

# **Tommy's**

Trustees' Report and Financial statements

For the year ended 31 March 2021

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

Bjorn Saven

Joe Chambers - Chairman

Trudi Boardman

Kate Smaje

Professor Anna David

Aedamar Comiskey

Robert Stirling

Stephen Edge

Sonji Clarke

Appointed 18 November 2020

Dr Shema Tariq

Appointed 18 November 2020

### **Chief Executive**

Jane Brewin

### **Principal Address**

Nicholas House

3 Laurence Pountney Hill

London

EC4R 0BB

### **Auditor**

Saffery Champness LLP

71 Queen Victoria Street

London

EC4V 4BE

### **Solicitor**

Foot Anstey LLP

Senate Court

Southernhay Gardens

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 2021.

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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

## Coronavirus Pandemic Impact

The coronavirus pandemic impact has been ongoing throughout the year; halting much of the Charity's fundraising activity and many clinical research studies. The Trustees have worked closely with the Charity's management team to monitor the situation closely, and where possible reduce costs and adapt the fundraising model to the new socially distanced normal. The charity has taken the opportunity to update its infrastructure and plan for the future when restrictions on people mixing are lifted.

## Chairman's Statement

During the year we have been able to maintain grant levels to the five Tommy's research centres whilst committing to continue to fund three centres in the next financial year and have continued to invest in Tommy's pregnancy information service which has experienced increased demand.

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 unflinching 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 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.

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

## Trustees' Report (continued)

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 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 Mary's Hospital, Manchester University; Birmingham University who are leading the Tommy's miscarriage research collaboration and the RCOG who lead the maternity improvement collaboration. A grant was secured to continue our partnership with King's College London which also holds a Tommy's Chair in perpetuity, which is currently held by Professor Lucilla Poston.

## Structure, Governance and Management

The Charity operates in the UK, with its headquarters based in central London, which has been largely closed this year with staff working at home. 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. Since the coronavirus pandemic, a group of Trustees have been meeting with the CEO and COO from time to time to review the evolving impact on the plan and financial results and determine what actions to take. Joe Chambers has chaired the Trustees since 1<sup>st</sup> 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,
- How Tommy's assesses and manages risk,
- Financial reporting and current performance of the Charity including reserves policy,
- Main areas of fundraising,

## Trustees' Report (continued)

- 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 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.

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 Director and agreed with a Trustee with relevant experience. The salaries of the senior management team, comprising the CEO, COO, Marketing Director, Research, Policy and Pregnancy Information Director and Race Director of the LLHM, are reviewed and approved by the Board of Trustees annually at the March meeting.

### **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:

- 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.

## Trustees' Report (continued)

### **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.

### **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 follows NHS best practice for developing and updating patient information, medical malpractice insurance is held, and that staff are appropriately qualified, trained 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 Fundraising Regulator, 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 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.

## Trustees' Report (continued)

### **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. The Charity aims to follow the Code, as a key source of best-practice.

#### **New Internal Policies**

- People Apart Policy (social distancing and hygiene protocols for Head Office)
- Covid-19 Vaccination Policy
- Menopause Policy

#### **Reviewed Internal Policies**

- Health and Safety Policy
- Equality, Diversity and Inclusivity Policy
- Sickness Absence Policy
- Compassionate Leave Policy
- Employee Privacy Policy
- Remote Working Policy

#### **Reviewed External Policies**

- Tommy's Privacy Policy
- LLHM Privacy Policy
- Cookies Policy
- Complaints Policy
- Modern Day Slavery Policy

## **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 £1,400,000 this year (2020: £2,338,000)

- Maternal and Fetal Research Unit at St Mary's Hospital, Manchester - £400,000
- Tommy's National Centre for Miscarriage Research - £500,000
- Tommy's National Centre for Maternity Improvement - £500,000

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 impact 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, 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](http://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 has invested in the recruitment of supporters and donors via digital marketing. Tommy's is not involved in telemarketing or direct-mail donor recruitment or fundraising, nor does it run reactivation campaigns.

The Charity received 17 complaints regarding its fundraising activities in the last twelve months. The key source of complaints in this financial year has been from our digital fundraising operations, which generated 9 complaints and from our pregnancy information service, which generated 5 complaints. The main concerns are the frequency of emails from Tommy's, Tommy's adverts appearing on personal social media accounts and the ease with which people have been able to unsubscribe from communications from Tommy's.

Of the 17 complaints received in the year, 12 were upheld by Tommy's. The recording, investigation and reporting of complaints continues to be a key control for management.

### **Fundraising Review**

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

Companies: Hologic, Poundland, Evercore, Teneo, Marsh Ltd, MAM UK Ltd, Arval UK Ltd, The Fertility Partnership, Pattie & Co., Plum & Ashby and Mutha.Hood both in collaboration with Elle Wright of Feathering The Empty Nest.

Trusts & Foundations: The Aurum Charitable Trust, Beehive Fund, The Childwick Trust, D'Oyly Carte Charitable Trust, Edith Murphy Foundation, Holbeck Charitable Trust, The James Tudor Foundation, The Jon Moulton Charity Trust, Martin Charitable Trust, Peter Sowerby Foundation, PF Charitable Trust, The Reed Foundation, Reliance Foundation, The RS Macdonald Charitable Trust, Sandra Charitable Trust, Teddy's Wish, Wellcome and The Zochonis Charitable Trust.

## Trustees' Report (continued)

Individuals: Paulo & Melinda Almeida, Kate & David Beck, Trudi & Gareth Boardman, Joe Chambers, Kalpana Desai, Steve Edge & Jane Fogg, Dominic & Claire Freemantle, Oliver & Johanna Hudson, Chloe & Archie Hunter, Stephen & Benetta Morant, Dominic & Lindsay Proctor, Julia Rosier, Bjorn Saven, Ian & Carol Sellars, Kassie Smith QC and Robert Stirling. Our thanks also to Ben and Marina Fogle who presented our BBC Lifeline Appeal.

The Department of Health and Social Care awarded Tommy's PregnancyHub a grant to support our response to supporting pregnant women throughout the coronavirus pandemic and in particular supporting black and minority ethnic and low-income groups most at risk.

The Scottish Government awarded Tommy's Edinburgh research centre a grant towards the Covid-19 implementation trial of Enjoy Your Bump.

Thank you to the following companies for their pro bono support of our marketing campaigns: Ogilvy Health, Cogent and Mindshare UK.

### **London Landmarks Half Marathon**

The London Landmarks Half Marathon has been postponed this year due to the coronavirus pandemic and we plan to hold the event in August 2021. The Charity would like to thank everyone involved in the event for their support and forbearance, we look forward to taking to the streets of London once more. Further information about this event is found at [www.llhm.co.uk](http://www.llhm.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 and minimise the cost base whilst some fundraising is on hold. The charity plans to launch a call for a National Research Centre for Preterm Birth Research as soon as funds allow.

## **Financial Review**

Group income this year fell to £6,981,335, which was £1,090,566 lower than the previous year's result. This was due to the cancellation and postponement of most mass-participation fundraising events due to the pandemic. 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.

Nevertheless, the Group made a surplus of £1,392,697 (2020: deficit 931,857) due to the receipt of a one-off legacy donation of £3m, and strict control of expenditure throughout the year.

Tommy's trading subsidiary The Baby Fund Trading Limited made a profit of £10,750 (2020: £13,365). LLHM Limited made a loss of £541,285 (2020: loss of £367,634), as the pandemic prevented mass-participation events such as London Landmarks Half Marathon from proceeding. It is anticipated that the successful mass-vaccination programme will permit events to resume in the near future and contingency plans have been made to maximise the chances of delivering an

## Trustees' Report (continued)

event before 31<sup>st</sup> March 2022. The contractual terms and conditions for charities purchasing places in the event have also been amended so that those charities share the financial risks associated with any future cancellation. LLHM Limited also intends to launch new, covid safe events in the year ending 31<sup>st</sup> March 2023, to help mitigate the risk of pandemic induced events cancellations.

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 rose by £1,625,327 in the year, driven by the surplus arising from a one-off legacy of £3m. 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 £5,848,287 (2020: £4,222,959). 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
<b>Income</b>	£6,390,627	£6,981,335
<b>Expenditure:</b>		
Cost of raising funds	£1,491,362	£1,639,121
Charitable	£4,397,609	£3,949,518
<b>Cost/income ratio</b>	23%	23%

The evolving governmental and societal response to the pandemic made it difficult to forecast and the target figures, above, reflect expectations at the point at which it became clear there would be no mass-participation fundraising events in the year.

Income exceeded target by £590,708 due to better than expected attrition amongst the Charity's direct debit supporters, increased digital fundraising activity and stronger than expected support from a number of key corporate partners. Achieving this income result did require the charity to spend more than planned on fundraising, which was £147,759 above target.

The Charity achieved a cost-to-income ratio of 23%, a considerable reduction on the prior year figure of 45%. It is important to note that this reduction is due to the distorting influence of the £3 million legacy gift received in the year, and does not reflect any underlying improvement in fundraising efficiency.

Charitable expenditure was £448,091 below target, as the Charity kept its discretionary marketing activities under tight control, and a number of medical research projects were temporarily halted.

## Trustees' Report (continued)

### **Statement of Trustees' Responsibilities**

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

Company and Charity law 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
- 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 continued to act as auditors during this year.

The Trustees' Report, which includes the Strategic Report, was approved by the Board of Trustees on 20 July 2021 and signed on its behalf by:



**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 (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 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 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 affairs of the group and the parent charitable company as at 31 March 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## 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.

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 their 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) require us to report to you if, in our opinion:

- 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'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 page 10, the trustees (who are also the directors of the parent 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 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 to the Members and Trustees of Tommy's

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate

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

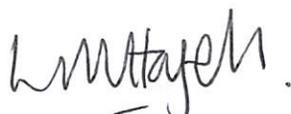
professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent 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 parent 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 parent charitable company, the parent 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: 30 July 2021.

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 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income from:</b>							
Donations	2	6,137,766	714,894	6,852,660	5,816,668	1,314,011	7,130,679
Other trading activities	3	52,374	-	52,374	863,353	-	863,353
Investments	4	26,752	810	27,562	72,954	4,915	77,869
Coronavirus Job Retention Scheme Grant		48,739	-	48,739	-	-	-
<b>Total income</b>		<u>6,265,631</u>	<u>715,704</u>	<u>6,981,335</u>	<u>6,752,975</u>	<u>1,318,926</u>	<u>8,071,901</u>
<b>Expenditure on:</b>							
Raising funds	7,8	1,639,121	-	1,639,121	3,595,013	-	3,595,013
Charitable activities	7,8	2,879,700	1,069,817	3,949,517	4,154,670	1,254,075	5,408,745
<b>Total expenditure</b>		<u>4,518,821</u>	<u>1,069,817</u>	<u>5,588,638</u>	<u>7,749,683</u>	<u>1,254,075</u>	<u>9,003,758</u>
<b>Net movement in funds for the year</b>		1,746,810	(354,113)	1,392,697	(996,708)	64,851	(931,857)
<b>Reconciliation of funds</b>							
Fund balances brought forward		4,472,795	702,243	5,175,038	5,469,503	637,392	6,106,895
<b>Fund balances carried forward</b>	18	<u>6,219,605</u>	<u>348,130</u>	<u>6,567,735</u>	<u>4,472,795</u>	<u>702,243</u>	<u>5,175,038</u>

All results have been derived from continuing activities. There were 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. Movements in funds are disclosed in Note 18 to the financial statements.

## Consolidated Balance Sheet

As at 31 March 2021

Registered Company Number 3266897

	Notes	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
<b>Fixed assets</b>					
Intangible assets	13	236,535	56,729	220,659	43,415
Tangible assets	14	134,783	193,107	134,783	193,107
Investments	15	-	-	3	3
		<u>371,318</u>	<u>249,836</u>	<u>355,445</u>	<u>236,525</u>
<b>Current assets</b>					
Debtors	16	684,122	780,983	2,442,501	1,650,290
Short term deposits		8,593,851	7,071,099	8,593,851	7,071,099
Cash at bank and in hand		3,225,844	3,977,040	1,193,625	2,229,338
		<u>12,503,817</u>	<u>11,829,122</u>	<u>12,229,976</u>	<u>10,950,727</u>
<b>Creditors:</b> amounts falling due within one year	17	(6,307,400)	(6,903,920)	(5,108,766)	(5,644,578)
<b>Net current assets</b>		<u>6,196,417</u>	<u>4,925,202</u>	<u>7,121,210</u>	<u>5,306,149</u>
<b>Total Net Assets</b>		<u>6,567,735</u>	<u>5,175,038</u>	<u>7,476,655</u>	<u>5,542,674</u>
<b>Funds</b>	18				
Restricted funds		348,130	702,243	348,130	702,243
Unrestricted funds		6,219,605	4,472,795	7,128,525	4,840,431
Funds		<u>6,567,735</u>	<u>5,175,038</u>	<u>7,476,655</u>	<u>5,542,674</u>

The financial statements were approved and authorised for issue by the Trustees on 20 July 2021.

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 surplus in the year of £1,933,981 (2020: deficit of £564,221).



**Joe Chambers**  
Chairperson

## Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	<b>Notes</b>	<b>2021</b> £	<b>2020</b> £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	23	986,673	1,989,136
<b>Cash flows from investing activities:</b>			
Interest income		27,562	77,869
Purchase of tangible and intangible fixed assets		(242,679)	(191,638)
<b>Net cash (used in) investing activities</b>		(215,117)	(113,769)
Change in cash and cash equivalents in the year		771,556	1,875,367
Cash and cash equivalents at the beginning of the year	24	11,048,139	9,172,772
<b>Total cash and cash equivalents at the end of the year</b>	24	11,819,695	11,048,139

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 2021

### **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) – (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).

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

#### *b) Preparation of the accounts on a going concern basis*

The Trustees are of the view that the Charity's and the Group's reserves level, strong cash holdings and disciplined approach to budgeting mean that the immediate future of the Charity and the Group over the next 12 to 18 months is secure and that on this basis the Charity and the Group is a going concern.

#### *c) Group financial statements*

The group financial statements include the results for the year ended 31 March 2021 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 20 and 21.

#### *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 2021

### **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.

Accrued income comprises amounts due in respect of fundraising and contractual events held in the financial year, which had not been received by the year-end date.

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.

## Notes to the financial statements

For the year ended 31 March 2021

### **Accounting policies (continued)**

#### *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.

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 Charity is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2011 and therefore meets the definition of a charitable company for UK corporation tax purposes.

## Notes to the financial statements

For the year ended 31 March 2021

### **Accounting policies (continued)**

#### *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

#### *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) Assets Under Construction*

Assets under construction 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. Depreciation on assets under construction does not commence until they are completed and available for use

#### *q) Debtors*

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

#### *r) Operating Leases*

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

#### *s) 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.

#### *t) 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.

## Notes to the financial statements

For the year ended 31 March 2021

### Accounting policies (continued)

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 and useful economic lives of tangible and intangible fixed assets, detailed further in note 1(n) and note 1(o).

### 2 Income from donations

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Gifts	2,621,087	714,894	3,335,981	5,204,628	1,314,011	6,518,639
Legacies	3,000,000	-	3,000,000	-	-	-
Donated Services	516,679	-	516,679	612,040	-	612,040
<b>Total</b>	<b>6,137,766</b>	<b>714,894</b>	<b>6,852,660</b>	<b>5,816,668</b>	<b>1,314,011</b>	<b>7,130,679</b>

### 3 Income earned from trading activities

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Corporate sponsorship and promotions	31,921	-	31,921	153,195	-	153,195
Events	20,453	-	20,453	710,158	-	710,158
<b>Total</b>	<b>52,374</b>	<b>-</b>	<b>52,374</b>	<b>863,353</b>	<b>-</b>	<b>863,353</b>

### 4 Investment income and interest

All of the group's investment income of £27,562 (2020: £77,869) arose from money held on deposit account.

## Notes to the financial statements

For the year ended 31 March 2021

### 5 Grants for medical research

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Core grants:</b>		
- Maternal and Fetal Research Unit, St Thomas' Hospital, London	-	420,000
- Maternal and Fetal Research Unit, St Mary's Hospital, Manchester	400,000	438,000
- Maternal and Fetal Research Unit, Royal Infirmary, Edinburgh	-	400,000
- Tommy's National Centre for Miscarriage Research	500,000	580,000
- Tommy's National Centre for Maternity Improvement	500,000	500,000
- Previous years grants (not fully taken up)/exceeded	(28,230)	(51,515)
	<hr/> 1,371,770	<hr/> 2,286,485
<b>Non-core grants:</b>		
- Fetal monitoring vest research, St Mary's Hospital, Manchester	49,799	54,134
- PARROT study, St Thomas' Hospital, London	61,995	159,574
- Ursodeoxycholic acid research, St Thomas' Hospital, London	-	139,208
- Quality Improvement project, University of Edinburgh, Scotland	19,340	-
Other research costs	-	140,392
	<hr/> 1,502,904	<hr/> 2,779,793
Outstanding grants at 1st April 2020	4,034,526	3,170,377
Grants awarded during the year	1,371,770	2,286,485
Paid during the year	(2,072,936)	(1,422,336)
	<hr/> 3,333,360	<hr/> 4,034,526

### 6 Expenditure on education and information projects

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Parent Friendly Awards	-	97,232
Pregnancy Accreditation	88,772	65,683
Information Provision	193,989	266,015
Midwife Pregnancy Helpline	72,649	88,330
Public Relations	416,489	401,556
Health Campaigns Projects	246,467	545,114
Website	531,964	373,433
Supporter Newsletter	98,452	95,754
Advertising	599,790	695,835
	<hr/> 2,248,572	<hr/> 2,628,952

Notes to the financial statements

For the year ended 31 March 2021

**7 Analysis of expenditure**

	<b>Staff Costs</b>	<b>Direct Costs</b>	<b>Allocated Support &amp; Governance Costs</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost of raising funds</b>				
Donations and Legacies	525,469	243,794	220,885	990,148
Corporate sponsorship, promotions and events	435,976	35,299	177,698	648,973
	<u>961,445</u>	<u>279,093</u>	<u>398,583</u>	<u>1,639,121</u>
<b>Charitable expenditure</b>				
Medical Research	153,126	1,507,021	40,797	1,700,944
Education and information projects	970,421	943,415	334,737	2,248,573
	<u>1,123,547</u>	<u>2,450,436</u>	<u>375,534</u>	<u>3,949,517</u>
<b>Total</b>	<u>2,084,992</u>	<u>2,729,529</u>	<u>774,117</u>	<u>5,588,638</u>

**Analysis of expenditure – previous year**

	<b>Staff Costs</b>	<b>Direct Costs</b>	<b>Allocated Support &amp; Governance Costs</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost of raising funds</b>				
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>
<b>Charitable expenditure</b>				
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>
<b>Total</b>	<u>2,208,083</u>	<u>5,798,312</u>	<u>997,363</u>	<u>9,003,758</u>

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

Notes to the financial statements

For the year ended 31 March 2021

**8 Analysis of allocated support and governance costs**

	<b>Information Technology £</b>	<b>Human Resources £</b>	<b>Office Operating Costs £</b>	<b>Governance Costs £</b>	<b>Total 2021 £</b>
<b>Cost of raising funds</b>					
Donations and Legacies	52,984	21,555	135,954	10,392	220,885
Corporate sponsorship, promotions and events	42,625	17,341	109,372	8,360	177,698
	<hr/> 95,609	<hr/> 38,896	<hr/> 245,326	<hr/> 18,752	<hr/> 398,583
<b>Charitable expenditure</b>					
Research	9,786	3,981	25,111	1,919	40,797
Education and Information projects	80,294	32,666	206,029	15,748	334,737
	<hr/> 90,080	<hr/> 36,647	<hr/> 231,140	<hr/> 17,667	<hr/> 375,534
<b>Total</b>	<hr/> 185,689	<hr/> 75,543	<hr/> 476,466	<hr/> 36,419	<hr/> 774,117

**Analysis of allocated support and governance costs– previous year**

	<b>Information Technology £</b>	<b>Human Resources £</b>	<b>Office Operating Costs £</b>	<b>Governance Costs £</b>	<b>Total 2020 £</b>
<b>Cost of raising funds</b>					
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
	<hr/> 121,397	<hr/> 76,364	<hr/> 380,172	<hr/> 13,731	<hr/> 591,664
<b>Charitable expenditure</b>					
Research	4,144	2,607	12,976	469	20,196
Education and Information projects	79,097	49,755	247,705	8,946	385,503
	<hr/> 83,241	<hr/> 52,362	<hr/> 260,681	<hr/> 9,415	<hr/> 405,699
<b>Total</b>	<hr/> 204,638	<hr/> 128,726	<hr/> 640,853	<hr/> 23,146	<hr/> 997,363

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 2021

### 9 Net Income

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income is stated after charging:		
Auditor's remuneration		
- audit fees	24,000	19,100
- under accrual of prior year's audit fees	11,270	-
- non-audit fees	4,800	4,050
Depreciation and Amortisation charge	121,197	90,815
Operating lease rentals	229,048	99,876

### 10 Group staff costs

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salaries and wages	1,657,818	1,589,885
Social security costs	155,340	164,560
Pension costs	72,363	67,662
Temporary Staff and Volunteer costs	199,471	385,976
	<hr/> 2,084,992	<hr/> 2,208,083

Temporary staff and volunteer costs include the costs of contractors and consultants.

The key management personnel comprise the Trustees, the Chief Executive Officer, Chief Operating Officer, LLHM Director, Fundraising Director, Marketing Director and Research, Policy and Information Director. The total remuneration of the key management personnel, including pensions and benefits in kind, was £522,681 (2020: £476,106).

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Within the range of £130,000 to £139,999	1	-
Within the range of £120,000 to £129,999	-	1
Within the range of £70,000 to £79,999	2	2
Within the range of £60,000 to £69,999	1	-
	<hr/> 4	<hr/> 3

## Notes to the financial statements

For the year ended 31 March 2021

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Charitable activities	15	19
Cost of generating funds	21	26
Management and administration of the Charity	7	5
	<hr/>	<hr/>
	43	50
	<hr/>	<hr/>

These numbers exclude temporary agency staff, contractors and consultants.

Three redundancies were made in the year (2020: three). The aggregate cost of redundancy payments was £4,304 (2020: £5,250).

### **11 Trustees**

The Trustees received no remuneration or reimbursed expenses during the year (2020 - £Nil).

### **12 Operating lease and other commitments**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods with regards to property:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
- Less than one year	147,504	110,628
- More than one year and less than five years	35,668	183,172
	<hr/>	<hr/>
	183,172	293,800
	<hr/>	<hr/>

These commitments include market value provisions in respect of additional office space at Nicholas House of £79,380 (2020: £146,993) 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 2021

**13 Intangible fixed assets**

**Software and Website**

	<b>Group £</b>	<b>Charity £</b>
<b>Cost</b>		
1 April 2020	415,508	388,880
Additions	173,126	173,126
Assets under construction	58,926	51,926
Disposals	(356,695)	(356,695)
<b>31 March 2021</b>	<u>290,865</u>	<u>257,237</u>
<b>Depreciation</b>		
1 April 2020	358,779	345,465
Charge for the year	52,246	47,808
Disposals	(356,695)	(356,695)
<b>31 March 2021</b>	<u>54,330</u>	<u>36,578</u>
<b>Net book value</b>		
1 April 2020	56,729	43,415
<b>31 March 2021</b>	<u>236,535</u>	<u>220,659</u>

**14 Tangible fixed assets**

**Office equipment**

	<b>Group £</b>	<b>Charity £</b>
<b>Cost</b>		
1 April 2020	460,506	460,506
Additions	10,627	10,627
Disposals	(1,990)	(1,990)
<b>31 March 2021</b>	<u>469,143</u>	<u>469,143</u>
<b>Depreciation</b>		
1 April 2020	267,399	267,399
Charge for the year	68,951	68,951
Disposals	(1,990)	(1,990)
<b>31 March 2021</b>	<u>334,360</u>	<u>334,360</u>
<b>Net book value</b>		
1 April 2020	193,107	193,107
<b>31 March 2021</b>	<u>134,783</u>	<u>134,783</u>

## Notes to the financial statements

For the year ended 31 March 2021

### 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 20.

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 21.

### 16 Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	23,351	64,593	-	22,925
Taxation recoverable	15,661	16,692	15,661	16,692
Amounts owed by subsidiary companies	-	-	1,622,630	681,688
Prepayments and accrued income	645,110	594,178	804,210	824,867
Other debtors	-	105,520	-	104,118
	<u>684,122</u>	<u>780,983</u>	<u>2,442,501</u>	<u>1,650,290</u>

### 17 Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	438,361	529,437	430,851	729,081
VAT payable	904	359	904	358
Medical grants outstanding	3,333,360	4,034,526	3,333,360	4,034,526
Deferred income	2,186,803	737,577	1,022,066	737,577
Accruals and other creditors	347,972	1,602,021	321,585	143,036
	<u>6,307,400</u>	<u>6,903,920</u>	<u>5,108,766</u>	<u>5,644,578</u>
Deferred income at 1st April 2020	737,577	201,153	737,577	201,153
Amount released to income in the year	(737,577)	(201,153)	(737,577)	(201,153)
Income received and deferred at 31 March 2021	<u>2,186,303</u>	<u>737,577</u>	<u>1,022,066</u>	<u>737,577</u>

## Notes to the financial statements

For the year ended 31 March 2021

### 18 Consolidated statement of funds

	Balance 31 March 2020 £	Income £	Expenditure £	Allocated Interest £	Balance 31 March 2021 £
<b>Unrestricted funds</b>					
General funds	4,472,795	6,238,879	(4,518,821)	26,752	6,219,605
<b>Restricted funds</b>					
Maternal and Fetal Research Unit, Manchester	172,002	43,818	(128,748)	203	87,275
Maternal and Fetal Research Unit, Edinburgh	-	19,512	(19,512)	-	-
Maternal and Fetal Research Unit, London	15,110	117,295	(132,405)	-	-
National Centre for Miscarriage Research	120,305	14,209	(134,514)	-	-
National Centre for Maternity Improvement	358,917	142,000	(375,650)	292	125,559
Scottish Government grant – Quality improvement	-	19,340	(19,340)	-	-
Department of Health and Social Care grant – Pregnancy Hub	-	181,000	(181,000)	-	-
Information Services	35,909	177,720	(78,648)	315	135,296
Total restricted funds	702,243	714,894	(1,069,817)	810	348,130
<b>Total funds</b>	<b>5,175,038</b>	<b>6,953,773</b>	<b>(5,588,638)</b>	<b>27,562</b>	<b>6,567,735</b>

#### *Restricted Funds*

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

Funds restricted to Maternal and Fetal Research Units in Manchester, Edinburgh and London, the National Centre for Miscarriage Research and national Centre for Maternity Improvement are used to cover staff and research costs at these five Tommy's research centres.

The Scottish Government grant was restricted to the Edinburgh Centre's work on quality improvement.

The government grant from the Department of Health and Social Care was restricted to the activities of the Tommy's Pregnancy Information Hub and the promotion of the service to BAME communities.

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.

Notes to the financial statements

For the year ended 31 March 2021

**Consolidated statement of funds – previous year**

	<b>Balance 31 March 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Allocated Interest £</b>	<b>Balance 31 March 2020 £</b>
<b><u>Unrestricted funds</u></b>					
General funds	5,469,503	6,680,021	(7,749,683)	72,954	4,472,795
<b><u>Restricted funds</u></b>					
Maternal and Fetal Research Unit, Manchester	322,992	64,156	(216,350)	1,204	172,002
Maternal and Fetal Research Unit, Edinburgh	-	17,383	(17,383)	-	-
Maternal and Fetal Research Unit, London	47,689	446,016	(478,701)	106	15,110
National Centre for Miscarriage Research	48,248	334,285	(263,070)	842	120,305
National Centre for Maternity Improvement	-	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
<b>Total funds</b>	<b>6,106,895</b>	<b>7,994,032</b>	<b>(9,003,758)</b>	<b>77,869</b>	<b>5,175,038</b>

## Notes to the financial statements

For the year ended 31 March 2021

### 19 Charity statement of funds

	<b>Balance 31 March 2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Allocated Interest £</b>	<b>Balance 31 March 2021 £</b>
<b><u>Unrestricted funds</u></b>					
General funds	4,840,431	6,723,201	(4,460,973)	25,866	7,128,525
<b><u>Restricted funds</u></b>					
Maternal and Fetal Research Unit, Manchester	172,002	43,818	(128,748)	203	87,275
Maternal and Fetal Research Unit, Edinburgh	-	19,512	(19,512)	-	-
Maternal and Fetal Research Unit, London	15,110	117,295	(132,405)	-	-
National Centre for Miscarriage Research	120,305	14,209	(134,514)	-	-
National Centre for Maternity Improvement	358,917	142,000	(375,650)	292	125,559
Scottish Government grant – Quality improvement	-	19,340	(19,340)	-	-
Department of Health and Social Care grant – Pregnancy Hub	-	181,000	(181,000)	-	-
Information Services	35,909	177,720	(78,648)	315	135,296
Total restricted funds	702,243	714,894	(1,069,817)	810	348,130
<b>Total funds</b>	<b>5,542,674</b>	<b>7,438,095</b>	<b>(5,530,790)</b>	<b>26,676</b>	<b>7,476,655</b>

## Notes to the financial statements

For the year ended 31 March 2021

### Charity statement of funds – previous year

	<b>Balance 31 March 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Allocated Interest £</b>	<b>Balance 31 March 2020 £</b>
<b><u>Unrestricted funds</u></b>					
General funds	5,469,503	6,325,662	(7,023,199)	68,465	4,840,431
<b><u>Restricted funds</u></b>					
Maternal and Fetal research Unit, Manchester	322,992	64,156	(216,350)	1,204	172,002
Maternal and Fetal Research Unit, Edinburgh	-	17,383	(17,383)	-	-
Maternal and Fetal Research Unit, London	47,689	446,016	(478,701)	106	15,110
National Centre for Miscarriage Research	48,248	334,285	(263,070)	842	120,305
National Centre for Maternity Improvement	-	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
<b>Total funds</b>	<b>6,106,895</b>	<b>7,639,673</b>	<b>(8,277,274)</b>	<b>73,380</b>	<b>5,542,674</b>

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

## Notes to the financial statements

For the year ended 31 March 2021

### 20 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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Turnover	31,921	153,195
Cost of sales	(4,842)	(89,481)
Gross Profit	<u>27,079</u>	<u>63,714</u>
Interest Receivable	134	721
Administration costs	(16,463)	(51,070)
Profit for the year	<u>10,750</u>	<u>13,365</u>
<b>Retained Earnings</b>		
At 1 April 2020	-	-
Results for the year	10,750	13,365
Qualifying charitable donation to Tommy's	(10,750)	(13,365)
At 31 March 2021	<u>-</u>	<u>-</u>
<b>Balance sheet</b>		
Non-current assets	7,000	-
Current assets	737,302	355,019
Current liabilities	(744,300)	(355,017)
Net Assets	<u>2</u>	<u>2</u>
Called up share capital	2	2
Equity shareholders' funds	<u>2</u>	<u>2</u>

## Notes to the financial statements

For the year ended 31 March 2021

### 21 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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Turnover	20,453	718,934
Cost of sales	(15,134)	(505,239)
Gross Profit	5,319	213,695
Interest Receivable	752	3,768
Administration costs	(547,356)	(584,321)
Loss on ordinary activities before taxation	(541,285)	(366,858)
Taxation on ordinary activities	-	(776)
Loss for the financial year	(541,285)	(367,634)
<b>Retained Earnings</b>		
At 1 April 2020	(367,634)	-
Results for the year	(541,285)	(367,634)
At 31 March 2021	(908,919)	(367,634)
<b>Balance sheet</b>		
Non-current assets	8,876	13,314
Current assets	1,483,170	1,861,839
Current liabilities	(2,400,964)	(2,242,786)
Net liabilities	(908,918)	(367,633)
Called up share capital	1	3
Profit and loss account	(908,919)	(367,634)
Equity shareholders' funds	(908,918)	(367,633)

## Notes to the financial statements

For the year ended 31 March 2021

### 22 Related party transactions

Asda made donations totalling £3,000 (2020: £Nil). Ms Hayley Tatum (Senior Vice-President – People at Asda) was Trustee of the Charity during the year.

Last year, Slaughter & May purchased £400 worth 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 £79,630 (2020: £3,550) of which £19,020 was restricted to The Big Give Dad's and Partner's Project (2020: £Nil). Last year £25,000 was donated towards the Rainbow Centre. Unrestricted donations totalled £60,610 (2020: £49,810).

During the year the Charity charged management fees of £15,654 (2020: £46,392) to The Baby Fund Trading Limited in respect of support services. The Baby Fund Trading Limited also paid Gift Aid to the Charity of £10,750 (2020: £13,365). As at 31 March 2021, The Baby Fund Trading Limited owed the Charity £733,050 (2020: £328,277).

During the year the Charity charged management fees of £510,293 (2020: £449,235) to LLHM Limited in respect of support services. Last year, LLHM Limited charged costs to the Charity of £332,775 in respect of fundraising events. As at 31 March 2021, LLHM Limited owed the Charity £889,580 (2020: £353,411).

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net movement in funds	1,392,697	(931,857)
Add back depreciation and amortisation charge	121,197	90,815
Deduct interest income shown in investing activities	(27,562)	(77,869)
Decrease in debtors	96,861	100,355
Increase in creditors	(596,520)	2,807,692
Net cash used in operating activities	<u>986,673</u>	<u>1,989,136</u>

Notes to the financial statements

For the year ended 31 March 2021

**24 Analysis of Cash and Cash Equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Short term deposit	8,593,851	7,071,099
Cash at bank and in hand	3,225,844	3,977,040
Total cash and cash equivalents	<u>11,819,695</u>	<u>11,048,139</u>

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents at 1 April 2020	11,048,139	9,172,772
Movement	771,556	1,875,367
Cash and cash equivalents at 31 March 2021	<u>11,819,695</u>	<u>11,048,139</u>

**25 Analysis of Group Net Assets Between Funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed Assets	371,318	-	371,318
Cash at bank and in hand	11,471,565	348,130	11,819,695
Other net current liabilities	(5,623,278)	-	(5,623,278)
Total	<u>6,219,605</u>	<u>348,130</u>	<u>6,567,735</u>

**Analysis of Group Net Assets Between Funds - previous year**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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>

## Notes to the financial statements

For the year ended 31 March 2021

### 26 Analysis of Charity Net Assets Between Funds

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed Assets	355,445	-	355,445
Cash at bank and in hand	9,439,345	348,130	9,787,475
Other net current liabilities	(2,666,265)	-	(2,666,265)
Total	<u>7,128,525</u>	<u>348,130</u>	<u>7,476,655</u>

### Analysis of Charity Net Assets Between Funds – previous year

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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>

### 27 Company Limited by Guarantee

The company is a company limited by guarantee and does not have share capital. In the event of winding up, the liability of each member is limited to £10.