

Tommy's

Trustees' Report and Financial statements

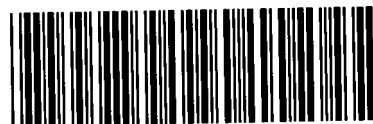
For the year ended 31 March 2018

Registered Company number: 3266897

Registered Charity number: 1060508

Charity Registered in Scotland number: SC039280

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Trustees and advisors

Constitution

Registered Company No. 3266897 – Company limited by guarantee

Registered Charity No. 1060508

Charity Registered in Scotland No. SC039280

Trustees

Dominic Proctor

Stephen Russell - Honorary Treasurer

Anita Charlesworth

Hayley Tatum

Dominic Shorthouse

Resigned 13 April 2018

Bjorn Saven

Joe Chambers - Chairman

Trudi Boardman

Kate Smaje

Professor Anna David

Aedamar Comiskey

Robert Sterling

Stephen Edge

Chief Executive

Jane Brewin

Principal Address

Nicholas House

3 Laurence Pountney Hill

London

EC4R 0BB

Auditor

BDO LLP

55 Baker Street

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W1U 7EU

Solicitor

Foot Anstey LLP

Senate Court

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Exeter

EX1 1NT

Bankers

National Westminster Bank plc

91 Westminster Bridge Road

London

SE1 7ZB

Trustees' Report

The Board of Trustees of Tommy's presents its Trustees' Report and Financial Statements for the year ended 31 March 2018.

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."

Objectives and Activities

Our goal remains to help 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 our income in line with our five year fundraising strategy,
- To fund medical research based at our four 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 four major NHS hospitals.
- To provide evidence based pregnancy information to an increased number of mothers-to-be.

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.

Trustees' Report (continued)

This year our income exceeded £8.5 million. Further details are set out in the **Financial Review** on page 7.

Structure, Governance and Management

The charity operates in the UK, with its headquarters based in central London. The charity and trading 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 ,
- 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. Joe Chambers has chaired the Trustees since 1st April 2016.

On 25th March, we implemented a new event called the London Landmarks Half Marathon. This event is accounted for in the trading subsidiary, LLHM Ltd.

The fundraising board is chaired by trustee, Steve Edge and some Trustees have volunteered their time to join the group together with some external supporters. During the year two further sub groups of Trustees were established to focus on different areas of the charity; A medical research group comprising two Trustees and an audit committee comprising three Trustees.

The Trustees have delegated the management of Tommy's to the Chief Executive who, together with the Finance Director, report on the performance against the budget and 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, staff are employed and contracted to work in fundraising, the pregnancy information department, marketing team, finance, IT support and office management duties.

The directors consider that the board of directors, who are the Charity's Trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All Trustees give their time freely and no remuneration was paid in the year. Details of directors' expenses and related party transactions are disclosed in notes 12 and 24 to the accounts.

Pay policy for senior staff

The pay of all staff is reviewed annually by the HR Manager and agreed with one of the Trustees with relevant experience. Salaries are benchmarked against pay levels in other charities of similar income. The remuneration bench-mark is the mid-point of the range paid for similar roles.

Trustees' Report (continued)

Internal Financial Control and Risk Assessment

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

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

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

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.

Medical Risk

The charity provides information concerning pregnancy to women, and the risk of giving incorrect or inappropriate information 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.

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 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.

Trustees' Report (continued)

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) and a remote working. The charity's disaster recovery plan was under review at the time of writing, as a result of the increased movement of software to a cloud-based platform.

GDPR

The charity formed a group made up of senior managers across the charity, to consider the requirements of the new act which was implemented in May 2018. The group, chaired by the Chief Executive have met every two weeks throughout the year, keeping a log of issues, agreed actions and completed tasks. The charity considers that it is in a good position to comply fully with the requirements of the act.

Charity Corporate Governance Code

The charity is in the process of reviewing the new Charity Corporate Governance Code and is considering whether to implement any changes in response.

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 help 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 more widely in the NHS,
- Provide evidence based information to women to improve their pregnancy outcome.

Tommy's has invested £1.862m 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 - £462,000
- Maternal and Fetal Research Unit at the University of Edinburgh at the Royal Infirmary - £400,000
- Tommy's National Centre for Miscarriage Research - £600,000

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

Trustees' Report (continued)

The research centres produce an annual report and key performance indicators report which are circulated to the Trustees. In addition each centre is peer reviewed by external experts together with two Trustees who have expertise in this area.

Details of all the projects funded by Tommy's are on the website www.tommys.org

Pregnancy information service

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

The charity has focused on providing content and reach through our website, Tommy's Midwives on social media and phone line and through Pregnancy campaigns such as #sleep on side and #always ask which are informed by our research outputs and centre experts.

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, Public Health England and NHS England.

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 participants 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 being 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 six 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, including:

Companies:

Water Babies, Jo Jingles, eOne, Asda, Britax Römer, Canary Wharf Group, Danone Nutricia, First Choice Holiday Villages, Goldman Sachs, Hologic, ING Bank, Little Dish, Marsh & McLennan Companies, M&G Investments, Mothercare, Poundland, Selfish Mother, Tesco Bank and True.

Trusts & Foundations:

The Aurum Charitable Trust, The Betty Messenger Charitable Foundation, The Britford Bridge Trust, The Edith Murphy Foundation, Garfield Weston Foundation, Genesis Research Trust, The Holbeck Charitable Trust, The James Tudor Foundation, The JMCJR Sorrell Foundation, The John

Trustees' Report (continued)

Coates Charitable Trust, Martin Charitable Trust, The Neil and Alison Ostrer Foundation, The Peter Stormonth Darling Charitable Trust, PF Charitable Trust, The R S Macdonald Charitable Trust, Sandra Charitable Trust, ShareGift, The Sir Samuel Scott of Yews Trust, The Zochonis Charitable Trust

Individuals:

Joe Chambers, Dominic Shorthouse, Julia Rosier, Dominic & Claire Freemantle, Andy & Meg Headley, Stephen & Benetta Morant, Lee Robinson, Simon Taylor, Paulo & Melinda Almeida, Kate & David Beck, Dominic & Lindsay Proctor, Robert Stirling

We'd also like to thank Mindshare and Verifone who have donated services to Tommy's.

London Landmarks Half Marathon

On the 25th March 2018 the London Landmarks Half Marathon took place; a closed road charity run with 10,000 participants. As well as participants running for Tommy's, other charities took part raising funds for more than 100 other good causes. Further information about this event is found at www.llhm.co.uk. The charity would like to thank the 1,208 volunteers who helped to staff cheering-points along the route.

Future Plans

The charity is currently creating its next five-year plan, during which it will seek to increase its charitable expenditure by identifying and investing in new areas of research that are identified as significant to its core charitable aim, to help reduce the incidence of miscarriage, premature birth and stillbirth. Such new activity will require the charity to grow its fundraising income significantly. It is anticipated that this growth will be delivered by growing the London Landmarks Half Marathon and identifying new income streams.

Financial Review

Income this year stands at a record high of £8,567,139 which is £2,400,911 higher than the previous year's results and 27% higher than our target. This has been achieved through the inaugural London Landmarks Half Marathon, fundraising via challenge events such as London Marathon 2017 and an overwhelming level of support for Splashathon. However, ongoing economic uncertainty has led corporate donors to continue to manage their charitable contributions with caution and the recruitment of committed donors 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.

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 £75,634 (2017: £92,688) which were transferred to the charity. LLHM Limited made a profit of £23,721 (2017: loss of £59,999), which was not transferred to Tommy's as LLHM Limited remains in a brought forward loss position.

Trustees' Report (continued)

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 £6.5m. 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 £4,820,099 (2017: £3,636,683) which shows steady progress towards our target reserves level, with 74% 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.

Key Performance Indicators

KPI	Target	Result
Income	£ 6,750,690	Over budget (by £1,816,449)
Expenditure: Cost of raising funds	£ 3,542,294	Under budget (by £215,605)
Charitable	£ 3,677,789	Over budget (by £369,509)
Cost/income ratio	52%	39%

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 judgements and accounting estimates that are reasonable and prudent; and
- 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 ,

Trustees' Report (continued)

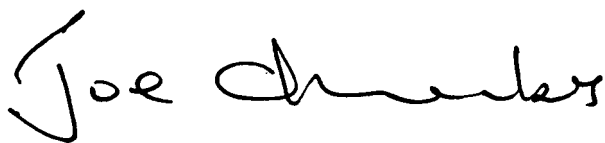
regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and regulations made thereunder and with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking 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.

Signed on behalf of the Trustees of Tommy's:

A handwritten signature in black ink, appearing to read 'Joe Chambers', written in a cursive style.

Joe Chambers
Chairman

26th June 2018

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

Opinion

We have audited the financial statements of Tommy's ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2018 which comprise the consolidated and parent charitable company statement of financial activities, the consolidated and parent charitable company balance sheet, the consolidated and parent charitable company cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2018 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources 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 in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

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 the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

BDO LLP

Fiona Condrón (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: *27 June 2018*

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 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Unrestricted funds £	Restricted funds £	Total 2017 £
Income from:							
-Donations	2	6,648,858	658,710	7,307,568	4,796,243	1,025,689	5,821,932
Income from charitable activities:							
-Public Health England – Pre-conception		-	60,000	60,000	-	-	-
-Dept. of Health – Smoking Cessation		-	-	-	-	85,445	85,445
Other trading activities	3	1,158,324	-	1,158,324	220,988	-	220,988
Investment income and interest	4	38,171	3,076	41,247	34,425	3,438	37,863
Total income		<u>7,845,353</u>	<u>721,786</u>	<u>8,567,139</u>	<u>5,051,656</u>	<u>1,114,572</u>	<u>6,166,228</u>
Expenditure on:							
Raising funds	7,8	3,326,689	-	3,326,689	1,902,196	-	1,902,196
Charitable activities	7,8	3,285,937	761,361	4,047,298	2,698,553	931,209	3,629,762
Total expenditure		<u>6,612,626</u>	<u>761,361</u>	<u>7,373,987</u>	<u>4,600,749</u>	<u>931,209</u>	<u>5,531,958</u>
Net movement in funds for the year		<u>1,232,727</u>	<u>(39,575)</u>	<u>1,193,152</u>	<u>450,907</u>	<u>183,363</u>	<u>634,270</u>
Reconciliation of funds							
Fund balances brought forward		<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>
Fund balances carried forward	19	<u>5,012,497</u>	<u>539,879</u>	<u>5,552,376</u>	<u>3,779,770</u>	<u>579,454</u>	<u>4,359,224</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 18-38 form an integral part of the financial statements.

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

For the year ended 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Unrestricted funds £	Restricted funds £	Total 2017 £
Income from:							
-Donations and legacies		6,648,858	658,710	7,307,568	4,796,938	1,025,689	5,822,627
Income from charitable activities:							
- Public Health England -		-	60,000	60,000	-	-	-
- Dept. of Health - Smoking Cessation			-	-	-	85,445	85,445
Investment income and interest		38,075	3,076	41,151	32,134	3,438	35,572
Other income		334,576	-	334,576	153,031	-	153,031
Total income		<u>7,021,509</u>	<u>721,786</u>	<u>7,743,295</u>	<u>4,982,103</u>	<u>1,114,572</u>	<u>6,096,675</u>
Expenditure on:							
Raising funds		2,557,053	-	2,557,053	1,842,718	-	1,842,718
Charitable activities		<u>3,255,450</u>	<u>761,361</u>	<u>4,016,811</u>	<u>2,628,479</u>	<u>931,209</u>	<u>3,559,688</u>
Total expenditure		<u>5,812,503</u>	<u>761,361</u>	<u>6,573,864</u>	<u>4,471,197</u>	<u>931,209</u>	<u>5,402,406</u>
Net movement in funds for the year		1,209,006	(39,575)	1,169,431	510,906	183,363	694,269
Reconciliation of funds							
Fund balances brought forward		<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>
Fund balances carried forward	20	<u>5,048,775</u>	<u>539,879</u>	<u>5,588,654</u>	<u>3,839,769</u>	<u>579,454</u>	<u>4,419,223</u>

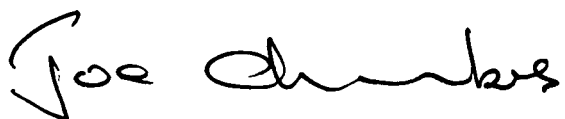
Other income includes a management charge of £34,469 between Tommy's and its subsidiary the Baby Fund Trading Limited, and £224,473 between Tommy's and its subsidiary LLHM Limited. Voluntary income includes the payment under gift aid of £75,634 from the Baby Fund Trading Limited.

The accompanying notes on pages 18-38 form an integral part of the financial statements.

Consolidated Balance Sheet
At 31 March 2018
Registered Company Number 3266897

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Fixed assets					
Intangible assets	14	122,946	-	122,946	46,066
Tangible assets	15	69,452	-	69,452	97,021
		<u>192,398</u>	<u>-</u>	<u>192,398</u>	<u>143,087</u>
Current assets					
Debtors	17	1,062,535	-	1,062,535	585,636
Short term deposits		5,186,585	539,879	5,726,464	5,736,176
Cash at bank and in hand		1,470,998	-	1,470,998	743,563
		<u>7,720,118</u>	<u>539,879</u>	<u>8,259,997</u>	<u>7,065,375</u>
Creditors: amounts falling due within one year	18	<u>(2,900,019)</u>	<u>-</u>	<u>(2,900,019)</u>	<u>(2,849,238)</u>
Net current assets		<u>4,820,099</u>	<u>539,879</u>	<u>5,359,978</u>	<u>4,216,137</u>
Total assets less current liabilities		<u>5,012,497</u>	<u>539,879</u>	<u>5,552,376</u>	<u>4,359,224</u>
Total Net Assets		<u>5,012,497</u>	<u>539,879</u>	<u>5,552,376</u>	<u>4,359,224</u>
Represented by					
Funds	19	<u>5,012,497</u>	<u>539,879</u>	<u>5,552,376</u>	<u>4,359,224</u>

The financial statements were approved and authorised for issue by the Trustees on 26th June 2018.



Joe Chambers
Trustee

The accompanying notes on pages 18-38 form an integral part of the financial statements.

Charity Balance Sheet

At 31 March 2018

Registered Company number: 3266897

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Fixed assets					
Intangible assets	14	100,756	-	100,756	30,100
Tangible assets	15	69,452	-	69,452	97,021
Investments	16	3	-	3	3
		<u>170,211</u>	<u>-</u>	<u>170,211</u>	<u>127,124</u>
Current assets					
Debtors	17	1,522,959	-	1,522,959	1,168,029
Short term deposits		5,186,585	539,879	5,726,464	5,736,176
Cash		854,047	-	854,047	213,107
		<u>7,563,591</u>	<u>539,879</u>	<u>8,103,470</u>	<u>7,117,312</u>
Creditors: amounts falling due within one year	18	(2,685,027)	-	(2,685,027)	(2,825,213)
		<u>4,878,564</u>	<u>539,879</u>	<u>5,418,443</u>	<u>4,292,099</u>
Net current assets					
Total assets less current liabilities		<u>5,048,775</u>	<u>539,879</u>	<u>5,588,654</u>	<u>4,419,223</u>
Net Assets		<u>5,048,775</u>	<u>539,879</u>	<u>5,588,654</u>	<u>4,419,223</u>
Represented by					
Funds	20	<u>5,048,775</u>	<u>539,879</u>	<u>5,588,654</u>	<u>4,419,223</u>

The financial statements were approved and authorised for issue by the Trustees on 26th June 2018.



Joe Chambers

Trustee

The accompanying notes on pages 18-38 form an integral part of the financial statements.

Statement of Cash Flows and Consolidated Statement of Cash Flows

At 31 March 2018

	Notes	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Cash flows from operating activities:					
Net cash provided by operating activities	25	767,300	345,979	670,239	980,199
Cash flows from investing activities:					
Interest income		41,247	37,863	41,151	35,572
Purchase of intangible fixed assets		(12,747)	(46,066)	(2,085)	(30,100)
Purchase of tangible fixed assets		(78,077)	-	(78,077)	-
Net cash provided by (used in) investing activities		(49,577)	(8,203)	(39,011)	5,472
Change in cash and cash equivalents in the year		717,723	337,776	631,228	985,671
Cash and cash equivalents at the beginning of the year	26	6,479,739	6,141,963	5,949,283	4,963,612
Total cash and cash equivalents at the end of the year	26	7,197,462	6,479,739	6,580,511	5,949,283

The accompanying notes on pages 18-38 form an integral part of the financial statements.

Notes to the financial statements

For the year ended 31 March 2018

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 £631,229 for the year (2017: £985,671) and £717,723 on a group basis (2017: £337,776). 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 2018 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 2018

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 2018

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 £30,655 (2017: £33,732).

m) Tangible fixed assets

Furniture and equipment 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 and other software costs are capitalised in line with FRS 102, where there are reasonable grounds for supposing that the economic benefits will be in excess of costs incurred. Such items are amortised between five and ten years to reflect their estimated useful economic lives. The minimum cost for capitalisation is £1,000.

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 2018

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 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Gifts	5,896,992	658,710	6,555,702	4,223,998	1,025,689	5,249,687
Donated Services	751,866	-	751,866	572,245	-	572,245
	<u>6,648,858</u>	<u>658,710</u>	<u>7,307,568</u>	<u>4,796,243</u>	<u>1,025,689</u>	<u>5,821,932</u>

3 Income earned from trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Corporate sponsorship and promotions	137,443	-	137,443	220,988	-	220,988
Events	1,020,881	-	1,020,881	-	-	-
	<u>1,158,324</u>	<u>-</u>	<u>1,158,324</u>	<u>220,988</u>	<u>-</u>	<u>220,988</u>

Notes to the financial statements

For the year ended 31 March 2018

4 Investment income and interest

All of the group's investment income of £41,247 (2017: £37,863) arises from money held on deposit account.

5 Grants for medical research

	2018 £	2017 £
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	462,000	400,000
- Maternal and Fetal Health Team, The Royal Infirmary, Edinburgh	400,000	400,000
- Maternal and Fetal Health Team, National Research Centre	600,000	500,000
- Previous years grants (not fully taken up)/ exceeded	(54,869)	(81,507)
	<u>1,807,131</u>	<u>1,618,493</u>
Other research costs	<u>108,122</u>	<u>184,785</u>
	<u>1,915,253</u>	<u>1,803,278</u>
Outstanding grants at 1st April 2017	2,115,489	2,074,469
Grants awarded during the year	1,807,131	1,618,493
Paid during the year	<u>(1,671,520)</u>	<u>(1,577,473)</u>
Outstanding grants at 31st March 2018 falling due within one year	<u>2,251,100</u>	<u>2,115,489</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 2018

6 Education and information projects

	2018 £	2017 £
Parent Friendly Awards	127,135	128,947
Pregnancy Accreditation	15,262	25,398
Information Provision	323,384	370,712
Midwife Pregnancy Helpline	114,066	115,888
Publications production and distribution	-	34,256
Public Relations	409,166	220,806
Health Campaigns Projects	115,954	15,509
Website	155,379	220,088
Supporter Newsletter	92,486	106,674
Advertising	779,213	588,206
	<u>2,132,045</u>	<u>1,826,484</u>

7 Analysis of expenditure

	Staff costs £	Direct costs £	Allocated Support & Governance Costs £	Total 2018 £	Total 2017 £
Cost of raising funds					
Donations and Legacies	494,576	1,215,937	241,577	1,952,090	1,448,700
Corporate sponsorship, promotions and events	246,619	1,004,988	122,992	1,374,599	453,496
	<u>741,195</u>	<u>2,220,925</u>	<u>364,569</u>	<u>3,326,689</u>	<u>1,902,196</u>
Charitable expenditure					
Medical research	44,605	1,854,308	16,340	1,915,253	1,803,278
Education and Information projects	592,680	1,277,686	261,679	2,132,045	1,826,484
	<u>637,285</u>	<u>3,131,994</u>	<u>278,019</u>	<u>4,047,298</u>	<u>3,629,762</u>
Total	<u>1,378,480</u>	<u>5,352,919</u>	<u>642,588</u>	<u>7,373,987</u>	<u>5,531,958</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 £13,750 (2017: £13,050). £Nil was paid to our auditors for other services (2017: £Nil).

Notes to the financial statements

For the year ended 31 March 2018

8 Analysis of allocated support and governance costs

	Information Technology	Human Resources	Office Operating Costs	Governance Costs	Total 2018	Total 2017
	£	£	£	£	£	£
Cost of raising funds						
Donations and Legacies	62,896	29,536	142,928	6,217	241,577	187,787
Corporate sponsorship, promotions and events	32,022	15,037	72,768	3,165	122,992	130,502
	<u>94,918</u>	<u>44,573</u>	<u>215,696</u>	<u>9,382</u>	<u>364,569</u>	<u>318,289</u>
Charitable expenditure						
Research	4,254	1,998	9,667	421	16,340	8,536
Education and Information projects	68,129	31,993	154,822	6,735	261,679	313,202
	<u>72,383</u>	<u>33,991</u>	<u>164,489</u>	<u>7,156</u>	<u>278,019</u>	<u>321,738</u>
Total	<u>167,301</u>	<u>78,564</u>	<u>380,185</u>	<u>16,538</u>	<u>642,588</u>	<u>640,027</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 spent by the staff on the associated activities.

9 Net Income

Net income is stated after charging:

	2018 £	2017 £
Auditor's remuneration		
- audit fees	13,750	13,050
Depreciation and Amortisation charge	41,513	23,748
Operating lease rentals	<u>81,534</u>	<u>74,400</u>

Notes to the financial statements

For the year ended 31 March 2018

10 Group staff costs

	2018	2017
	£	£
Salaries and wages	1,165,321	1,048,156
Social security costs	108,958	100,384
Pension costs	30,655	33,732
Temporary Staff & Volunteer costs	73,546	17,976
	<u>1,378,480</u>	<u>1,200,248</u>

Salaries and wages include the costs of contractors and consultants.

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 £356,059 (2017: £382,328).

Emoluments for the year for this group, including benefits in kind, are within the following ranges:

	2018	2017
	Number	Number
Within the range of £120,000 to £129,999	1	1
Within the range £70,000 to £79,999	-	1
Within the range £60,000 to £69,999	2	2
	<u>3</u>	<u>4</u>

Contributions amounting to £11,226 (2017 - £11,226) were also made to the personal pension scheme of the employee in the £120,000 to £129,999 band.

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

	2018	2017
	Number	Number
Charitable activities	10	11
Cost of generating funds	16	13
Management and administration of the charity	4	5
	<u>30</u>	<u>29</u>

These numbers exclude temporary agency staff, contractors and consultants.

No redundancies were made in the year (2017: nil). The aggregate cost of redundancy payments was £nil (2017: £nil).

Notes to the financial statements

For the year ended 31 March 2018

11 Charity staff costs

	2018 £	2017 £
Salaries and wages	975,178	985,541
Social security costs	88,438	93,752
Pension costs	27,816	31,823
Temporary Staff & Volunteer costs	68,057	17,976
	<u>1,159,489</u>	<u>1,129,092</u>

Salaries and wages include the costs of contractors and consultants.

The key management personnel comprise the Trustees, the Chief Executive Officer, Finance Director and Fundraising Director. The total remuneration of the key management personnel was £282,327 (2017: £382,328).

Emoluments for the year for this group, including benefits in kind, are within the following ranges:

	2018 Number	2017 Number
Within the range of £120,000 to £129,999	1	1
Within the range £70,000 to £79,999	-	1
Within the range £60,000 to £69,999	1	2
	<u>2</u>	<u>4</u>

Contributions amounting to £11,226 (2017 - £11,226) were also made to the personal pension scheme of the employee in the £120,000 to £129,999 band.

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

	2018 Number	2017 Number
Charitable activities	10	11
Cost of generating funds	13	11
Management and administration of the charity	4	5
	<u>27</u>	<u>27</u>

These numbers exclude temporary agency staff, contractors and consultants.

No redundancies were made in the year (2017: nil). The aggregate cost of redundancy payments was £nil (2017: £nil)

Notes to the financial statements

For the year ended 31 March 2018

12 Trustees

The Trustees received no remuneration or reimbursed expenses during the year (2017 - £Nil).

13 Operating lease and other commitments

At 31 March 2018 the Charity had total future minimum lease commitments under operating leases for land and buildings as follows:

	2018 £	2017 £
Land and building operating leases		
- Less than one year	84,000	81,534
- More than one year and less than five years	271,792	336,000
- More than five years	-	19,792
	<u>355,792</u>	<u>437,326</u>

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

Notes to the financial statements

For the year ended 31 March 2018

14 Intangible fixed assets

	Group £	Charity £
Software and Website		
Cost		
1 April 2017	46,066	30,100
Additions	12,747	2,085
Assets under construction	-	-
Transfer from tangible fixed assets	393,954	393,954
Disposals	(37,259)	(37,259)
31 March 2018	415,508	388,880
Depreciation		
1 April 2017	-	-
Charge for the year	31,486	27,048
Transfer from tangible fixed assets	298,335	298,335
Disposals	(37,259)	(37,259)
31 March 2018	292,562	288,124
Net book value		
1 April 2017	46,066	30,100
31 March 2018	122,946	100,756

A detailed review of fixed assets was performed during the year, which identified a number of assets that had been incorrectly classified as tangible assets. These items, and their connected amortisation, have now been reclassified to correctly sit in intangible assets. No changes were made to the useful economic lives of these items.

Notes to the financial statements

For the year ended 31 March 2018

15 Tangible fixed assets

	Group £	Charity £
Office equipment		
Cost		
1 April 2017	631,577	631,577
Additions	78,077	78,077
Transfer to intangible fixed assets	(393,954)	(393,954)
Disposals	(47,850)	(47,850)
31 March 2018	<u>267,850</u>	<u>267,850</u>
Depreciation		
1 April 2017	534,556	534,556
Charge for the year	10,027	10,027
Transfer to intangible fixed assets	(298,335)	(298,335)
Disposals	(47,850)	(47,850)
31 March 2018	<u>198,398</u>	<u>198,398</u>
Net book value		
1 April 2017	<u>97,021</u>	<u>97,021</u>
31 March 2018	<u>69,452</u>	<u>69,452</u>

Refer to note 14 for an explanation of the transfer between asset classes that was conducted during the year.

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 hold 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 2018

17 Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	126,326	92,972	9,213	3,015
Taxation recoverable	48,196	15,684	48,196	15,684
Amounts owed by subsidiary companies	-	-	577,537	681,978
Prepayments and accrued income	880,811	472,662	880,811	463,034
Other debtors	7,202	4,318	7,202	4,318
	<u>1,062,535</u>	<u>585,636</u>	<u>1,522,959</u>	<u>1,168,029</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	265,834	380,109	164,433	378,899
VAT payable	7,139	6,121	7,139	6,121
Medical grants outstanding	2,251,100	2,115,489	2,251,100	2,115,489
Accruals, deferred income and other creditors	375,946	347,519	262,355	324,704
	<u>2,900,019</u>	<u>2,849,238</u>	<u>2,685,027</u>	<u>2,825,213</u>

Notes to the financial statements

For the year ended 31 March 2018

19 Consolidated statement of funds

	Balance 31 March 2017 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2018 £
<u>Unrestricted funds</u>					
General funds	3,779,770	7,807,182	6,612,626	38,171	5,012,497
<u>Restricted funds</u>					
Maternal and Fetal Health Team, Manchester	-	65,264	53,814	66	11,516
Maternal and Fetal Health Team, Edinburgh	-	26,471	23,471	17	3,017
Maternal and Fetal Health Team, London	20,119	125,849	106,324	227	39,871
Maternal and Fetal Health Team, National Research Centre	544,558	408,076	481,925	2,697	473,406
Department of Health "Smoking Cessation" Project BOOST	14,777	-	14,777	-	-
Public Health England Grant "Preconception tool"	-	19,050	19,050	-	-
Information Services	-	60,000	60,000	-	-
	-	14,000	2,000	69	12,069
Total restricted funds	579,454	718,710	761,361	3,076	539,879
Total funds	4,359,224	8,525,892	7,373,987	41,247	5,552,376

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 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.

Public Health England funding was for the development of an information tool to help prospective parents to improve their pre-conception health.

Notes to the financial statements

For the year ended 31 March 2018

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.

Consolidated statement of funds – previous year

	Balance 31 March 2016 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2017 £
<u>Unrestricted funds</u>					
General funds	3,328,863	5,017,231	4,600,749	34,425	3,779,770
<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	6,128,365	5,531,958	37,863	4,359,224

Restricted Funds

These were donations for specific projects as requested by the donors. Interest was allocated to restricted funds that were 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 were 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.

Notes to the financial statements

For the year ended 31 March 2018

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.

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 was restricted to research into providing effective dietary vitamin interventions for teenage mothers during pregnancy.

20 Charity statement of funds

	Balance 31 March 2017 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2018 £
<u>Unrestricted funds</u>					
General funds	3,839,769	6,983,434	5,812,503	38,075	5,048,775
<u>Restricted funds</u>					
Maternal and Fetal Health Team, Manchester	-	65,264	53,814	66	11,516
Maternal and Fetal Health Team, Edinburgh	-	26,471	23,471	17	3,017
Maternal and Fetal Health Team, London	20,119	125,849	106,324	227	39,871
Maternal and Fetal Health Team, National Research Centre	544,558	408,076	481,925	2,697	473,406
Department of Health "Smoking Cessation"	14,777	-	14,777	-	-
Project BOOST	-	19,050	19,050	-	-
Public Health England Grant "Preconception tool"	-	60,000	60,000	-	-
Information Services	-	14,000	2,000	69	12,069
Total restricted funds	579,454	718,710	761,361	3,076	539,879
Total funds	4,419,223	7,702,144	6,573,864	41,151	5,588,654

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

Notes to the financial statements

For the year ended 31 March 2018

Charity statement of funds – previous year

	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.

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.

Notes to the financial statements

For the year ended 31 March 2018

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 2018 £	Total 2017 £
Turnover	137,443	220,293
Cost of Sales	(36,460)	(87,546)
Gross Profit	100,983	132,747
Interest Receivable	96	2,291
Administration costs	(25,445)	(42,350)
Profit before and after tax	75,634	92,688
Qualifying charitable donation to Tommy's	(75,634)	(92,688)
Retained profit	-	-

Balance sheet

Current assets	269,714	622,414
Current liabilities	(269,712)	(622,412)
Net Assets	2	2

Notes to the financial statements

For the year ended 31 March 2018

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 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 2018 £	Total 2017 £
Turnover	1,284,881	-
Cost of Sales	(836,053)	-
Gross Profit	448,828	
Administration costs	(425,107)	(59,999)
Profit/(loss) before and after tax	23,721	(59,999)
Qualifying charitable donation to Tommy's	-	-
Retained profit/(loss)	23,721	(59,999)

Balance sheet

Non-current assets	22,191	15,967
Current assets	464,348	7,624
Current liabilities	(522,816)	(83,589)
Net Liabilities	(36,277)	(59,998)

24 Related party transactions

In the year Tommy's incurred rental costs of £70,000 (2017: £62,000) for land and buildings payable to a foundation of which Mr Ron Dennis is a Trustee. The current rental agreement goes up to 23rd June 2022, at a rate of £70,000 per annum. Mr Ron Dennis was also Chairman of McLaren, which raised £nil for the charity in the year (2017: £58,333).

During the year £751,886 (2017: £572,245) 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 £170,753 (2017: £37,348) of services in the year. Mr Dominic Proctor, a trustee, acts as a consultant to Group M and Mindshare.

Asda made donations totalling £532,705 (2017: £294,135). Ms Hayley Tatum (Senior Vice-President – People & Stores at Asda) was Trustee of the charity during the year.

Notes to the financial statements

For the year ended 31 March 2018

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

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Net movement in funds	1,193,152	634,270	1,169,431	694,269
Add back depreciation and amortisation charge	41,513	23,748	37,075	23,748
Add back loss on disposal of fixed assets	-	1,477	-	1,477
Deduct interest income shown in investing activities	(41,247)	(37,863)	(41,151)	(35,572)
Decrease (increase) in debtors	(476,899)	(329,946)	(354,930)	237,760
(Decrease) increase in creditors	50,781	54,293	(140,186)	58,517
Net cash used in operating activities	<u>767,300</u>	<u>345,979</u>	<u>670,239</u>	<u>980,199</u>

26 Analysis of Cash and Cash Equivalents

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Short term deposit	5,726,464	5,736,176	5,726,464	5,736,176
Cash at bank and in hand	<u>1,470,998</u>	<u>743,563</u>	<u>854,047</u>	<u>213,107</u>
Total cash and cash equivalents	<u>7,197,462</u>	<u>6,479,739</u>	<u>6,580,511</u>	<u>5,949,283</u>

Notes to the financial statements

For the year ended 31 March 2018

27 Analysis of Group Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total 2018
	£	£	£
Fixed Assets	192,399	-	192,399
Cash at bank and in hand	6,657,583	539,879	7,197,462
Other net current (liabilities)	(1,837,485)	-	(1,837,485)
Total	<u>5,012,497</u>	<u>539,879</u>	<u>5,552,376</u>

Analysis of Group Net Assets Between Funds - previous year

	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 (liabilities)	(2,263,602)	-	(2,263,602)
Total	<u>3,779,770</u>	<u>579,454</u>	<u>4,359,224</u>