

Tommy's

Trustees' Report and Financial statements

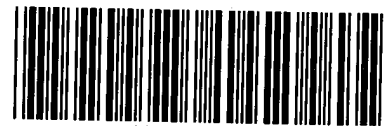
For the year ended 31 March 2016

Registered Company number: 3266897

Registered Charity number: 1060508

Charity Registered in Scotland number: SC039280

WEDNESDAY



A5AMQN3K

A18

06/07/2016

#47

COMPANIES HOUSE

Index to financial statements 31 March 2016

	Page
Trustees and advisors	1
Trustees' report	2
Independent Auditor's report	17
Consolidated statement of financial activities	19
Parent statement of financial activities	20
Consolidated balance sheet	21
Parent balance sheet	22
Cash flow statement	23
Notes to the financial statements	24-38

Trustees and advisors

Constitution

Registered Company No. 3266897 – Company limited by guarantee

Registered Charity No: 1060508

Charity Registered in Scotland No. SC039280

Trustees

Ron Dennis CBE - Co Chairman

Resigned 1st April 2016

Sally Tennant - Co Chairman

Resigned 1st April 2016

Dominic Proctor

Stephen Russell - Honorary Treasurer

Anita Charlesworth

Professor Phillip Bennett BSc PhD MD FRCOG

Resigned 9th December 2015

Rod Christie-Miller

Resigned 6th April 2016

Barry Williams

Resigned 8th February 2016

Hayley Tatum

Donald Elgie

Resigned 23rd July 2015

Emma Fallon

Resigned 31st December 2015

Dominic Shorthouse

Bjorn Saven

Joe Chambers - Chairman

Appointed 25th June 2015

Trudi Boardman

Appointed 25th June 2015

Kate Smaje

Appointed 25th June 2015

Professor Anna David

Appointed 17th November 2015

Chief Executive

Jane Brewin

Principal Address

Nicholas House

3 Laurence Pountney Hill

London

EC4R 0BB

Auditor

BDO LLP

55 Baker Street

London

W1U 7EU

Solicitor

Foot Anstey LLP

Senate Court

Southernhay Gardens

Exeter EX1 1NT

Bankers

National Westminster Bank plc

91 Westminster Bridge Road

London SE1 7ZB

Objectives and Activities

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

- One in four women will have a miscarriage at some point during their life
- Around 3,600 babies are stillborn in the UK each year
- Eight percent of pregnancies result in premature birth.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees consider that the charity has complied with the duty in section 17 of the Charities Act 2011 in regard to public benefit guidance issued by the Charities Commission. The charity is working to benefit the public in a number of ways:

- Losing a baby, or having a baby which starts life at a disadvantage, has a devastating impact on parents and families
- Babies born too soon, too small or too large often have increased costs of health and social care throughout their lifetime

Our core belief is that funding medical research will increase knowledge about how to improve antenatal care and outcomes which we can implement in the research clinics associated with all of our centres and disseminate both nationally and internationally. We believe that disseminating evidence based pregnancy information can help parents to minimise the risks in pregnancy. This dual approach is designed to have most impact on reducing pregnancy problems.

Our main objectives for the year were:

- To grow income in line with our 5 year fundraising strategy,
- To continue to fund medical research based at our 3 centres at King's College London/St Thomas' Hospital, London, Manchester University/St Mary's Hospital, Manchester and The University of Edinburgh/Edinburgh Royal Infirmary,
- To select our 4th pregnancy research centre through a competitive process, focussing on early miscarriage, to open on 1st April 2016,
- To provide evidence based pregnancy information to an increasing number of mothers-to-be.

This year we have made progress on our medical research projects and pregnancy information service. Full details are set out in the **Activities and Performance** section on page 5.

In the current year, grants were awarded to maternal and fetal research groups based at St Thomas' Hospital, Kings College London; St Mary's Hospital, Manchester University; Edinburgh Infirmary, Edinburgh University; and to the new centre led by Birmingham University. The budgets were presented to the Trustees at their meeting in November and were discussed and formally agreed. The new centre was selected at a Trustees meeting in January 2016 and the budget formally approved.

This year our income exceeded £5.9 million. Further details are set out in the **Activities and Performance** section on page 5 and the **Financial Review** on page 13.

Trustees' Report (continued)

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 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 Chairman
- The role of a Trustee including a copy of the articles of association
- A meeting with the Chief Executive
- 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 met four times during the year. During the year four new Trustees joined the Board; Trudi Boardman, Kate Smaje, Joe Chambers and Anna David. Four Trustees stood down; Don Elgie, Emma Fallon, Phillip Bennett and Barry Williams. We would like to thank them for their contribution to the charity.

After more than 15 years' service as Co-Chairs, Sally Tennant and Ron Dennis will stand down with effect from 1st April 2016. They have both agreed to maintain their links with the charity by becoming Patrons of Tommy's. The Board would like to extend our thanks for their outstanding contribution to the charity as Trustees for over 18 years and 17 years respectively and Co-Chairs. Our new Chair of the Trustees from 1st April 2016 will be Joe Chambers.

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 annual plan, which are approved each year by the Trustees. Management accounts and the balance sheet are reviewed at the Trustees meetings. Between Trustees meetings the Chief Executive reported to Sally Tennant, Co-Chairman on a regular basis.

14 members of staff are engaged in fundraising activity which is detailed in the fundraising section of this report (page 11). Five staff are employed in our pregnancy information department and five in the Marketing team, the remaining five are employed in finance, IT support and office management duties.

The directors consider that the board of directors, who are the Charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All trustees give their time freely and no remuneration was paid in the year. Details of directors' expenses and related party transactions are disclosed in notes 11 and 21 to the accounts.

The pay of senior staff is reviewed twice annually and is increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other charities of similar income. The remuneration bench-mark is the mid-point of the range paid for similar roles.

Trustees' Report (continued)

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 trustees have a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties that the charity and its subsidiary, The Baby Fund Trading Ltd face,
- Subsequent, regular review of identified risks by the Chief Executive, Finance Director and key staff, with actions documented for follow-up,
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

The key risks are identified as:

- Loss of business continuity due to a major incident in the City of London or cyber incident, the risk of which is mitigated by the deployment of an appropriate disaster recovery and back-up systems,
- Loss of significant income impacting upon the financial sustainability of the charity. Financial risk is managed by the use of disciplined budgeting to control costs, the pursuit of a diverse risk profile in the charity's income streams and a prudent reserves policy which is discussed further on page 13.
- Provision of information concerning pregnancy to women, the risk of which is mitigated by ensuring that the charity's Information Standard accreditation is maintained, medical malpractice insurance is held, and that staff are appropriately qualified.

Activities and Performance

Research

Tommy's 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 miscarriage, pre-term birth and stillbirth and the conditions which cause these outcomes and help women reduce the risks inherent in pregnancy.

Tommy's research aims to:

- 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 and disseminate those findings to the medical community,
- Develop best models of clinical practice, evidence the impact on improved patient care and outcomes and disseminate across the NHS,
- Provide evidence based information to women to improve their pregnancy outcome.

Tommy's has invested £1.2m this year in medical research:

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

Results from Tommy's funded studies help the research centres to attract funding for further and larger studies, effectively multiplying our contribution up to ten times over the initial investment. This leverage of our funding remains a key objective of our strategy.

The Trustees selected a fourth research centre to open on 1st April 2016 which will focus on the reduction of early miscarriage. A collaboration led by Birmingham University and including Warwick University and Imperial College London was successful in becoming Tommy's National Centre for Miscarriage Research; together this new research centre will operate in 3 locations with 4 hospital-based clinics serving over 24,000 patients each year. The Trustees agreed to award a grant of £400,000 for the first year.

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

This centre continues to work on several areas of pregnancy; including pre-term birth and late miscarriage, pre-eclampsia, other diseases such as diabetes, liver disease, high blood pressure and mental health in pregnancy.

- Work is being carried out to investigate why women who enter pregnancy with high blood pressure are prone to pregnancy diseases such as pre-eclampsia. They have found that these women have an altered kidney response in pregnancy, lower levels of placental growth factor and reduced production of a protective blood vessel surface layer.
- A test is being validated to assess whether we can identify women with high blood pressure who will develop pre-eclampsia so we can reduce hospital admissions and focus care on those who will develop the disease if left untreated.
- Having discovered a potential early marker for preterm birth, work is continuing to assess whether this marker will prove to be a reliable predictor and so could be developed into a clinical test for use in early pregnancy.

Trustees' Report (continued)

- The team are testing which treatment is most effective at preventing preterm birth comparing a cervical stitch, a silicone device which sits around the neck of the womb and a hormone treatment. It is hoped that we can then provide national guidance on the most effective treatment.
- The centre has secured funding to evaluate whether customised (for ethnicity and size of the mother) growth charts are more effective at identifying small babies than standard practice. The debate around these charts has slowed their implementation nationwide and more evidence should assist all hospitals to decide what's best. What is certain is that identifying babies that are not growing as they should and are therefore small for their gestational age is a key priority to reduce stillbirth and the birth of sick babies.
- One of the largest trials ever undertaken to assess the impact of a dietary and exercise intervention in pregnancy has reported that the participants did not increase their levels of exercise but did alter their diet; however these changes did not result in improved outcomes for the mother or baby. The results highlight the need to intervene before women become pregnant so that they enter pregnancy at an optimal weight. The samples obtained in this study are being used to evaluate other research questions and follow up of the children will assess the impact of obesity on their health.
- Research is underway to assess whether better informing mothers-to-be about the warning signs that something is going wrong could encourage at risk mothers to report more promptly and ultimately save more lives.
- The team confirmed that running is safe in pregnancy even into the final trimester. In a large study of 1300 women the team showed that running in pregnancy can be recommended. We know that exercise in pregnancy is good for mum and baby yet many women stop exercising or enter pregnancy not undertaking the recommended 30 minutes a day.
- The team have made the link between obesity and depression in pregnancy. We know that women who are depressed in pregnancy are more likely to suffer from severe mental health problems after the birth of the baby so it's important to focus attention on identifying and treating this group.
- The team are testing a promising treatment for liver disease in pregnancy which is associated with increased risk of pre-term birth and stillbirth. It is hoped that evidence from the trial will confirm the most effective treatment and make that available to all mothers affected by the disease. We know that liver disease in the mother which causes bile acids to circulate to the baby can cause the baby's heart to stop; we are also testing a portable heart monitor which will allow the baby to be monitored in pregnancy. It is hoped that we will learn more about when babies are in danger and prevent many stillbirths.
- The centre is contributing patient recruitment to 23 clinical trials being carried out in the UK, all aimed at improving antenatal care.

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

The centre continues to focus on the placenta because abnormal development and function of this organ is often the cause of major pregnancy diseases, especially stillbirth, fetal growth restriction and pre-eclampsia.

The centre now runs four specialist clinics to integrate new diagnostics and therapies for placental dysfunction with laboratory work to understand its causes. The Placental Clinic cares for women at risk of stillbirth such as those whose babies are failing to grow as expected. The Rainbow Clinic cares for women who have experienced a previous stillbirth and need additional support in their next pregnancy. The MaVIS Clinic looks after women with blood pressure disorders and the LIPS Clinic looks after women with LUPUS – all these services have increased seven-fold the number of high risk women seen and additional scans performed. One of the key objectives has been to identify the cause of each stillbirth and fewer than 10% of stillbirths are unexplained in this centre which helps inform better care in subsequent pregnancies. More than 50% of stillbirths are

Trustees' Report (continued)

caused by fetal growth restriction and this underpins our focus on the detection and treatment of these babies.

Tommy's has funded a number of studies looking at how to reduce stillbirth including:

- We have continued to gather more evidence that the placentas in older mothers work less well than in younger mums-to-be which explains why pregnancy complications such as stillbirth are more prevalent in older mums. With this evidence we are now developing plans to trial clinical services aimed at older mums to prevent these problems from occurring and save lives.
- An increasing body of evidence has suggested that the mother's immune system may be involved in pregnancy complications; it is thought that the immune system malfunctions and starts to recognise the placenta as a foreign object and begins to reject it causing inflammation which impairs the function of the placenta. The centre has produced further evidence that this might be involved in fetal growth restriction and has identified markers which could be used to detect the condition as well as targets for potential treatments.
- Trials are underway to test whether sildenafil (Viagra) or beetroot juice are effective in treating babies in the placenta who are severely growth restricted.
- The centre has identified seven ultrasound features and markers in the blood with a potential to identify 30% more women at risk of poor outcomes than standard tests currently used in the NHS.
- The Manchester Tommy's centre has pioneered the development of a new placental Magnetic Resonance Imaging method to enable detection of a failing placenta whilst the baby is still in the womb, allowing us to treat earlier and monitor women more closely. Our aim is to produce data to support a large scale national study which will take us one step further to validating the use of MRI scanning in pregnancy across the NHS.
- We are assessing whether teaching mums to monitor baby movements and then putting in place appropriate interventions, can help us reduce stillbirth in the UK - this approach may have significant potential to save lives.
- The centre has developed a vest which mums can wear to monitor their baby's wellbeing. The vest is now being tested to assess whether it give mums greater peace of mind and allow less hospital monitoring visits as well as alerting clinicians to problems more promptly.
- The Rainbow Clinic was established to develop a model of best practice care for women in a subsequent pregnancy following a stillbirth. An evaluation has shown that the care provided has been well received by parents and there have been no further stillbirths in parents attending this clinic – a 100% success record. It is hoped that this model of care will be adopted at other NHS hospitals.
- The centre is working on identifying whether undetected immunological and/or vascular anomalies underscore miscarriage and stillbirth – we know that women who experience miscarriage are more likely to suffer from other pregnancy complications and so identifying an underlying link will be important in progressing our understanding of preventing these problems.
- The role of elevated blood sugar levels seen in diabetes on the function of the placenta is being investigated to see how it may be implicated in increasing risk of stillbirth.

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

This centre is focussing on a number of pregnancy problems including the impact of obesity in pregnancy, preventing pre-term birth and stillbirth.

- A study has reported that myocytes (the muscle of the womb) and monocytes (circulating white blood cells) co-operate when placed together to enhance inflammation over and above

Trustees' Report (continued)

inflammation caused by either separately. These effects increase contraction of the myometrium (womb) but can be reduced by progesterone.

- The team completed, analysed and published the randomised trial testing whether metformin prevents high birthweight in obese women. We found, contrary to our original hypothesis, that metformin had no effect on reducing birthweight. We hope to follow the babies up to see if there are any longer term beneficial effects on baby health.
- Key clinical outcomes were audited among women attending the Tommy's antenatal metabolic clinic compared with outcomes among women of comparable BMI who delivered in Lothian and received routine antenatal care. We showed that the risk of having a stillbirth was eight times higher in women who did not attend the clinic compared with those who attended the clinic.
- A study has showed that obese pregnant women have lower levels of stress hormones in their blood in pregnancy than women of normal weight. They also demonstrated that this may be a novel mechanism contributing to macrosomia (increased size at birth) and longer gestation in obese pregnancy.
- The team have showed that obese pregnant women have increased symptoms of anxiety and depression during pregnancy compared with normal weight women. This is important as anxiety and depression can have a major impact on the health of the mother and her family. We are now testing ways to identify and manage these women better.
- They have showed that obese pregnant women eat an energy rich diet that is low in key micronutrients important for fetal growth and development. We are working with the dietician in our specialist antenatal metabolic clinic to optimize nutrition for obese pregnant women.
- The team have showed that obesity in pregnancy leads to a 35% increased risk in premature mortality in later life compared with being normal weight in pregnancy. Obesity in pregnancy also increases a woman's risk of having heart disease in later life.
- The team reported a new surgical approach to caesarean section in very severely obese pregnant women.
- In a major UK wide trial, the team have shown that progesterone does not prevent pre-term birth nor does it improve the outcome for the babies. On a positive note the trial showed that progesterone did not do any harm. Progesterone is routinely prescribed in the UK to prevent pre-term birth and this now means that this treatment can be halted and the research community need to move on to examine other potential treatments.

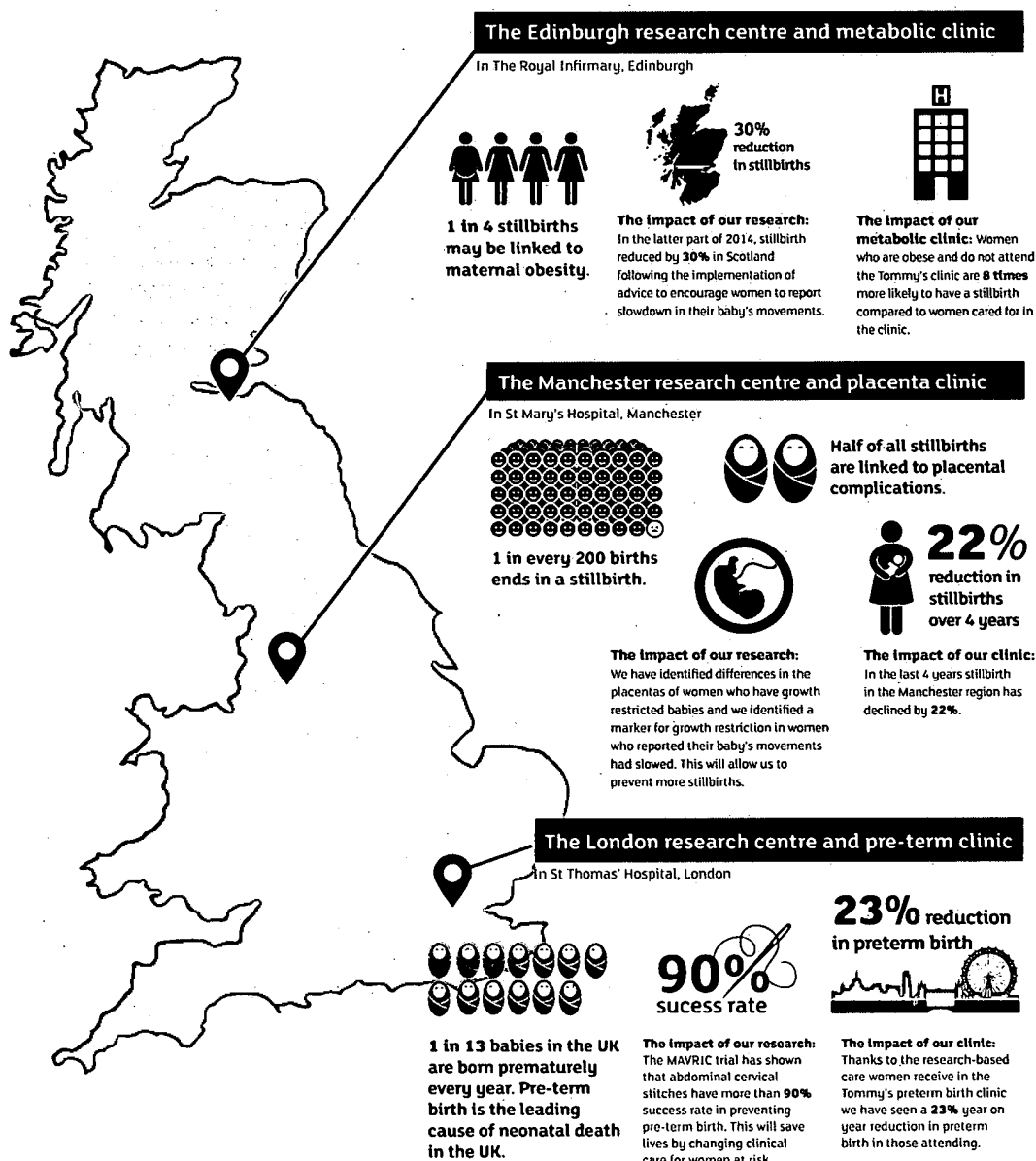
Full details of individual research projects are available on our website www.tommys.org

Research performance indicators

The research centres are required to complete a research performance report each year; we believe that funding research should deliver patient benefits and we measure the centres performance based on their national and local clinical impact as well as research discoveries. This is summarised on the next page.

Pregnancy research

– our impact in 2015



Contribution to national clinical practice

Tommy's researchers and clinicians contribute to national clinical guidelines and practice

Professor Louise Howard Chair of NICE antenatal and postnatal mental health guideline

Professor Jane Sandall Member of NICE intrapartum care for healthy women and babies guideline

Dr Alex Heazell Member of NHS England stillbirth reduction care bundle in support of government aim to reduce stillbirth

Dr Jenny Myers Member of NICE pre-eclampsia diagnosis group

Professor Jane Norman Chair of NICE preterm labour and birth group and Chair of Scottish government stillbirth group

Dr Sarah Stock Member of Scottish government stillbirth group

www.tommys.org

Tommy's is registered charity no 1060508 and SC039280

Tommy's

Funding research into stillbirth, premature birth and miscarriage, and providing information for parents-to-be.

Trustees' Report (continued)

Pregnancy information service

Our long-term ambition is to reach every pregnant woman with impactful pregnancy information that is designed to empower them to change their behaviour in ways that will improve pregnancy outcomes.

To achieve this ambition we are focused on (i) improving the quality and effectiveness of our information and (ii) reaching more expectant mums.

We have focused on the following channels and content:

Website

www.tommys.org website is receiving approximately 500,000 unique views each month up by over 40% year on year. This year we have been working on developing a flexible, modern website that will help us promote behaviour change via related content functionality to our audience of pregnant women once they are on our site. This content will be focused on delivering our messages in the six areas that we feel will have most impact on pregnancy safety:

- smoking
- diet and nutrition
- mental health
- exercise
- weight management
- knowing when to call the doctor or midwife.

We have also developed a standout '**I need help**' button on our site. The button will act as a shortcut, allowing the user to check symptoms that could be an indicator of a serious complication. It is a way of quickly guiding the user to the most appropriate course of action.

We continue to work closely with Mindshare to use SEO tactics more normally employed in the commercial sector to draw in our target audience. With their help we've improved our visibility in the digital pregnancy landscape.

Tommy's Midwives on Facebook

Last year (Jan 2015) we set up a Facebook page to allow our midwives to respond to queries and to give us another platform to disseminate our pregnancy health messages. The page has 14,000 'friends' and the reach of some of our information is much wider for example, an infographic we developed on the topic of 'When to call your midwife or doctor', reached more than 500,000 women through viral uptake. We plan to develop many more shareable pieces of content that will follow this model. It also allows us to get instant feedback on pieces of content and consider how to further develop the most successful. The infographic, for example, has now been developed into a poster, which we will be making available for midwives to order from our website.

Tommy's Midwives Online Chat

Our new site will also allow our midwives to be contacted through an instant 'chat' function. This will provide another secure avenue for women to be helped and supported through their pregnancies by Tommy's midwives.

Tommy's Midwives Phoneline

The free phoneline continues to be a staple of the Tommy's pregnancy information service. Our aim is to offer the line to those in most need of it. Therefore, if queries can't be addressed through other platforms we will always offer the number and ask that the woman calls our midwives for a conversation. We will also be promoting it on all the web pages that contain information about pregnancy complications or loss.

Trustees' Report (continued)

The Pregnancy Information Service Advisory Panel

We have recently recruited a panel of senior representatives from midwifery and obstetrics to work with us to provide a strategic overview of our Pregnancy Information Service. We had an enthusiastic response and the panel includes representatives from RCOG, RCM, Department of Health and NHSE.

Having a voice in the wider pregnancy information landscape

We feed into several public health groups that seek to develop new information/public health campaigns for pregnant women on different topics:

- NHS Information Service for Parents/Start for Life advisory group
- Smoking in Pregnancy Challenge Group
- Maternal Mental Health Alliance (MMHA)
- Reduced Fetal Movement sub-working group, NHS England Stillbirth Care Bundle - designed to provide guidance to trusts on the reduction of stillbirth.
- The Maternity Communications Group, led by Department of Health

Fundraising

We thank our committed partners and new partners for believing in our cause and sharing our commitment to make a difference.

Community members continue to astound us with their passion for Tommy's and their willingness to go the extra mile (often literally) to raise money. They have run, cycled, baked, splashed, and so much more – all in the name of saving babies' lives. They are the beating heart of Tommy's, and we can't say 'thank you' enough.

We couldn't provide great experiences for our community supporters, without the help of the very special organisations that work tirelessly to help Tommy's: Virgin Money Giving, the Virgin Money London Marathon, the Royal Parks Foundation Half Marathon, the Great North Run, RideLondon, Nightrider, Wacky Warehouse and Buggyfit.

An extra special thanks goes to everyone at Water Babies who raised a staggering £817k this year through the Splashathon.

We stopped working with Fundraising Initiatives Ltd after they went into voluntary administration. CAPLL Ltd now manage our donor recruitment programme.

Our corporate partners have helped us in many ways – raising money, promoting our campaigns, providing pro bono support and helping us strategically. In particular, we thank Asda, Arla, Bell Pottinger, Bepanthen, Bounty, British Travel Awards, Canary Wharf Group, Center Parcs, Danone, EOne and Peppa Pig, Fayre & Square, First Choice Holiday Villages / TUI, George, Goldman Sachs, Heinz, Hologic, Huggies, Insight, Kiddicare, Little Angels, Mindshare, Mothercare, Persil & Comfort, PG Tips Decaf, Prima Baby, RBS, Seraphine, Tesco Bank, Transport for London, UNA Health and Unilever.

A special mention must also go to the team at Autosport who have partnered with Tommy's for 20 years now through their annual awards event. The money raised has helped Tommy's to grow and save more babies' lives. We are forever grateful for their loyalty and longterm support.

The charity incurred £47k of expenditure in the year on researching and scoping potential future fundraising activities which will help to secure the future growth of the charity and protect its income levels in the event of the loss of key fundraising partners.

Trusts and Foundations have continued to support our work generously. In particular we would like to highlight the support of:

Trustees' Report (continued)

- The Betty Messenger Charitable Foundation, which has made a three-year commitment to the Tommy's National Centre for Miscarriage Research. The Foundation's gift is enabling our researchers at Warwick to develop a pre-pregnancy endometrial test to identify women at risk of miscarriage.
- The Lord Leonard and Lady Estelle Wolfson Foundation, which is funding the invaluable work of our research midwives at St Thomas' Hospital. Lady Wolfson's involvement and kind support will help to translate research discoveries into lifesaving treatments for premature babies, and put them into use as soon as possible.
- The ASDA Foundation has continued its long-term and generous commitment to Tommy's through funding the PregnancyLine. This enables experienced midwives to provide vital advice and support to women who are worried about their pregnancies.

We also extend our heartfelt thanks to our other trust and foundation supporters including: the Childwick Trust, the Desmond Foundation, the Edith Murphy Foundation, the Holbeck Charitable Trust, the Light Fund, the Mason le Page Charitable Trust, the P F Charitable Trust, the R S Macdonald Charitable Trust, the Sandra Charitable Trust, the Swire Charitable Trust and the Zochonis Charitable Trust.

We are implementing one grant from the Department of Health (DH): The DH Innovation, Excellence and Strategic Delivery fund: funding of Baby be Smoke Free, an approach to support young pregnant smokers to quit.

We have received a Section 16b grant of £9,820 from the Scottish Government to audit how effectively the AFFIRM trial (which is testing interventions to prevent stillbirth) is being implemented in different hospitals across Scotland. The work will take place in 2016/17.

We received two grants from NHS England to complete patient materials in support of the NHS care bundle to reduce stillbirth in the UK.

Our Major Donor programme has continued to grow and we have benefitted from a number of generous supporters. Our thanks go to them and those who have kindly introduced their friends and contacts through a number of targeted social events we held over the year.

We want to thank each and every person who has helped us fundraise this year.

Communication

This year we have focused on two communication objectives; increasing awareness of Tommy's amongst our target audience, and building a strong association between Tommy's and miscarriage in anticipation of our new centre launch.

In this financial year we reached more women than ever before with our communications. Tommy's #misCOURAGE campaign resonated with our target audience reaching 16 million women on Facebook with 7 million of them watching a campaign film, 7 thousand completing our miscarriage survey and over a thousand sharing their personal #misCOURAGE story. In addition, the campaign generated several items of media coverage including features in the Daily Mail, Grazia, The Sun, The Daily Mirror, The Huffington Post and Mumsnet - even The Today Show in the US picked up the story. We are grateful for the support of Mindshare and our media partners who stepped in to donate inventory which saw Tommy's dominating Piccadilly Circus with prestigious digital billboard placements during the campaign period.

This year also saw strong media coverage of our community events, research discoveries and Tommy's point of view. Tommy's secured 523 items of coverage during the past year, worth £475k in equivalent advertising spend and with a combined circulation of over 45 million.

Trustees' Report (continued)

The strong communications we have had this year leave a legacy that we will capitalise on in the coming months. We now have a social fanbase of 46k Facebook fans and 12k Twitter followers (an increase of 300% since April 2015). We have delivered month-on-month growth of Tommys.org which now has over 450k unique visits each month.

We are fortunate to continue to receive the donated services of Mindshare. Mindshare have been long-term strategic partners and most recently contributed to the development of our website and content marketing approach together with securing donated advertising space.

Financial Review

Income this year stands at a record high of £5,995,025 which is £997,426 higher than previous year's results and 28% higher than our target. This has been achieved from fundraising through the biannual Splashathon event, an overwhelming level of support in running events such as the 2015 London Marathon, the receipt of statutory funding from the Department of Health. However, ongoing economic uncertainty has led Corporate donors to continue to manage their charitable contributions with caution and the recruitment of committed donors through supported care activities remains challenging.

A significant part of the charitable activities that Tommy's fund 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 donors with high associated cost/income ratios, and receive very little income from statutory funding or legacies which have a low cost/income ratio. We are constantly trying to improve this ratio and have seen the ratio fall from thirty seven percent in 2009 to thirty three percent this year.

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

Tommy's trading subsidiary made profits of £470,042 (2015: £329,426) which were transferred to the charity.

Reserves policy

Reserves are essential to reduce risk and enable the charity to continue to fund its research and information projects, even in the event of the loss of a key donor or an economic downturn.

The trustees consider that the ideal level of free reserves is a minimum of twelve months anticipated unrestricted fund expenditure, which is approximately £4,750,000. This would enable the charity to cover charitable expenditure, staff salaries, overheads and a proportion of fundraising costs for a year. At the year-end free reserves (which represents total unrestricted funds less tangible fixed assets) stood at £3,206,617 (2015: £3,047,065) which shows steady progress towards our target reserves level. The charity intends to continue to tightly control expenditure and investigate new revenue streams to enable it to continue to build towards its target reserves level.

Trustees' Report (continued)

Key Performance Indicators

KPI	Target	Result
Income	£ 4,692,019	Over budget (by £1,303,006)
Expenditure: Cost of generating funds	£ 1,710,404	Over budget (by £292,848)
Charitable	£ 3,027,652	Over budget (by £451,151)
Cost/income ratio	36 %	33 %

Plans for future periods

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

- To grow our income in line with our five-year strategy.
- To continue to fund medical research at St Thomas' Hospital, London; St Mary's Hospital, Manchester; the Royal Infirmary, Edinburgh and the Early Miscarriage Centre, Birmingham.
- To reach every mother-to-be with our pregnancy information service and evidence based community support programmes.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charity and of the incoming resources and application of resources, including its income and expenditure, of the group and parent charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate and proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 , regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and regulations made thereunder and with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors

A resolution to appoint BDO LLP as auditors of the charitable company will be proposed at the Annual Meeting for the ensuing year.

Trustees' Report (continued)

Chairman's Statement

"We are pleased to report that the charity's income has exceeded budget this year, enabling us to maintain grant levels and increase our reserves modestly, in line with our policy to provide greater cover to protect the charity during periods of economic uncertainty. We want to acknowledge and thank all those supporters whose fundraising efforts have enabled our achievements this year. We also want to thank our staff, who join with us in our unfailing commitment to make pregnancy and birth safer for all."

Signed on behalf of the Trustees of Tommy's

A handwritten signature in black ink that reads "Joe Chambers". The signature is written in a cursive, slightly informal style.

Joe Chambers
Chairman
28th June 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF TOMMY'S

We have audited the financial statements of Tommy's for the year ended 31 March 2016 which comprise of the Group and Parent Statement of Financial Activities (incorporating an Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group and Parent Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and members those matters we are required to state to them in an auditor's 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 trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

We have been appointed auditor under the Companies Act 2006, section 151 of the Charities Act 2011 and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate, sufficient and proper accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report or the exemption from the requirements to prepare a strategic report.

BDO LLP

Fiona Condron, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom
Date: 29th June 2016

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Consolidated statement of financial activities (including consolidated income and expenditure account)

For the year ended 31 March 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Unrestricted funds £	Restricted funds £	Total 2015 £
Income from:							
-Donations and legacies	2	4,665,248	498,863	5,164,111	3,816,378	455,935	4,272,313
Income from charitable activities:							
-Scottish Government Grant		-	9,820	9,820	-	10,500	10,500
-Dept. of Health – Smoking Cessation		-	71,221	71,221	-	90,122	90,122
-Patent and Consultancy Income		9,697	8,000	17,697	8,092	-	8,092
Other trading activities	3	688,152	-	688,152	545,681	-	545,681
Investment income and interest	4	41,205	2,819	44,024	68,696	2,195	70,891
Total income		<u>5,404,302</u>	<u>590,723</u>	<u>5,995,025</u>	<u>4,438,847</u>	<u>558,752</u>	<u>4,997,599</u>
Expenditure on:							
Raising funds	7,8	2,003,252	-	2,003,252	1,497,846	-	1,497,846
Charitable activities	7,8	3,122,581	356,222	3,478,803	2,566,126	580,754	3,146,880
Total expenditure		<u>5,125,833</u>	<u>356,222</u>	<u>5,482,055</u>	<u>4,063,972</u>	<u>580,754</u>	<u>4,644,726</u>
Net movement in funds for the year		278,469	234,501	512,970	374,875	(22,002)	352,873
Reconciliation of funds							
Fund balances brought forward		3,050,394	161,590	3,211,984	2,675,519	183,592	2,859,111
Fund balances carried forward	17	<u>3,328,863</u>	<u>396,091</u>	<u>3,724,954</u>	<u>3,050,394</u>	<u>161,590</u>	<u>3,211,984</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 on pages 24 to 38 form an integral part of the financial statements.

Charity statement of financial activities (including income and expenditure account)

For the year ended 31 March 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Unrestricted funds £	Restricted funds £	Total 2015 £
Income from:							
-Donations and legacies		4,664,880	498,863	5,163,743	3,816,002	455,935	4,271,937
Income from charitable activities:							
- Scottish Government Grant		-	9,820	9,820	-	10,500	10,500
- Dept. of Health – Smoking Cessation		-	71,221	71,221	-	90,122	90,122
- Patency and consulting income		-	8,000	8,000	-	-	-
Investment income and interest		35,358	2,819	38,177	58,278	2,195	60,473
Other incoming resources		651,190	-	651,190	504,466	-	504,466
Total income		<u>5,351,428</u>	<u>590,723</u>	<u>5,942,151</u>	<u>4,378,746</u>	<u>558,752</u>	<u>4,937,498</u>
Expenditure on:							
Raising funds		1,987,699	-	1,987,699	1,471,037	-	1,471,037
Charitable activities		<u>3,085,260</u>	<u>356,222</u>	<u>3,441,482</u>	<u>2,532,834</u>	<u>580,754</u>	<u>3,113,588</u>
Total expenditure		<u>5,072,959</u>	<u>356,222</u>	<u>5,429,181</u>	<u>4,003,871</u>	<u>580,754</u>	<u>4,584,625</u>
Net movement in funds for the year		278,469	234,501	512,970	374,875	(22,002)	352,873
Reconciliation of funds							
Fund balances brought forward		<u>3,050,394</u>	<u>161,590</u>	<u>3,211,984</u>	<u>2,675,519</u>	<u>183,592</u>	<u>2,859,111</u>
Fund balances carried forward	18	<u>3,328,863</u>	<u>396,091</u>	<u>3,724,954</u>	<u>3,050,394</u>	<u>161,590</u>	<u>3,211,984</u>

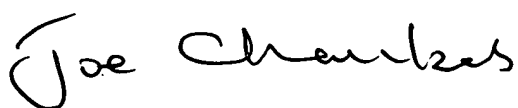
Other incoming resources include a management charge of £181,147 between Tommy's and its subsidiary the Baby Fund Trading Limited. Voluntary income includes the payment under gift aid of £470,042 from the Baby Fund Trading Limited.

The accompanying notes on pages 24 to 38 form an integral part of the financial statements.

Consolidated Balance Sheet
At 31 March 2016
Registered Company Number 3266897

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Fixed assets					
Tangible assets	13	122,246	-	122,246	3,329
Current assets					
Debtors	15	255,690	-	255,690	380,249
Short term deposits		4,352,009	396,091	4,748,100	4,668,523
Cash at bank and in hand		1,393,863	-	1,393,863	479,466
		6,001,562	396,091	6,397,653	5,528,238
Creditors: amounts falling due within one year	16	(2,794,945)	-	(2,794,945)	(2,319,583)
Net current assets		3,206,617	396,091	3,602,708	3,208,655
Total assets less current liabilities		3,328,863	396,091	3,724,954	3,211,984
Total Net Assets		3,328,863	396,091	3,724,954	3,211,984
Represented by					
Funds	17	3,328,863	396,091	3,724,954	3,211,984

The financial statements on pages 19 to 38 were approved and authorised for issue by the Trustees on 28 June 2016.



Joe Chambers
Trustee

The accompanying notes on pages 24 to 38 form an integral part of the financial statements.

Charity Balance Sheet

At 31 March 2016

Registered Company number: 3266897

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Fixed assets					
Tangible assets	13	122,246	-	122,246	3,329
Investments	14	2	-	2	2
		<u>122,248</u>	<u>-</u>	<u>122,248</u>	<u>3,331</u>
Current assets					
Debtors	15	1,405,789	-	1,405,789	1,075,621
Short term deposits		3,907,091	396,091	4,303,182	4,225,479
Cash		660,431	-	660,431	203,517
		<u>5,973,311</u>	<u>396,091</u>	<u>6,369,402</u>	<u>5,504,617</u>
Creditors: amounts falling due within one year	16	(2,766,696)	-	(2,766,696)	(2,295,964)
		<u>3,206,615</u>	<u>396,091</u>	<u>3,602,706</u>	<u>3,208,653</u>
Net current assets					
		<u>3,206,615</u>	<u>396,091</u>	<u>3,602,706</u>	<u>3,208,653</u>
Total assets less current liabilities		<u>3,328,863</u>	<u>396,091</u>	<u>3,724,954</u>	<u>3,211,984</u>
Net Assets		<u>3,328,863</u>	<u>396,091</u>	<u>3,724,954</u>	<u>3,211,984</u>
Represented by					
Funds	18	<u>3,328,863</u>	<u>396,091</u>	<u>3,724,954</u>	<u>3,211,984</u>

The financial statements on pages 19 to 38 were approved and authorised for issue by the Trustees on 28 June 2016.

Joe Chambers

Joe Chambers
Trustee

The accompanying notes on pages 24 to 38 form an integral part of the financial statements.

Statement of Cash Flows and Consolidated Statement of Cash Flows

At 31 March 2016

	Notes	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Cash flows from operating activities:					
Net cash provided by operating activities	23	1,074,386	544,279	620,876	543,528
Cash flows from investing activities:					
Interest income		44,024	70,891	38,177	60,473
Purchase of tangible fixed assets		(124,436)	(2,892)	(124,436)	(2,892)
Net cash provided by (used in) investing activities		(80,412)	67,999	(86,529)	57,581
Change in cash and cash equivalents in the year		993,974	612,278	534,617	601,109
Cash and cash equivalents at the beginning of the year	24	5,147,989	4,535,711	4,428,996	3,827,887
Total cash and cash equivalents at the end of the year	24	6,141,963	5,147,989	4,963,613	4,428,996

The accompanying notes on pages 24 to 38 form an integral part of the financial statements.

Notes to the financial statements

For the year ended 31 March 2016

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement of the parent charity to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and the entitlement arising in the year which was due but not taken. The initial liability was for £15,231 in 2014 and £20,075 in 2015. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided

Reconciliation of group funds and balances	1 April 2014 £	31 March 2015 £
Fund balances as previously stated	2,874,342	3,232,059
Short-term compensated absences	(15,231)	(20,075)
Fund balances as restated	<u>2,859,111</u>	<u>3,211,984</u>

Notes to the financial statements

For the year ended 31 March 2016

Accounting policies (continued)

c) Preparation of the accounts on a going concern basis

The Charity reported a cash inflow of £534,615 for the year (2015:£601,109) and £993,972 on a group basis (2015: £612,278). The trustees are of the view that the Charity's reserves level, strong cash holdings and disciplined approach to budgeting mean that the immediate future of the Charity over the next 12 to 18 months is secure and that on this basis the charity is a going concern.

d) Group financial statements

The group financial statements include the results for the year ended 31 March 2016 of Tommy's and its wholly owned 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 20.

e) Fund 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 17.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measure reliably and is not deferred.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution and of the legacy being received.

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.

g) Donated Services

Donated services are recognised when the benefit to the charity is reasonably quantifiable and measurable. The value placed on these services is the estimated value to the charity of the service received. The value is included in incoming resources and a corresponding amount is shown as expenditure under the relevant charitable activity

Notes to the financial statements

For the year ended 31 March 2016

Accounting policies (continued)

h) 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.

i) 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.

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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 in sections 478-488 of the Corporation Taxes Act 2010.

l) Pension Policy

Tommy's 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 amounting to £32,176 (2015: £24,209).

m) Tangible fixed assets

Furniture and equipment is depreciated over two years, whilst new systems expenditure is depreciated between two years and six years to reflect their estimated useful economic lives to the charity.

Website development costs are capitalised in line with FRS 102, where there are reasonable grounds for supposing that the economic benefits from future donations will be in excess of website development costs incurred.

n) Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes to the financial statements

For the year ended 31 March 2016

Accounting policies (continued)

o) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs. These costs have been allocated between the cost of raising funds and expenditure on charitable activities on a utilisation basis, assessed by staff time on each activity.

p) Operating Leases

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

q) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading, donation orientated campaigns, donor recruitment and general fundraising costs.
- Expenditure on charitable activities includes the costs of medical research grants, cause related marketing and pregnancy information and education services.
- Other expenditure represents those items not falling into any other heading.

Where costs cannot be directly attributed they have been allocated to activities on a utilisation basis, assessed by staff time on each activity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

s) Critical Estimates and Areas of Significant Judgement

There are no areas of critical estimate or significant judgement

Notes to the financial statements

For the year ended 31 March 2016

2 Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Gifts	4,208,191	498,863	4,707,054	3,126,921	455,935	3,582,856
Legacies	-	-	-	114,457	-	114,457
Donated Services	457,057	-	457,057	575,000	-	575,000
	<u>4,665,248</u>	<u>498,863</u>	<u>5,164,111</u>	<u>3,816,378</u>	<u>455,935</u>	<u>4,272,313</u>

3 Income earned from trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Unrestricted Funds £	Restricted Funds £	Total 2015 £
Corporate sponsorship and promotions	663,894	-	663,894	525,157	-	525,157
Events	24,258	-	24,258	20,524	-	20,524
	<u>688,152</u>	<u>-</u>	<u>688,152</u>	<u>545,681</u>	<u>-</u>	<u>545,681</u>

4 Investment income and interest

All of the group's investment income of £44,024 (2015: £70,891) arises from money held on deposit account.

Notes to the financial statements

For the year ended 31 March 2016

5 Grants for medical research

	2016 £	2015 £
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	400,000
- Maternal and Fetal Health Team, St Mary's Hospital, Manchester	400,000	400,000
- Maternal and Fetal Health Team, The Royal Infirmary, Edinburgh	400,000	400,000
- Maternal and Fetal Health Team, National Research Centre	400,000	-
- Previous years grants exceeded/(not fully taken up)	(29,685)	(32,689)
	<u>1,570,315</u>	<u>1,167,311</u>
Other research costs	<u>145,850</u>	<u>159,671</u>
	<u>1,716,165</u>	<u>1,326,982</u>
Outstanding grants at 1st April 2015	1,904,721	1,721,519
Grants awarded during the year	1,570,315	1,167,311
Paid during the year	(1,400,567)	(984,109)
Outstanding grants at 31st March 2016 falling due within one year	<u>2,074,469</u>	<u>1,904,721</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

For the year ended 31 March 2016

6 Education and information projects

	2016 £	2015
Parent Friendly Awards	115,824	123,851
Pregnancy Accreditation	16,381	15,927
Information Provision	229,088	214,188
Midwife Pregnancy Helpline	111,024	108,930
Publications production and distribution	41,946	180,302
Public Relations	347,420	271,112
Health Campaigns Projects	96,522	159,838
Website	189,854	88,437
Supporter Newsletter	57,038	41,860
Advertising	570,280	603,228
	<u>1,775,377</u>	<u>1,807,673</u>

7 Analysis of expenditure

	Staff costs £	Direct costs £	Allocated Support & Governance Costs £	Total 2016 £	Total 2015 £
Cost of raising funds					
Donations and Legacies	328,037	1,146,080	149,330	1,623,447	1,242,562
Corporate sponsorship, promotions and events	163,344	142,410	74,051	379,805	255,284
	<u>491,381</u>	<u>1,288,490</u>	<u>223,381</u>	<u>2,003,252</u>	<u>1,497,846</u>
Charitable expenditure					
Medical research	19,236	1,682,516	8,141	1,709,893	1,332,157
Education and Information projects	691,328	813,116	264,466	1,768,910	1,814,723
	<u>710,564</u>	<u>2,495,632</u>	<u>272,607</u>	<u>3,478,803</u>	<u>3,146,880</u>
Total	<u>1,201,945</u>	<u>3,784,122</u>	<u>495,988</u>	<u>5,482,055</u>	<u>4,644,726</u>

Details of allocated support costs are set out in note 8.

Support costs include fees paid to our auditors in respect to the audit for the group of £13,080 (2015: £11,000). £Nil was paid to our auditors for other services (2015: £Nil).

Notes to the financial statements

For the year ended 31 March 2016

8 Analysis of allocated support and governance costs

	Information Technology	Human Resources	Office Operating Costs	Governance Costs	Total 2016	Total 2015
	£	£	£	£	£	£
Cost of raising funds						
Donations and Legacies	31,254	25,947	87,290	4,839	149,330	141,612
Corporate sponsorship, promotions and events	15,499	12,867	43,286	2,399	74,051	67,308
	<u>46,753</u>	<u>38,814</u>	<u>130,576</u>	<u>7,238</u>	<u>223,381</u>	<u>208,920</u>
Charitable expenditure						
Research	1,704	1,414	4,759	264	8,141	12,437
Education and Information projects	55,352	45,953	154,592	8,569	264,466	268,310
	<u>57,056</u>	<u>47,367</u>	<u>159,351</u>	<u>8,833</u>	<u>272,607</u>	<u>280,747</u>
Total	<u>103,809</u>	<u>86,181</u>	<u>289,927</u>	<u>16,071</u>	<u>495,988</u>	<u>489,667</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.

9 Net Income

Net income is stated after charging:	2016 £	2015 £
Auditor's remuneration		
- audit fees	13,080	11,000
Depreciation	5,519	2,533
Operating lease rentals	<u>74,400</u>	<u>74,400</u>

Notes to the financial statements

For the year ended 31 March 2016

10 Staff costs

	2016 £	2015 £
Salaries and wages	999,517	891,017
Social security costs	103,520	92,393
Pension costs	32,176	24,209
Temporary Staff & Volunteer costs	66,732	50,183
	<u>1,201,945</u>	<u>1,057,802</u>

The emoluments for the year of one member of staff including benefits in kind are within the range of £110,000 to £119,999 (2015 - 1 member within the range of £110,000 to £119,999). Contributions amounting to £11,226 (2015 - £11,226) were also made to the personal pension scheme of the employee in the above band.

The key management personnel comprise the trustees, the Chief Executive Officer, Finance Director, Marketing Director and Fundraising Director. The total remuneration of the key management personnel was £380,243 (2015: £376,141)

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

	2016 Number	2015 Number
Charitable activities	10	8
Cost of generating funds	14	13
Management and administration of the charity	5	5
	<u>29</u>	<u>26</u>

Three redundancies were made in the year (2015: one) to facilitate a restructure of the marketing department. The aggregate cost of redundancy payments was £3,088 (2015: £nil)

11 Trustees

The Trustees received no remuneration or reimbursed expenses during the year (2015 - £Nil).

Notes to the financial statements

For the year ended 31 March 2016

12 Other Commitments

At 31 March 2016 the Charity had total future minimum lease commitments under operating leases for land and buildings as follows:

	2016 £	2015 £
Land and building operating leases		
- Less than one year	74,400	74,400
- More than one year and less than five years	17,326	91,726
- More than five years	-	-
	<u>91,726</u>	<u>166,126</u>

13 Tangible fixed assets

	Group £	Charity £
Office equipment		
Cost		
1 April 2015	588,806	588,806
Additions	14,588	14,588
Assets under construction	109,848	109,848
Disposals	-	-
31 March 2016	<u>713,242</u>	<u>713,242</u>
Depreciation		
1 April 2015	585,477	585,477
Charge for the year	5,519	5,519
Disposals	-	-
31 March 2016	<u>590,996</u>	<u>590,996</u>
Net book value		
1 April 2015	<u>3,329</u>	<u>3,329</u>
31 March 2016	<u>122,246</u>	<u>122,246</u>

Assets under construction relates to the development of a new website, which came into use in April 2016. As the asset was not in use at 31st March 2016, no depreciation was charged in the year.

Notes to the financial statements

For the year ended 31 March 2016

14 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 20.

15 Debtors

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	119,551	150,547	8,440	24,188
Taxation recoverable	14,493	27,658	14,493	27,658
Amounts owed by subsidiary company	-	-	1,271,206	824,249
Prepayments and accrued income	113,153	161,653	103,157	159,135
Other debtors	8,493	40,391	8,493	40,391
	<u>255,690</u>	<u>380,249</u>	<u>1,405,789</u>	<u>1,075,621</u>

16 Creditors: amounts falling due within one year

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	375,397	110,697	366,127	108,165
VAT payable	45,159	35,315	45,159	35,315
Medical grants outstanding	2,074,469	1,904,721	2,074,469	1,904,721
Accruals, deferred income and other creditors	299,920	268,850	280,941	247,763
	<u>2,794,945</u>	<u>2,319,583</u>	<u>2,766,696</u>	<u>2,295,964</u>

Notes to the financial statements

For the year ended 31 March 2016

17 Consolidated statement of funds

	Balance 31 March 2015 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2016 £
<u>Unrestricted funds</u>					
General funds	3,050,394	5,363,097	5,125,833	41,205	3,328,863
<u>Restricted funds</u>					
Maternal and Fetal Health Team, Manchester	-	44,484	44,484	-	-
Maternal and Fetal Health Team, Edinburgh	-	31,500	31,500	-	-
Maternal and Fetal Health Team, London	-	83,486	83,486	-	-
Maternal and Fetal Health Team, National Research Centre	161,212	213,640	-	2,687	377,539
Department of Health "Smoking Cessation"	-	71,220	65,621	40	5,639
Scottish Government Grant Under Section 16B of the NHS Act 1978	-	9,820	5,000	35	4,855
Project BOOST	-	18,118	18,118	-	-
Pregnancy Help Line	-	35,636	35,636	-	-
Information Services	378	80,000	72,377	57	8,058
Total restricted funds	161,590	587,904	356,222	2,819	396,091
Total funds	3,211,984	5,951,001	5,482,055	44,024	3,724,954

Restricted Funds

These are donations for specific projects as requested by the donors. Interest is allocated to restricted funds that are unspent at year end.

Funds restricted to Maternal and Fetal Health Teams at St Mary's Hospital, Manchester; St Thomas' Hospital, London; the Royal Infirmary at the University of Edinburgh, and the National Research Centre are used to cover staff and research costs at these four Tommy's research centres (see page 4). The fourth of these centres, the National Centre for Early Miscarriage Research, will open on 1st April 2016.

The Scottish Government grant was restricted to the Edinburgh Centre's study into maternal mental health.

Funds restricted to the Pregnancy Helpline part-funded the running of the free-phone Tommy's Information Line, covering costs such as salaries, training and line rental.

Notes to the financial statements

For the year ended 31 March 2016

Restricted funds relating to Information Services contributed to the production and distribution of a range of Tommy's resources, providing information on subjects such as the promotion of pregnancy health, management of pregnancy complications, supporting parents of premature babies and bereavement.

The Department of Health funding was used to develop new interventions to encourage teenage mothers to stop smoking during pregnancy and for the development of our pregnancy information offering.

Project BOOST funding is restricted to research into providing effective dietary vitamin interventions for teenage mothers during pregnancy.

18 Charity statement of funds

	Balance 31 March 2015 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2016 £
<u>Unrestricted funds</u>					
General funds	3,050,394	5,316,070	5,072,959	35,358	3,328,863
<u>Restricted funds</u>					
Maternal and Fetal Health Team, Manchester	-	44,484	44,484	-	-
Maternal and Fetal Health Team, Edinburgh	-	31,500	31,500	-	-
Maternal and Fetal Health Team, London	-	83,486	83,486	-	-
Maternal and Fetal Health Team, National Research Centre	161,212	213,640	-	2,687	377,539
Department of Health "Smoking Cessation"	-	71,220	65,621	40	5,639
Scottish Government Grant Under Section 16B of the NHS Act 1978	-	9,820	5,000	35	4,855
Project BOOST	-	18,118	18,118	-	-
Pregnancy Help Line	-	35,636	35,636	-	-
Information Services	378	80,000	72,377	57	8,058
Total restricted funds	161,590	587,904	356,222	2,819	396,091
Total funds	3,211,984	5,903,974	5,429,181	38,177	3,724,954

Refer to note 17 for a detailed description of the restrictions.

Notes to the financial statements

For the year ended 31 March 2016

19 Government Grants

Income from government grants are restricted to specific research projects and the development of education and behavioural intervention and change tools. See note 17 for more information regarding the amount and source of these grants.

20 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 results of the subsidiary, which are consolidated on a line by line basis, are:

Profit and loss account

	Corporate 2016 £	Events 2016 £	Total 2016 £	Total 2015 £
Turnover	678,590	19,627	698,217	550,148
Cost of Sales	(166,187)	(9,745)	(175,932)	(168,381)
Gross Profit	512,403	9,882	522,285	381,767
Interest Receivable			5,847	10,417
Administration costs			(58,090)	(62,758)
Payment under Gift Aid to Tommy's			(470,042)	(329,426)
Net profit			-	-

Balance sheet

Current assets	1,299,456	847,871
Current liabilities	(1,299,454)	(847,869)
Net Assets	2	2

21 Related party transactions

In the year Tommy's incurred rental costs of £62,000 (2015: £62,000) for land and buildings payable to a foundation of which Mr Ron Dennis is a Trustee. The current rental agreement commenced on 24th June 2012 and extends until 23rd June 2017, at a rate of £62,000 per annum. Mr Ron Dennis is also Chairman of McLaren, which raised £275,000 for the charity in the year (2015: £25,382).

During the year, £457,057 (2015: £575,000) of free advertising space was obtained on behalf of Tommy's by Group M Worldwide, who worked on a pro-bon basis. Mindshare, a subsidiary of Group M Worldwide, provided the charity with £40,720 (2015: £10,000) of services in the year. Mr Dominic Proctor, a trustee, is President of Group M Worldwide.

Asda continued to conduct a range of fundraising activities on behalf of the charity, raising £874,772 (2015: £836,888). Ms Hayley Tatum (Senior Vice-President – People & Stores at Asda) and Mr Barry Williams (Category Director at Asda) were both Trustees of the charity during the year.

Notes to the financial statements

For the year ended 31 March 2016

JCA Group raised £15,600 for the charity (2015: £nil). Ms Emma Fallon, a founding partner of the group, was a Trustee of the charity during the year.

Seven (2015: three) Trustees made personal donations to the charity totalling £24,860 (2015: £40,960)

22 Commitments

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

23 Reconciliation of net movement in funds to net cash flow from operating activities

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Net movement in funds	512,970	352,873	512,970	352,873
Add back depreciation charge	5,519	2,533	5,519	2,533
Deduct interest income shown in investing activities	(44,024)	(70,891)	(38,177)	(60,473)
Decrease (increase) in debtors	124,559	(59,119)	(330,168)	(88,192)
Increase (decrease) in creditors	475,362	318,883	470,732	336,787
Net cash used in operating activities	<u>1,074,386</u>	<u>544,279</u>	<u>620,876</u>	<u>543,528</u>

24 Analysis of Cash and Cash Equivalents

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Short term deposit	4,748,100	4,668,523	4,303,182	4,225,479
Cash at bank and in hand	1,393,863	479,466	660,431	203,517
Total cash and cash equivalents	<u>6,141,963</u>	<u>5,147,989</u>	<u>4,963,613</u>	<u>4,428,996</u>