

Tommy's

Trustees' Report and Financial statements

For the year ended 31 March 2023

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

Resigned 21 April 2022

Stephen Edge

Resigned 5 September 2022

Anita Charlesworth

Hayley Tatum

David Logan

Bjorn Saven

Resigned 19th September 2023

Joe Chambers - Chair

Trudi Boardman

Resigned 19th September 2023

Kate Smaje

Professor Anna David

Resigned 19th September 2023

Aedamar Comiskey

Robert Stirling

Dr Sonji Clarke

Dr Shema Tariq

Paul Rowlinson

Appointed 10 May 2023

Professor Vanora Hundley

Appointed 19th September 2023

Chief Executive

Katherine Abrahams

Principal Address

Nicholas House

3 Laurence Pountney Hill

London

EC4R 0BB

Auditor

Saffery LLP

Mitre House

North Park Road

Harrogate

HG1 5RX

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 2023.

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.

Chair's Statement

This year has continued to be challenging for fundraising and income generation. Despite this Tommy's income has seen growth in some areas and the Charity has been the beneficiary of a £1m legacy. Income has exceeded £10m for the first time. As a result, in addition to continuing to fund ground-breaking medical research through three Tommy's research centres, we have also been able to commit to funding a fourth research centre to open in 2023, specialising in understanding the causes of, and finding ways to prevent, premature birth. This fills an important gap in the Charity's research portfolio. We have also continued to provide vital support through our pregnancy information service.

During the year we have developed a new strategy, which will guide our work for the next ten years. This will allow us to continue to ensure that we have the greatest possible impact over that period.

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 and researchers, who join with us in our unflinching commitment to make pregnancy and birth safe for all.

Objectives and Activities

The Charity's objectives are the advancement of education in and the practice of gynaecology and obstetrics by all charitable means and in particular by:

- funding research and the publication of its results;
- promoting the education of both those engaged in the practice of gynaecology and obstetrics and the public care of mothers and babies before and after birth; and
- providing equipment; and
- such other charitable purposes as the Trustees in their absolute discretion determine.

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;
- We want to reduce the inequity of outcomes and access to care experienced by some people in the UK including people from some minoritised ethnic communities and those on low incomes.

Trustees' Report (continued)

Research Programmes

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 Tommy's Pathway- a clinical decision tool to assist in personalising risk and ensuring optimal care is given to all women; and
- Provide evidence-based information to women to improve their pregnancy outcome.

Tommy's has awarded core medical research grants of £1,921,000 this year.

Funding went to the Charity's three existing research centres:

- Tommy's Manchester Stillbirth Research Centre (Manchester University/St Mary's Hospital, Manchester) - £500,000;
- Tommy's National Centre for Miscarriage Research (based at Birmingham University, Warwick University, Imperial College London and four major NHS hospitals) - £500,000; and
- Tommy's National Centre for Maternity Improvement (a collaboration with the Royal College of Obstetricians and Gynaecologists (RCOG), the Royal College of Midwives (RCM) and UK Universities) - £500,000.

In addition, we also committed funding to open a Tommy's National Centre for Preterm Birth Research, a collaboration with Imperial College London, King's College London, University College London, Queen Mary University of London, and Leeds University. A grant of £421,000 has been committed to fund the new centre in its first year.

We also retain a Chair of Maternal and Fetal health at King's College London/St Thomas' Hospital London which is funded in perpetuity.

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. We estimate that every £1 donated to Tommy's will leverage at least £5 of funding in five years' time. This leverage impact of our funding remains a key objective of our strategy.

Each research centre produces an annual report and key performance indicators which are circulated to the Trustees. In addition, every year, each centre is peer reviewed by external experts together with three Trustees with expertise in this area.

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

Driving Improvements in Outcomes

Our investment in implementation science via the National Centre for Maternity Improvement seeks to translate the findings of our research centres (and discoveries by other researchers), into evidence-based practice and drive further improvements in care by working with and within our health system.

Trustees' Report (continued)

Tommy's undertakes campaigning, influencing and advocacy work to speed up the time it takes breakthroughs to be translated into improvements in care. Tommy's has established a Joint Policy Unit in partnership with SANDS, the stillbirth and neonatal death charity, working together towards halving the number of UK baby deaths by ensuring decision makers have access to up-to-date information, and maternity policy is informed by robust evidence. We are collaborating with SANDS to collate evidence and identify the key changes needed to save babies' lives, reduce inequities, and improve outcomes. Annually over 5,000 babies in the UK are stillborn or die within the first four weeks of life, with 1 in 5 pregnancies ending in miscarriage and around 60,000 babies are born prematurely each year.

Tommy's also provides a pregnancy information service, the long-term goal of which 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 targets women who are most at risk of a poor pregnancy outcome, which includes women in the lowest socio-economic groups and women from minoritised ethnic communities.

The Charity has focused on providing content and reach through our website, Tommy's Midwives, on social media and via telephone and through pregnancy campaigns. These campaigns 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.

Equity, Diversity, and Inclusion

We are working to embed equity, inclusion, and diversity across all aspects of Tommy's to make us an organisation whose work and culture reflects the people and communities that we work with. This includes driving a greater focus on addressing inequities in pregnancy research and growing a more diverse research community, as well as building relationships with diverse communities and organisations.

Future Plans

Tommy's has developed and launched a new strategy in 2023:

Vision

The Charity's vision is that we are here to stop the heartbreak and devastation of baby loss and make pregnancy and birth safe – for everyone.

Our goals are to:

- **Grow evidence**, because baby loss and pregnancy complications are not 'just one of those things'. We will fund research to find evidence that stops pregnancy complications and saves babies' lives.
- **Improve care**, because everyone should be provided with the best care and support. We will work to make sure good, safe, and evidence-based care is available to all throughout their pregnancy journey.
- **Tackle inequities**, because everyone deserves the same opportunities for a healthy pregnancy and birth. We will partner with communities and experts to reduce health disparities for those most at risk of pregnancy complications and baby loss.
- **Mobilise for change**, because together, we will make pregnancy safer and save babies' lives. We will build and nurture a passionate supporter community, bring

Trustees' Report (continued)

people together and use our collective voices and diverse experiences to make effective progress with a greater impact for all.

We look forward to implementing the strategy, which will include working to better understand the Charity's theory of change and formulating a detailed set of measures by which its impact and effectiveness can be tracked and monitored over the next ten years.

2023 will be a year of significant developments at Tommy's, with the opening of the new Tommy's National Research centre for Premature Birth, along with the launch of several exciting new fundraising initiatives including the Skyscraper Challenge and Tommy's Walk for Hope.

Activities and Performance

Fundraising

Fundraising Statement

The Charity seeks to diversify its income streams and balance the risk inherent to each channel. As such, it undertakes fundraising activities via sponsored fundraising and challenge events, applications to trusts and philanthropists, relationships with corporate partners and individual public donations. Commercial fundraising partners must be able to demonstrate that they abide by the rules established by the Fundraising Regulator, of which the Charity is a member. The Charity has invested in the recruitment of supporters and donors via digital marketing but does not currently participate in face-to-face fundraising activities.

The number of complaints received in the financial year was 29 (2022: 86). Complaints were investigated, and procedures and processes amended accordingly.

The number of complaints relating to Community events prize fulfilment dropped significantly from last year. This was due to improvements in processing arrangements.

Recording, investigation and reporting of complaints continues to be a key control for management which has led to changes in processes when necessary.

Fundraising Review

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

Companies: babyballet, Bloom & Wild, Careys Foundation, Hologic, MAM UK Ltd, Never Fully Dressed, The Poundland Foundation and Poundland's colleagues, customers and suppliers, Plum & Ashby in collaboration with Elle Wright of Feathering the Empty Nest, Teneo, TFP Fertility UK, The Positive Birth Company, Thrive Tribe, Tufton Investment Management and WOW World Group.

Trusts & Foundations: Dreamchasing, Bally's Foundation, Edith Murphy Foundation, Ian Mactaggart Trust, John Armitage Charitable Trust, Peter Sowerby Foundation, Sandra Charitable Trust, The Sir Jules Thorn Charitable Trust, Teddy's Wish, Tioc Foundation, The Albert Gubay Foundation, The Annandale Charitable Trust, The Betty Messenger Charitable Foundation, The Brendish Family Foundation, The Childwick Trust, The James Tudor Foundation, The Jon Moulton Charity Trust, The Julia and Hans Rausing Trust, The Ness Fund, The Webb Family Charitable Trust and The Zochonis Charitable Trust.

Individuals: Paulo & Melinda Almeida, Kate & David Beck, Trudi & Gareth Boardman, Gerald Carroll & Sasha Wright, Joe Chambers, Kalpana Desai, Steve Edge & Jane Fogg, Dominic & Claire Freemantle, Nikki & Bruce Hodges (Metrow Foods), Oliver & Johanna Hudson, Chloe & Archie

Trustees' Report (continued)

Hunter, Richard & Hannah Jeens, Brian Meredith, Stephen & Benetta Morant, Lesley Norris, James O'Brien, Ioannis Papagiannakopoulos & Michaela Vergottis, Dominic & Lindsay Proctor, Julia Rosier, Bjorn Saven, Ian & Carol Sellars and Kassie Smith KC.

We would also like to thank Marina Fogle and her committee for organising the Tommy's Children's Carols.

Statutory grants:

Scottish Government

Tampon Tax Fund – Department for Culture, Media & Sport

The Medical Research Council (MRC), part of UK Research and Innovation - UK Government COVID Medical Research Charity Support Fund

VCSE Health and Wellbeing Alliance - Department of Health & Social Care, NHS England and UK Health Security Agency

VCSE Health and Wellbeing Fund - Department of Health & Social Care, NHS England and UK Health Security Agency

Thank you to Mindshare UK for their pro bono support of our marketing activity.

Landmark Events

The London Landmarks Half Marathon has now returned to a regular, annual schedule following the resumption of mass-participation sporting events after the pandemic. Activity is currently underway to expand the range of events offered, with the inaugural Skyscraper Challenge scheduled for September 2023. The Charity would like to thank everyone involved in the events, especially colleagues at Westminster City Council and the City of London Corporation, TfL, The Leadenhall Building and 30 St Mary Axe.

Financial Review

Group income this year increased to £10,981,159, which was £2,308,342 higher than the previous year. While Tommy's was fortunate enough to receive a £1m unrestricted legacy in the year and to benefit from improved interest rates on its cash-deposits, it also enjoyed growth in several fundraising areas, including the London Landmarks Half Marathon, Philanthropy and Corporate partnerships. This masks several areas where fundraising was more challenging, including Individual Giving (which underwent a restructure in the year, resulting in activity levels being lower than planned) and mass participation fundraising events (where recruiting fundraisers in the wake of Covid, and during a cost-of-living crisis proved difficult, and average fundraising levels were below their historic average).

A significant part of the charitable activities that Tommy's funds is outsourced to university-based research centres. The Charity acts as a fundraising vehicle to create the funding for 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 heavily in events, which have a high associated cost/income ratios and normally receive little income from statutory funding or legacies which have a low cost/income ratio.

Nevertheless, the Group made a surplus of £1,599,603 (2022: surplus of £840,074) due to a continued focus on controlling costs. It is expected that these funds will be accessed in the financial year ending 31st March 2024 to enable the Charity to invest in activities which align with and help deliver the new strategy. This will include investing in new products to grow Tommy's income.

Trustees' Report (continued)

Tommy's trading subsidiary, The Baby Fund Trading Limited, made a profit of £45,455 (2022: loss of £21,507) and transferred distributable reserves of £23,950 to the Charity (2022: £Nil). LLHM Limited made a profit of £478,545 (2022: profit of £435,257) and transferred distributable reserves of £4,883 to the Charity (2022: £Nil)

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 cash expenditure, which is approximately £10,415,588. This would enable the Charity to cover charitable expenditure, staff salaries, overheads, and a proportion of fundraising costs for a year. This is especially important as Tommy's has a contingent liability to fund its medical research centres for up to five years, depending on certain conditions being met, and the charity's reserves provide assurance that it is financially resilient and expects to be able to continue to support medical research into the future.

Free reserves rose by £1,566,955 in the year. 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 £8,238,095 (2022: £6,671,140). The Charity intends to continue to control expenditure and investigate new revenue streams to build towards its target reserves level but will also be reconsidering its reserves policy as part of the implementation of its new strategy.

Financial Key Performance Indicators

KPI	Target	Result
Income	£9,428,367	£10,981,159
Expenditure:		
Cost of raising funds	£4,298,768	£3,565,814
Charitable	£5,129,191	£5,815,742
Cost/income ratio	46%	32%

Income exceeded target by £1,552,802 due to the receipt of a £1m legacy and greater than anticipated success with statutory fundraising and London Landmarks Half Marathon, which did not experience the same subdued performance that was seen in other mass-participation challenge events.

The Charity achieved a cost-to-income ratio of 32%, a considerable improvement on the prior year figure of 43%. It is important to note that this change is largely due to the distorting influence of the £1 million legacy gift received in the current year and higher than anticipated statutory income, and the ratio is expected to increase again in the year ending 31st March 2024. Without the legacy gift, the cost to income ratio would have been 36%.

Charitable expenditure was £686,551 above target, as the Charity committed to spend more on its new Tommy's National Centre for Preterm Birth Research and received more restricted statutory grants to fund charitable projects than had been expected.

Trustees' Report (continued)

Structure, Governance and Management

The Charity operates in the UK, with its headquarters in central London. The Charity and trading subsidiaries are governed by Articles of Association, a Board of Trustees and subsidiary Boards of Directors. The Trustees are supported by an Audit Committee and a Scientific Advisory Group.

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

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

Every year one third of the Trustees retire by rotation and can be nominated for re-election. Trustees met four times during the accounting 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, reviewed by the Nominations Committee, and approved by majority vote. All new Trustees are provided with a comprehensive induction programme which covers:

- A meeting with the Chair,
- 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,
- Primary 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.

A Scientific Advisory Group comprising three Trustees, together with external reviewers, has met during the year to peer review the three existing research centres' activities.

The Audit Committee, comprising two Trustees and three external members, meets regularly with the Chief Operating Officer to review policies, 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 performance against the budget, which is approved each year by the Trustees. Management accounts are reviewed at each Trustee meeting. Between Trustee meetings the CEO reported to Joe Chambers, Chair of the Trustees, on a regular basis.

In addition to the CEO, staff are employed and contracted to work on pregnancy information, policy, medical research governance, fundraising, marketing, finance, compliance, IT support, data management and office management duties.

The Charity's Trustees and the senior leadership team comprise the key management personnel of the Charity in charge of directing and controlling, running, and operating the Charity. 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 23 to the accounts.

Trustees' Report (continued)

Charity Corporate Governance Code

The Charity monitors the Charity Corporate Governance Code and policies are regularly reviewed and revised and new policies instigated where necessary. The Charity aims to follow the Code, as a key source of best-practice.

Pay Policy for Senior Staff

The pay of all staff is reviewed against sector benchmarks annually by Human Resources and agreed with a Trustee with relevant experience. The salaries of the senior leadership team, comprising the CEO, COO, Fundraising Director, Landmark Events Director, Marketing Director, and Research, Policy and Pregnancy Information Director are reviewed and approved on behalf of the Board of Trustees by the Chair. An interim benchmarking review is conducted in the spring to check that salaries are still appropriate and fair.

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:

- An annual budget approved by the Trustees,
- Monthly management accounts and re-forecasting,
- 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
- Internal reviews of reporting compliance for high value statutory grants.

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties of the Charity and its subsidiaries, The Baby Fund Trading Limited and LLHM Limited,
- 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 income will not reach budgeted levels is mitigated by the diversification of revenue streams to ensure that the Charity is not dependent upon any one large supporter. Budgets are based on conservative forecasts 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

Trustees' Report (continued)

prudent reserves policy to ensure that activity can continue for a period if income does not meet expectations.

Cyber Risk

A cyber breach could result in the loss of data, business interruption and reputational damage. The Charity has implemented information security policies, security systems and staff training to protect its own networks and reviews key IT suppliers to ensure that they have suitable accreditation.

Event Cancellation Risk

Significant income is generated by London Landmarks Half Marathon and cancellation of the event due to pandemic, strikes or a period of national mourning arising from the death of a senior royal would have a significant impact on the group's finances. Appropriate insurance is obtained each year to mitigate the risk.

Risk of Business Interruption

The Charity's headquarters are in the City of London and business could be interrupted by extreme weather, terrorist attack or fire, amongst other perils. The risk is mitigated through hybrid working, and the Charity is actively moving its IT structure to a fully cloud-based operation, which will mean it is not dependent on any one physical location.

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;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, 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

Trustees' Report (continued)

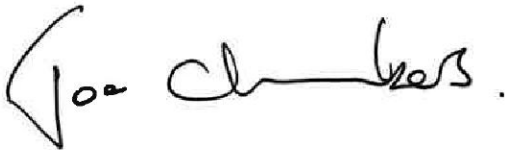
preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

As 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 LLP have continued as auditors during this year.

The Trustees' Report, which includes the Strategic Report, was approved by the Board of Trustees on 16th September 2023 and signed on its behalf by:

A handwritten signature in black ink that reads "Joe Chambers". The signature is written in a cursive style with a large initial "J" and a period at the end.

Joe Chambers
Chair

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 2023 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 2023 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. 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.

Saffery LLP

.....
Sally Appleton (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
HG1 5RX

Date: 12 October 2023

Saffery Champness 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 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
Income from:							
Grants and donations	2	7,149,889	1,581,977	8,731,866	5,922,536	941,259	6,863,795
Other trading activities	3	2,054,994	-	2,054,994	1,806,082	-	1,806,082
Investments	4	188,353	5,946	194,299	2,884	56	2,940
Total income		9,393,236	1,587,923	10,981,159	7,731,502	941,315	8,672,817
Expenditure on:							
Raising funds	7,8	3,565,814	-	3,565,814	3,716,852	-	3,716,852
Charitable activities	7,8	4,391,696	1,424,046	5,815,742	3,120,951	994,940	4,115,891
Total expenditure		7,957,510	1,424,046	9,381,556	6,837,803	994,940	7,832,743
Net movement in funds for the year		1,435,726	163,877	1,599,603	893,699	(53,625)	840,074
Reconciliation of funds							
Fund balances brought forward		7,113,304	294,505	7,407,809	6,219,605	348,130	6,567,735
Fund balances carried forward	19	8,549,030	458,382	9,007,412	7,113,304	294,505	7,407,809

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 19-41 form an integral part of the financial statements. Movements in funds are disclosed in Note 19 to the financial statements.

Balance sheet

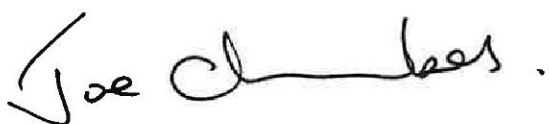
As at 31 March 2023

Registered Company number 3266897

		Group		Charity	
	Notes	2023	2022	2023	2022
		£	£	£	£
Fixed assets					
Intangible assets	13	164,651	257,542	139,330	230,066
Tangible assets	14	146,284	184,622	146,284	184,622
Investments	15	-	-	3	3
		<u>310,935</u>	<u>442,164</u>	<u>285,617</u>	<u>414,691</u>
Current assets					
Debtors	16	2,485,802	1,315,836	2,125,556	3,391,175
Short term deposits		10,618,710	8,604,156	10,618,710	8,604,156
Cash at bank and in hand		4,166,084	4,004,427	1,300,546	943,951
		<u>17,270,596</u>	<u>13,924,419</u>	<u>14,044,812</u>	<u>12,939,282</u>
Creditors: amounts falling due within one year	17	<u>(8,574,119)</u>	<u>(6,958,774)</u>	<u>(5,323,017)</u>	<u>(5,450,997)</u>
Net current assets		<u>8,696,477</u>	<u>6,965,645</u>	<u>8,721,795</u>	<u>7,488,285</u>
Total net assets		<u>9,007,412</u>	<u>7,407,809</u>	<u>9,007,412</u>	<u>7,902,976</u>
Funds	19				
Restricted funds		458,382	294,505	458,382	294,505
Unrestricted funds		8,549,030	7,113,304	8,549,030	7,608,471
		<u>9,007,412</u>	<u>7,407,809</u>	<u>9,007,412</u>	<u>7,902,976</u>

The financial statements were approved and authorised for issue by the Trustees on 26th September 2023.

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 £1,104,436 (2022: £426,321).



Joe Chambers
Chairperson

Consolidated statement of cash flows
For the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	24	2,017,611	1,010,510
Cash flows from investing activities:			
Interest income		194,299	2,940
Purchase of tangible and intangible fixed assets		(35,700)	(224,562)
Net cash (used in) investing activities		(158,599)	(221,622)
Change in cash and cash equivalents in the year		2,176,211	788,888
Cash and cash equivalents at the beginning of the year	25	12,608,583	11,819,695
Total cash and cash equivalents at the end of the year	25	14,784,794	12,608,583

The accompanying notes on pages 19-41 form an integral part of the financial statements.

Notes to the financial statements

For the year ended 31 March 2023

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 19-41 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 2023 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 19.

Notes to the financial statements

For the year ended 31 March 2023

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 measured 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 third party market value and recognised as income only when they are used or distributed.

Notes to the financial statements

For the year ended 31 March 2023

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 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 2023

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 more than 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 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 2023

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).
- The recognition of deferred income in respect of fundraising events to be held in the following financial year, detailed further in note 1(e).

2 Income from donations

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Gifts	5,433,598	1,581,977	7,015,575	5,424,724	941,259	6,365,983
Legacies	1,111,000	-	1,111,000	-	-	-
Donated services	605,291	-	605,291	497,812	-	497,812
Total	7,149,889	1,581,977	8,731,866	5,922,536	941,259	6,863,795

3 Income earned from trading activities

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Corporate sponsorship and promotions	199,793	-	199,793	148,533	-	148,533
Events	1,855,201	-	1,855,201	1,657,549	-	1,657,549
Total	2,054,994	-	2,054,994	1,806,082	-	1,806,082

4 Investment income and interest

All the Group's investment income of £194,299 (2022: £2,940) arose from money held on deposit account.

Notes to the financial statements

For the year ended 31 March 2023

5 Grants for medical research

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

	2023	2022
	£	£
Core grants:		
- Maternal and Fetal Research Unit, St Mary's Hospital, Manchester	500,000	458,000
- Tommy's National Centre for Miscarriage Research	500,000	500,000
- Tommy's National Centre for Maternity Improvement	500,000	500,000
- Tommy's National Centre for Preterm Birth Research	421,000	-
- Bio bank, Royal Infirmary, Edinburgh	-	20,000
- Bio bank, St Thomas' Hospital, London	-	20,000
- Previous years grants (not fully taken up)/exceeded	16,914	(567,574)
	<u>1,937,914</u>	<u>930,426</u>
Non-core grants:		
- Fetal monitoring vest research, St Mary's Hospital, Manchester	18,908	-
- PARROT study, St Thomas' Hospital, London	30,722	122,640
- Ursodeoxycholic acid research, St Thomas' Hospital, London	-	100,000
- Diabetes Fellowship Clinic, St Thomas' Hospital, London	-	59,272
- DCMS Tampon Tax Fund Miscarriage Tool, Tommy's National Centre for Maternity Improvement	324,026	59,606
Other research costs	23,625	7,236
	<u>2,335,195</u>	<u>1,279,180</u>
Outstanding grants at 1st April 2022	2,817,064	3,333,360
Grants awarded during the year	1,937,914	930,426
Paid during the year	(1,994,998)	(1,446,722)
	<u>2,759,980</u>	<u>2,817,064</u>

£1,106,382 (2022: £817,145) of medical research expenditure was funded by restricted funds during the year.

The DCMS Tampon Tax Fund Miscarriage Tool grant expenditure includes £72,827 (2022: £14,818) of staff costs.

During the year the Charity cancelled £Nil (2022: £567,574) of unspent grants awarded in previous years to medical centres who were unable to operate as usual during the pandemic.

Notes to the financial statements

For the year ended 31 March 2023

6 Expenditure on education, information, and policy

	2023	2022
	£	£
Pregnancy accreditation	273,814	131,638
General health information provision	426,168	290,033
Midwife pregnancy helpline	77,622	104,808
Public relations, cause awareness and campaigns	596,544	855,332
Policy	292,235	150,614
Website and tech development	481,123	409,125
Supporter e-newsletter and channels	239,592	118,001
Advertising and media	739,696	600,686
	<u>3,126,794</u>	<u>2,660,237</u>

7 Analysis of expenditure

	Staff costs	Direct costs	Allocated support & governance costs	Total 2023
	£	£	£	£
Cost of raising funds				
Donations and legacies	673,185	698,114	260,416	1,631,715
Corporate sponsorship, promotions and events	601,211	1,101,025	231,863	1,934,099
	<u>1,274,396</u>	<u>1,799,139</u>	<u>492,279</u>	<u>3,565,814</u>
Charitable expenditure				
Medical research	336,926	2,262,368	89,655	2,688,949
Education, information and policy	1,225,391	1,422,361	479,041	3,126,793
	<u>1,562,317</u>	<u>3,684,729</u>	<u>568,696</u>	<u>5,815,742</u>
Total	<u>2,836,713</u>	<u>5,483,868</u>	<u>1,060,975</u>	<u>9,381,556</u>

Notes to the financial statements

For the year ended 31 March 2023

Analysis of expenditure – previous year

	Staff costs £	Direct costs £	Allocated support & governance costs £	Total 2022 £
Cost of raising funds				
Donations and legacies	526,113	1,144,234	266,933	1,937,280
Corporate sponsorship, promotions and events	480,868	1,071,583	227,121	1,779,572
	<u>1,006,981</u>	<u>2,215,817</u>	<u>494,054</u>	<u>3,716,852</u>
Charitable expenditure				
Medical research	139,937	1,264,362	51,355	1,455,654
Education, information and policy	1,041,469	1,169,520	449,248	2,660,237
	<u>1,181,406</u>	<u>2,433,882</u>	<u>500,603</u>	<u>4,115,891</u>
Total	<u>2,188,387</u>	<u>4,649,699</u>	<u>994,657</u>	<u>7,832,743</u>

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

8 Analysis of allocated support and governance costs

	Information technology £	Human resources £	Office operating costs £	Governance costs £	Total 2023 £
Cost of raising funds					
Donations and legacies	61,263	23,080	167,017	9,056	260,416
Corporate sponsorship, promotions and events	54,546	20,549	148,705	8,063	231,863
	<u>115,809</u>	<u>43,629</u>	<u>315,722</u>	<u>17,119</u>	<u>492,279</u>
Charitable expenditure					
Medical research	21,091	7,946	57,500	3,118	89,655
Education, information and policy	112,695	42,455	307,233	16,658	479,041
	<u>133,786</u>	<u>50,401</u>	<u>364,733</u>	<u>19,776</u>	<u>568,696</u>
Total	<u>249,595</u>	<u>94,030</u>	<u>680,455</u>	<u>36,895</u>	<u>1,060,975</u>

Notes to the financial statements

For the year ended 31 March 2023

Analysis of allocated support and governance costs– previous year

	Information technology £	Human resources £	Office operating costs £	Governance costs £	Total 2022 £
Cost of raising funds					
Donations and legacies	62,234	32,211	163,538	8,950	266,933
Corporate sponsorship, promotions and events	52,952	27,407	139,147	7,615	227,121
	<u>115,186</u>	<u>59,618</u>	<u>302,685</u>	<u>16,565</u>	<u>494,054</u>
Charitable expenditure					
Medical research	11,973	6,197	31,463	1,722	51,355
Education, information and policy	104,740	54,212	275,234	15,062	449,248
	<u>116,713</u>	<u>60,409</u>	<u>306,697</u>	<u>16,784</u>	<u>500,603</u>
Total	<u>231,899</u>	<u>120,027</u>	<u>609,382</u>	<u>33,349</u>	<u>994,657</u>

Included in the office operating costs are the office rent, service charges, rates and associated equipment running costs. The costs are allocated based on time spent by the staff on the associated activities.

9 Net income

Net income is stated after charging:	2023	2022
	£	£
Auditor's remuneration		
- audit fees	30,950	27,440
- under accrual of prior year's audit fees	180	280
- non-audit fees	8,906	5,080
Depreciation and amortisation charge	166,929	153,716
Operating lease rentals	231,515	304,692
	<u> </u>	<u> </u>

Notes to the financial statements

For the year ended 31 March 2023

10 Group staff costs

	2023	2022
	£	£
Salaries and wages	2,363,088	1,773,347
Social security costs	247,077	150,681
Pension costs	99,555	79,923
Temporary staff and volunteer costs	126,993	184,435
	<u>2,836,713</u>	<u>2,188,386</u>

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, Landmark Events 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 £656,315 (2022: £539,758).

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

	2023	2022
	Number	Number
Within the range of £130,000 to £139,999	-	1
Within the range of £120,000 to £129,999	1	-
Within the range of £80,000 to £89,999	2	1
Within the range of £70,000 to £79,999	-	1
Within the range of £60,000 to £69,999	3	1
	<u>6</u>	<u>4</u>

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

	2023	2022
	Number	Number
Charitable activities	25	16
Cost of generating funds	26	22
Management and administration of the Charity	9	8
	<u>60</u>	<u>46</u>

These numbers exclude temporary agency staff, contractors and consultants.

One redundancy was made in the year (2022: none). The aggregate cost of redundancy payments was £1,713 (2022: £Nil).

Notes to the financial statements

For the year ended 31 March 2023

11 Trustees

The Trustees received no remuneration or reimbursed expenses during the year (2022: £Nil).

12 Operating lease and other commitments

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

	2023	2022
	£	£
- Less than one year	120,352	35,668
- More than one year and less than five years	361,055	-
- More than one year and less than five years	28,027	-
	<u>509,434</u>	<u>35,668</u>

A new lease for office space at Nicholas House was signed in 2023. 2022 figures included a market value provision in respect of additional office space at Nicholas House of £15,876 while the Charity awaited details of the updated lease.

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

13 Intangible fixed assets

Software and website

	Group	Charity
	£	£
Cost		
1 April 2022	391,152	332,624
Additions	15,000	-
Disposals	(2,085)	(2,085)
31 March 2023	<u>404,067</u>	<u>330,539</u>
Depreciation		
1 April 2022	133,610	102,558
Charge for the year	107,891	90,736
Disposals	(2,085)	(2,085)
31 March 2023	<u>239,416</u>	<u>191,209</u>
Net book value		
1 April 2022	257,542	230,066
31 March 2023	<u>164,651</u>	<u>139,330</u>

Notes to the financial statements

For the year ended 31 March 2023

14 Tangible fixed assets

Office equipment	Group	Charity
	£	£
Cost		
1 April 2022	435,412	435,412
Additions	20,700	20,700
Disposals	(136,036)	(136,036)
31 March 2023	<u>320,076</u>	<u>320,076</u>
Depreciation		
1 April 2022	250,790	250,790
Charge for the year	59,038	59,038
Disposals	(136,036)	(136,036)
31 March 2023	<u>173,792</u>	<u>173,792</u>
Net book value		
1 April 2022	184,622	184,622
31 March 2023	<u>146,284</u>	<u>146,284</u>

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	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	341,507	126,135	251,637	2,625
Taxation recoverable	23,775	13,803	23,775	13,803
Amounts owed by subsidiary companies	-	-	838,422	2,434,802
Prepayments and accrued income	2,120,496	1,175,898	1,011,698	939,945
Other debtors	24	-	24	-
	<u>2,485,802</u>	<u>1,315,836</u>	<u>2,125,556</u>	<u>3,391,175</u>

Notes to the financial statements

For the year ended 31 March 2023

17 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	1,193,373	875,285	562,826	1,169,506
VAT payable	10,195	10,876	10,196	10,876
Medical grants outstanding	2,759,980	2,817,064	2,759,980	2,817,064
Deferred income	4,316,708	2,676,360	1,099,705	887,881
Accruals and other creditors	293,863	579,189	890,311	565,670
	<u>8,574,119</u>	<u>6,958,774</u>	<u>5,323,018</u>	<u>5,450,997</u>
Deferred income at 1st April 2022	2,676,360	2,186,803	887,881	1,022,066
Amount released to income in the year	(2,676,360)	(2,048,594)	(887,881)	(1,022,066)
Income received during the year	12,653,890	9,162,374	9,493,342	7,044,087
Amount released to income in the year	(8,337,182)	(6,624,223)	(8,393,637)	(6,156,206)
Deferred income at 31 March 2023	<u>4,316,708</u>	<u>2,676,360</u>	<u>1,099,705</u>	<u>887,881</u>

18 Financial commitments, guarantees and contingent liabilities

At the balance sheet date, the Charity had non-current contingent liabilities totalling £8m (2022: £Nil) payable to its medical research centres over a five-year period. These liabilities will crystallise subject to the research centres meeting performance conditions at the annual review cycle and final Trustee approval. This is in addition to the core grant provision payable within one year of £1,937,914 (2022: £930,426) shown in note 5 to the accounts.

This contingent liability has arisen as the Charity is now managing its medical research activities on a five-year planning cycle which will enable the research centres to take a longer term, more strategic view of their activities and deliver greater impact.

Notes to the financial statements

For the year ended 31 March 2023

19 Consolidated statement of funds

	Balance 31 March 2022 £	Income £	Expenditure £	Allocated interest £	Balance 31 March 2023 £
<u>Unrestricted funds</u>					
General funds	7,113,304	9,204,883	(7,957,510)	188,353	8,549,030
<u>Restricted funds</u>					
Maternal and Fetal Research Unit, Manchester	94,262	189,455	(177,474)	3,098	109,341
UKRI Early Career Researcher, Manchester	-	243,405	(113,917)	-	129,488
Maternal and Fetal Research Unit, Edinburgh	-	-	-	-	-
Maternal and Fetal Research Unit, London	-	30,722	(30,722)	-	-
National Centre for Miscarriage Research UKRI Early Career Researcher, National Centre for Miscarriage Research	175,238	151,391	(305,120)	2,451	23,960
National Centre for Maternity Improvement UKRI Early Career Researcher, National Centre for Maternity Improvement	15,003	125,000	(140,000)	196	199
DCMS Tampon Tax Fund, National Centre for Maternity Improvement	-	30,000	(15,122)	-	14,878
Tommy's National Centre for Preterm Birth Research	-	324,026	(324,026)	-	-
Information Services	10,002	5,300	-	201	15,503
DHSC VCSE Health and Wellbeing Alliance	-	46,300	(46,300)	-	-
DHSC VCSE Health and Wellbeing Alliance Priority Project	-	97,000	(97,000)	-	-
UKRI HappyMums	-	12,960	(12,960)	-	-
DHSC VCSE Health and Wellbeing Fund - Pregnancy and Parenting at Work for SMEs	-	3,497	(3,497)	-	-
Scottish Executive	-	145,913	(145,913)	-	-
	-	11,994	(11,994)	-	-
Total restricted funds	294,505	1,581,977	(1,424,046)	5,946	458,382
Total funds	7,407,809	10,786,860	(9,381,556)	194,299	9,007,412

Notes to the financial statements

For the year ended 31 March 2023

Restricted funds

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

Funds restricted to Maternal and Fetal Research Unit in Manchester, the National Centre for Miscarriage Research and National Centre for Maternity Improvement are primarily used to cover staff and research costs at these three Tommy's research centres.

The Maternal and Fetal Research Unit in Manchester funds are also held for projects relating to bereavement counselling and fetal monitoring vest research and development.

The National Centre for Miscarriage Research funds are also held for projects relating to pre-pregnancy endometrial tests for the prediction and prevention of miscarriage, microbiome research and studies on the psychological morbidity of miscarriage.

Funds restricted to the Maternal and Fetal Research Unit in London are used to cover staff and research costs related to specific projects and are fully donor funded.

Funds restricted to the new Research Centre for Preterm Birth will be spent when set up is completed in 2023.

Tommy's received two grants from UK Research and Innovation in the year to fund early career researchers working on projects at the Maternal and Fetal Research Unit in Manchester, the National Centre for Miscarriage Research and National Centre for Maternity Improvement

The grant from the Department for Culture, Media and Sport is restricted to the development of a digital miscarriage tool for women who have experienced two or more miscarriages.

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

The Department of Health and Social Care provided three grants to Tommy's in the year:

- One is restricted to the Voluntary Community and Social Enterprise (VCSE) Health and Wellbeing Alliance, a partnership between sector representatives and the health and care system, which enables each sector to share its expertise with the aim of improving services.
- One is restricted to an additional Priority Project for the VCSE Health and Wellbeing Alliance to understand women's lived experience of children's social care proceedings during pregnancy and early motherhood.
- One is restricted to the VCSE Health and Wellbeing Fund for development and promotion of Tommy's Parenting and Pregnancy at Work programme for small and medium sized enterprises.

The UKRI grant "HappyMums" was awarded under the UK Government's Horizon Europe Guarantee. It is restricted to Tommy's contribution to the project "Understanding, predicting,

Notes to the financial statements

For the year ended 31 March 2023

and treating depression in pregnancy to improve mothers' and offspring's mental health outcomes."

Tommy's received one grant from the Scottish Government to develop and improve miscarriage care resources for families in Scotland.

Consolidated statement of funds – previous year

	Balance 31 March 2021 £	Income £	Expenditure £	Allocated interest £	Balance 31 March 2022 £
<u>Unrestricted funds</u>					
General funds	6,219,605	7,728,618	(6,837,803)	2,884	7,113,304
<u>Restricted funds</u>					
Maternal and Fetal Research Unit, Manchester	87,275	108,039	(101,068)	16	94,262
Maternal and Fetal Research Unit, Edinburgh	-	2,000	(2,000)	-	-
Maternal and Fetal Research Unit, London	-	281,912	(281,912)	-	-
National Centre for Miscarriage Research	-	175,203	-	35	175,238
National Centre for Maternity Improvement	125,559	145,000	(255,559)	3	15,003
DCMS Tampon Tax Fund, National Centre for Maternity Improvement	-	59,606	(59,606)	-	-
Tommy's National Centre for Preterm Birth Research	-	10,000	-	2	10,002
Information Services	135,296	42,499	(177,795)	-	-
DHSC VCSE Health and Wellbeing Alliance	-	97,000	(97,000)	-	-
DHSC VCSE Vaccine Hesitancy Project	-	20,000	(20,000)	-	-
Total restricted funds	348,130	941,259	(994,940)	56	294,505
Total funds	6,567,735	8,669,877	(7,832,743)	2,940	7,407,809

Restricted funds

The government grant from the Department of Health and Social Care was restricted to a project which aimed to improve uptake of the Covid-19 vaccine. The comparative figures have been restated to separately identify these grants and the associated expenditure within this restricted funds note.

Details of other funds relating to the current year are explained more fully on page 33.

Notes to the financial statements

For the year ended 31 March 2023

20 Charity statement of funds

	Balance 31 March 2022 £	Income £	Expenditure £	Allocated interest £	Balance 31 March 2023 £
<u>Unrestricted funds</u>					
General funds	7,608,471	7,518,258	(6,753,039)	175,340	8,549,030
<u>Restricted funds</u>					
Maternal and Fetal Research Unit, Manchester	94,262	189,455	(177,474)	3,098	109,341
UKRI Early Career Researcher, Manchester	-	243,405	(113,917)	-	129,488
Maternal and Fetal Research Unit, Edinburgh	-	-	-	-	-
Maternal and Fetal Research Unit, London	-	30,722	(30,722)	-	-
National Centre for Miscarriage Research	175,238	151,391	(305,120)	2,451	23,960
UKRI Early Career Researcher, National Centre for Miscarriage Research	-	165,014	-	-	165,014
National Centre for Maternity Improvement	15,003	125,000	(140,000)	196	199
UKRI Early Career Researcher, National Centre for Maternity Improvement	-	30,000	(15,122)	-	14,878
DCMS Tampon Tax Fund, National Centre for Maternity Improvement	-	324,026	(324,026)	-	-
Tommy's National Centre for Preterm Birth Research	10,002	5,300	-	201	15,503
Information Services	-	46,300	(46,300)	-	-
DHSC VCSE Health and Wellbeing Alliance	-	97,000	(97,000)	-	-
DHSC VCSE Health and Wellbeing Alliance Priority Project	-	12,960	(12,960)	-	-
UKRI HappyMums	-	3,497	(3,497)	-	-
DHSC VCSE Health and Wellbeing Fund - Pregnancy and Parenting at Work for SMEs	-	145,913	(145,913)	-	-
Scottish Executive	-	11,994	(11,994)	-	-
Total restricted funds	294,505	1,581,977	(1,424,046)	5,946	458,382
Total funds	7,902,976	9,100,235	(8,177,085)	181,286	9,007,412

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

Notes to the financial statements

For the year ended 31 March 2023

Charity statement of funds – previous year

	Balance 31 March 2021 £	Income £	Expenditure £	Allocated interest £	Balance 31 March 2022 £
<u>Unrestricted funds</u>					
General funds	7,128,525	6,234,278	(5,757,010)	2,678	7,608,471
<u>Restricted funds</u>					
Maternal and Fetal Research Unit, Manchester	87,275	108,039	(101,068)	16	94,262
Maternal and Fetal Research Unit, Edinburgh	-	2,000	(2,000)	-	-
Maternal and Fetal Research Unit, London	-	281,912	(281,912)	-	-
National Centre for Miscarriage Research	-	175,203	-	35	175,238
National Centre for Maternity Improvement	125,559	145,000	(255,559)	3	15,003
DCMS Tampon Tax Fund, National Centre for Maternity Improvement	-	59,606	(59,606)	-	-
Tommy's National Centre for Preterm Birth Research	-	10,000	-	2	10,002
Information Services	135,296	42,499	(177,795)	-	-
DHSC VCSE Health and Wellbeing Alliance	-	97,000	(97,000)	-	-
DHSC VCSE Vaccine Hesitancy Project	-	20,000	(20,000)	-	-
Total restricted funds	348,130	941,259	(994,940)	56	294,505
Total funds	7,476,655	7,175,537	(6,751,950)	2,734	7,902,976

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

Notes to the financial statements

For the year ended 31 March 2023

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:

	2023	2022
	£	£
Turnover	194,795	147,014
Cost of sales	(66,790)	(109,706)
Gross profit	128,005	37,308
Interest receivable	309	80
Administration costs	(82,857)	(58,895)
Profit/(Loss) for the year	45,457	(21,507)
Retained earnings		
At 1 April 2022	(21,507)	-
Results for the year	45,457	(21,507)
Distribution to Tommy's	(23,950)	-
At 31 March 2023	-	(21,507)
Balance sheet		
Non-current assets	12,406	23,039
Current assets	147,734	955,098
Current liabilities	(160,138)	(999,642)
Net assets	2	(21,505)
Called up share capital	2	2
Retained earnings	-	(21,507)
Equity shareholders' funds	2	(21,505)

Notes to the financial statements

For the year ended 31 March 2023

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:

	2023	2022
	£	£
Turnover	2,233,203	2,000,226
Cost of sales	(971,856)	(915,297)
Gross profit	<u>1,261,347</u>	<u>1,084,929</u>
Interest receivable	12,704	126
Administration costs	(795,506)	(649,798)
Profit on ordinary activities before taxation	<u>478,545</u>	<u>435,257</u>
Taxation on ordinary activities	-	-
Profit for the financial year	<u>478,545</u>	<u>435,257</u>
Retained earnings		
At 1 April 2022	(473,662)	(908,919)
Results for the year	478,545	435,257
Distribution to Tommy's	(4,883)	-
At 31 March 2023	<u>-</u>	<u>(473,662)</u>
Balance sheet		
Non-current assets	12,917	4,438
Current assets	3,916,465	3,235,318
Current liabilities	(3,929,381)	(3,713,417)
Net assets/(liabilities)	<u>1</u>	<u>(473,661)</u>
Called up share capital	1	1
Profit and loss account	-	(473,662)
Equity shareholders' funds	<u>1</u>	<u>(473,661)</u>

Notes to the financial statements

For the year ended 31 March 2023

23 Related party transactions

Trustees made donations totalling £51,860 (2022: £52,360), none of which was restricted. In 2022 £13,000 was restricted to The Big Give Miscarriage Care Project. Unrestricted donations totalled £51,860 (2022: £39,360).

Professor Anna David is a member of the successful bid to be Tommy's National Research Centre for Premature Birth, which has been awarded £421,000 (2022: £Nil). The potential conflict of interest was identified before the tender process began and Professor David has recused herself from all discussions relating to the new research centre.

During the year the Charity charged management fees of £63,109 (2022: £45,111) to The Baby Fund Trading Limited in respect of support services. The Baby Fund Trading Limited also paid Gift Aid to the Charity of £23,950 (2022: £Nil). As of 31 March 2023, The Baby Fund Trading Limited owed the Charity £133,430 (2022: £951,884).

During the year the Charity charged management fees of £654,634 (2022: £552,927) to LLHM Limited in respect of support services. LLHM Limited charged the Charity £378,002 (2022: £342,677) in respect of fundraising events. As of 31st March 2023, LLHM Limited owed the Charity £704,991 (2022: £1,482,918).

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

	2023	2022
	£	£
Net movement in funds	1,599,603	840,074
Add back depreciation and amortisation charge	166,928	153,716
Deduct interest income shown in investing activities	(194,299)	(2,940)
(Increase) in debtors	(1,169,966)	(631,714)
Increase in creditors	1,615,345	651,374
	<hr/>	<hr/>
Net cash provided by operating activities	2,017,611	1,010,510
	<hr/>	<hr/>

Notes to the financial statements

For the year ended 31 March 2023

25 Analysis of cash and cash equivalents

	2023	2022
	£	£
Short term deposit	10,618,710	8,604,156
Cash at bank and in hand	4,166,084	4,004,427
Total cash and cash equivalents	<u>14,784,794</u>	<u>12,608,583</u>

	2023	2022
	£	£
Cash and cash equivalents at 1 April 2022	12,608,583	11,819,695
Movement	2,176,211	788,888
Cash and cash equivalents at 31 March 2023	<u>14,784,794</u>	<u>12,608,583</u>

The Group had no debt during the current or previous year and therefore net funds are equal to cash and cash equivalents.

26 Analysis of Group net assets between funds

	Unrestricted funds	Restricted funds	Total 2023
	£	£	£
Fixed assets	310,935	-	310,935
Cash at bank and in hand	14,326,412	458,382	14,784,794
Other net current liabilities	(6,088,317)	-	(6,088,317)
Total	<u>8,549,030</u>	<u>458,382</u>	<u>9,007,412</u>

Analysis of Group net assets between funds - previous year

	Unrestricted funds	Restricted funds	Total 2022
	£	£	£
Fixed assets	442,164	-	442,164
Cash at bank and in hand	12,314,078	294,505	12,608,583
Other net current liabilities	(5,642,938)	-	(5,642,938)
Total	<u>7,113,304</u>	<u>294,505</u>	<u>7,407,809</u>

Notes to the financial statements

For the year ended 31 March 2023

27 Analysis of Charity net assets between funds

	Unrestricted funds	Restricted funds	Total 2023
	£	£	£
Fixed assets	285,617	-	285,617
Cash at bank and in hand	11,460,874	458,382	11,919,256
Other net current liabilities	(3,197,461)	-	(3,197,461)
Total	<u>8,549,030</u>	<u>458,382</u>	<u>9,007,412</u>

Analysis of Charity net assets between funds – previous year

	Unrestricted funds	Restricted funds	Total 2022
	£	£	£
Fixed assets	414,691	-	414,691
Cash at bank and in hand	9,253,602	294,505	9,548,107
Other net current liabilities	(2,059,822)	-	(2,059,822)
Total	<u>7,608,471</u>	<u>294,505</u>	<u>7,902,976</u>

28 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.