



ARTHUR ANDERSEN

Tommy's Campaign

Financial statements 31 March 2001
together with trustees' and auditors' reports

Registered Charity number: 1060508

Registered Company number: 3266897



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Trustees and advisors

Constitution

Registered Charity No. 1060508

Registered Company No. 3266897 – Company limited by guarantee

Patron

Sarah, the Duchess of York

President

Lord Palumbo of Walbrook

Trustees

Ian Fergusson FRCS FRCOG

Chairman

Anthony Kenney FRCS FRCOG

The Hon Mrs James Nelson

John Dalton

Honorary Treasurer

Tom Shields QC

Dominic Proctor

Sally Tennant

Ron Dennis CBE

David Gibbons

(resigned 3 January 2001)

Bea Teuten

(appointed 8 June 2000)

Chief Executive

Jane Brewin

Principal Address

1 Kennington Road

London

SE1 7RR

Auditors

Binder Hamlyn

20 Old Bailey

London EC4M 7BH

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 2001

Introduction

2000-2001 has been a year in which Tommy's Campaign has consolidated its strong position and developed plans for the future. Increasing income to £2.6 million has been a solid performance and plans are now prepared for the next two years in terms of fundraising and research funding priorities. Our purpose remains the same; we aim to reduce the incidence of miscarriage, premature birth and stillbirth by funding medical research and providing information. We continue to try and find ways in which we can raise more funds so that we can fund more research and information so that fewer babies die during pregnancy or at birth.

Organisation

The Charity is based in the UK with its headquarters in London and a regional fundraising office in Manchester.

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. In addition they have formed two groups; the Business advisory group (BAG) which assists the Charity in its fundraising and communications objectives and the Medical Advisory Committee (MAC) which advises the Charity on its Medical Research strategy. The role of both these groups has been agreed by the entire board of Trustees.

The majority of staff are employed in the activity of raising funds, the details of which are contained within the fundraising section of this report.

Research

Tommy's Campaign has invested a total of £1.33 million in medical research this year in the following areas:

- We have given very significant financial support to the successful maternal and fetal research group based at St Thomas' Hospital in London where we established our first Chair. We have funded the groups work on:
- The PREMET clinical trial which aims to establish if intrauterine infection is a major cause of premature birth.
- The myometrial group which is investigating the processes underlying parturition and aims to develop therapeutic approaches for pre-term and dysfunctional labour.
- Another cause of pre-term labour called antiphospholipid syndrome (APS), investigating the mechanisms underlying the problems faced by these women.
- We have designated £100,000 for the vitamins in pre-eclampsia trial which is currently with the MRC for funding approval. Tommy's Campaign will use its expertise in devising the communication materials for the trial. It has been a time of frustration for us all as funding for this vital trial has been delayed twice. We are hopeful that the trial will finally be given approval to proceed in July 2001.

Chairman's report (continued)

- We are funding an evaluation of alternative blood pressure measuring devices which we hope will contribute significantly to the more accurate measurement of this vital sign which is so critical to the wellbeing of women during pregnancy.
- We have spent £200,000 on the refurbishment of the centre to bring it up to international standards and so in total we have invested £603,400 in Professor Poston's group this year.

We launched the appeal for our centre of maternal and fetal health in Manchester in October 2000. Professor Philip Baker began work in March 2001 once the centre had been refurbished. We are eagerly awaiting his research plan outlining his team's investigation priorities in September 2001. Meanwhile we have invested £200,000 to help fund the refurbishment of the facilities at Manchester. We are committed to funding the cost of several members of Professor Baker's team and have set aside £176,025 this year for this purpose.

We have continued to fund research projects submitted by centres across the UK and the following applications were successful in securing funding in 2000-2001.

- John Radcliffe Hospital, Oxford, studying uterine activity.
- University of Nottingham, studying fetal brain activity during pregnancy.
- St Mary's Hospital, Manchester, studying fetal growth restriction in late pregnancy.
- University of Oxford, studying the development of blood supply in the womb.

In total we have committed £354,118 to projects this year.

Our main priority continues to be the funding of top quality medical research which will, in time, find some of the answers to the suffering caused to so many parents who have had to endure the loss of their baby in pregnancy.

Medical grants are awarded to research groups who study the causes and prevention of miscarriage, premature birth and stillbirth. All projects are peer reviewed by two experts and subject to discussion and scoring by the Medical Advisory Group. Awards are only made to projects which are of the highest standard and within the remit of the Charity. Reports on the progress of the project are required after each year and a final report is requested at the end of the grant together with copies of any articles which have been published. Final reports are also reviewed by the Medical Advisory Group and the original peer reviewers of the project.

Education

We held the third 'The problem with prematurity' conference in September 2000 attended by health professionals and researchers. This event aims to share the latest information and practise concerning prematurity and we were lucky to have the support of several of the leading experts to talk about the latest developments in their fields of expertise.

Chairman's report (continued)

We launched two booklets this year on healthy pregnancy and healthy eating during pregnancy, which were distributed widely in Doctor's surgeries.

A book called 'Your Premature Baby' was published during the year.

Our website was successfully bought on line and has been maintained throughout the year.

We have launched the 'Pregnancy Accreditation Scheme' which accredits organisations which follow a 5 step programme to looking after pregnant women in the work place.

We have recruited a dedicated information manager whose role is to develop our information remit to ensure that every parent-to-be has access to the best information.

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 investment represents a long term return which will provide Tommy's Campaign with a significant ongoing income in the years to come.

We held three major events this year. The Feathers and Beads ball in June 2000 which was attended by over 300 supporters. In December we were very fortunate to benefit from a performance by Cirque du Soleil at Battersea Power Station from which the Charity gained over £300,000. Our thanks go to Ron Dennis and Guy Laliberte for making it possible. In March 2001 we held a Gala evening at the Victoria and Albert Museum to celebrate the work of top shoe designer, Jimmy Choo. This evening was brilliantly organised by Alison Ravano.

We have held two national fundraising events; Splashathon and Baby Day, both of which were successful in persuading many new supporters to fundraise for us.

Our volunteers around the country continue to do a magnificent amount of work and this year have raised £396,850 which is £86,765 more than last year.

We were pleased to secure funding from Trusts to the value of £188,357 with major donations being received from The Grand Charity of Freemasons, the Peacock Trust, the Cleopatra Trust, the Maud Elkington Trust, and the John Coates Charitable Trust.

Our major corporate sponsors this year have been Boots, Little Chef, Marks and Spencer and Kimberly Clark who have now been working to help Tommy's Campaign for 7 years.

As ever without the help of all our supporters none of our work would be possible and we extend our heartfelt thanks to them all.

Chairman's report (continued)

Trustees

Bea Teuten was appointed as a Trustee in June 2000 and brings with her the valuable experience of starting and running the Toxoplasmosis Trust. David Gibbons resigned in January 2001 due to the pressure of his other commitments and we extend our thanks for his contribution.

Financial review

Income for the year was £2.6million with resources expended on charitable objectives being £1.3 million. This has reduced reserves from £1.2 million to £630,000.

Grants for medical research have risen from £1.1 million to £1.33 million.

Expenditure on Education and information projects has risen this year to £320,000 as we have expanded our involvement in this area.

The Charity's fundraising costs have risen this year due to investment in the committed giving scheme and investment in staff costs to secure future growth. We believe that fundraising costs need to be significantly lower and we have taken steps to reduce this expenditure in 2001-2002.

During the year the charity's trading subsidiary The Baby Fund Trading Limited made a profit of £471,137 nearly £100,000 more than last year. These profits raised mainly from corporate promotions and events will be transferred to the charity via gift aid.

Internal financial control

The Trustees are pleased to 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
- Delegation of authority to spend within defined limits
- Segregation of duties
- Due consideration of risks by Trustees and line managers

Chairman's report (continued)

The three major risk areas in the organisation which have been identified and reviewed by the Trustees are:

- Fundraising
- Health and Safety
- Administration management

Systems have been put in place to reduce the risk in these areas.

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 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 £850,000 should be maintained. This equates to approximately five months of anticipated unrestricted fund expenditure. During the year the charity's general reserve fell from £1,007,341 to £530,317 (see note 15) through a combination of increased charitable expenditure and falling investment values. The budget for next year has a forecast surplus to raise the general fund to the level agreed by the Trustees.

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 management of 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 which to date they have generally matched or exceeded.

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 then 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; and
- prepared the financial statements on the going concern basis.

Chairman's report (continued)

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 Binder Hamlyn be re-appointed as auditors of the Charity will be put to the Annual General Meeting.

This report was approved by the Trustees on 7 June 2001 and signed on their behalf by:-

A handwritten signature in black ink, appearing to read 'Ian Fergusson', is written over a horizontal line.

Ian Fergusson
Chairman



ARTHUR ANDERSEN

To the Trustees of Tommy's Campaign

We have audited the financial statements on pages 9 to 23 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 11 and 12.

Respective responsibilities of Trustees and auditors

As described on page 6, the Trustees, who are also the directors of Tommy's Campaign Limited for the purposes of company law are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, is established in the United Kingdom by statute, the Accounting Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with 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 judgements 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 the affairs of the company and of the group as at 31 March 2001 and of the group's incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Binder Hamlyn

Chartered Accountants and Registered Auditors

20 Old Bailey

London EC4M 7BH

7 June 2001

Consolidated Statement of Financial Activities
(incorporating Income and Expenditure Account)

31 March 2001

	Notes	Unrestricted funds £	Restricted funds £	Total 2001 £	Total 2000 £
Incoming resources					
Donations	2	401,558	182,914	584,472	584,268
Activities in furtherance of the charity's objects:					
-National Lotteries Charities Board		-	54,478	54,478	57,510
-Prematurity Conference		19,564	-	19,564	-
-Toxoplasmosis Trust	15	-	26,362	26,362	-
Activities for generating funds:					
-Corporate sponsorship, promotions and events	3	1,303,640	56,632	1,360,272	1,396,317
-Regional fundraising		395,850	1,000	396,850	310,085
-Merchandising income		1,587	-	1,587	1,453
-Investment income and interest	4	116,281	6,660	122,941	113,501
Total incoming resources		<u>2,238,480</u>	<u>328,046</u>	<u>2,566,526</u>	<u>2,463,134</u>
Resources expended					
Cost of generating funds:					
Fund-raising and publicity costs					
- events and promotions		579,190	-	579,190	532,389
- others		711,774	-	711,774	543,172
Investment management fees		1,770	-	1,770	2,359
		<u>1,292,734</u>	<u>-</u>	<u>1,292,734</u>	<u>1,077,920</u>
Charitable expenditure:					
Grants for medical research	5	1,051,323	232,878	1,284,201	1,014,575
Other medical research		343	-	343	13,065
Education and information projects	6	291,942	28,135	320,077	184,907
Support costs		67,468	-	67,468	81,487
Management and administration		62,285	-	62,285	60,481
		<u>1,473,361</u>	<u>261,013</u>	<u>1,734,374</u>	<u>1,354,515</u>
Total resources expended	7	<u>2,766,095</u>	<u>261,013</u>	<u>3,027,108</u>	<u>2,432,435</u>
Net incoming resources/(resources expended) before transfers		<u>(527,615)</u>	<u>67,033</u>	<u>(460,582)</u>	<u>30,699</u>
Transfer between funds	15	156,590	(156,590)	-	-
Net incoming resources/(resources expended)		<u>(371,025)</u>	<u>(89,557)</u>	<u>(460,582)</u>	<u>30,699</u>
Net investment (losses)/ gains	11	(105,999)	-	(105,999)	76,016
Net movement in funds		<u>(477,024)</u>	<u>(89,557)</u>	<u>(566,581)</u>	<u>106,715</u>
Fund balances brought forward		<u>1,007,341</u>	<u>189,303</u>	<u>1,196,644</u>	<u>1,089,929</u>
Fund balances carried forward		<u>530,317</u>	<u>99,746</u>	<u>630,063</u>	<u>1,196,644</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 2001

	Notes	Unrestricted funds £	Restricted funds £	Total 2001 £	Total 2000 £
Fixed assets					
Tangible assets	10	69,132	-	69,132	92,588
Investments	11	1,439,321	-	1,439,321	2,042,691
		<u>1,508,453</u>	<u>-</u>	<u>1,508,453</u>	<u>2,135,279</u>
Current assets					
Stocks		1,502	-	1,502	1,220
Debtors	12	110,990	-	110,990	268,722
Collections in progress		-	-	-	6,921
Short term deposits	9	1,138,071	99,746	1,237,817	850,552
Cash at bank and in hand		89,303	-	89,303	109,658
		<u>1,339,866</u>	<u>99,746</u>	<u>1,439,612</u>	<u>1,237,073</u>
Creditors: amounts falling due within one year	13	<u>(2,218,559)</u>	<u>-</u>	<u>(2,218,559)</u>	<u>(1,903,926)</u>
Net current (liabilities)/assets		<u>(878,693)</u>	<u>99,746</u>	<u>(778,947)</u>	<u>(666,853)</u>
Total assets less current liabilities		629,760	99,746	729,506	1,468,426
Creditors: amounts falling due after more than one year	14	<u>(99,443)</u>	<u>-</u>	<u>(99,443)</u>	<u>(271,782)</u>
Net assets		<u>530,317</u>	<u>99,746</u>	<u>630,063</u>	<u>1,196,644</u>
Represented by					
Funds ((including £179,192 unrealised gains (2000: £285,191))	15	430,317	99,746	530,063	886,644
Designated Funds		100,000	-	100,000	310,000
Total Funds		<u>530,317</u>	<u>99,746</u>	<u>630,063</u>	<u>1,196,644</u>

The financial statements on pages 9 to 23 were approved by the Trustees on 7 June 2001



Ian Fergusson
Trustee

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

Notes to the financial statements

For the year ending 31 March 2001

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 2001 of Tommy's Campaign 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 Campaign Ltd as it is exempt under s230 of the Companies Act 1985.

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.

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 1995 paragraphs 107 and 108

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. Disclosure of these commitments are made in the note 18 to the financial statements. 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. 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

	2001 £	2000 £
Public donations	357,645	405,233
Corporate	38,470	28,912
Trusts	188,357	150,123
	<u>584,472</u>	<u>584,268</u>

3 Corporate sponsorship, promotions and events

	2001 £	2000 £
Corporate sponsorship and promotions	682,321	796,447
Events	677,951	599,870
	<u>1,360,272</u>	<u>1,396,317</u>

4 Investment income and interest

	2001 £	2000 £
Investments	21,936	24,167
Interest	101,005	89,334
	<u>122,941</u>	<u>113,501</u>

Notes to the financial statements (continued)

5 Grants for medical research

	2001 £	2000 £
Outstanding grants at 1 April	1,867,833	1,915,217
Grants awarded during the year		
- Maternal and Fetal Health Team, St Thomas' Hospital, London	603,400	326,853
- Maternal and Fetal Health Team, St Mary's Hospital, Manchester	376,025	-
- Grants awarded by medical advisory group	354,118	735,597
- Senior lecturer's post	-	54,095
- Previous years grants not fully taken up	(49,342)	(101,970)
	<u>1,284,201</u>	<u>1,014,575</u>
Paid during the year	(1,063,483)	(1,061,959)
Outstanding grants at 31 March	<u>2,088,551</u>	<u>1,867,833</u>
Grants falling due within one year	1,989,108	1,596,051
Grants falling due after more than one year	99,443	271,782
	<u>2,088,551</u>	<u>1,867,833</u>

Full details of the grants awarded during the year are listed in the Annual Review 2000/2001. Details of grants awarded in the previous years are available on request.

Notes to the financial statements (continued)

6 Education and information projects

	2001 £	2000 £
Parent Friendly Awards	89,307	72,514
National Pregnancy Week	36,253	53,500
Medical conference	29,154	-
Pregnancy Accreditation	34,006	31,791
Website	29,774	-
Information Leaflets	79,404	2,169
Prematurity Book	4,971	10,000
Smalltalk	10,044	9,230
Annual review	3,628	4,602
Newsletter	3,536	1,101
	<u>320,077</u>	<u>184,907</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 2001	Total 2000
	£	£	£	£	£
Cost of generating funds					
Fund-raising and publicity	449,340	729,417	112,207	1,290,964	1,075,561
Investment Management Fees	-	-	1,770	1,770	2,359
	<u>449,340</u>	<u>729,417</u>	<u>113,977</u>	<u>1,292,734</u>	<u>1,077,920</u>
Charitable expenditure					
Maternal and Fetal Health Team, London	-	603,400	-	603,400	326,853
Maternal and Fetal Health Team, Manchester	-	376,025	-	376,025	-
Grants awarded by Medical Advisory Group	-	354,118	-	354,118	735,597
Previous years grants not fully taken up	-	(49,342)	-	(49,342)	(101,970)
Senior lecturer's post	-	-	-	-	54,095
Other medical research	-	343	-	343	13,065
Parent Friendly Awards	25,802	56,263	7,242	89,307	72,514
National Pregnancy Week and Conference	14,503	18,504	3,246	36,253	53,500
Pregnancy Accreditation	23,270	5,117	5,619	34,006	31,791
Other publications and website	14,788	140,820	4,903	160,511	27,102
Support costs	47,851	8,335	11,282	67,468	81,487
Management and administration	39,762	-	22,523	62,285	60,481
	<u>165,976</u>	<u>1,513,583</u>	<u>54,815</u>	<u>1,734,374</u>	<u>1,354,515</u>
Total	<u>615,316</u>	<u>2,243,000</u>	<u>168,792</u>	<u>3,027,108</u>	<u>2,432,435</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 £ 9,545 (2000: £8,446) and other services of £335 (2000: £665).

8 Staff costs

	2001 £	2000 £
Salaries and wages	556,186	464,193
Social security costs	51,485	38,852
Pension costs	7,645	8,602
	<u>615,316</u>	<u>511,647</u>

The emoluments of 1 member of staff including benefits in kind are within the range of £100,000 to £109,999

(2000 -Nil). Contributions were made to the personal pension scheme of the 1 employee in the above band.

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

	2001 Number	2000 Number
Charitable activities	4	4
Cost of generating funds	15	16
Management and administration of the charity	2	2
	<u>21</u>	<u>22</u>

The Trustees received no remuneration or reimbursed expenses during the year (2000 - £Nil).

9 Short term deposits

Short term deposits are held to pay quarterly grant commitments.

At the start of 2001-2002 additional payments of £400,000 are due to be made for the refurbishment of the London and Manchester centres.

Notes to the financial statements (continued)

10 Tangible fixed assets

	Group £	Charity £
Office equipment		
Cost		
1 April 2000	201,355	196,410
Additions	11,801	11,801
Disposals	-	-
31 March 2001	213,156	208,211
Depreciation		
1 April 2000	108,767	103,822
Charge for the year	35,257	35,257
Disposals	-	-
31 March 2001	144,024	139,079
Net book value		
1 April 2000	92,588	92,588
31 March 2001	69,132	69,132

11 Fixed asset investments

Group	2001 £	2000 £
Market value of Portfolio at start of year	1,042,691	969,034
Held on deposit at start of year	1,000,000	1,100,000
Total market value at start of year	2,042,691	2,069,034
Additions	4,400	23,000
Disposals	(501,771)	(125,359)
Net investment gain (loss) in year	(105,999)	76,016
Total market value at 31 March	1,439,321	2,042,691
Market value of Portfolio at 31 March	939,321	1,042,691
Held on deposit at 31 March	500,000	1,000,000
Total market value at 31 March	1,439,321	2,042,691
Cost at 31 March	1,260,129	1,757,500
Cumulative unrealised gain	179,192	285,191

Notes to the financial statements (continued)

11 Fixed asset investments (continued)

	2001 £	2000 £
Sale proceeds	-	19,810
Historic cost of investment sold	-	(13,100)
Realised gains based on historic cost	-	6,710
UK Unit trusts	674,930	746,103
Overseas Unit Trusts	183,479	213,912
Cash	580,912	1,082,676
Total	1,439,321	2,042,691

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	
	2001 £	2000 £	2001 £	2000 £
Trade debtors	64,267	150,199	33	-
Taxation recoverable	14,041	6,939	14,041	6,939
Amounts owed by subsidiary company	-	-	171,493	243,262
Prepayments and accrued income	32,682	111,584	32,682	92,453
	110,990	268,722	218,249	342,654

13 Creditors: amounts falling due within one year

	Group		Charity	
	2001 £	2000 £	2001 £	2000 £
Trade creditors	147,470	155,444	120,566	115,909
Net VAT payable	11,298	23,222	853	420
Deferred income				
Medical grants outstanding within one year	1,989,108	1,596,051	1,989,108	1,596,051
Educational grant outstanding within one year	16,750	17,735	16,750	17,735
Accruals & Other creditors	53,933	111,474	28,699	9,620
	2,218,559	1,903,926	2,155,976	1,739,735

Notes to the financial statements (continued)

14 Creditors: amounts falling due after one year

	Group		Charity	
	2001 £	2000 £	2001 £	2000 £
Medical grants outstanding after one year	99,443	271,782	99,443	271,782

15 Statement of funds

	Balance 1 April 2000 £	Income £	Expenditure £	Transfers £	Investment gain £	Balance 31 March 2001 £
Unrestricted funds						
General fund	697,341	2,238,480	(2,456,095)	56,590	(105,999)	430,317
Designated funds						
Tommy's Campaign Centre for Research into Fetal Health	310,000	-	(310,000)	-	-	-
Vitamins in Pre-eclampsia trial	-	-	-	100,000	-	100,000
Total designated funds	310,000	-	(310,000)	100,000	-	100,000
Total unrestricted funds	1,007,341	2,238,480	(2,766,095)	156,590	(105,999)	530,317
Restricted funds						
Research salary	11,423	817	-	-	-	12,240
Community midwives	2,693	193	-	-	-	2,886
Equipment fund	71,268	115	(71,155)	-	-	228
Other equipment funds	22,636	319	-	(18,181)	-	4,774
Research salary	6,978	-	-	(6,978)	-	-
Prematurity book	6,266	93	(4,971)	-	-	1,388
NLCB Grant	-	54,478	(54,478)	-	-	-
Toxoplasmosis Information Programme	-	29,604	-	-	-	29,604
Medical advisory group grants Maternal and Fetal Health Team, Manchester	-	134,711	(3,280)	(131,431)	-	-
Healthy Pregnancy Leaflet	23,164	-	(23,164)	-	-	-
Vitamins in Pre-eclampsia trial	44,875	3,751	-	-	-	48,626
Total restricted funds	189,303	328,046	(261,013)	(156,590)	-	99,746
Total funds	1,196,644	2,566,526	(3,027,108)	-	(105,999)	630,063

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 in 2001/2002.

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 £131,431 during the year ended 31 March 2001. 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.

Other equipment funds includes £18,181 received from The Bernard Sunley Charitable Foundation between 1995 and 1996 for a project on Nitric Oxide which was funded in 1995-1996. The research salary fund represents funds received from the Welton Foundation in 1995-96 towards a research salary which was paid out between August 1995 and July 1996. In both cases the money was spent out of general funds and so these balances have now been transferred back to the general fund.

£26,362 was received from the winding up of the Toxoplasmosis Trust. This income is to be used to set up an information line and to distribute information on the disease Toxoplasmosis.

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 Campaign. 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 2001 £	Total 2000 £
Turnover	362,065	610,998	1,587	974,650	958,794
Cost of Sales	(240,758)	(225,749)	(801)	(467,308)	(540,014)
Gross Profit	121,307	385,249	786	507,342	418,780
Interest Receivable				13,546	7,251
Administration costs				(49,751)	(52,324)
Net profit				<u>471,137</u>	<u>373,707</u>

Balance sheet

Fixed assets	-	-
Current assets	234,078	407,453
Current liabilities	(234,076)	(407,451)
Share capital	<u>(2)</u>	<u>(2)</u>

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 £657,878 (2000: £478,802) were made to Kings College London (Guy's, King's and St Thomas').

18 Commitments

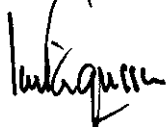
There are no financial commitments other than those shown in the accounts and accompanying notes.

Notes to the financial statements (continued)

19 Charity balance sheet

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2001 £	Total 2000 £
Fixed assets					
Tangible assets	10	69,132	-	69,132	92,588
Investments	11	1,439,321	-	1,439,321	2,042,691
		<u>1,508,453</u>	<u>-</u>	<u>1,508,453</u>	<u>2,135,279</u>
Current assets					
Debtors	12	218,249	-	218,249	342,654
Collection in progress		-	-	-	6,921
Short term deposits	9	1,003,071	99,746	1,102,817	670,552
Cash		55,963	-	55,963	52,755
		<u>1,277,283</u>	<u>99,746</u>	<u>1,377,029</u>	<u>1,072,882</u>
Creditors: amounts falling due within one year	13	(2,155,976)	-	(2,155,976)	(1,739,735)
Net current liabilities		<u>(878,693)</u>	<u>99,746</u>	<u>(778,947)</u>	<u>(666,853)</u>
Total assets less current liabilities		629,760	99,746	729,506	1,468,426
Creditors: amounts falling due after more than one year	14	(99,443)	-	(99,443)	(271,782)
Net Assets		<u>530,317</u>	<u>99,746</u>	<u>630,063</u>	<u>1,196,644</u>
Represented by					
Funds	15	<u>530,317</u>	<u>99,746</u>	<u>630,063</u>	<u>1,196,644</u>

The financial statements were approved by the Trustees on 7 June 2001.



Ian Fergusson
Trustee