy guide for young women incorporating the research findings from the About Teenage Eating study and working very closely with young women to tailor the information and style to their needs.
- We were very fortunate to gain a grant from the Department of Health to help encourage women to quit smoking when they are pregnant and to offer advice to obese women to minimise the impact on their own and their baby's health.
- Updating our pre pregnancy guide which offers advice to women on how to maximise their chances of a healthy pregnancy.
- We are continuing to offer an excellent service on our telephone information line staffed by midwives. We are producing an annual report measuring the effectiveness of this service and this is available to stakeholders. We are implementing new software to measure unmet demand for the service during the evenings and at week-ends with a view to developing plans to expand the opening hours.
- We continue to distribute our pregnancy information publications as widely as we can.

Overall demand for our services has been high, with over 180,000 publications being sent out during the year.

Fundraising

We continued to fund our activities almost entirely from voluntary income from companies, trusts and foundations and individuals.

This year, we built on our successful partnerships with Asda, New Look and Johnson & Johnson. Asda raised money for our research work as well as promoting our pregnancy information service across the UK. New Look once again supported us with an in-store promotion selling t-shirts, pin badges and bags whilst employees organised activities to raise money as well. We are very grateful for their commitment to Tommy's and the resources they put at our disposal to promote Tommy's in their stores across the country.

Johnson & Johnson continued to support us by sponsoring Pregnancy Health Month which highlights how parents can improve their health, and that of their baby during pregnancy - the funds raised have gone to support our Pregnancy Information Service.

We are extremely grateful to everyone who voted for us enabling us to win a donation of £100,000 from The Royal Bank Of Scotland at Christmas. We were also pleased to receive a very generous donation from Simply Health just before Christmas.

We were successful in being awarded our second three year grant from the Department of Health. We will be working together on devising pregnancy information for high risk groups and ensuring they have access to the most appropriate pregnancy information. We will continue to seek partnerships with other government departments to deliver the best pregnancy information service.

We made excellent progress in our fundraising from Trusts and Foundations this year, in particular with raising money for our new centre in Edinburgh. The team received donations from many organisations such as The Garfield Weston Foundation, Standard Life and The Robertson Trust which enabled us to open our third research centre on schedule. We have also recruited new trusts to fund our medical research and high-risk pregnancy information work including the City Bridge Trust, the Clothworkers' Foundation, the Austin and Hope Pilkington Trust and the Oglesby Charitable Trust.

Support from individuals makes an extremely important contribution to Tommy's activities - as in previous years we have had a busy year. Our annual children's sponsored event, Splashathon had its best year ever and our thanks goes to all the participants from Water Babies for helping to achieve this. Running events continue to be popular with Tommy's supporters whilst others partied, climbed, jumped, walked and dressed up, all to raise money for Tommy's. Our thanks go to each and everyone of them for their amazing efforts on our behalf.

Last year we stated that our priority was to maximise our income from individuals making regular cash gifts to Tommy's and we been successful in achieving the targets we set. We will build on this success next year.

Our task for the coming year is to build on the progress we have made this year and persuade many more companies and individuals to support our great cause.

Working with Government

We recognise the increasing priority that the Government is giving to improving the health of children including the realisation that wellbeing during childhood and adulthood starts with a healthy pregnancy and birth. We are working more closely with the Department of Health to inform them of evidence based changes to healthcare that we recommend for pregnant women. We are also grateful for their support in helping us to implement programmes to improve the health of high risk pregnant women.

Communication

We have continued to advertise Tommy's, the baby charity, to the general public to raise awareness about who we are and what we do. We have received very generous help from JWT and MindShare who have donated their services once more. With their support we have been able to reach more people who have helped us to raise more money to fund our information and medical research projects.

Following the success of advertising our pregnancy information service last year, Johnson & Johnson extended their funding of our joint advertising campaign. We continued to see impressive results with sizable increases in demand across our telephone, email and web services.

We have again received the help of some very prominent and committed celebrity supporters who have helped us to publicise our cause. Our thanks go to Jenny Frost, Lucy Pargeter, Penny Lancaster Stewart, Natasha Hamilton, Carrie and David Grant, Dr Linda Papadopoulos, Philippa Forrester, Will Greenwood and Lewis Hamilton for all their help and their valuable time which they give freely to support our cause.

We have had another excellent year of PR coverage – with Tommy's featured in 97 articles appearing in the national newspapers and 20 items on television up by more than 20 percent from last year

Financial Review

Income this year stands at £3,453,129 which is £90,911 less than our target for the year, but an impressive 17 percent increase on last year. This income growth is particularly encouraging as the charity has changed the emphasis of fundraising. We have moved from large events funding, with its associated high costs and an increasing uncertainty of the level of returns, to investment in recruitment of regular supporters during the year. £3,330,354 was raised from fundraising activities.

A significant part of the charitable activities that Tommy's funds is outsourced to university based research centres, rather than being performed in-house. The charity acts as a fundraising vehicle in order to create the funding for these grants. A consequence of this structure is that a higher proportion of support costs are attributed to fundraising rather than charitable activities, inflating the cost/income ratio compared to other charities. Tommy's fundraising structure is unusual because we invest in recruiting individual supporters and community supporters with high associated cost/income ratios, and virtually no income from statutory funding or legacies which have a low cost/income ratio. This means that our cost/income ratio seems higher than some other, often much larger and more established organisations, who have a very different structure of fundraising. Our cost/income ratio is 35% which is lower than our target of 36%, in line with other grant making charities.

Tommy's continues to invest in attracting and retaining regular donations which will provide the charity with a much needed source of regular income.

We have taken the decision this year to invest in making our processes more efficient including investing in a new finance system and streamlining our processes in readiness for purchasing a new database. We have also invested in a better understanding of our supporters' needs so that we can meet them more effectively.

Of our charitable spend of £2,549,564, £1,351,885 was invested in research grants and £1,197,679 was invested in our information programme.

Tommy's trading subsidiary made profits of £477,458 which were transferred to the charity.

Reserves policy

The reserves policy is that seven months anticipated unrestricted fund expenditure should be maintained to cover charitable expenditure, staff salaries, overheads and a proportion of fundraising costs. At the year end unrestricted funds stood at £899,194 in line with this policy.

Key Performance Indicators

KPI	Target	Result
Income	£3,544k	Below budget
Expenditure:		
Cost of generating funds	£1,288k	Under budget
Charitable	£2,181k	Over budget
Cost/income ratio	36%	35%
Research performance	<ul style="list-style-type: none"> ➤ Satisfactory annual reports completed for MFRU's and current project grants ➤ Successful audit of MFRU's completed 	Completed Completed
Information performance	<ul style="list-style-type: none"> ➤ Publications distributed on target ➤ Phone enquires answered on target 	Completed Completed
Communication	<ul style="list-style-type: none"> ➤ Coverage maximised in all available media 	Completed
Planning & Administration	<ul style="list-style-type: none"> ➤ Satisfactory audit report ➤ Annual budget and plan completed ➤ Risk assessments completed 	Completed Completed Completed

Plans for future periods

The charity's future plans are a continuation of the current strategy

- To grow our income on a sustainable basis year by year to fund our activities
- To continue to fund medical research at St Thomas' Hospital, London and St Mary's Hospital, Manchester and the Royal Infirmary/University of Edinburgh
- To continue to reach more mothers-to-be with our pregnancy information service

Statement of Trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees are required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group, including its income and expenditure, for that period. In preparing these financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable 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 charity 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 charity and 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.

Each of the trustees has confirmed that so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

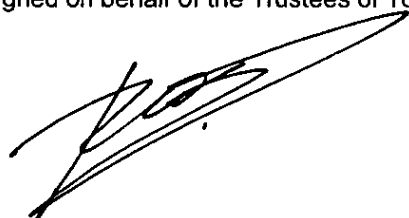
Auditors

A resolution for the reappointment of PKF (UK) LLP as auditors will be proposed at the annual meeting for the ensuing year.

Chairmen's Statement

"The past year has been historic for the charity, resulting in the opening Tommy's third maternal and fetal research centre at the Royal Infirmary/University of Edinburgh. Opening our third centre not only provides an opportunity to conduct further research into the impact of obesity on pregnancy, but to promote and advance collaborative research between the Tommy's centres. We are still delivering outstanding research programmes which move us closer to our goal of a healthy pregnancy for all and we are proud to have helped many parents through our pregnancy information service. In fundraising we have had our best year yet in trusts fundraising, gifts from individual supporters and from campaigns such as the London Marathon and our Splashathon campaign. Our heartfelt thanks go to all our supporters - with their help we are making a real difference - and to our staff for their hard work and commitment to managing the charity's resources effectively."

Signed on behalf of the Trustees of Tommy's, the baby charity



Ron Dennis CBE
Co-Chairman
26th June 2008



Sally Tennant
Co-Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOMMY'S THE BABY CHARITY

We have audited the group and parent entity financial statements ('the financial statements') of Tommy's the baby charity for the year ended 31 March 2008 which comprise the consolidated statement of financial activities, the consolidated and entity balance sheets, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the company for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity 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 trustees' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent entity's affairs as at 31 March 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the trustees' report is consistent with the financial statements.


PKF (UK) LLP
Registered auditors

London, UK
26 June 2008

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

For the year ended 31 March 2008

	Notes	Unrestricted funds £	Restricted funds £	Total 2008 £	Total 2007 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
-Voluntary income	2	1,803,957	318,884	2,122,841	1,383,174
-Corporate sponsorship, promotions and events	3	690,416	248,350	938,766	1,121,815
-Regional fundraising		212,514	-	212,514	207,489
-Investment income and interest	4	106,174	16,591	122,765	133,786
<i>Incoming resources from charitable activities</i>					
-Big Lottery		-	19,363	19,363	76,727
-Department of Health – Teenage pregnancy project		-	36,880	36,880	30,000
Total incoming resources		2,813,061	640,068	3,453,129	2,952,991
Resources expended					
<i>Cost of generating funds:</i>					
- costs of generating voluntary income		838,239	1,038	839,277	666,242
- costs of corporate sponsorship, promotions & events		281,444	-	281,444	272,944
- costs of regional fundraising		82,730	-	82,730	111,125
		1,202,413	1,038	1,203,451	1,050,311
<i>Charitable expenditure</i>					
Medical research costs	5	1,128,572	223,313	1,351,885	973,927
Education and information projects	6	916,836	280,843	1,197,679	1,057,489
		2,045,408	504,156	2,549,564	2,031,416
Governance	7	12,328	-	12,328	18,847
Total resources expended	7,8,9	3,260,149	505,194	3,765,343	3,100,574
Net (outgoing)/incoming resources before transfers		(447,088)	134,874	(312,214)	(147,583)
Transfer between funds		85,304	(85,304)	-	-
Gains in investment assets		-	-	-	4,652
Net movement in funds		(361,784)	49,570	(312,214)	(142,931)
Fund balances brought forward		1,260,978	270,108	1,531,086	1,674,017
Fund balances carried forward	16	899,194	319,678	1,218,872	1,531,086


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.

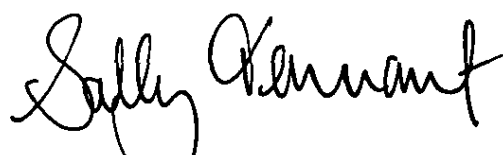
Consolidated balance sheet

31 March 2008

	Notes	Unrestricted funds £	Restricted funds £	Total 2008 £	Total 2007 £
Fixed assets					
Tangible assets	12	<u>204,239</u>	<u>-</u>	<u>204,239</u>	<u>31,380</u>
Current assets					
Debtors	14	649,373	-	649,373	528,385
Short term deposits		1,810,243	319,678	2,129,921	2,725,644
Cash at bank and in hand		<u>48,369</u>	<u>-</u>	<u>48,369</u>	<u>-</u>
		<u>2,507,985</u>	<u>319,678</u>	<u>2,827,663</u>	<u>3,254,029</u>
Creditors amounts falling due within one year	15	<u>(1,813,030)</u>	<u>-</u>	<u>(1,813,030)</u>	<u>(1,783,030)</u>
Net current assets		<u>694,955</u>	<u>319,678</u>	<u>1,014,633</u>	<u>1,499,706</u>
Total assets less current liabilities		<u>899,194</u>	<u>319,678</u>	<u>1,218,872</u>	<u>1,531,086</u>
Creditors: amounts falling due after one year	15	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Assets		<u>899,194</u>	<u>319,678</u>	<u>1,218,872</u>	<u>1,531,086</u>
Represented by					
Funds	16	<u>899,194</u>	<u>319,678</u>	<u>1,218,872</u>	<u>1,531,086</u>

The financial statements on pages 11 to 24 were approved and authorised for issue by the Trustees on 26 June 2008


 Ron Dennis CBE
 Trustee


 Sally Tennant
 Trustee

The accompanying notes form an integral part of this consolidated balance sheet The charities own balance sheet is set out in Note 20

Notes to the financial statements

For the year ended 31 March 2008

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with applicable accounting standards and "Accounting and Reporting by Charities" (SORP 2005).

b) Basis of consolidation

The group financial statements include the results for the year ended 31 March 2008 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 17.

c) Funds accounting

Unrestricted General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. 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 16.

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.

e) Deferred Income

Deferred income comprises of amounts received in respect of fundraising events to be held in the following financial year, or amounts awarded from a funding body to be spent in the following financial year.

f) Gifts in kind

Gifts in kind are assets donated to the charity for its own use or for distribution to beneficiaries. They are included at valuation and recognised as income only when they are used or distributed.

g) Medical research grants

Each year, the Maternal and Fetal Research Units present their proposed research and budgets for the following year in order to gain authorisation for the funding from the trustees. Once authorised, the costs are recognised by the charity as expenditure in the current financial year.

Notes to the financial statements (continued)

1 Accounting policies (continued)

g) Allocation of expenditure

Expenditure is classified under the principal headings of direct charitable and cost of generating funds 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 an utilisation basis, assessed by staff time on each activity.

Governance costs comprise of cost relating to governance infrastructure of the charity such as audit fees and apportioned costs of senior management time. In accordance with SORP 2005, support costs which include the central functions such as Information Technology, Human Resources and Office operating costs have been allocated to activities on an utilisation basis, assessed by staff time on each activity.

h) Operating Leases

Operating lease rental are charged to the Statement of Financial Activities on a straight line basis over the lease term.

i) Capitalisation and Depreciation of tangible fixed assets

Assets costing more than £1000 are capitalised and depreciated. Furniture and equipment is depreciated over two years, whilst new systems expenditure is depreciated between three years and six years to reflect their estimated useful economic lives to the charity.

Website development costs are capitalised in line with UITF 29, where there are reasonable grounds for supposing that the economic benefits from future donations will be in excess of website development costs incurred.

j) Current Asset Investments

Tommy's does, from time to time, receive donated shares which are listed on the AIM market and which are subject to certain time restrictions. Until these restrictions are met the shares cannot be actively traded on the market. Tommy's policy, due to the volatility of these shares is to dispose of them as soon as the time restriction has passed and the shares can be actively traded and sold.

Where such shares are donated and can be valued they are included in the financial statements as current asset investments until such time as they can be sold. Shares held by Tommy's which cannot be valued owing to the absence of an active market in which to sell them are disclosed separately.

k) 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 gift aid payment 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.

Notes to the financial statements (continued)

1) Pension Policy

Tommy's the baby charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered scheme. The pension cost charge represents the amounts payable by Tommy's the baby charity amounting to £27,397 (2007: £12,016).

2 Voluntary Income

	2008 £	2007 £
Public donations	1,290,918	1,035,533
Legacies	100	2,082
Corporate	541,107	228,344
Trusts	290,716	117,215
	<u>2,122,841</u>	<u>1,383,174</u>

3 Corporate sponsorship, promotions and events

	2008 £	2007 £
Corporate sponsorship and promotions	864,382	1,100,246
Events	74,384	21,569
	<u>938,766</u>	<u>1,121,815</u>

4 Investment income and interest

	2008 £	2007 £
Interest	<u>122,765</u>	<u>133,786</u>

Notes to the financial statements (continued)

5 Grants for medical research

	2008 £	2007 £
The charge for the year for research consists of the following		
Grants awarded during the year		
- Maternal and Fetal Health Team, St Thomas' Hospital, London	400,000	399,999
- Maternal and Fetal Health Team, St Mary's Hospital, Manchester	399,508	485,000
- Maternal and Fetal Health Team, University of Edinburgh	398,291	-
- Previous years grants not fully taken up	(28,407)	(132,301)
	<u>1,169,392</u>	<u>752,698</u>
Other research costs	163,130	73,382
Donation of Equipment to St Mary's Hospital, Manchester	-	71,120
The impact of diet on teenage pregnancy outcome – future reimbursements	19,363	76,727
	<u>1,351,885</u>	<u>973,927</u>
Total research costs		
Outstanding grants at 1 st April 2006	1,369,671	1,742,051
Grants awarded during the year	1,197,799	752,698
Paid during the year	(1,063,682)	(1,125,078)
	<u>1,503,788</u>	<u>1,369,671</u>
Outstanding grants at 31 March 2007		
Grants falling due within one year	1,503,788	1,369,671
Grants falling due after more than one year	-	-
	<u>1,503,788</u>	<u>1,369,671</u>

Details of grants awarded in the previous year are available on written request to the principle address detailed on page 1

Notes to the financial statements (continued)

6 Education and information projects

	2008 £	2007 £
Parent Friendly Awards	121,385	102,839
Pregnancy Health Month & Stop Premature Births Campaigns	173,536	232,678
Pregnancy Accreditation	39,191	60,458
Information Provision	110,574	232,436
Midwife Pregnancy Helpline	120,103	73,886
Publications production and distribution	179,160	146,636
Public Relations	139,775	94,473
Teenage Pregnancy Project	190,245	8,260
Website	29,454	7,789
Supporter Newsletter	34,676	47,944
Advertising	59,580	50,090
	<u>1,197,679</u>	<u>1,057,489</u>

7 Analysis of resources expended

	Staff costs £	Direct costs £	Allocated Support Costs £	Total 2008 £	Total 2007 £
Cost of generating funds					
Donations and Legacies	180,504	572,748	86,025	839,277	666,242
Corporate sponsorship, promotions and events	126,871	95,362	59,211	281,444	272,944
Regional Fundraising	47,870	15,503	19,357	82,730	111,125
	<u>355,245</u>	<u>683,613</u>	<u>164,593</u>	<u>1,203,451</u>	<u>1,050,311</u>
Charitable expenditure					
Medical research	61,691	1,251,393	38,801	1,351,885	973,927
Education and Information projects	567,982	384,802	244,895	1,197,679	1,057,489
	<u>629,673</u>	<u>1,636,195</u>	<u>283,696</u>	<u>2,549,564</u>	<u>2,031,416</u>
Governance	<u>-</u>	<u>12,328</u>	<u>-</u>	<u>12,328</u>	<u>18,847</u>
Total	<u>984,918</u>	<u>2,332,136</u>	<u>448,289</u>	<u>3,765,343</u>	<u>3,100,574</u>

Details of allocated support costs are set out in note 8

Governance costs include fees paid to our auditors in respect to the audit for the group of £10,300 (2007 £9,800)
There were no further costs for other services (2007 £4,500) paid to our auditors

Notes to the financial statements (continued)

8 Analysis of allocated support costs

	Information Technology	Human Resources	Office Operating Costs	Total 2008	Total 2007
	£	£	£	£	£
Cost of generating funds					
Donations and Legacies	26,011	12,577	47,437	86,025	65,530
Corporate sponsorship, promotions and events	17,903	8,657	32,651	59,211	52,792
Regional Fundraising	5,853	2,830	10,674	19,357	23,097
	<u>49,767</u>	<u>24,064</u>	<u>90,762</u>	<u>164,593</u>	<u>141,419</u>
Charitable expenditure					
Research	11,732	5,673	21,396	38,801	10,540
Education and Information projects	74,048	35,804	135,043	244,895	158,034
	<u>85,780</u>	<u>41,477</u>	<u>156,439</u>	<u>283,696</u>	<u>168,574</u>
Governance	-	-	-	-	2,607
Total	<u>135,547</u>	<u>65,541</u>	<u>247,201</u>	<u>448,289</u>	<u>312,600</u>

Included in the office operating costs are the office rent, service charges, rates and associated equipment running costs. The costs are allocated based on time allocated by the staff to the associated activities.

Notes to the financial statements (continued)

9 Staff costs

	2008 £	2007 £
Salaries and wages	822,563	812,903
Social security costs	77,177	80,766
Pension costs	27,397	12,016
Temporary staff costs	50,739	51,514
Consultant costs	7,042	31,635
	<u>984,918</u>	<u>988,834</u>

The emoluments for the year of 1 member of staff including benefits in kind are within the range of £100,000 to £109,999 (2007—1 member within the range of £100,000 - £109,999) Contributions amounting to £7,911 (2007 - £4,817) were also 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

	2008 Number	2007 Number
Charitable activities	9	9
Cost of generating funds	10	12
Management and administration of the charity	5	5
	<u>24</u>	<u>26</u>

10 Trustees

The Trustees received no remuneration or reimbursed expenses during the year (2007 - £Nil)

11 Other Commitments

At 31 March 2008 the Charity had annual commitments under operating leases for land and buildings as follows

Expiring within	2008 £	2007 £
Two and five years	<u>59,000</u>	<u>59,000</u>

Notes to the financial statements (continued)

12 Tangible fixed assets

	Group £	Charity £
Office equipment		
Cost		
1 April 2007	339,290	339,290
Additions	241,065	241,065
31 March 2008	580,355	580,355
Depreciation		
1 April 2007	307,910	307,910
Charge for the year	68,206	68,206
31 March 2008	376,116	376,116
Net book value		
1 April 2007	31,380	31,380
31 March 2008	204,239	204,239

13 Fixed asset investments

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 17.

Notes to the financial statements (continued)

14 Debtors

	Group		Chanty	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	484,326	399,102	42,895	192,333
Taxation recoverable	15,505	8,223	15,505	8,223
Amounts owed by subsidiary company	-	-	729,876	678,351
Prepayments and accrued income	149,542	101,697	140,576	99,908
Accrued Income from the Big Lottery	-	19,363	-	19,363
	<u>649,373</u>	<u>528,385</u>	<u>928,852</u>	<u>998,178</u>

15 Creditors: amounts falling due within one year

	Group		Chanty	
	2008	2007	2008	2007
	£	£	£	£
VAT payable	20,402	28,164	-	-
Medical grants outstanding	1,503,788	1,369,671	1,503,788	1,369,671
Bank overdraft	-	175,931	-	236,660
Amounts owed to subsidiary company	-	-	13,703	-
Accruals, deferred income and other creditors	288,840	180,557	260,380	167,787
	<u>1,813,030</u>	<u>1,754,323</u>	<u>1,777,871</u>	<u>1,774,118</u>

Amounts falling due after one year

Medical grants outstanding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
----------------------------	----------	----------	----------	----------

Notes to the financial statements (continued)

16 Statement of funds

	Balance 1 April 2007 £	Transfer £	Income £	Expenditure £	Balance 31 March 2008 £
<u>Unrestricted funds</u>					
General funds	1,260,978	85,304	2,813,061	(3,260,149)	899,194
<u>Restricted funds</u>					
Toxoplasmosis Information Programme	18,240	-	-	(18,240)	-
Impact of diet on teenage pregnancy outcome project	23,429	-	19,363	(42,792)	-
Anti-oxidant therapy study, University of Oxford	12,826	26,030	813	(24,004)	15,665
Long Term Cost of Prematurity project, Oxford NPEU	-	-	1,000	(1,000)	-
Placental Function study, University of Nottingham	4,184	-	-	(4,184)	-
Information Service	-	-	9,000	(9,000)	-
Johnson & Johnson information provision	111,334	(111,334)	200,000	(200,000)	-
PULSE trials	45,790	-	-	(45,790)	-
Scope Project	15,591	-	-	(15,591)	-
Maternal and Fetal Health Team, Manchester	-	-	14,646	(2,000)	12,646
Maternal and Fetal Health Team, London	-	-	78,649	(78,649)	-
Maternal and Fetal Health Team, Edinburgh	-	-	221,972	-	221,972
Department of Health, Teenage Pregnancy Project	17,858	-	38,284	(29,089)	27,053
Teenage Pregnancy Project – other funding	17,657	-	48,598	(23,913)	42,342
Training	1,039	-	-	(1,039)	-
In memorandum web project	-	-	600	(600)	-
Pregnancy Monitoring Equipment	2,160	-	7,143	(9,303)	-
Total restricted funds	270,108	(85,304)	640,068	(505,194)	319,678
Total funds	1,531,086	-	3,453,129	(3,765,343)	1,218,872

Restricted Funds

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

The transfers represent movements between funds resulting from a revision of the historic allocation of costs.

The difference between the income from the Department of Health for the Teenage Pregnancy project on this note and that on the face of the Statement of Financial Activities relates to interest charged for the year on the fund in accordance with SORP 2005.

Notes to the financial statements (continued)

17 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 2008 £	Events 2008 £	Total 2008 £	Total 2007 £
Turnover	744,364	65,941	810,305	704,764
Cost of Sales	(180,557)	(20,271)	(200,828)	(222,743)
Gross Profit	563,807	45,670	609,477	482,021
Interest Receivable			14,252	12,813
Administration costs			(146,271)	(96,963)
Net profit			477,458	397,871

Balance sheet

Fixed assets		
Current assets	794,100	719,287
Current liabilities	(794,098)	(719,285)
Net Assets	2	2

18 Related party transactions

In the year Tommy's incurred rental costs of £59,000 for land and buildings payable to a company wholly owned by Mr Ron Dennis, a Trustee. The rental agreement has been renewed until 23rd June 2012.

19 Commitments

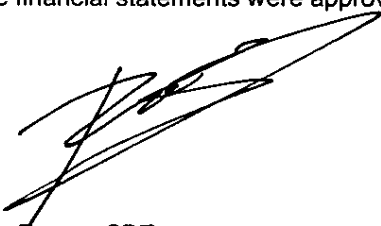
There are no financial commitments other than those shown in the accounts and accompanying notes.


Notes to the financial statements (continued)

20 Charity balance sheet

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Fixed assets					
Tangible assets	12	204,239	-	204,239	31,380
Investments	13	2	-	2	2
		<u>204,241</u>	<u>-</u>	<u>204,241</u>	<u>31,382</u>
Current assets					
Debtors	14	928,852	-	928,852	998,178
Short term deposits		1,480,243	319,678	1,799,921	2,275,644
Cash		63,729	-	63,729	-
		<u>2,472,824</u>	<u>319,678</u>	<u>2,792,502</u>	<u>3,273,822</u>
Creditors: amounts falling due within one year	15	<u>(1,777,871)</u>	<u>-</u>	<u>(1,777,871)</u>	<u>(1,774,118)</u>
Net current assets		<u>694,953</u>	<u>319,678</u>	<u>1,014,631</u>	<u>1,499,704</u>
Total assets less current liabilities		<u>899,194</u>	<u>319,678</u>	<u>1,218,872</u>	<u>1,531,086</u>
Creditors: amounts falling due after more than one year	15	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets		<u>899,194</u>	<u>319,678</u>	<u>1,218,872</u>	<u>1,531,086</u>
Represented by					
Funds	16	<u>899,194</u>	<u>319,678</u>	<u>1,218,872</u>	<u>1,531,086</u>

The financial statements were approved by the Trustees on 26 June 2008


Ron Dennis CBE
Trustee


Sally Tennant
Trustee