

Tommy's

Trustees' Report and Financial statements

For the year ended 31 March 2020

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

David Logan

Appointed 12 November 2019

Bjorn Saven

Joe Chambers - Chairman

Trudi Boardman

Kate Smaje

Professor Anna David

Aedamar Comiskey

Robert Stirling

Stephen Edge

Chief Executive

Jane Brewin

Principal Address

Nicholas House

3 Laurence Pountney Hill

London

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Auditor

Saffery Champness

71 Queen Victoria Street

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Solicitor

Foot Anstey LLP

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Exeter

EX1 1NT

Bankers

National Westminster Bank plc

91 Westminster Bridge Road

London

SE1 7HW

Trustees' Report

The Board of Trustees of Tommy's presents its Trustees' Report and Financial Statements for the year ended 31 March 2020.

Coronavirus Pandemic and Brexit Impact

The coronavirus pandemic impact has been immediate and severe; halting much of the Charity's fundraising activity for the foreseeable future and most clinical research studies. The Trustees are working closely with the Charity's management team to monitor the situation closely, reducing costs and adapting the fundraising model to the new socially distanced normal.

With the delivery of Brexit, we saw some staff decide to relocate back to their country of birth and in the medium term we estimate that there may be a reduction in foreign nationals coming to the UK to work. Our research centres are also impacted by having a smaller pool of talent to recruit from and a potential reduction in grant income. It is uncertain what impact Brexit will have on the economy and it is therefore difficult to quantify the impact it might have on fundraising.

Chairman's Statement

During the year we have been able to maintain grant levels to the five Tommy's research centres and have continued to invest in Tommy's pregnancy information service. We want to acknowledge and thank all our 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.

However, the Charity has made a substantial loss in the year and reserve levels have reduced, primarily driven by the cancellation in the final weeks of the year of the London Landmarks Half Marathon as a result of the coronavirus pandemic.

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 end in premature birth.

Pregnancy loss and maternal death is more common in women from lower socio-economic groups and ethnic minorities; our focus is on identifying all those most at risk and developing treatments which improve pregnancy outcomes for these families.

In setting our objectives and planning our activities the Trustees have considered 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 regarding public benefit guidance issued by the Charity Commission. The Charity is working to benefit the public in several 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.

Trustees' Report (continued)

Our core belief is that medical research will increase knowledge about how to improve antenatal care and outcomes which we can implement in the research clinics associated with our centres, developing best practice models of care. We also believe that disseminating best practice care throughout the NHS will improve care for many more families. We believe that evidence-based pregnancy information can help 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 fund medical research based at our five research 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.
- Tommy's National Centre for Maternity Improvement a collaboration with the Royal College of Gynaecologists (RCOG), the Royal College of Midwives (RCM) and UK Universities.

To provide evidence-based pregnancy information to an increased number of mothers-to-be and especially to those who are most at risk of a poor pregnancy outcome.

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 and the RCOG who lead the maternity improvement collaboration.

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, and a Board of Trustees. The Trustees are supported by a Fundraising Board, Audit Committee and Medical Research Group.

The London Landmarks Half Marathon is accounted for in the trading subsidiary, LLHM Ltd. The Board of Directors contains two Trustees of Tommy's, two senior managers of Tommy's and three external members.

The Baby Fund Trading Ltd is the Charity's other trading subsidiary, which accounts for the Group's trading activities. Its Board of Directors consists of ten Trustees of Tommy's and one external member.

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. The information on page 1 forms part of this report.

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,

Trustees' Report (continued)

- 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, and
- Completion of Companies House documentation.

The Fundraising Board is chaired by a Trustee, Steve Edge who brings together a group of external supporters to assist with fundraising.

A Medical Research Group comprising two Trustees, together with external reviewers, has met during the year to peer review the five research centres' activities.

The Audit Committee comprising three Trustees and two external members meets regularly with the Chief Operating Officer to review policies, review risk, and ensure controls are in place and oversee the external audit arrangements.

The Trustees have delegated the day to day management of Tommy's to the Chief Executive Officer who, together with the Chief Operating Officer, 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 CEO reported to Joe Chambers, Chairman of the Trustees, on a regular basis.

Since the coronavirus pandemic, a group of Trustees have been meeting with the CEO and COO monthly to review the evolving impact on the plan and financial results and determine what actions to take.

In addition to the CEO, staff are employed and contracted to work in fundraising, the pregnancy information department, marketing, finance, IT support and office management duties.

The Charity's Trustees and the senior management team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All Trustees give their time freely and no remuneration was paid in the year. Details of directors' expenses and related party transactions are disclosed in notes 11 and 22 to the accounts.

Pay Policy for Senior Staff

The pay of all staff is reviewed annually by the HR Manager and agreed with a Trustee with relevant experience. 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. The salaries of the senior management team comprising the CEO, COO, Marketing Director, Research and Policy Director and Race Director of the LLHM are reviewed and approved by the Board of Trustees annually.

Internal Financial Control and Risk Assessment

The Trustees confirm 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:

Trustees' Report (continued)

- 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, and
- 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 CEO, COO, 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 monthly, with Trustees receiving regular updates on progress at the quarterly Trustees meetings. The Charity also has a prudent reserves policy to ensure that activity can continue if income does not meet expectations and in the event of major impacts such as the coronavirus pandemic. In response to the pandemic the Charity's staff are working on developing new sources of income and socially distancing all events.

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 exercised 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. 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 but due to the coronavirus pandemic took the decision in March 2020 to base all staff at home for the foreseeable future following government advice. The Charity's business continuity plan was put into action and all staff were successfully

Trustees' Report (continued)

working at home very quickly. The continued move of software to a cloud-based platform has assisted this and will continue until the Charity's IT systems are completely cloud based.

GDPR

The Charity has recruited a senior manager to ensure all policies are reviewed appropriately and embedded into practice across the organisation.

Charity Corporate Governance Code

The Charity keeps the Charity Corporate Governance Code under review and policies are regularly reviewed and new policies instigated where necessary.

New Internal Policies developed this year include Employee Wellbeing, Information Security and Record Management. Reviewed Internal Policies include Health and Safety, Equality and Diversity, Fraud, Bribery and Corruption, Sickness Absence Policy, Compassionate Leave Policy, Employee Privacy, Remote Working, Personal Data Breach and Near Misses, Subject Access Requests, Data Protection Impact Assessments. The Charity has developed an external Fundraising Ethical Policy and reviewed external policies for: Tommy's Privacy, LLHM Privacy, Cookies, Complaints and Modern-Day Slavery.

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 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 this widely in the NHS,
- Develop an app to assist in identifying risk and ensure optimal care is given to women who have risks which might adversely affect their pregnancy outcome, and
- Provide evidence-based information to women to improve their pregnancy outcome.

Tommy's has awarded core medical research grants of £2,338,000 this year (2019: £2,301,000)

- Maternal and Fetal Research Unit at St Thomas' Hospital, London - £420,000
- Maternal and Fetal Research Unit at St Mary's Hospital, Manchester - £438,000
- Maternal and Fetal Research Unit at the University of Edinburgh at the Royal Infirmary - £400,000
- Tommy's National Centre for Miscarriage Research - £580,000
- Tommy's National Centre for Maternity Improvement - £500,000

Trustees' Report (continued)

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 impact of our funding remains a key objective of our strategy.

The research centres produce an annual report and key performance indicators report which are circulated to the Trustees. In addition, every year, each centre is peer reviewed by external experts together with two Trustees with 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 designed to empower them to change their behaviour to help improve pregnancy outcomes. Our service is targeted at women who are most at risk of a poor pregnancy outcome which includes women in the lowest socio-economic groups and women from minority ethnic groups.

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 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 and Social Care, Public Health England and NHS England.

Fundraising

Fundraising Statement

The Charity seeks to diversify its income streams and balance the risk inherent to each channel, and as such undertakes fundraising activities via sponsored community fundraising and challenge events, and major gifts and corporate partnerships. The Charity also invested in the recruitment of committed, long-term direct debit donors. Tommy's is not involved in 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 Institute of Fundraising best practice, with the 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 fundraising partners to monitor key performance indicators and complaints. The Charity received 35 complaints regarding its fundraising activities in the last twelve months, of which 19 related to door-to-door fundraising. 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. The Charity will exit door-to-door fundraising in 2020.

Fundraising Review

Our heartfelt thanks go to everyone who has helped Tommy's raise funds, including:

Companies: ING Bank (London branch), Poundland, Marshall Wace, Mars Ltd, Hologic, Clearblue, True, JMW Solicitors, MAM UK and Mutha.Hood in collaboration with Elle Wright of Feathering the Empty Nest.

Trustees' Report (continued)

Trusts & Foundations: The Aurum Charitable Trust, Candis Club and Candis magazine, Edith Murphy Foundation, Garfield Weston Foundation, Holbeck Charitable Trust, James Tudor Foundation, Jon Moulton Charity Trust, Lennox Hannay Charitable Trust, Martin Charitable Trust, Neil & Alison Ostrer Foundation, PF Charitable Trust, RS Macdonald Charitable Trust, Sandra Charitable Trust, Sir Samuel Scott of Yews Trust, Swire Charitable Trust, Teddy's Wish, the Woosnam Foundation and Zochonis Charitable Trust.

Individuals: Paulo & Melinda Almeida, Kate and David Beck, Joe Chambers, Steve Edge & Jane Fogg, Dominic & Claire Freemantle, Oliver and Johanna Hudson, Chloe and Archie Hunter, Rachel and Edward Mitting, Stephen and Benetta Morant, Dominic and Lindsay Proctor, Julia Rosier, Bjorn Saven, Ian and Carol Sellars, Graham and Mia Wrigley, Kassie Smith QC, and Robert Stirling.

Our thanks also to Marina Fogle, Lizzie Ridding and their committees for organising the wonderful Tommy's Children's Carols services in December 2019.

London Landmarks Half Marathon

The London Landmarks Half Marathon was cancelled this year due to the coronavirus pandemic and the Charity was obliged to refund the cost of any places purchased by other charities and individuals. The Charity would like to thank everyone involved in the event this year and especially the stakeholders who advised us during a very uncertain period and we look forward to hosting a socially distanced event in 2021. Further information about this event is found at www.lhlm.co.uk.

Future Plans

The Charity looks forward to resuming as much fundraising activity as possible following the lifting of restrictions and the return to social activity on which so much charitable fundraising relies. In the meantime, we are working to maximise income so that we can continue to fund as much charitable activity as possible, adapt our fundraising models to the new socially distanced normal and minimise the cost base whilst some fundraising is on hold.

Financial Review

Group income this year fell to £8,071,901, which is £1,041,153 lower than the previous year's result and 12% lower than our target. This is due primarily to the last-minute cancellation of London Landmarks Half Marathon 2020. The disappointing result masks the progress which the Charity had made in growing its income from sporting events and philanthropy. Ongoing economic uncertainty has led corporate donors to continue to manage their charitable contributions with caution and the recruitment of committed donors remained challenging.

A significant part of the charitable activities that Tommy's fund is outsourced to university-based research centres. The Charity acts as a fundraising vehicle 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 many 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.

During the year, the Group made a loss of £931,857 (2019: a profit of £554,519). While the cancellation of London Landmarks Half Marathon contributed to this, it was also the result of the Charity funding more medical research than it had budgeted for and the unexpected cost of building maintenance work at its headquarters. These additional costs are of a non-recurring nature and should have no effect on the future performance of the Charity.

Trustees' Report (continued)

Tommy's trading subsidiary The Baby Fund Trading Limited made a profit of £13,365 (2019: £58,954). LLHM Limited made a loss of £367,634 (2019: a profit of £582,717).

The Trustees believe 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.

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 £6.8m. This would enable the Charity to cover charitable expenditure, staff salaries, overheads, and a proportion of fundraising costs for a year. Free reserves fell by £1,097,531 in the year, driven by the deficit suffered as a result of the cancellation of London Landmarks Half Marathon 2020. Rebuilding these reserves will be a priority over the coming years. It should be noted that the required reserves 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 £4,222,959 (2019: £5,320,490). The Charity intends to continue to tightly control expenditure and investigate new revenue streams to build towards its target reserves level.

Financial Key Performance Indicators

KPI	Target	Result
Income	£9,189,221	£8,071,901
Expenditure: Cost of raising funds	£4,165,103	£3,595,013
Charitable	£5,224,954	£5,408,745
Cost/income ratio	45%	45%

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 require 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; and
- observe the methods and principles in the Charities SORP; and
- make judgements and accounting estimates that are reasonable and prudent; and

Trustees' Report (continued)

- 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.

In so far as the Trustees are aware, there is no relevant audit information of which the Auditors are unaware. The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Saffery Champness LLP have been appointed as auditors during the year.

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

The Trustee's Report, which includes the Strategic Report, was approved by the Board of Trustees on 14 September 2020 and signed on its behalf by:

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

Joe Chambers
Chairperson

Independent Auditor's Report to the Members and Trustees of Tommy's

Opinion

We have audited the financial statements of Tommy's for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 parent charitable company in accordance with the ethical requirements that are 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 relating 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's 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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

Independent Auditor's Report (continued)

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.

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' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' Annual Report which includes the Directors' Report and the Strategic Report has 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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:

- the group or the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 9 and 10, 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 determine is necessary to enable the preparation of the 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 auditors under the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 on the Financial Reporting Council's website at: 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 Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Liz Hazell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 18 September 2020.

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

Consolidated statement of financial activities (including consolidated income and expenditure account)
For the year ended 31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Income from:							
Donations	2	5,816,668	1,314,011	7,130,679	6,143,371	1,053,560	7,196,931
Other trading activities	3	863,353	-	863,353	1,854,472	-	1,854,472
Investments	4	72,954	4,915	77,869	57,396	4,255	61,651
Total income		6,752,975	1,318,926	8,071,901	8,055,239	1,057,815	9,113,054
Expenditure on:							
Raising funds	7,8	3,595,013	-	3,595,013	3,796,269	-	3,796,269
Charitable activities	7,8	4,154,670	1,254,075	5,408,745	3,801,964	960,302	4,762,266
Total expenditure		7,749,683	1,254,075	9,003,758	7,598,233	960,302	8,558,535
Net movement in funds for the year		(996,708)	64,851	(931,857)	457,006	97,513	554,519
Reconciliation of funds							
Fund balances brought forward		5,469,503	637,392	6,106,895	5,012,497	539,879	5,552,376
Fund balances carried forward	18	4,472,795	702,243	5,175,038	5,469,503	637,392	6,106,895

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 18-37 form an integral part of the financial statements.

Consolidated Balance Sheet
At 31 March 2020
Registered Company Number 3266897

		Group		Charity	
	Notes	2020	2019	2020	2019
		£	£	£	£
Fixed assets					
Intangible assets	13	56,729	93,469	43,415	75,717
Tangible assets	14	193,107	55,544	193,107	55,544
Investments	15	-	-	3	3
		<hr/>	<hr/>	<hr/>	<hr/>
		249,836	149,013	236,525	131,264
Current assets					
Debtors	16	780,983	881,338	1,650,290	2,017,957
Short term deposits		7,071,099	7,032,748	7,071,099	7,032,748
Cash at bank and in hand		3,977,040	2,140,024	2,229,338	689,130
		<hr/>	<hr/>	<hr/>	<hr/>
		11,829,122	10,054,110	10,950,727	9,739,835
Creditors: amounts falling due within one year	17	(6,903,920)	(4,096,228)	(5,644,578)	(3,764,204)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets		4,925,202	5,957,882	5,306,149	5,975,631
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		5,175,038	6,106,895	5,542,674	6,106,895
		<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets		5,175,038	6,106,895	5,542,674	6,106,895
		<hr/>	<hr/>	<hr/>	<hr/>
Represented by					
Funds	18	5,175,038	6,106,895	5,542,674	6,106,895
		<hr/>	<hr/>	<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Trustees on 14th September 2020.



Joe Chambers
Chairperson

Consolidated Balance Sheet (continued)

At 31 March 2020

Registered Company Number 3266897

The accompanying notes on pages 18-37 form an integral part of the financial statements.

As permitted by s408 Companies Act 2006, the parent Charity has not presented its own income and expenditure account and related notes. The parent Charity recorded a loss in the year of £564,221 (2019: surplus of £518,241). Total income for the year of the parent Charity is £7,713,053 (2019: £8,227,682) and total expenditure is £8,277,274 (2019: £7,709,441).

Consolidated Statement of Cash Flows
At 31 March 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	24	1,989,136	1,933,287
Cash flows from investing activities:			
Interest income		77,869	61,651
Purchase of tangible fixed assets		(191,638)	(19,628)
Net cash (used in) / provided by investing activities		(113,769)	42,023
Change in cash and cash equivalents in the year		1,875,367	1,975,310
Cash and cash equivalents at the beginning of the year	25	9,172,772	7,197,462
Total cash and cash equivalents at the end of the year	25	11,048,139	9,172,772

The accompanying notes on pages 18-37 form an integral part of the financial statements.

Notes to the financial statements

For the year ended 31 March 2020

1 Accounting policies

Tommy's is a charity registered in England and Wales and a registered company limited by guarantee incorporated in England and Wales. The registered office is Nicholas House, 3 Laurence Pountney Hill, London, EC4R 0BB. Tommy's meets the definition of a public benefit entity under FRS 102.

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) (Second Edition) – (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 are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

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 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 2020 of Tommy's and its wholly owned subsidiary companies The Baby Fund Trading Limited and LLHM Limited. The results of the subsidiaries are consolidated on a line by line basis and their own profit and loss accounts and balance sheets are shown in notes 21 and 22.

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 18.

Notes to the financial statements

For the year ended 31 March 2020

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 from an estate and of the legacy being received.

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

Interest income on investments is recognised on an accrual basis. Interest is allocated between unrestricted and restricted funds on a proportional basis.

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 2020

Accounting policies (continued)

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) 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.

j) 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 and communicated to the recipient, the costs are recognised by the Charity as expenditure in the current financial year.

k) 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.

l) 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.

m) 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. Contributions to the Charity's stakeholder pension scheme are charged to the Statement of Financial Activities in the year in which they become payable.

n) Tangible fixed assets

Furniture and equipment are capitalised and depreciated between two and six years to reflect their estimated useful economic lives to the Charity. The minimum cost for capitalisation is £1,000.

Notes to the financial statements

For the year ended 31 March 2020

Accounting policies (continued)

o) 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 three and six years to reflect their estimated useful economic lives. The minimum cost for capitalisation is £1,000.

p) Debtors

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

q) Operating Leases

Operating lease rental costs 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

In the application of the Charity's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no areas of significant judgement to consider.

Critical estimates include the following:

- The value of donated services, detailed further in note 1(f).
- The recoverability of tangible and intangible fixed assets, detailed further in note 1(n) and note 1(o).

Notes to the financial statements

For the year ended 31 March 2020

2 Income from donations

	Unrestricted funds	Restricted funds	Total 2020	Unrestricted funds	Restricted funds	Total 2019
	£	£	£	£	£	£
Gifts	5,204,628	1,314,011	6,518,639	5,374,456	1,053,560	6,428,016
Donated Services	612,040	-	612,040	768,915	-	768,915
	<u>5,816,668</u>	<u>1,314,011</u>	<u>7,130,679</u>	<u>6,143,371</u>	<u>1,053,560</u>	<u>7,196,931</u>

3 Income earned from trading activities

	Unrestricted funds	Restricted funds	Total 2020	Unrestricted funds	Restricted funds	Total 2019
	£	£	£	£	£	£
Corporate sponsorship and promotions	153,195	-	153,195	95,513	-	95,513
Events	710,158	-	710,158	1,758,959	-	1,758,959
	<u>863,353</u>	<u>-</u>	<u>863,353</u>	<u>1,854,472</u>	<u>-</u>	<u>1,854,472</u>

4 Investment income and interest

All of the group's investment income of £77,869 (2019: £61,651) arises from money held on deposit account.

Notes to the financial statements

For the year ended 31 March 2020

5 Grants for medical research

The charge for the year for research consists of the following Grants awarded during the year:

	2020 £	2019 £
Core grants:		
- Maternal and Fetal Health Team, St Thomas' Hospital, London	420,000	400,000
- Maternal and Fetal Health Team, St Mary's Hospital, Manchester	438,000	505,000
- Maternal and Fetal Health Team, The Royal Infirmary, Edinburgh	400,000	400,000
- Maternal and Fetal Health Team, National Research Centre	580,000	500,000
- Maternal and Fetal Health Team, Implementation Science Centre	500,000	500,000
- Previous years grants (not fully taken up)/exceeded	(51,515)	(3,593)
	<u>2,286,485</u>	<u>2,301,407</u>
Non-core grants:		
- Fetal monitoring vest research, St Mary's Hospital, Manchester	54,134	-
- PARROT study, St Thomas' Hospital, London	159,574	-
- Ursodeoxycholic acid research, St Thomas' Hospital, London	139,208	-
Other research costs	140,392	152,708
	<u>2,779,793</u>	<u>2,454,115</u>
Outstanding grants at 1st April 2019	3,170,377	2,251,101
Grants awarded during the year	2,286,485	2,301,407
Paid during the year	(1,422,336)	(1,382,131)
Outstanding grants at 31 March 2020 falling due within one year	<u>4,034,526</u>	<u>3,170,377</u>

6 Expenditure on education and information projects

	2020 £	2019 £
Parent Friendly Awards	97,232	103,445
Pregnancy Accreditation	65,683	15,306
Information Provision	266,015	247,956
Midwife Pregnancy Helpline	88,330	110,702
Public Relations	401,556	564,647
Health Campaigns Projects	545,114	146,194
Website	373,433	156,170
Supporter Newsletter	95,754	125,915
Advertising	695,835	837,816
	<u>2,628,952</u>	<u>2,308,151</u>

Notes to the financial statements

For the year ended 31 March 2020

7 Analysis of expenditure

	Staff Costs £	Direct Costs £	Allocated Support & Governance Costs £	Total 2020 £
Cost of raising funds				
Donations and Legacies	775,335	1,239,619	419,577	2,434,531
Corporate sponsorship, promotions and events	376,696	611,699	172,087	1,160,482
	<u>1,152,031</u>	<u>1,851,318</u>	<u>591,664</u>	<u>3,595,013</u>
Charitable expenditure				
Medical Research	82,912	2,676,685	20,196	2,779,793
Education and information projects	973,140	1,270,309	385,503	2,628,952
	<u>1,056,052</u>	<u>3,946,994</u>	<u>405,699</u>	<u>5,408,745</u>
Total	<u>2,208,083</u>	<u>5,798,312</u>	<u>997,363</u>	<u>9,003,758</u>

Analysis of expenditure – previous year

	Staff Costs £	Direct Costs £	Allocated Support & Governance Costs £	Total 2019 £
Cost of raising funds				
Donations and Legacies	625,780	1,236,746	289,887	2,152,413
Corporate sponsorship, promotions and events	326,097	1,164,020	153,739	1,643,856
	<u>951,877</u>	<u>2,400,766</u>	<u>443,626</u>	<u>3,796,269</u>
Charitable expenditure				
Medical Research	48,332	2,395,442	10,341	2,454,115
Education and information projects	684,704	1,361,926	261,521	2,308,151
	<u>733,036</u>	<u>3,757,368</u>	<u>271,862</u>	<u>4,762,266</u>
Total	<u>1,684,913</u>	<u>6,158,134</u>	<u>715,488</u>	<u>8,558,535</u>

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

Notes to the financial statements
For the year ended 31 March 2020

8 Analysis of allocated support and governance costs

	Information Technology £	Human Resources £	Office Operating Costs £	Governance Costs £	Total 2020 £
Cost of raising funds					
Donations and Legacies	86,089	54,153	269,598	9,737	419,577
Corporate sponsorship, promotions and events	35,308	22,211	110,574	3,994	172,087
	<u>121,397</u>	<u>76,364</u>	<u>380,172</u>	<u>13,731</u>	<u>591,664</u>
Charitable expenditure					
Research	4,144	2,607	12,976	469	20,196
Education and Information projects	79,097	49,755	247,705	8,946	385,503
	<u>83,241</u>	<u>52,362</u>	<u>260,681</u>	<u>9,415</u>	<u>405,699</u>
Total	<u>204,638</u>	<u>128,726</u>	<u>640,853</u>	<u>23,146</u>	<u>997,363</u>

Analysis of allocated support and governance costs– previous year

	Information Technology £	Human Resources £	Office Operating Costs £	Governance Costs £	Total 2019 £
Cost of raising funds					
Donations and Legacies	67,516	44,058	170,473	7,840	289,887
Corporate sponsorship, promotions and events	35,807	23,366	90,409	4,157	153,739
	<u>103,323</u>	<u>67,424</u>	<u>260,882</u>	<u>11,997</u>	<u>443,626</u>
Charitable expenditure					
Research	2,408	1,572	6,081	280	10,341
Education and Information projects	60,909	39,747	153,792	7,073	261,521
	<u>63,317</u>	<u>41,319</u>	<u>159,873</u>	<u>7,353</u>	<u>271,862</u>
Total	<u>166,640</u>	<u>108,743</u>	<u>420,755</u>	<u>19,350</u>	<u>715,488</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.

Notes to the financial statements

For the year ended 31 March 2020

9 Net Income

Net income is stated after charging:	2020 £	2019 £
Auditor's remuneration		
- audit fees	19,100	16,625
- non-audit fees	4,050	-
Depreciation and Amortisation charge	90,815	63,013
Operating lease rentals	99,876	84,000
	<hr/>	<hr/>

10 Group staff costs

	2020 £	2019 £
Salaries and wages	1,589,885	1,461,436
Social security costs	164,560	134,312
Pension costs	67,662	41,498
Temporary Staff and Volunteer costs	385,976	47,667
	<hr/>	<hr/>
	2,208,083	1,684,913
	<hr/>	<hr/>

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, Fundraising Director and Marketing Director. The total remuneration of the key management personnel, including pensions and benefits in kind, was £476,106 (2019: £491,720).

The number of employees whose emoluments exceeded £60,000 for the year was:

	2020 Number	2019 Number
Within the range of £120,000 to £129,999	1	1
Within the range of £80,000 to £89,999	-	1
Within the range of £70,000 to £79,999	2	2
	<hr/>	<hr/>
	3	4
	<hr/>	<hr/>

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

	2020 Number	2019 Number
Charitable activities	19	14
Cost of generating funds	26	23
Management and administration of the Charity	5	4
	<hr/>	<hr/>
	50	41
	<hr/>	<hr/>

Notes to the financial statements

For the year ended 31 March 2020

These numbers exclude temporary agency staff, contractors and consultants.

Three redundancies were made in the year (2019: Nil). The aggregate cost of redundancy payments was £5,250 (2019: £Nil).

11 Trustees

The Trustees received no remuneration or reimbursed expenses during the year (2019 - £Nil).

12 Operating lease and other commitments

At 31 March 2020 the Charity had total future minimum lease commitments under operating leases for land and buildings as follows:

	2020 £	2019 £
Land and building operating leases		
- Less than one year	110,628	84,000
- More than one year and less than five years	230,800	187,792
	<hr/> 341,428	<hr/> 271,792

These commitments include market value provisions in respect of additional office space at Nicholas House of £47,628 (current) and £99,365 (non-current) while the Charity awaits details of the updated lease.

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 2020

13 Intangible fixed assets

	Group £	Charity £
Software and Website		
Cost		
1 April 2019	415,508	388,880
31 March 2020	<u>415,508</u>	<u>388,880</u>
Depreciation		
1 April 2019	322,039	313,163
Charge for the year	36,740	32,302
31 March 2020	<u>358,779</u>	<u>345,465</u>
Net book value		
1 April 2019	93,469	75,717
31 March 2020	<u>56,729</u>	<u>43,415</u>

14 Tangible fixed assets

	Group £	Charity £
Office equipment		
Cost		
1 April 2019	285,624	285,624
Additions	191,638	191,638
Disposals	(16,756)	(16,756)
31 March 2020	<u>460,506</u>	<u>460,506</u>
Depreciation		
1 April 2019	230,080	230,080
Charge for the year	54,075	54,075
Disposals	(16,756)	(16,756)
31 March 2020	<u>267,399</u>	<u>267,399</u>
Net book value		
1 April 2019	55,544	55,544
31 March 2020	<u>193,107</u>	<u>193,107</u>

Notes to the financial statements

For the year ended 31 March 2020

15 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 21.

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 22.

16 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	64,593	76,261	22,925	865
Taxation recoverable	16,692	23,754	16,692	22,978
Amounts owed by subsidiary companies	-	-	681,688	1,219,492
Prepayments and accrued income	594,178	771,166	824,867	764,465
Other debtors	105,520	10,157	104,118	10,157
	<u>780,983</u>	<u>881,338</u>	<u>1,650,290</u>	<u>2,017,957</u>

17 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	529,437	575,125	729,081	271,159
VAT payable	359	7,937	358	7,937
Medical grants outstanding	4,034,526	3,170,377	4,034,526	3,170,377
Deferred income	737,577	201,153	737,577	201,153
Accruals and other creditors	1,602,021	141,636	143,036	113,578
	<u>6,903,920</u>	<u>4,096,228</u>	<u>5,644,578</u>	<u>3,764,204</u>
Deferred income at 1st April 2019	201,153	169,054	201,153	169,054
Deferred income brought forward recognised in year	(201,153)	(169,054)	(201,153)	(169,054)
Income received and deferred at 31 March 2020	737,577	201,153	737,577	201,153
Deferred income at 31 March 2020	<u>737,577</u>	<u>201,153</u>	<u>737,577</u>	<u>201,153</u>

Notes to the financial statements
For the year ended 31 March 2020

18 Consolidated statement of funds

	Balance 31 March 2019 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2020 £
<u>Unrestricted funds</u>					
General funds	5,469,503	6,680,021	(7,749,683)	72,954	4,472,795
<u>Restricted funds</u>					
Maternal and Fetal Health Team, Manchester	322,992	64,156	(216,350)	1,204	172,002
Maternal and Fetal Health Team, Edinburgh	-	17,383	(17,383)	-	-
Maternal and Fetal Health Team, London	47,689	446,016	(478,701)	106	15,110
Maternal and Fetal Health Team, National Research Centre	48,248	334,285	(263,070)	842	120,305
Maternal and Fetal Health Team, Implementation Science Centre	-	390,378	(33,973)	2,512	358,917
Information Services	218,463	61,793	(244,598)	251	35,909
Total restricted funds	637,392	1,314,011	(1,254,075)	4,915	702,243
Total funds	6,106,895	7,994,032	(9,003,758)	77,869	5,175,038

Restricted Funds

These are donations for specific projects as directed by the donors.

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.

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.

Donations towards fundraising costs in the prior year contributed to the salary of a particular member of staff.

Notes to the financial statements

For the year ended 31 March 2020

Consolidated statement of funds – previous year

	Balance 31 March 2018 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2019 £
<u>Unrestricted funds</u>					
General funds	5,012,497	7,997,843	(7,598,233)	57,396	5,469,503
<u>Restricted funds</u>					
Maternal and Fetal Health Team, Manchester	11,516	424,623	(115,303)	2,156	322,992
Maternal and Fetal Health Team, Edinburgh	3,017	122,448	(125,465)	-	-
Maternal and Fetal Health Team, London	39,871	180,546	(173,046)	318	47,689
Maternal and Fetal Health Team, National Research Centre	473,406	79,114	(504,594)	322	48,248
Information Services	12,069	236,829	(31,894)	1,459	218,463
Fundraising Costs	-	10,000	(10,000)	-	-
Total restricted funds	539,879	1,053,560	(960,302)	4,255	637,392
Total funds	5,552,376	9,051,403	(8,558,535)	61,651	6,106,895

Notes to the financial statements

For the year ended 31 March 2020

19 Charity statement of funds

	Balance 31 March 2019 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2020 £
<u>Unrestricted funds</u>					
General funds	5,469,503	6,325,662	(7,023,199)	68,465	4,840,431
<u>Restricted funds</u>					
Maternal and Fetal Health Team, Manchester	322,992	64,156	(216,350)	1,204	172,002
Maternal and Fetal Health Team, Edinburgh	-	17,383	(17,383)	-	-
Maternal and Fetal Health Team, London	47,689	446,016	(478,701)	106	15,110
Maternal and Fetal Health Team, National Research Centre	48,248	334,285	(263,070)	842	120,305
Maternal and Fetal Health Team, Implementation Science Centre	-	390,378	(33,973)	2,512	358,917
Information Services	218,463	61,793	(244,598)	251	35,909
Total restricted funds	637,392	1,314,011	(1,254,075)	4,915	702,243
Total funds	6,106,895	7,639,673	(8,277,274)	73,380	5,542,674

20 Charity statement of funds – previous year

	Balance 31 March 2018 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2019 £
<u>Unrestricted funds</u>					
General funds	5,048,775	7,114,123	(6,749,139)	55,744	5,469,503
<u>Restricted funds</u>					
Maternal and Fetal Health Team, Manchester	11,516	424,623	(115,303)	2,156	322,992
Maternal and Fetal Health Team, Edinburgh	3,017	122,448	(125,465)	-	-
Maternal and Fetal Health Team, London	39,871	180,546	(173,046)	318	47,689
Maternal and Fetal Health Team, National Research Centre	473,406	79,114	(504,594)	322	48,248
Information Services	12,069	236,829	(31,894)	1,459	218,463
Fundraising Costs	-	10,000	(10,000)	-	-
Total restricted funds	539,879	1,053,560	(960,302)	4,255	637,392
Total funds	5,588,654	8,167,683	(7,709,441)	59,999	6,106,895

Refer to note 18 for a detailed description of the restrictions.

Notes to the financial statements

For the year ended 31 March 2020

21 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 wholly owned 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:

	2020	2019
	£	£
Turnover	153,195	92,013
Cost of sales	(89,481)	(9,700)
Gross Profit	63,714	82,313
Interest Receivable	721	292
Administration costs	(51,070)	(23,651)
Profit for the year	13,365	58,954
Retained Earnings		
At 1 April 2019	-	-
Results for the year	13,365	58,954
Qualifying charitable donation to Tommy's	(13,365)	(58,954)
At 31 March 2020	-	-
Balance sheet		
Current assets	355,019	443,261
Current liabilities	(355,017)	(443,259)
Net Assets	2	2

Notes to the financial statements

For the year ended 31 March 2020

22 Subsidiary company: LLHM Limited

The statement of financial activities and the consolidated balance sheet include the results, assets and liabilities of the Charity's wholly owned 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. The results of the subsidiary, which are consolidated on a line by line basis, are:

	2020	2019
	£	£
Turnover	718,934	2,113,894
Cost of sales	(505,239)	(878,131)
Gross Profit	213,695	1,235,763
Interest Receivable	3,768	13,600
Administration costs	(584,321)	(666,646)
Profit before taxation	(366,858)	582,717
Taxation on ordinary activities	(776)	776
Retained profit	(367,634)	583,493
Retained Earnings		
At 1 April 2019	-	(36,278)
Results for the year	(367,634)	583,493
Qualifying charitable donation to Tommy's	-	(547,215)
At 31 March 2020	(367,634)	-
Balance sheet		
Non-current assets	13,314	17,752
Current assets	1,861,839	1,103,981
Current liabilities	(2,242,786)	(1,121,732)
Net Assets/(Liabilities)	(367,633)	1

Notes to the financial statements

For the year ended 31 March 2020

23 Related party transactions

Asda made donations totalling £Nil (2019: £25,000). Ms Hayley Tatum (Senior Vice-President – People at Asda) was Trustee of the Charity during the year.

Slaughter & May purchased £400 (2019: £250) of advertising space in the Christmas Carol Concert programme. Mr Steve Edge (Partner - Slaughter & May) was Trustee of the Charity during the year.

Trustees made donations totalling £3,550 (2019: £Nil) restricted to the Rainbow Centre, £25,000 (2019: £Nil) restricted to the Miscarriage Centre, £Nil (2019: £15,500) restricted to the pregnancy information service, and £Nil (2019: £10,000) restricted to fundraising costs. Unrestricted donations totalled £49,810 (2019: £63,000).

No disclosure has been made of transactions between the parent and subsidiary undertakings in accordance with the exemptions allowed by FRS 102.

During the year the Charity charged management fees of £46,392 (2019: £46,994) to The Baby Fund Trading Limited in respect of support services. The Baby Fund Trading Limited also paid Gift Aid to the Charity of £13,365 (2019: £58,954). As at 31 March 2020, The Baby Fund Trading Limited owed the Charity £328,277 (2019: £441,134).

During the year the Charity charged management fees of £449,235, (2019: £340,591) to LLHM Limited in respect of support services. LLHM Limited also paid Gift Aid to the Charity of £Nil (2019: £547,215) and charged costs to the Charity of £332,775 (2019: £367,175) in respect of fundraising events. As at 31 March 2020, LLHM Limited owed the Charity £20,636 (2019: £764,884).

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

	2020	2019
	£	£
Net movement in funds	(931,857)	554,519
Add back depreciation and amortisation charge	90,815	63,013
Deduct interest income shown in investing activities	(77,869)	(61,651)
Decrease in debtors	100,355	181,197
Increase in creditors	2,807,692	1,196,209
Net cash used in operating activities	1,989,136	1,933,287

Notes to the financial statements

For the year ended 31 March 2020

25 Analysis of Cash and Cash Equivalents

	2020	2019
	£	£
Short term deposit	7,071,099	7,032,748
Cash at bank and in hand	3,977,040	2,140,024
Total cash and cash equivalents	<u>11,048,139</u>	<u>9,172,772</u>

	2020	2019
	£	£
Cash and cash equivalents at 1 April 2019	9,172,772	7,197,462
Movement	1,875,367	1,975,310
Cash and cash equivalents at 31 March 2020	<u>11,048,139</u>	<u>9,172,772</u>

26 Analysis of Group Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£
Fixed Assets	249,836	-	249,836
Cash at bank and in hand	10,345,896	702,243	11,048,139
Other net current (liabilities)	(6,122,936)	-	(6,122,936)
Total	<u>4,472,796</u>	<u>702,243</u>	<u>5,175,039</u>

Analysis of Group Net Assets Between Funds - previous year

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Fixed Assets	149,013	-	149,013
Cash at bank and in hand	8,535,380	637,392	9,172,772
Other net current (liabilities)	(3,214,890)	-	(3,214,890)
Total	<u>5,469,503</u>	<u>637,392</u>	<u>6,106,895</u>

Notes to the financial statements

For the year ended 31 March 2020

27 Analysis of Charity Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£
Fixed Assets	236,525	-	236,525
Cash at bank and in hand	8,598,194	702,243	9,300,437
Other net current (liabilities)	(3,994,288)	-	(3,994,288)
Total	<u>4,840,431</u>	<u>702,243</u>	<u>5,542,674</u>

Analysis of Charity Net Assets Between Funds – previous year

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Fixed Assets	131,264	-	131,264
Cash at bank and in hand	7,084,486	637,392	7,721,878
Other net current (liabilities)	(1,746,247)	-	(1,746,247)
Total	<u>5,469,503</u>	<u>637,392</u>	<u>6,106,895</u>