

Tommy's

Trustees' Report and Financial statements

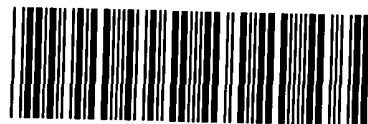
For the year ended 31 March 2017

Registered Company number: 3266897

Registered Charity number: 1060508

Charity Registered in Scotland number: SC039280

WEDNESDAY



A6B0TWVF

A29

19/07/2017

#168

COMPANIES HOUSE

Index to financial statements 31 March 2017

	Page
Trustees and advisors	1
Trustees' report	2
Independent Auditor's report	23
Consolidated statement of financial activities	25
Parent statement of financial activities	26
Consolidated balance sheet	27
Parent balance sheet	28
Statement of cash flows (consolidated and parent)	29
Notes to the financial statements	30-47

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

Rod Christie-Miller

Resigned 6th April 2016

Hayley Tatum

Dominic Shorthouse

Bjorn Saven

Joe Chambers - Chairman

Trudi Boardman

Kate Smaje

Professor Anna David

Aedamar Comiskey

Appointed 15th November 2016

Robert Sterling

Appointed 15th November 2016

Stephen Edge

Appointed 21st March 2017

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
- Over 3,000 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 who 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 and diversify income in line with our 5 year fundraising strategy,
- To fund medical research based at our 4 centres:
 - King's College London/St Thomas' Hospital London
 - Manchester University/St Mary's Hospital, Manchester
 - The University of Edinburgh/Edinburgh Royal Infirmary
 - Tommy's National Centre for Miscarriage Research based at Birmingham University, Warwick University, Imperial College London and 4 major NHS hospitals.
- To provide evidence based pregnancy information to an increasing number of mothers-to-be through an increased number of channels and media.

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 Birmingham University who are leading the Tommy's miscarriage research collaboration. The budgets were presented to the Trustees at their meeting in November and were discussed and formally agreed.

This year our income exceeded £6.0 million. Further details are set out in the **Activities and Performance** section on page 5 and the **Financial Review** on page 19.

Trustees' Report (continued)

Structure, Governance and Management

The charity operates in the UK, with its headquarters based in central London. The charity and trading subsidiaries 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 assesses and manages 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 three new Trustees joined the Board; Aedamar Comiskey, Robert Stirling and Steve Edge. Three Trustees stood down in the year, although Sally Tennant and Ron Dennis both remain involved with the charity as patrons. We would like to thank them for their significant contribution to the charity as Trustees and Co-Chairs over a long period of time, and for their continued support. The Chair of the Trustees from 1st April 2016 has been Joe Chambers.

During the year a new trading subsidiary was established called LLHM Ltd. The company directors comprise two of Tommy's Trustees; Dominic Shorthouse and Dominic Proctor and two external Directors; Philip Richards and Tony Perks. A team of 4 Tommy's employees carry out the duties of the business which are to establish and implement a half marathon in central London on 25th March 2018. More details about this event called the London Landmarks Half Marathon, are on page 17.

During the year a fundraising board was established to assist the charity to increase its income from companies, trusts and foundations and major donors. The board is chaired by trustee, Steve Edge and several other Trustees have volunteered their time to join the group together with two external supporters.

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 Joe Chambers, Chairman of the Trustees, on a regular basis.

In addition to the Chief Executive, 14 members of staff are engaged in fundraising activity which is detailed in the fundraising section of this report (page 15). Seven staff are employed in our pregnancy information department and three in the Marketing team, the remaining four 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

Trustees' Report (continued)

time freely and no remuneration was paid in the year. Details of directors' expenses and related party transactions are disclosed in notes 12 and 24 to the accounts.

Pay policy for senior staff

The pay of all staff is reviewed annually. In view of the nature of the charity, salaries are benchmarked against pay levels in other charities of similar income. The remuneration benchmark is the mid-point of the range paid for similar roles.

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,

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties that the charity and its subsidiaries, The Baby Fund Trading Ltd and LLHM 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.

Key risks have been identified as:

Income Risk

The risk that budgeted income will not be raised is mitigated by the diversification of revenue streams to ensure that the charity is not dependent upon any one large supporter. Budgets are conservative, and are scrutinised and challenged by the Trustees, prior to their sign off, to confirm that they are reasonable. Management accounts, along with a reforecast of the expected year-end position, are reviewed by senior management on a monthly basis, with Trustees receiving regular updates on progress, along with quarterly Trustees meetings. The charity also has a prudent reserves policy to ensure that activity can continue in the event that income does not meet expectations.

Reputational Risk

The charity undertakes project management planning for new projects that it engages in, both in its charitable and fundraising activities, to help prevent poor outcomes that could negatively impact on public perception. Caution is taken in the appointment of commercial fundraising partners, who must be able to demonstrate that they abide by the rules established by the

Trustees' Report (continued)

Institute of Fundraising, of which the Charity is also a member. Prudent systems and controls have been established within the charity to ensure that its finances are stable and transparent. Public relations support is also in place to assist the charity to manage any event that may result in negative publicity.

Risk of Business Interruption

The charity is headquartered in the City of London and as such there is a deemed risk of severe business disruption caused by terrorist activity. Less location specific, business could also be interrupted by IT failure, cyber-attack, fire or flooding. This risk has been mitigated by the implementation of online back-up technology (which is tested on a periodic basis), a remote working solution and increased investment in cloud based software. The charity also has a disaster recovery plan in place.

Medical Risk

The charity provides information concerning pregnancy to women, the risk of which is mitigated by ensuring that the charity's NHS England Information Standard accreditation is maintained, medical malpractice insurance is held, and that staff are appropriately qualified and monitored.

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 or high 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 £1.7m 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
- Tommy's National Centre for Miscarriage Research - £500,000

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.

Trustees' Report (continued)

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.

The centre runs two specialist research clinics; the long established pre-term birth clinic which cares for women at high risk of pre-term birth and a diabetes clinic which looks after women with diabetes and other metabolic diseases.

- Work continues to identify an early marker for pre-term birth; we have identified a molecule belonging to a group of natural defence molecules which is being validated as an early screening test.
- We are taking part in a trial of three treatments to prevent pre-term birth to find out which one is most effective.
- Work is being carried out to investigate why women who enter pregnancy with high blood pressure have a reduced production of a protective blood vessel surface layer. We will assess the effect of the loss of this layer of cells in women with pre-eclampsia and identify potential treatments.
- We are testing which high blood pressure treatment is best for mother and baby.
- 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.
- We are funding a research clinic treating women with diabetes; enabling us to speed up the transfer of research findings into clinical practice, offering women the best care possible whilst also recruiting women onto research studies to improve care of the next generation of mums.
- It has been shown that the children of women who were overweight during pregnancy and given specific dietary and exercise advice, are slimmer than the children of mothers not receiving this advice. It has shown that it is beneficial to help women who are overweight to eat a better diet during pregnancy and after the birth of their baby. We are following this up by seeing if the babies have improved cardiovascular function.
- The team are testing a promising treatment for liver disease in pregnancy which is associated with increased risk of pre-term birth and stillbirth. Initial results showed that the trial drug was protecting babies from bile acids which cause their heart to stop. We are testing this treatment in a larger group of women and also assessing how diabetes impacts on the baby's heart function.
- We are examining the link between diabetes and the bacterial and chemical contents of the gut which influence the risk of diabetes and other diseases by causing the release of hormones which influence the way the body handles sugar and cholesterol.
- We are investigating the link between women with sickle cell disease and poor pregnancy outcome to improve treatments for these women.
- We are evaluating whether continuity of midwife carer combined with a specialist pre-term surveillance clinic can reduce pre-term birth in women at high risk. It is thought that we may be able to reduce pre-term birth by up to 24% with this approach.
- The centre continues to be a major recruiting centre for research trials; currently recruiting to 25 trials about a range of pregnancy conditions.

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 is often the cause of major pregnancy diseases, especially stillbirth, fetal growth restriction and pre-eclampsia.

Trustees' Report (continued)

The centre 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.

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

- We have shown that the placentas in older mothers age faster and work less well than in younger mums-to-be which explains why pregnancy complications such as stillbirth are more prevalent in mums over 35 and even higher risk in mums over 40. With this evidence we are now testing antioxidant treatments to reduce damage to the placenta.
- In pregnancies that end in stillbirth we know that the blood vessels in the placenta fail to widen to allow adequate blood flow. We think that an excess of cell free fetal haemoglobin is involved and removes factors which help the blood vessels dilate. We are testing a number of drugs which may be able to remove this excess or bolster the body's ability to control its production.
- Taurine helps to reduce cell death and damage in the placenta and helps provide cells with energy they need to function. We want to assess whether women with reduced fetal movements have less taurine and whether this has compromised the wellbeing of their placenta. We may be able to supplement Taurine during pregnancy in women affected by this, particularly women who are overweight.
- We have shown that a significant proportion of women with unexplained pregnancy loss have undiagnosed autoimmune disease which reappears in subsequent pregnancies. We hope this will lead to better testing and monitoring during pregnancy.
- We await the results of trials to test whether sildenafil (Viagra) or beetroot juice are effective in treating unborn babies who are severely growth restricted.
- The Manchester Tommy's centre has pioneered the development of a new placental Magnetic Resonance Imaging test for oxygen response that can distinguish babies that are small because they are growth restricted from babies that are naturally small.
- We identified four microRNAs, small fragments of DNA-like material, which are associated with growth restriction and stillbirth, two of which were only found in pregnancies where the baby was a boy and might help to explain why boy babies are more susceptible to stillbirth and neonatal death.
- The results of the trial to assess whether teaching mums to monitor baby movements and then putting in place appropriate interventions, can help us reduce stillbirth in the UK will be published in 2017. We hope there is significant potential to save lives with this simple intervention.
- A test has been developed which identifies which women with high blood pressure will need an early delivery of their baby; a combination of measuring the stiffness of the mother's arteries and an ultrasound scan identifies 4 out of 5 who will need an early delivery.
- The centre is pioneering a targeted drug delivery system which only delivers the drug to the placenta. This will help us to develop safe treatments for pregnancies compromised by placentas that are not working well.

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.

The centre runs two specialist clinics; the metabolic clinic caring for severely obese pregnant women and a newly established pre-term birth clinic building on the established model in our London centre and being the first of its kind in Scotland.

Trustees' Report (continued)

- 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. Women attending the clinic were also more likely to be correctly diagnosed with diabetes and were less likely to have a low birthweight baby.
- We have shown that the children of severely obese women have increased risk of behavioural problems including symptoms of attention deficit hyperactivity disorder.
- The team have developed an on-line resource, *Enjoy Your Bump*, to improve mental health (depression and anxiety) in severely obese women, this is now being evaluated.
- We have shown that children born to obese mothers are at increased risk of developing type 2 diabetes and this might explain why these children are at increased risk of early death from heart disease.
- HPV (virus) infection infects cells in the cervix and high risk strains cause cervical cancer. The precancerous lesions increase the risk of pre-term birth and we are investigating whether this is caused by the treatment or the virus itself, which if proved would be a useful marker for pre-term birth.
- The team have shown that increased exposure to sunlight is associated with a reduction in pre-term birth and found that sunlamp exposure reduced blood pressure in pregnant women.
- The team have established that placental and brain metabolism is different in babies who are smaller than they should be compared to babies who are normally grown. This will help us identify babies who are in need of more regular monitoring and possibly early delivery to prevent stillbirth.
- Steroids are commonly used in the treatment of women who are in threatened pre-term labour to help mature the baby's lungs. We have shown that these steroids cause permanent damage to the baby's heart. Further studies are needed to confirm these findings and would lead to a review of current antenatal practice.
- We are assessing the ability of statins which lower cholesterol and reduce inflammation, to reduce pre-term birth.
- A test for pre-term birth, which measures fetal fibronectin and has been used successfully in our pre-term clinic in London, is being evaluated in a multicentre trial to see if it can be safely rolled out across the NHS.
- This centre is leading a trial to test whether a drug can safely deliver a placenta which has not separated from the wall of the uterus as it should. Currently these women haemorrhage and have to be urgently taken to the operating theatre where the placenta is manually removed which is traumatic for the mother and results in her being separated from her baby.
- We are examining the potential of cell-free DNA, which causes an inflammatory response seen in pre-term labour, as a marker for Pre-term birth.
- Obese women appear to be at increased risk of sleep disordered breathing compared to normal-weight women and that increases their risk of pre-eclampsia, stillbirth, gestational diabetes and pre-term birth. We also think it is associated with adverse outcome for the offspring impacting on their neurodevelopment. We are investigating what causes this.
- We are conducting early studies to test the safety of anti-inflammatory drugs to prevent pre-term labour before moving onto full scale trials.

Tommy's National Centre for Miscarriage Research – a collaboration between Birmingham University, Warwick University and Imperial College London headed by Professor Arri Coomarasamy

Tommy's commenced funding this centre on 1st April 2016 and in the first year the focus has been to initiate the research studies set out in their 5 year plan and improve the services for families at the clinical sites based in 4 hospitals; Birmingham Women's Hospital, University Hospital Coventry and Warwickshire, Queen Charlotte's Hospital and St Mary's Hospital both located in London. Due to the publicity surrounding the launch many more parents have sought to use the

Trustees' Report (continued)

recurrent miscarriage services, Imperial have improved their waiting areas whilst all have improved their support services following a miscarriage. Birmingham has increased the number of tests available to parents experiencing recurrent miscarriage whilst many patients have benefitted from taking part in research studies at all sites.

- The team in Birmingham are working on a test for chromosomal abnormalities which account for around half of all miscarriages. Giving parents a reason for their miscarriage will allow Doctors to target their advice and enables parents to focus on the next pregnancy with confidence.
- The team at Warwick are investigating an underlying cause for recurrent miscarriage (stem cell deficiency and increased cell death) which means that the lining of the uterus is especially susceptible to starting a pregnancy but unable to sustain the pregnancy beyond the first few weeks.
- The team at Imperial are researching the microbiome (bacteria play an important part in most of the body's normal functions and when this goes wrong it is associated with many common diseases) and its role in successful pregnancy. Early work has shown that miscarriage is associated with a different profile of bacteria than successful pregnancies and they are investigating the potential to treat this in women affected.
- Imperial are following women who are planning a baby from pre-conception through pregnancy to assess whether pre-existing cardiovascular problems cause pregnancy loss or whether pregnancy makes some women more prone to cardiovascular problems in later life. This study has also measured the true miscarriage rate which is much higher than we currently estimate it to be.
- Birmingham is investigating whether damage to men's sperm causes recurrent miscarriage in some couples.
- The group are setting up a database to collect and store information about patients attending all the clinics to better understand what risks (from lifestyle factors to clinical data) are associated with miscarriage.
- Birmingham is investigating the role of the immune system in miscarriage which we hope will lead to better tests.
- Imperial are looking for markers of disease (proteins or bacteria) which may tell us which women are going to miscarry, experience problems with the development of the placenta which leads to pre-eclampsia, growth restriction for the baby and increase the likelihood of stillbirth. We know that miscarriage and stillbirth are linked by the placenta not developing properly and we hope to be able to understand these links better and be able to screen women in early pregnancy to identify those who need close monitoring.
- The newly established centre has implemented a clinical trials network facilitating clinical trials for treatments in miscarriage. It also means that parents can take part in trials at hospitals around the UK.
- An initial trial to investigate whether scratching the lining of the uterus can improve the chances of a successful pregnancy in women experiencing recurrent miscarriage has produced some promising results which need to be validated in a much larger trial.
- We are investigating how we can best help parents to recover from the psychological impact of miscarriage which in some women can lead to PTSD, depression and anxiety.
- We are training more experts in miscarriage research and care.

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 in the following impact reports.

Pre-term birth impact report

THEN 2000



"I don't know why this has happened and I don't know if it will happen again"
Obstetrician to mother of pre-term baby



IVF:
Multiple embryos transferred resulting in more high risk multiple pregnancies



Obstetric practice potentially caused harm by delivering babies early

NOW 2016



Improved care: Identifying who is at risk

- Prior pre-term birth
- Underweight
- Smoker
- Uterine abnormality
- Cervical surgery
- Full dilation caesarean



Predictive tests (saves health and human cost by reassuring women they will go to full-term focusses care to those in most need)

- Cervical length
- Biomarkers such as fetal fibronectin
- Decision making apps developed



Treatments

- Cervical stitches
- Arabin pessary
- Progesterone



Supporting parents and babies

- Magnesium sulphate to reduce the risk of cerebral palsy
- Targeted steroid to improve baby's lung function
- Better targeting of women to hospitals with neonatal care facilities improves the chances of the baby

Tommy's clinic

Established the first pre-term birth clinic in the UK, helping over 1300 new patients each year. Tommy's clinic model of care has been transferred throughout the UK to over 30 centres

Clinic outcomes:



Of 120 high risk women with multiple losses, referred from other hospitals, 90% have a healthy baby (expected reoccurrence 30–50%)



Hospital pre-term birth
– reduction of 22%
2004 9.17%
2011 7.18%



Hospital pre-term birth <32 weeks
– reduction of 20%
2004 3.47%
2011 2.79%



Southwark region
– reduction of 12%
2002-2004 8.9%
2007-2009 7.8%



Dept. of Health Innovation Award
In 10 years pre-term birth reduced by 15% compared to surrounding hospital regions

Research pipeline (projects in progress)



Raise national standards by implementation of current national guidelines



Screening in early pregnancy



Refining interventions around personalised care

Stillbirth Impact report

THEN 2000 NOW 2016

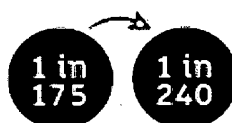
"There's no point in focussing on stillbirth; it's a rare event and there's nothing we can do about it"
(eminent research expert)



"It's now time for us to lead the world on stillbirth... we owe this to families in the UK"
Ben Gummer MP Health Minister May 2016

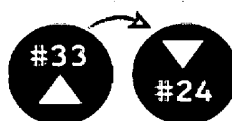
Government sets reduction targets:
Halve rates by 2030 and 20% reduction by 2020

1 in 175 babies are stillborn
>5,500 babies a year



1 in 240 babies are stillborn
<3,500 babies a year

UK stillbirth rate:
33 out of 35 developed countries
(Lancet 2009)



UK stillbirth rate:
24 out of 49 developed countries
(Lancet 2016)

"We don't know why your baby died; it's just one of those things"
(typical doctor response)



Priority Partnership identified 11 major research questions to tackle stillbirth 2015

No research programmes



Research programmes underway

- **Prevention:** monitoring baby movements to detect fetal growth restriction which accounts for around half of stillbirths
- **Screening:** biomarkers for reduced fetal growth, scanning at-risk women
- **Treatments:** growth restricted babies, diabetes, liver disease

Tommy's Stillbirth Research Centre



UK's only dedicated stillbirth research centre opened in 2010



Placenta Clinic established to care for women and further research



Care pathway reviewed and improved for all families at St Mary's Hospital in Manchester

Unexplained stillbirth reduced
Parents opting for placental pathology and autopsy increased



Manchester region stillbirth rate declines by 29% from 2010-2014



Rainbow clinic established to care for families who have experienced a stillbirth

Risk of subsequent stillbirth reduced from 1 in 80 to 1 in 400
£1.86 of economic benefit generated for every £1 invested, 86% increase in value.

www.tommys.org

Obesity in pregnancy - impact report 2017



It is estimated that more than 20% of women are obese in pregnancy (BMI > 30) and up to half are overweight, bringing increased risks throughout pregnancy and lifelong implications for the baby.



Metabolic antenatal clinic established in Edinburgh to improve research understanding and care for women with BMI > 40



UK's only dedicated obesity research clinic - 600 families helped since 2008

Improving care



NHS care pathway reviewed and improved for all women with obesity across Lothian.

Optimising anaesthetic care during labour and birth

Optimising post-caesarean wound care

Signposting women to weight management services postpartum

More than 10 other centres adopting the multidisciplinary model of care

Leading development of RCOG Obesity in pregnancy guideline for management of obesity in pregnancy around the UK

Research focus areas



Pioneering multidisciplinary research from basic mechanisms to clinical trials

Prevention: dietary input to prevent nutritional deficiencies, interventions to lower stillbirth rates

Screening: better detection of diabetes and high blood pressure, identifying women at highest risk of obesity related problems during labour and delivery

Treatments: better treatment of diabetes

"I hope that you ensure that everyone in the clinic is praised for their work including the receptionists, nurses, midwives and doctors. My little boy came into this world perfect and it was the most wonderful experience of my life. I think that without all these people helping me through it, it could have been such a bad experience."

- Mum

Impact on care	Metabolic Clinic care	Standard care
Better diagnosis of gestational diabetes	25.6%	17.6%
Less likely to have a low birthweight baby	4.1%	7.0%
Stillbirth	1/1013	8/1013

Women are 8x less likely to have a stillbirth versus standard care

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 pursued a "digital-first" approach as it is more cost-effective than traditional print, easier to update and will engage a far larger audience in the target age bracket. As such, the charity has 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. In April 2016, we launched our flexible, modern website that helps us promote behaviour change by creating relevant, timely content on topics we know will be interesting to pregnant women which we promote on our social channels.

This behaviour change content is focused on delivering our messages in the six areas that we feel will have most impact on pregnancy safety:

- smoking cessation
- 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. It is a way of quickly guiding the user to the most appropriate course of action.

We continue to work closely with Mindshare to draw in our target audience. With their help we have improved our visibility with organic sessions to the website are up 31% in March 2017 vs the previous year.

Tommy's Midwives on Facebook

In 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 20,000 'friends' and the reach of some of our information is much wider. For example, an animation showing the impact of smoking in pregnancy on the unborn baby reached more than 248,000 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.

Pregnancy campaigns

In October 2016, we launched the #MovementsMatter campaign, in partnership with Kicks Count and NHS England. The campaign aimed to raise awareness of the current guidelines around reduced fetal movements (RFM).

It was designed to build on work that Tommy's had completed with NHS England under the Stillbirth Care Bundle, Element 3: Reduced Fetal Movement. The initial project was to design and test a leaflet to raise awareness amongst pregnant women of the importance of detecting and

Trustees' Report (continued)

reporting RFM. We convinced NHS England that a short impactful film was the best way to deliver multiple messages effectively through social media.

The Movements Matter film, which adhered to the same information production policy as all Tommy's pregnancy information, was designed to be immediately engaging and inclusive to all ethnic and social groups.

We leveraged all our existing relationships, including corporate partners and all the influencers and bloggers who have supported us in the past, and spoke to mums-to-be and mums with children under 4. All our corporate partners, who were already perfectly aligned with the campaign in terms of audience, supported the campaign with homepage presence, or through their social channels.

Key campaign statistics:

- We reached 6m on social media
- Our evaluation of the campaign showed that we raised awareness of the key messages by 20-27%

Tommy's Midwives Phone line

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

Reaching high risk groups

Reaching high risk and Black and Minority Ethnic (BME) groups with our information is a priority for our team as these groups are disproportionately affected by pregnancy complications. We know that currently 15% of current website users are low income and limited employment; that is 50k monthly unique users.

Aside from the 'halo affect' created by wide-reaching information campaigns and our website, we are currently employing the following strategies to reach these groups:

- Targeted campaigns: As part of our #MovementsMatters campaign, we successfully focussed on reaching Afro-Caribbean women, as we know they are at much higher risk of stillbirth.
- Translated resources: In January, we translated our Reduced Fetal Movement leaflet in 10 different languages.

Gestational age pregnancy emails

In July 2016, we launched our gestational age pregnancy emails, to help us to develop an ongoing relationship with women throughout their pregnancy. Subscribers are sent a weekly email packed with relevant pregnancy information and interesting facts about their stage of pregnancy.

The Pregnancy Information Service Advisory Panel

We work with a panel of senior representatives from midwifery and obstetrics to provide a strategic overview of our Pregnancy Information Service. The panel includes representatives from RCOG, RCM, Department of Health and NHS England.

Trustees' Report (continued)

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:

- Smoking in Pregnancy Challenge Group
- Maternal Mental Health Alliance (MMHA)
- Stakeholder Council for the Maternity Transformation Programme
- The Maternity Communications Group, led by Department of Health

Feedback from women who use the service:

"You have really put my mind at rest. I have found the convenience and advice from Tommy's midwives to be very helpful indeed and would thoroughly recommend you to others. I am going to make a donation to the charity not only as a sign of my gratitude but it's also for a good cause!! Thank you again."

"I wish I knew of your organisation when I was pregnant. The 8 weeks leading up to her birth was stressful and I could have used the support you offered."

"It is so comforting to know that the Tommy's midwives are available and happy to listen and advise."

Fundraising

Fundraising Statement

The charity seeks to diversify its income streams and also balance the risk inherent to each channel, and as such undertakes fundraising activities via sponsored community fundraising and challenge events, trusts and major gifts and corporate partnerships. The charity also invest in the recruitment of committed, long-term direct debit donors. All donor recruitment is conducted via private sites and Tommy's is not involved in door-to-door, telemarketing or direct-mail donor recruitment or fundraising, nor does it run reactivation or upgrade campaigns.

Recruitment activity is conducted by commercial participators who are members of the Institute of Fundraising, as is Tommy's. These fundraising partners are carefully selected to ensure that their policies and procedures are compliant with best practice as set out by the Institute of Fundraising, with the best interests of the charity's donors and the vulnerable are paramount. The charity will also only work with partners who subscribe to mystery shopping programmes and, when resources permit, Tommy's undertakes its own mystery shopping activity. Regular meetings are conducted with the agencies to monitor key performance indicators and complaints. The charity received eighteen complaints regarding its fundraising activities in the last twelve months. These complaints were taken very seriously and were investigated with the recruitment agency, with disciplinary action being taken where appropriate. If a complaint is deemed serious enough it may result in the removal of a fundraiser from the campaign and/or the termination of a campaign.

Fundraising Review

Our heartfelt thanks go to everyone who has helped Tommy's raise funds - we are ever grateful to the people who have run, cycled, baked, splashed, danced, and so much more to help us save more babies' lives. We are also grateful to those who have supported us in other ways: by nominating Tommy's, introducing us to others, sharing our campaigns and voting for us.

Our corporate partners have gone above and beyond as always, and we thank Asda, Mothercare, First Choice Holiday Villages, Arla, EOne and Peppa Pig, Persil Non Bio & Comfort Pure, Asda Little Angels, Bounty, Alexander Charles Associates, M&G Investments, Selfish Mother, CIBC Children's

Trustees' Report (continued)

Foundation, Heinz, Sling Studio, British Travel Awards, True Capital, Center Parcs, Danone Nutricia, Hologic, Transport for London, Goldman Sachs, Tesco Bank and the Canary Wharf Group.

A very special thanks goes to Baby Sensory and Toddler Sense who excelled themselves this year with the biggest ever Sensathon. We were also delighted to welcome Baby Ballet to Tommy's, who hosted our first ever Danceathon and exceeded the target three times over.

We are also very grateful to the amazing organisations that provide great experiences for our many community supporters, namely: the Royal Parks Foundation Half Marathon, the Great North Run, the Virgin Money London Marathon, Ride London, Nightrider, the Brighton Marathon, the Virgin Sport Westminster British 10K and Swim Serpentine.

Tommy's ended its donor recruitment 2016-17 campaign with Cappl with 3,841 new direct-debit donor recruits.

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

- The Genesis Research Trust, which has made an incredibly generous two-year commitment to funding our miscarriage research at Imperial College London.
- The Garfield Weston Foundation, whose significant gift is funding the core costs of the Tommy's National Centre for Miscarriage Research over two years.
- The Lord Leonard and Lady Estelle Wolfson Foundation, which has given a second grant towards the work of our research midwives at St Thomas' Hospital. Lady Wolfson's generous commitment for a second year is accelerating research discoveries and ensuring that we can give more premature babies a better chance, sooner.
- The Betty Messenger Charitable Foundation, which is supporting the Tommy's National Centre for Miscarriage Research for the second year running. The Foundation's gift is enabling our researchers at Warwick to develop a pre-pregnancy endometrial test to identify women at risk of miscarriage, and explore whether an antidiabetic drug can be used to help prevent miscarriage.
- The Neil and Alison Ostrer Foundation, which gave a very generous gift towards our Tommy's National Centre for Miscarriage Research.

We also extend our heartfelt thanks to our other trust and foundation supporters including: The Aurum Charitable Trust, The Desmond Foundation, The Edith Murphy Foundation, The Evan Cornish Foundation, Eveson Charitable Trust, The Holbeck Charitable Trust, The James Tudor Foundation, The John Coates Charitable Trust, PF Charitable Trust, The R S Macdonald Charitable Trust, Sandra Charitable Trust, Sir Samuel Scott of Yews 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 also implemented a Section 16b grant 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. We expect to have results to share in late 2017.

We received one grant from NHS England to create a short, shareable animation containing key messages about the importance of detecting and reporting reduced fetal movement.

Our Major Gifts programme has continued to grow and we have benefitted from a number of generous supporters, in particular Patron Ron Dennis, Trustees Joe Chambers, Dominic Shorthouse and Bjorn Saven, as well as donors Julia Rosier, Stephen & Benetta Morant, Paulo & Melinda Almeida, Emma & Simon Fallon, Steve & Mel Edge and Ilya Polner. Our thanks go to

Trustees' Report (continued)

them and those who have kindly introduced their friends and contacts through a number of targeted social events we held over the year.

Particular thanks must also go to the comedy quartet 'Instant Sunshine' who held a special 50th anniversary concert at the Cadogan Hall in February 2017 which raised £61,331 for Tommy's, and to our founder Ian Fergusson who led on the organisation for this wonderful celebratory event. These funds will go towards our original centre at St Thomas' Hospital.

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

London Landmarks Half Marathon

During this financial year, Tommy's obtained the necessary permissions to launch a new mass participation event called the London Landmarks Half Marathon. The event forms part of our strategy to increase and diversify our fundraising by developing a new source of income, capable, in time, of raising £2m+ annually for Tommy's.

The London Landmarks Half Marathon is a new, closed road charity run taking place for the first time on the 25 March 2018 with 10,000 participants. The route is the first to go through both the City of London and the City of Westminster and will expose runners to London's grandest landmarks and its quirky and hidden history. As well as participants running for Tommy's, other charities are taking part raising funds for more than 50 other good causes.

We have developed and launched social media channels and a website for the event www.llhm.co.uk. Tommy's is delighted to be launching this exciting new event with the support of Westminster City Council and the City of London Corporation and would like to extend a special thank you to them for their support. We have also teamed up with JustGiving as our official fundraising partner and are working with Human Race who will be managing the event on the day.

The charity regards development of London Landmarks Half Marathon as a long-term investment, but the continuation of the project will be dependent on a successful first year's performance.

Marketing and Communications

This year Tommy's put plans into action to realise its chief objectives: growing awareness and familiarity with our key audience, to grow our community of advocates and influencers, and achieve coverage and awareness for the charity on a national level through press, advertorials and campaigns. By November 2016 we had surpassed our awareness and familiarity targets, advancing +9 and +10 percentage points respectively, which will encourage increased use of the charity's services and information.

Content Marketing

We continue to commit to, and continually improve, our new content marketing strategy implemented in June 2016. Since devising the strategy, setting our KPIs and recruiting resource we have been creating and curating content on a daily basis and pushing out on all of our social media channels with the ultimate aim of drawing people to our website. Since June, our main Facebook page followers have increased +17% to 39,000 followers. This is important to us as social media is where our women are; 60% of the UK's population have an active Facebook account with over a quarter in the key 25-34 years age range. Meanwhile, our Instagram channel has garnered nearly 4000 followers from scratch. Our objective is to keep refining the research side of the website to ensure information can be easily found and understood.

Campaigns

Following on from the success of #misCOURAGE, we launched the Tommy's #breakthesilence in October 2016 in partnership with EastEnders. After advising on their miscarriage storyline,

Trustees' Report (continued)

Tommy's filmed 3 short videos exploring the feelings and misconceptions that follow the loss of a baby. Collectively, they had a reach of over 1 million in the first 24 hours and 3 million by the end of the week and resulted in the second highest day of traffic to Tommy's website, ever. It also meant Tommy's had over 40% share of voice during Baby Loss Awareness week adding to high profile and televised Parliamentary debates and the online Wave of Light initiative shared between multiple baby loss charities. We are grateful to Mindshare for helping us to maximise this opportunity. The video won an internal company 'Best Campaign of the Month award,' and has since been submitted for APG strategy, D&AD and Cannes Awards.

We also launched a short 30 second video on Mother's Day entitled #WeAreAllMums, exploring the idea that all women are mothers no matter what their journey or what the outcome of their pregnancies. The message touched nearly 800,000 people online (an increase of +73% vs last year) and delivered over 1.6M impressions.

PR

We have had a very successful year with a +114% increase in coverage YOY and over 800 pieces of coverage secured across national and regional titles, TV and radio.

Key print coverage included national pieces secured in the Daily Mail, Scottish Daily Mail, the Guardian, the Daily Telegraph, the Sunday Times, the Times, the Sunday Telegraph, The Sun, The Scottish Sun and the Daily Mirror. A particular highlight was a four page spread in YOU magazine (circulation: 2.7M) covering Tommy's National Centre for Miscarriage Research and including quotes from midwife Anna Nella, Helen Williams and Siobhan Quenby.

In terms of television and radio, our Prematurity App was featured on the Lorraine Show, Dr Andy Shennan was interviewed for Channel 4 News and Tommy's was further featured on BBC Radio 2, BBC Radio 1 Newsbeat, Sky News (a 10 minute interview with Danae Leaman-Hill) Channel 4 News and BBC London.

Celebrities and Influencers

Our content and campaigns have fuelled interest in our organisation by both community bloggers and high profile influencers. Giovanna Fletcher, Hello magazine's celebrity Mum of the Year and prolific blogger, vlogger and author agreed to host the Tommy's awards after supporting our EastEnders campaign and visiting our Miscarriage research centre based at Queen Charlotte's Hospital. Her combined social reach of 1.7M people ensured that the Tommy's Awards gained wide social coverage, appeared in her Hello! Magazine column and made for a very memorable day - many attendees asked for celebrity 'selfies' with our hostess and posted to their own social media, organically spreading the word about the event and its roots in our cause.

Our aim now is to keep up momentum with the likes of Giovanna, Izzy Judd, Jools Oliver and Kym Marsh so we can rely on their support for future campaigns, and to grow our ever widening circle of 'Life after Loss' bloggers.

Media Acquisition

With the help of Mindshare, we achieved in excess of £500,000 pro-bono media- a fantastic result! #misCOURAGE adverts were featured in the likes of the Guardian, Sunday Mirror, Metro, and the Daily Mail, and online with Netmums. We were also featured across shopping centre and private corporation screens by kind permission of media owners Clear Cast and ECN.

Email Marketing and CRM

Tommy's established regular newsletters and gestational emails this year. We are also working to ensure all communications and opt-ins are in line with the May 2018 data protection changes.

Financial Review

Income this year stands at a record high of £6,166,228 which is £171,203 higher than the previous year's results and 18% higher than our target. This has been achieved from fundraising through a number of additional "thon" sponsorship events and an overwhelming level of support in running events such as the 2016 London Marathon. 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 two 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 The Baby Fund Trading Limited made profits of £92,688 (2016: £470,042) which were transferred to the charity. LLHM Limited, a newly established subsidiary in the year, made a loss of £59,999. The loss arose as the entity was undertaking a period of planning and business development in 2016/17, before starting to earn income in 2017/18.

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 £6,250,000. This would enable the charity to cover charitable expenditure, staff salaries, overheads and a proportion of fundraising costs for a year. It should be noted that the required figure will grow as the charity grows and develops. At the year-end free reserves (which represents total unrestricted funds less fixed assets) stood at £3,636,683 (2016: £3,206,617) which shows steady progress towards our target reserves level, with 58% currently covered. 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	£ 5,237,785	Over budget (by £928,443)
Expenditure: Cost of raising funds	£ 1,967,472	Under budget (by £65,276)
Charitable	£ 3,528,615	Over budget (by £101,147)
Cost/income ratio	38 %	31 %

Plans for future periods

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

- To grow and diversify 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.

Trustees' Report (continued)

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, appearing to read 'Joe Chambers', with a stylized flourish at the end.

Joe Chambers
Chairman
7th July 2017

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

We have audited the financial statements of Tommy's for the year ended 31 March 2017 which comprise the consolidated and parent charity statement of financial activities, the consolidated and parent charity balance sheet, the consolidated and parent charity statement of cash flows 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 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 auditors

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. 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.

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

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 parent charity's affairs as at 31 March 2017 and of the group's and parent charity's incoming resources and application of resources, including the 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 and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report, which includes the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements and the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report (continued)

Based on our knowledge and understanding of the charity and its environment obtained during the course of the audit we have identified no material misstatements in the strategic report and trustees' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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.

BDO LLP

*Fiona Condron (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

Date 7/7/17

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 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Unrestricted funds £	Restricted funds £	Total 2016 £
Income from:							
-Donations	2	4,796,243	1,025,689	5,821,932	4,665,248	498,863	5,164,111
Income from charitable activities:							
-Scottish Government Grant		-	-	-	-	9,820	9,820
-Dept. of Health – Smoking Cessation		-	85,445	85,445	-	71,221	71,221
-Patent and Consultancy Income		-	-	-	9,697	8,000	17,697
Other trading activities	3	220,988	-	220,988	688,152	-	688,152
Investment income and interest	4	34,425	3,438	37,863	41,205	2,819	44,024
Total income		<u>5,051,656</u>	<u>1,114,572</u>	<u>6,166,228</u>	<u>5,404,302</u>	<u>590,723</u>	<u>5,995,025</u>
Expenditure on:							
Raising funds	7,8	1,902,196	-	1,902,196	2,003,252	-	2,003,252
Charitable activities	7,8	<u>2,698,553</u>	<u>931,209</u>	<u>3,629,762</u>	<u>3,122,581</u>	<u>356,222</u>	<u>3,478,803</u>
Total expenditure		<u>4,600,749</u>	<u>931,209</u>	<u>5,531,958</u>	<u>5,125,833</u>	<u>356,222</u>	<u>5,482,055</u>
Net movement in funds for the year		450,907	183,363	634,270	278,469	234,501	512,970
Reconciliation of funds							
Fund balances brought forward		<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>
Fund balances carried forward	19	<u>3,779,770</u>	<u>579,454</u>	<u>4,359,224</u>	<u>3,328,863</u>	<u>396,091</u>	<u>3,724,954</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 30-47 form an integral part of the financial statements.

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

For the year ended 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Unrestricted funds £	Restricted funds £	Total 2016 £
Income from:							
-Donations and legacies		4,796,938	1,025,689	5,822,627	4,664,880	498,863	5,163,743
Income from charitable activities:							
- Scottish Government Grant		-	-	-	-	9,820	9,820
- Dept. of Health – Smoking Cessation		-	85,445	85,445	-	71,221	71,221
- Patency and consulting income		-	-	-	-	8,000	8,000
Investment income and interest		32,134	3,438	35,572	35,358	2,819	38,177
Other income		153,031	-	153,031	651,190	-	651,190
Total income		<u>4,982,103</u>	<u>1,114,572</u>	<u>6,096,675</u>	<u>5,351,428</u>	<u>590,723</u>	<u>5,942,151</u>
Expenditure on:							
Raising funds		1,842,718	-	1,842,718	1,987,699	-	1,987,699
Charitable activities		2,628,479	931,209	3,559,688	3,085,260	356,222	3,441,482
Total expenditure		<u>4,471,197</u>	<u>931,209</u>	<u>5,402,406</u>	<u>5,072,959</u>	<u>356,222</u>	<u>5,429,181</u>
Net movement in funds for the year		510,906	183,363	694,269	278,469	234,501	512,970
Reconciliation of funds							
Fund balances brought forward		3,328,863	396,091	3,724,954	3,050,394	161,590	3,211,984
Fund balances carried forward	20	<u>3,839,769</u>	<u>579,454</u>	<u>4,419,223</u>	<u>3,328,863</u>	<u>396,091</u>	<u>3,724,954</u>

Other income includes a management charge of £60,343 between Tommy's and its subsidiary the Baby Fund Trading Limited. Voluntary income includes the payment under gift aid of £92,688 from the Baby Fund Trading Limited.

The accompanying notes on pages 30-47 form an integral part of the financial statements.

Consolidated Balance Sheet
At 31 March 2017
Registered Company Number 3266897

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Fixed assets					
Intangible assets	14	46,066	-	46,066	-
Tangible assets	15	97,021	-	97,021	122,246
		<u>143,087</u>	<u>-</u>	<u>143,087</u>	<u>122,246</u>
Current assets					
Debtors	17	585,636	-	585,636	255,690
Short term deposits		5,156,722	579,454	5,736,176	4,748,100
Cash at bank and in hand		743,563	-	743,563	1,393,863
		<u>6,485,921</u>	<u>579,454</u>	<u>7,065,375</u>	<u>6,397,653</u>
Creditors: amounts falling due within one year	18	(2,849,238)	-	(2,849,238)	(2,794,945)
Net current assets		<u>3,636,683</u>	<u>579,454</u>	<u>4,216,137</u>	<u>3,602,708</u>
Total assets less current liabilities		<u>3,779,770</u>	<u>579,454</u>	<u>4,359,224</u>	<u>3,724,954</u>
Total Net Assets		<u>3,779,770</u>	<u>579,454</u>	<u>4,359,224</u>	<u>3,724,954</u>
Represented by					
Funds	19	<u>3,779,770</u>	<u>579,454</u>	<u>4,359,224</u>	<u>3,724,954</u>

The financial statements were approved and authorised for issue by the Trustees on 7th July 2017.



Joe Chambers
Trustee

The accompanying notes on pages 30-47 form an integral part of the financial statements.

Charity Balance Sheet

At 31 March 2017

Registered Company number: 3266897

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Fixed assets					
Intangible assets	14	30,100	-	30,100	-
Tangible assets	15	97,021	-	97,021	122,246
Investments	16	3	-	3	2
		<u>127,124</u>	<u>-</u>	<u>127,124</u>	<u>122,248</u>
Current assets					
Debtors	17	1,168,029	-	1,168,029	1,405,789
Short term deposits		5,156,722	579,454	5,736,176	4,303,182
Cash		213,107	-	213,107	660,431
		<u>6,537,858</u>	<u>579,454</u>	<u>7,117,312</u>	<u>6,369,402</u>
Creditors: amounts falling due within one year	18	(2,825,213)	-	(2,825,213)	(2,766,696)
		<u>3,712,645</u>	<u>579,454</u>	<u>4,292,099</u>	<u>3,602,706</u>
Net current assets					
Total assets less current liabilities		<u>3,839,769</u>	<u>579,454</u>	<u>4,419,223</u>	<u>3,724,954</u>
Net Assets		<u>3,839,769</u>	<u>579,454</u>	<u>4,419,223</u>	<u>3,724,954</u>
Represented by					
Funds	20	<u>3,839,769</u>	<u>579,454</u>	<u>4,419,223</u>	<u>3,724,954</u>

The financial statements were approved and authorised for issue by the Trustees on 7th July 2017.



Joe Chambers
Trustee

The accompanying notes on pages 30-47 form an integral part of the financial statements.

Statement of Cash Flows and Consolidated Statement of Cash Flows

At 31 March 2017

	Notes	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Cash flows from operating activities:					
Net cash provided by operating activities	25	345,979	1,074,386	980,199	620,876
Cash flows from investing activities:					
Interest income		37,863	44,024	35,572	38,177
Purchase of intangible fixed assets		(46,066)	-	(30,100)	-
Purchase of tangible fixed assets		-	(124,436)	-	(124,436)
Net cash provided by (used in) investing activities		(8,203)	(80,412)	5,472	(86,529)
Change in cash and cash equivalents in the year		337,776	993,974	985,671	534,617
Cash and cash equivalents at the beginning of the year	26	6,141,963	5,147,989	4,963,613	4,428,996
Total cash and cash equivalents at the end of the year	26	6,479,739	6,141,963	5,949,284	4,963,613

The accompanying notes on pages 30-47 form an integral part of the financial statements.

Notes to the financial statements

For the year ended 31 March 2017

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) Preparation of the accounts on a going concern basis

The Charity reported a cash inflow of £985,671 for the year (2016: £534,617) and £337,776 on a group basis (2016: £993,974). 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.

c) Group financial statements

The group financial statements include the results for the year ended 31 March 2017 of Tommy's and its wholly owned subsidiary companies The Baby Fund Trading Limited and LLHM Limited. The results of the subsidiaries are included on a line by line basis and their own profit and loss accounts and balance sheets are shown in notes 22 and 23.

d) 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 19.

Notes to the financial statements

For the year ended 31 March 2017

Accounting policies (continued)

e) 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.

f) 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 income and a corresponding amount is shown as expenditure under the relevant charitable activity

g) 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.

h) 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.

Notes to the financial statements

For the year ended 31 March 2017

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.

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 subsidiaries, The Baby Fund Trading Limited and LLHM 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 £33,732 (2016: £32,176).

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. The minimum cost for capitalisation is £1,000.

n) Intangible fixed assets

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.

o) 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 2017

Accounting policies (continued)

p) 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.

q) Operating Leases

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

r) 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.

s) Critical Estimates and Areas of Significant Judgement

There are no areas of critical estimate or significant judgement, other than the value of donated services (see note 1(f)).

2 Income from donations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Gifts	4,223,998	1,025,689	5,249,687	4,208,191	498,863	4,707,054
Donated Services	572,245	-	572,245	457,057	-	457,057
	<u>4,796,243</u>	<u>1,025,689</u>	<u>5,821,932</u>	<u>4,665,248</u>	<u>498,863</u>	<u>5,164,111</u>

3 Income earned from trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Corporate sponsorship and promotions	220,988	-	220,988	663,894	-	663,894
Events	-	-	-	24,258	-	24,258
	<u>220,988</u>	<u>-</u>	<u>220,988</u>	<u>688,152</u>	<u>-</u>	<u>688,152</u>

Notes to the financial statements

For the year ended 31 March 2017

4 Investment income and interest

All of the group's investment income of £37,863 (2016: £44,024) arises from money held on deposit account.

5 Grants for medical research

	2017 £	2016 £
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	500,000	400,000
- Previous years grants exceeded/(not fully taken up)	<u>(81,507)</u>	<u>(29,685)</u>
	1,618,493	1,570,315
Other research costs	<u>184,785</u>	<u>145,850</u>
	<u>1,803,278</u>	<u>1,716,165</u>
Outstanding grants at 1st April 2016	2,074,469	1,904,721
Grants awarded during the year	1,618,493	1,570,315
Paid during the year	<u>(1,577,473)</u>	<u>(1,400,567)</u>
Outstanding grants at 31st March 2017 falling due within one year	<u>2,115,489</u>	<u>2,074,469</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 2017

6 Education and information projects

	2017 £	2016 £
Parent Friendly Awards	128,947	115,824
Pregnancy Accreditation	25,398	16,381
Information Provision	370,712	229,088
Midwife Pregnancy Helpline	115,888	111,024
Publications production and distribution	34,256	41,946
Public Relations	220,806	347,420
Health Campaigns Projects	15,509	96,522
Website	220,088	189,854
Supporter Newsletter	106,674	57,038
Advertising	588,206	570,280
	<u>1,826,484</u>	<u>1,775,377</u>

7 Analysis of expenditure

	Staff costs £	Direct costs £	Allocated Support & Governance Costs £	Total 2017 £	Total 2016 £
Cost of raising funds					
Donations and Legacies	331,229	929,684	187,787	1,448,700	1,623,447
Corporate sponsorship, promotions and events	<u>247,228</u>	<u>75,766</u>	<u>130,502</u>	<u>453,496</u>	<u>379,805</u>
	<u>578,457</u>	<u>1,005,450</u>	<u>318,289</u>	<u>1,902,196</u>	<u>2,003,252</u>
Charitable expenditure					
Medical research	20,467	1,774,275	8,536	1,803,278	1,709,893
Education and Information projects	<u>601,324</u>	<u>911,958</u>	<u>313,202</u>	<u>1,826,484</u>	<u>1,768,910</u>
	<u>621,791</u>	<u>2,686,233</u>	<u>321,738</u>	<u>3,629,762</u>	<u>3,478,803</u>
Total	<u>1,200,248</u>	<u>3,691,683</u>	<u>640,027</u>	<u>5,531,958</u>	<u>5,482,055</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 £13,050 (2016: £13,080). £Nil was paid to our auditors for other services (2016: £Nil).

Notes to the financial statements

For the year ended 31 March 2017

8 Analysis of allocated support and governance costs

	Information Technology	Human Resources	Office Operating Costs	Governance Costs	Total 2017	Total 2016
	£	£	£	£	£	£
Cost of raising funds						
Donations and Legacies	36,913	27,753	119,134	3,987	187,787	149,330
Corporate sponsorship, promotions and events	26,140	19,197	82,407	2,758	130,502	74,051
	<u>63,053</u>	<u>46,950</u>	<u>201,541</u>	<u>6,745</u>	<u>318,289</u>	<u>223,381</u>
Charitable expenditure						
Research	1,677	1,262	5,416	181	8,536	8,141
Education and Information projects	61,566	46,288	198,698	6,650	313,202	264,466
	<u>63,243</u>	<u>47,550</u>	<u>204,114</u>	<u>6,831</u>	<u>321,738</u>	<u>272,607</u>
Total	<u>126,296</u>	<u>94,500</u>	<u>405,655</u>	<u>13,576</u>	<u>640,027</u>	<u>495,988</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:	2017 £	2016 £
Auditor's remuneration		
- audit fees	13,050	13,080
Depreciation	23,748	5,519
Operating lease rentals	<u>74,400</u>	<u>74,400</u>

Notes to the financial statements

For the year ended 31 March 2017

10 Group staff costs

	2017 £	2016 £
Salaries and wages	1,048,156	999,517
Social security costs	100,384	103,520
Pension costs	33,732	32,176
Temporary Staff & Volunteer costs	17,976	66,732
	<u>1,200,248</u>	<u>1,201,945</u>

The emoluments for the year of one member of staff including benefits in kind are within the range of £120,000 to £129,999 (2016 - 1 member within the range of £110,000 to £119,999). Contributions amounting to £11,226 (2016 - £11,226) were also made to the personal pension scheme of the employee in the above band.

One employee's emoluments, including benefits in kind, fell within the range £70,000 to £79,999 (2016 - 1 member within the range of £70,000 to £79,999)

Two employees emoluments, including benefits in kind, fell within the range £60,000 to £69,999 (2016 - 2 members within the range of £60,000 to £69,999)

The key management personnel comprise the Trustees, the Chief Executive Officer, Finance Director, LLHM Director and Fundraising Director. The total remuneration of the key management personnel was £382,328 (2016: £380,243)

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

	2017 Number	2016 Number
Charitable activities	11	10
Cost of generating funds	13	14
Management and administration of the charity	5	5
	<u>29</u>	<u>29</u>

No redundancies were made in the year (2016: three). The aggregate cost of redundancy payments was £nil (2016: £3,088)

Notes to the financial statements

For the year ended 31 March 2017

11 Charity staff costs

	2017 £	2016 £
Salaries and wages	985,541	901,468
Social security costs	93,752	92,626
Pension costs	31,823	28,797
Temporary Staff & Volunteer costs	17,976	66,732
	<u>1,129,092</u>	<u>1,089,623</u>

The emoluments for the year of one member of staff including benefits in kind are within the range of £120,000 to £129,999 (2016 - 1 member within the range of £110,000 to £119,999). Contributions amounting to £11,226 (2016 - £11,226) were also made to the personal pension scheme of the employee in the above band.

One employee's emoluments, including benefits in kind, fell within the range £70,000 to £79,999 (2016 - 1 member within the range of £70,000 to £79,999)

Two employees emoluments, including benefits in kind, fell within the range £60,000 to £69,999 (2016 - 2 members within the range of £60,000 to £69,999)

The key management personnel comprise the Trustees, the Chief Executive Officer, Finance Director, LLHM Director and Fundraising Director. The total remuneration of the key management personnel was £382,328 (2016: £380,243)

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

	2017 Number	2016 Number
Charitable activities	11	10
Cost of generating funds	11	14
Management and administration of the charity	5	5
	<u>27</u>	<u>29</u>

No redundancies were made in the year (2016: three). The aggregate cost of redundancy payments was £nil (2016: £3,088)

12 Trustees

The Trustees received no remuneration or reimbursed expenses during the year (2016 - £Nil).

Notes to the financial statements

For the year ended 31 March 2017

13 Operating lease and other commitments

At 31 March 2017 the Charity had total future minimum lease commitments under operating leases for land and buildings as follows:

	2017 £	2016 £
Land and building operating leases		
- Less than one year	81,534	74,400
- More than one year and less than five years	336,000	17,326
- More than five years	19,792	-
	<u>437,326</u>	<u>91,726</u>

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

14 Intangible fixed assets

	Group £	Charity £
Software and Website		
Cost		
1 April 2016	-	-
Additions	-	-
Assets under construction	46,066	30,100
Disposals	-	-
31 March 2017	<u>46,066</u>	<u>30,100</u>
Depreciation		
1 April 2016	-	-
Charge for the year	-	-
Disposals	-	-
31 March 2017	<u>-</u>	<u>-</u>
Net book value		
1 April 2016	-	-
31 March 2017	<u>46,066</u>	<u>30,100</u>

Assets under construction relate to the development of a new finance system in Tommy's and a website for LLHM Limited, both of which came into use in April 2017. As the assets were not in use at 31st March 2017, no amortisation was charged in the year.

Notes to the financial statements
For the year ended 31 March 2017

15 Tangible fixed assets

	Group £	Charity £
Office equipment		
Cost		
1 April 2016	713,242	713,242
Additions	-	-
Disposals	(81,665)	(81,665)
31 March 2017	631,577	631,577
Depreciation		
1 April 2016	590,996	590,996
Charge for the year	23,748	23,748
Disposals	(80,188)	(80,188)
31 March 2017	534,556	534,556
Net book value		
1 April 2016	122,246	122,246
31 March 2017	97,021	97,021

16 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 22.

The charity owns the whole of the issued share capital of £1 in LLHM Limited, a company incorporated in the UK. This company was formed to contain the London Landmarks Half Marathon and other fundraising events that the charity may seek to develop in the future, and profits are covenanted to the charity. The results of the trading subsidiary are shown in note 23.

Notes to the financial statements

For the year ended 31 March 2017

17 Debtors

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	92,972	119,551	3,015	8,440
Taxation recoverable	15,684	14,493	15,684	14,493
Amounts owed by subsidiary companies	-	-	681,978	1,271,206
Prepayments and accrued income	472,662	113,153	463,034	103,157
Other debtors	4,318	8,493	4,318	8,493
	<u>585,636</u>	<u>255,690</u>	<u>1,168,029</u>	<u>1,405,789</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	380,109	375,397	378,899	366,127
VAT payable	6,121	45,159	6,121	45,159
Medical grants outstanding	2,115,489	2,074,469	2,115,489	2,074,469
Accruals, deferred income and other creditors	347,519	299,920	324,704	280,941
	<u>2,849,238</u>	<u>2,794,945</u>	<u>2,825,213</u>	<u>2,766,696</u>

Notes to the financial statements

For the year ended 31 March 2017

19 Consolidated statement of funds

	Balance 31 March 2016 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2017 £
Unrestricted funds					
General funds	<u>3,328,863</u>	<u>5,017,231</u>	<u>4,600,749</u>	<u>34,425</u>	<u>3,779,770</u>
Restricted funds					
Maternal and Fetal Health Team, Manchester	-	67,905	67,905	-	-
Maternal and Fetal Health Team, Edinburgh	-	71,521	71,521	-	-
Maternal and Fetal Health Team, London	-	177,331	157,331	119	20,119
Maternal and Fetal Health Team, National Research Centre	377,539	546,098	382,310	3,231	544,558
Department of Health "Smoking Cessation"	5,639	85,445	76,395	88	14,777
Scottish Government Grant Under Section 16B of the NHS Act 1978	4,855	-	4,855	-	-
Project BOOST	-	53,441	53,441	-	-
Pregnancy Help Line	-	33,353	33,353	-	-
Information Services	<u>8,058</u>	<u>76,040</u>	<u>84,098</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>396,091</u>	<u>1,111,134</u>	<u>931,209</u>	<u>3,438</u>	<u>579,454</u>
Total funds	<u>3,724,954</u>	<u>6,128,365</u>	<u>5,531,958</u>	<u>37,863</u>	<u>4,359,224</u>

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 Centre for Early Miscarriage Research are used to cover staff and research costs at these four Tommy's research centres.

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 2017

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.

20 Charity statement of funds

	Balance 31 March 2016 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2017 £
<u>Unrestricted funds</u>					
General funds	3,328,863	4,949,969	4,471,197	32,134	3,839,769
<u>Restricted funds</u>					
Maternal and Fetal Health Team, Manchester	-	67,905	67,905	-	-
Maternal and Fetal Health Team, Edinburgh	-	71,521	71,521	-	-
Maternal and Fetal Health Team, London	-	177,331	157,331	119	20,119
Maternal and Fetal Health Team, National Research Centre	377,539	546,098	382,310	3,231	544,558
Department of Health "Smoking Cessation"	5,639	85,445	76,395	88	14,777
Scottish Government Grant Under Section 16B of the NHS Act 1978	4,855	-	4,855	-	-
Project BOOST	-	53,441	53,441	-	-
Pregnancy Help Line	-	33,353	33,353	-	-
Information Services	8,058	76,040	84,098	-	-
Total restricted funds	396,091	1,111,134	931,209	3,438	579,454
Total funds	3,724,954	6,061,103	5,402,406	35,572	4,419,223

Refer to note 19 for a detailed description of the restrictions.

Notes to the financial statements

For the year ended 31 March 2017

21 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 19 for more information regarding the amount and source of these grants.

22 Subsidiary company: The Baby Fund Trading Limited

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 (a company registered in England and Wales, registration number 2557706, registered at Nicholas House, 3 Laurence Pountney Hill, London, EC4R 0BB), 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

	Total 2017 £	Total 2016 £
Turnover	220,293	698,217
Cost of Sales	(87,546)	(175,932)
Gross Profit	132,747	522,285
Interest Receivable	2,291	5,847
Administration costs	(42,350)	(58,090)
Profit before tax	92,688	470,042
Tax	-	-
Profit after tax	92,688	470,042
Payment under Gift Aid to Tommy's	(92,688)	(470,042)
Retained profit	-	-

Balance sheet

Current assets	622,414	1,299,456
Current liabilities	(622,412)	(1,299,454)
Net Assets	2	2

Notes to the financial statements

For the year ended 31 March 2017

23 Subsidiary company: LLHM Limited

The statement of financial activities and the consolidated balance sheet include the results, assets and liabilities of the charity's subsidiary, LLHM Limited (a company registered in England and Wales, registration number 10584979, registered at Nicholas House, 3 Laurence Pountney Hill, London, EC4R 0BB), which develops and organises fundraising events on behalf of Tommy's. LLHM Limited was newly established in the year ending 31st March 2017. The results of the subsidiary, which are consolidated on a line by line basis, are:

Profit and loss account

	Total 2017 £
Turnover	-
Cost of Sales	-
	<hr/>
Gross Profit	-
Interest Receivable	-
Administration costs	(59,999)
	<hr/>
Net loss	(59,999)
	<hr/>

Balance sheet

Non current assets	15,967
Current assets	7,624
Current liabilities	(83,589)
	<hr/>
Net Assets	(59,998)
	<hr/>

24 Related party transactions

In the year Tommy's incurred rental costs of £62,000 (2016: £62,000) for land and buildings payable to a foundation of which Mr Ron Dennis is a Trustee. A new rental agreement was signed on 2nd March 2017, going up to 23rd June 2022, at a rate of £70,000 per annum. Mr Ron Dennis was also Chairman of McLaren, which raised £58,333 for the charity in the year (2016: £275,000).

During the year £572,245 (2016: £457,057) 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 £37,348 (2015: £40,720) of services in the year. Mr Dominic Proctor, a trustee, was President of Group M Worldwide.

Asda continued to conduct a range of fundraising activities on behalf of the charity, raising £294,135 (2016: £874,772). Ms Hayley Tatum (Senior Vice-President – People & Stores at Asda) was Trustee of the charity during the year.

Nine (2016: seven) Trustees made personal donations to the charity totalling £66,160 (2016: £24,860)

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

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Net movement in funds	634,270	512,970	694,269	512,970
Add back depreciation charge	23,748	5,519	23,748	5,519
Add back loss on disposal of fixed assets	1,477	-	1,477	-
Deduct interest income shown in investing activities	(37,863)	(44,024)	(35,572)	(38,177)
Decrease (increase) in debtors	(329,946)	124,559	237,760	(330,168)
Increase (decrease) in creditors	54,293	475,362	58,517	470,732
Net cash used in operating activities	345,979	1,074,386	980,199	620,876

26 Analysis of Cash and Cash Equivalents

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Short term deposit	5,736,176	4,748,100	5,736,176	4,303,182
Cash at bank and in hand	743,563	1,393,863	213,107	660,431
Total cash and cash equivalents	6,479,739	6,141,963	5,949,283	4,963,613

Notes to the financial statements

For the year ended 31 March 2017

27 Analysis of Group Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Fixed Assets	143,087	-	143,087
Cash at bank and in hand	5,900,285	579,454	6,479,739
Other net current assets/(liabilities)	(2,263,602)	-	(2,263,602)
Total	<u>3,779,770</u>	<u>579,454</u>	<u>4,359,224</u>

Analysis of Group Net Assets Between Funds - previous year

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Fixed Assets	122,246	-	122,246
Cash at bank and in hand	5,745,872	396,091	6,141,963
Other net current assets/(liabilities)	(2,539,255)	-	(2,539,255)
Total	<u>3,328,863</u>	<u>396,091</u>	<u>3,724,954</u>