



The Lullaby Trust Limited

Annual report and consolidated
financial statements for the year
1 July 2016 - 30 June 2017

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Introduction from our Chairman

Thanks to the incredible generosity of our supporters, in 2016-17 we reached millions of people with our life saving safer sleep advice and invested £110,000 into exciting new research, which has the potential to provide new insights into the causes and prevention of SIDS. Through our helpline and befriender scheme, we supported hundreds of bereaved parents and families. We also enrolled 660 new families on our Care of Next Infant (CONI) programme, which provides crucial support during pregnancy and after birth to bereaved parents who go on to have another child.

We are proud that despite a year of political change and uncertainty posing many challenges to the sector, The Lullaby Trust has had a successful year and remains more focused and determined than ever on achieving our vision to stop all unexpected deaths of babies and young children.

In August, the Office for National Statistics (ONS), National Records of Scotland (NRSScotland) and the Northern Ireland Statistics and Research Agency (NISRA) released statistics for 2015 on sudden infant deaths. The figures showed a decrease, taking SIDS rates to the lowest on record for the second year running. In their report, ONS attributed the drop in part, to increased awareness of safer sleep advice, with specific reference to The Lullaby Trust and our 2015 Safer Sleep Week campaign.

This is very encouraging progress and we are proud of the role we played but there is much more work to be done and we will continue to strive towards ending the devastation still experienced by more than 200 families each year.

We recently expanded our research remit to lead on a global project, in collaboration with other international partner organisations. The Global Action and Prioritisation of Sudden Infant Death (GAPS) project was the first of its kind to bring together both professionals and bereaved family members from 25 different countries, to establish the top ten research priorities for sudden unexpected death in infancy (SUDI). These priorities aim to focus the efforts of the SUDI research community and ultimately put an end to

sudden unexpected deaths worldwide, by identifying the cause(s). In the Summer of 2017, a paper about the project was published in *Pediatrics*, the journal of the American Academy of Pediatrics.

We are continuing to expand our support to young parents through Little Lullaby, our peer support service for parents under 25. In 2017, Little Lullaby was awarded a second round of funding from the Big Lottery Fund, allowing us to grow the dedicated team. We were also delighted to receive a Charity Award in June 2017 in the Children and Youth Category.

The Lullaby Trust is continuing to join forces with other baby charities to raise awareness of issues around baby loss, and campaign for better bereavement care for parents. The All Party Parliamentary Group on baby loss, for which The Lullaby Trust is secretariat, is rapidly becoming a formidable force and during Baby Loss Awareness Week 2016, a debate about baby loss took place in parliament for the very first time.

Over 700,000 babies are born every year in the UK, and those new babies and families, along with the bereaved families we support, remain at the heart of all that we do. We remain determined to save babies' lives and to ensure that bereaved families receive the support they need. This report sets out our achievements this year, moving us ever closer to our goal. None of this would be possible without those who support us so generously and volunteer to help us in so many ways. My sincere thanks to you all.



Terry Hebden, Chairman

Trustees' report

The Board of Trustees of The Lullaby Trust presents its annual report and financial statements for the year ended 30 June 2017.

The Board of Trustees are complying with their duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Charitable objects and public benefit

The charitable objects of The Lullaby Trust, as set out in the articles of association, are the study and practice of infant health and welfare generally, including the study of and research into sudden and unexplained infant deaths, sometimes called cot deaths, and the causes and prevention thereof.

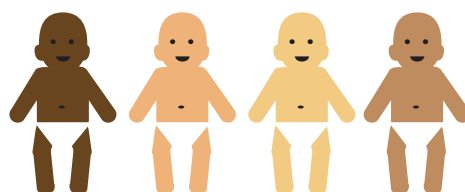
Annually in the UK, approximately 500 infants die suddenly and unexpectedly and the deaths are referred to the coroner; of these deaths, 214 remain unexplained after post-mortem examination. Deaths that remain unexplained after the post mortem are registered as Sudden Infant Death Syndrome (SIDS) or unascertained for babies under the age of one or sudden unexpected death in childhood or unascertained for children over one.

The death of a baby is devastating for families, The Lullaby Trust continues in its aim to prevent sudden infant death, to provide expert advice on safer sleep for babies and to support bereaved families. We also fund research to help us understand why babies and toddlers die suddenly and unexpectedly and how these deaths can be prevented in the future.

Our work as a charity has had direct public benefit. Most notably, we have directly contributed to an 81% drop in SIDS since the Back to Sleep Campaign, which took place in 1991. We continue to fund research to help identify causes and to prevent sudden infant deaths and, through our helpline, leaflets, website and social media, provide safer sleep advice to the parents of over 770,000 babies born each year in the

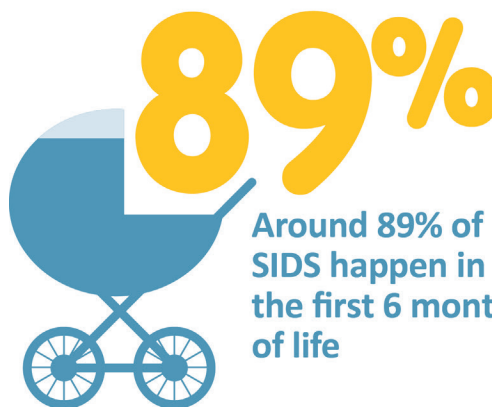
214

SIDS claims the lives of approximately 214 babies every year in the UK: that's over 4 babies a week



1 per 3,600

The current unexplained infant death rate in the UK for live births.



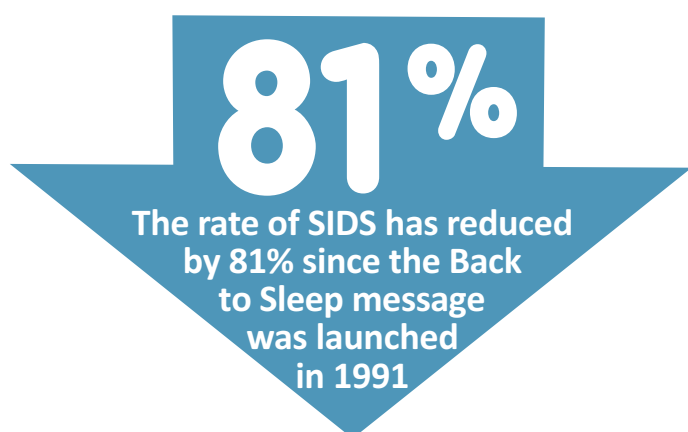
Around 89% of SIDS happen in the first 6 months of life

UK. Ongoing advice, accessible to all parents, is crucial to ensuring the SIDS rate continues to decline. Sadly, however, babies still die suddenly and unexpectedly, and our bereavement support services are offered to all affected families.

All of The Lullaby Trust's activities are focused on our ultimate aim of eliminating preventable sudden infant death in England, Wales and Northern Ireland and supporting bereaved families.

In 2015 we published a five year strategy, which set out our four key objectives:

- To reduce the numbers of babies who die from SIDS to below 150 across the UK by 2020 by promoting our Safer Sleep message
- To fund research into both the causes and prevention of unexpected infant death, including SIDS
- To provide support to bereaved families, affected by the unexpected death of a baby or toddler
- To work across the infant and child health community to reduce infant mortality in the UK



Our Impact

- SIDS rates for 2015 reached the lowest on record for the second year running, a total drop of 81% from 1991 rates, when The Lullaby Trust worked with the Department of Health to deliver the Back to Sleep campaign.
- Figures for 2015 from the Office for National Statistics (ONS), National Records of Scotland (NRSotland) and Northern Ireland Statistics and Research Agency (NISRA) show a drop of 15% in UK SIDS rates. The ONS attributed the reduction as having been driven in part by The Lullaby Trust's activities, with specific reference to our advice and guidance, training of health professionals who work

with new and expectant parents and the launch of The Lullaby Trust's annual Safer Sleep Week campaign in 2015.

- Since 1991, over 20,000 babies' lives have been saved as a result of work by The Lullaby Trust, to educate all new and expectant parents on how to reduce the risk of SIDS. The information disseminated by The Lullaby Trust is based on findings from research funded by the charity, which has led to direct changes in infant care practices.

Between July 2016 and June 2017

- 3,200 professionals trained to deliver safer sleep advice
- 97% of professionals who attended one of our regional training sessions said the presentation was highly relevant or relevant to their professional role
- 78% of those who attended the training sessions detailed changes they would make to their professional practice as a result of attending the training
- 291,875 leaflets on safer sleep advice sent out to parents and professionals working with families
- 918 parents contacted us for information on safer sleep
- 812 professionals contacted us for information on safer sleep
- 621 bereaved parents contacted us for direct support
- 251 professionals contacted us for support on behalf of a family they are working with
- 46% of new bereaved contacts went on to use our befriending service
- 8 young parents trained as Little Lullaby ambassadors, to provide peer-to-peer safer sleep talks to other young parents.
- 97% of young parents attending Little Lullaby ambassador talks said they had learnt something new.

Latest statistics show lowest SIDS rate on record

The number of unexplained deaths in infancy, again reached the lowest on record in 2015. The latest figures of SIDS deaths that took place in 2015, published by the Office for National Statistics, the National Records of Scotland and the Northern Ireland Statistics and Research Agency (NISRA) show:

- 214 SIDS deaths occurred in the UK in 2015, a rate of 0.28 deaths per 1,000 live births. This follows a pattern of decline over the last 10 years with the rate falling from 0.48 in 2005.

- Unexplained infant deaths accounted for 8% of all infant deaths occurring in 2014 in the UK.
- For mothers aged under 20, the rate of sudden infant deaths was three times greater than the combined categories of babies born to mothers aged 20 and over.

Our activities & achievements

1. To reduce the numbers of babies who die from SIDS to below 150 across the UK by 2020 by promoting our Safer Sleep message

In 2016-17, we continued to build our profile and reached more parents with our safer sleep advice than ever before.

This year, over 1,730 people contacted our information services for advice, and we have distributed over 193,935 guides for parents on safer sleep for babies and a further 78,762 easy-read cards.

In March 2017, we ran our third and most successful Safer Sleep Week campaign to raise awareness of SIDS and our safer sleep advice. Prior to Safer Sleep Week, we commissioned a survey of 500 parents, which showed that parents were still confused about some of the key elements of safer sleep so we decided to focus our campaign on going back to basics, with the ABCs of safer sleep.

The survey showed that tiredness was a key factor in affecting the choices made by parents regarding their baby's sleep, and the main reason for not following safer sleep advice. This finding was backed up by a study on barriers to following safer sleep advice, conducted by Dr Anna Pease, Senior Researcher at the Centre for Child and Adolescent Health at the University of Bristol. We used this information to inform our messaging, acknowledging tiredness as a reality of parenting and addressing it in a supportive manner.

We targeted new and expectant parents by arranging for posters to be displayed in shopping centre baby changing facilities across the country for two weeks and created wallet cards for distribution by our RDOs and at the Baby Show. For this medium to be effective we needed to keep our campaign messages simple, compelling and easy to digest at a glance.

Additionally, the animation we produced last year demonstrating safer sleep techniques, is being shown every 30 minutes in over 1,300 doctor's surgeries over a 12 month period, where it should reach an estimated audience of around 4 million people.

We once again partnered with Bounty, the UK's leading parenting organisation, to reach new mums and mums-to-be. 60,000 Safer Sleep Week advice cards were distributed, via Bounty's New-Born packs, to new mums in maternity units.

291,875

Safer Sleep advice leaflets delivered to parents and professionals

Social media engagement was strong with the hashtag #SaferSleepWeek reaching an audience of 3.6 million people and leaving 10.2 million impressions. A total of 75 media hits were achieved during Safer Sleep Week, this included national and regional newspapers, TV, radio and blogs, the highlights were appearances on Sky News, BBC Breakfast and Good Morning Britain. We also ran a regional press campaign, with a focus on the survey results and SIDS figures in each area. This generated further coverage throughout the week including TV, radio and press, the highlight being an appearance on ITV news in every region.

This year we also engaged MPs through a targeted email campaign. A template press release was sent to all MPs in advance of Safer Sleep Week. Numerous MPs published blog posts on their websites to make their constituents aware of the campaign, including Maria Caulfield, Angela Tolhurst, Steve Brine, Andrew Gwynne, Victoria Prentis, David Mackintosh and Graham Jones and several MPs tweeted their support of the Safer Sleep Week campaign, most notably Health Secretary The Right. Hon Jeremy Hunt.



People reached on Twitter with our #SaferSleepWeek hashtag

A number of local authorities ran local Safer Sleep Week campaigns. The Safer Sleep Week display pack was once again popular this year and we sent out 383 to professionals. 73,660, of our 'cot cards', designed specifically for the week, with a quick safer sleep checklist were also sent out.

Last year's re-brand of Little Lullaby, our service for young parents has proved to be a great success. Engagement with the website and our social media channels has increased substantially. We have a large and enthusiastic Young Parents Panel who help inform our content and shape the direction Little Lullaby takes and our trained Young Parent Ambassadors deliver safer sleep workshops to other young parents throughout London.

It's been an exciting year for Little Lullaby and we were extremely proud to win the Children and Youth category in the 2017 Charity Awards. We were also awarded a second round of funding by the Big Lottery Fund allowing us to expand the team, taking on 2 new staff members, and increase the scope of our activities. Babies born to mums under 20, in the UK, are still three times more likely to die of SIDS than those born to older parents so they are a key target audience for our messages.

Following on from the launch of our prototype Baby Check app, The Lullaby Trust commissioned a new version in partnership with Birmingham Community Healthcare Trust. The app helps parents to decide whether their child needs medical attention and how urgent that need might be through asking parents to perform 19 simple checks, which test for different symptoms or signs of illness. The final version of the app, which is free of charge and available for both i-phone and android devices, will be released next year.

In March 2017 we launched the new Lullaby Trust website. The website has a fresh new design, is much more user friendly and easy to navigate and unlike our old website, functions well on mobile devices. The new website has resulted in an average monthly 44% increase in both number of users and number of sessions, 54% increase in page views and an average 10 seconds longer per session spent on the website. Safer sleep advice pages for parents and professionals are consistently the top 10 most viewed pages.

2. To fund research into both the causes and prevention of unexpected infant death, including SIDS

Our 2016 Grantholders Meeting was held at the Royal College of Paediatrics and Child Health in London on September 22nd. The annual meeting is an opportunity for researchers from across the world and from a diverse range of specialties to further their own and others' knowledge of sudden infant death. It featured presentations from current Lullaby Trust grantholders, who shared their research findings with around 60 colleagues and other interested parties.

Helen Ball, Professor of Anthropology at Durham University, gave an update on the progress and preliminary findings of her feasibility study into improving infant sleep sharing safety. The intervention aims to address hazardous co-sleeping arrangements in the UK by providing parents with tailored information about co-sleeping safety, and offering those with SIDS risk factors a plastic safer sleep box for their baby.



Professor Peter Fleming and Dr Anna Pease gave an update on the progress of the newborn hearing study. Almost every baby born in the UK has the newborn hearing screening test. This research explores whether it is feasible to identify babies who could be more at risk of SIDS by studying the test results. This could allow the development of a screening tool at birth that would allow at risk babies to receive potentially life-saving monitoring and interventions leading to a reduction in the number of SIDS deaths.

Dr Robert Coombs presented on his ongoing research into the prevalence of Long QT Syndrome gene variants in SIDS. This genetic research project aims to enable babies at risk of sudden unexpected death to be identified via a screening programme and given preventative treatment.

Dr Victoria Bryant, Clinical Research Associate and Honorary SpR, UCL Great Ormond Street Institute of Child Health (GOSH), gave an update on her team's study into Sudden Unexpected Death in Childhood. Although sudden unexpected deaths of children remain rare, they do sadly still occur, and there is very little research into these deaths. GOSH has a unique database, which includes around 500 sudden unexpected deaths in childhood and 1,500 sudden unexpected deaths in infancy. The study, which began in 2016, is the largest single centre autopsy study of sudden unexpected deaths in childhood. Unexplained SUDC cases will be compared and contrasted to SIDS cases from the same series to identify similarities and differences. Future work includes detailed evaluation of cardiac and infectious causes of SUDC.

Prof Ruth Gilbert, Professor of Clinical Epidemiology, UCL in her talk "Preventing SIDS – looking back at the importance of evidence based advice" presented a historical review of advice on infant sleeping position and contrasted advice with the accumulation of findings from comparative studies over 45 years, summarised in a systematic review and meta-analysis. The talk discussed lessons for gathering evidence from all studies for health promotion and ensuring that messages emerging were put into practice quickly.

Global Action and Prioritisation of Sudden infant death (GAPS)' project

In July a paper co-authored by leading sudden infant death experts across the world and our Chief Executive, was published in *Pediatrics* the journal of the American Academy of Pediatrics. The paper, titled



4x International SIDS charities and research organisations worked in collaboration on the GAPS project

"Research Priorities in Sudden Unexpected Infant Death: An International Consensus" discusses the results of the charity's pioneering 'Global Action and Prioritisation of Sudden infant death (GAPS)' project, run in collaboration with the International Society for the Prevention of Perinatal and Infant Death (ISPID), Red Nose (formerly SIDS and Kids) in Australia and the American SIDS Institute.

The project was the first of its kind to bring together both professionals and bereaved family members from 25 different countries to achieve consensus on the top ten SUDI research priorities. These priorities aim to focus the efforts of the SUDI research community and ultimately put an end to sudden unexpected deaths worldwide, by identifying the cause(s), which still elude researchers.

The ten international research priorities for tackling SUDI are:

1. Studying mechanisms leading to death and how they interact with environmental risk factors.
2. Enabling best practice processes and systematic data collection for accurate classification of SUDI deaths to inform research and prevention.
3. Developing and evaluating new ways to make safe sleep campaigns more effective.
4. Understanding to what extent social and cultural factors affect parental choice in sleep practices and responses to risk reduction campaigns.
5. Identifying specific biomarkers to assist pathologists



25

In total, people from 25 different countries took part in the GAPS project

- in determining the cause of death.
6. Understanding the role of genetic factors in SUDI risk.
 7. Understanding what mechanisms underlie SUDI risk at different ages.
 8. Conducting further research on the role of abnormal or immature brain anatomy and physiology.
 9. Better understanding of the practice of sharing any sleep surface with an infant, notably how it interacts with other factors to make it more or less risky.
 10. Identifying what factors are associated with SUDI where all aspects of recommended risk reduction have been followed.

These priorities have informed The Lullaby Trust's new research strategy, which was launched along with a call for proposals resulting in the funding of two new SIDS research projects: a study of the use of financial incentives for smoking cessation during pregnancy by The University of Glasgow and a contribution towards the first year of a PhD studentship to be hosted by University College London and Great Ormond Street



17

Professionals from at least 17 different disciplines contributed to the GAPS project, as well as bereaved family members

Hospital, investigating the microbiome of sudden unexpected deaths in infancy and childhood. A report on the project findings "Target SUDI Together" is being distributed to key stakeholders.

In September 2016, a small delegation from The Lullaby Trust attended The International Society for the Study and Prevention of Perinatal and Infant Death (ISPID) Conference in Uruguay, on Stillbirth, SIDS and Baby Survival, which is the leading international research meeting held every two years in different locations around the world. Our Chief Executive Francine Bates, presented the findings of the GAPS project at the conference and also spoke at the final plenary session. We were delighted that Francine Bates and Alison Waite, Head of CONI were presented with awards by the ISPID committee for their outstanding work as public health advocates.

We are pleased that we have managed to maintain our research programme despite challenging economic times and the competition from other charities with their own research agendas.

Highlights

- We scoped and led the Global Action and Prioritisation of Sudden Infant Death Project (GAPS) with partner SIDS organisations around the world.
- In 2016-17 £110,000 was invested in research to find the cause and reduce unexpected death in infancy including a study on sudden and unexpected deaths in childhood.

3. To provide support to bereaved families affected by the unexpected death of a baby or toddler

Parents who have suffered a sudden and unexpected death of a baby often feel anxious when they have another baby. Working with the NHS, we run a national health-visitor led service for bereaved parents, Care of Next Infant (CONI) programme.

The CONI programme provides specialist advice, information and support to health professionals who, in turn, support bereaved families with their next baby and help them reduce anxiety and enjoy the first year of their baby's life. The core elements of the programme are regular contacts with a health visitor, symptom diaries, weight charts and apnoea (movement) monitors and the support of a paediatrician.

Since CONI began in 1988, we have provided comprehensive support to over 9,350 families and 13,750 babies. Last year we supported over 250 families through the CONI programme, and 400 families were enrolled on CONI PLUS, which supports other groups of vulnerable families, including those with a close family history of SIDS or following an Apparent Life Threatening Event.

Families are invited to give feedback on their experience of CONI. From this, we know that the parents continue to find all elements of the programme helpful. Of most value to parents is the support they get from the regular visits made by their health visitor and the loan of the movement monitor to check their baby's breathing. Health visiting services across the country are being cut and it is important that the Lullaby Trust continues to advocate the needs of bereaved parents to receive specialist help at this very anxious time. Smoking amongst parents who use the CONI service is higher than average and is a challenging area for parents and health professionals. In the past year we have focused training for CONI co-ordinators on how to hold discussions about smoking cessation to better equip them to help the parents make informed decisions about smoking.

Our Freephone Bereavement Support Helpline remains the most popular means of seeking support from us following the sudden death of a baby. We have seen a slight increase in families contacting us during the year, particularly those who have attempted to access formal support through the health service and have not been able to do so. During the year, we had 621 contacts looking for bereavement support. Whilst our telephone support remains the most popular means of accessing our bereavement support services, online support has increased in the past year. We distributed 2,643 bereavement support leaflets and 4,775 helpline cards.

The number of first-time contacts was 229 during the year, which is an increase from 2015-16 despite declining numbers of SIDS deaths. We offer support to anyone affected by the sudden death of a baby, and the



contacts called the bereavement support line for help

falling SIDS rates are not always reflected in the new contacts we receive as a result.

We allocated 116 families a Befriender to offer peer-to-peer support during the year. This is again an increase on the 90 we allocated in 2015-16, and reflects the feedback we have received from families on the difficulties in accessing other forms of support.

We commit to offering every bereaved parent who has given us their details, the offer of a free family day out once a year. They are held throughout the country at various venues, and allow families to spend time with their children, to remember their baby who died, and to access face to face information and support.

Last year we held 8 days, which were attended by over 459 adults and 422 children. We were pleased to be able to hold a day in Northern Ireland and one in Cumbria during 2016-17, both are areas where we have not previously hosted family days. In response to

Highlights

- 2,643 bereavement support leaflets and 4,775 helpline cards to raise awareness of our bereavement support services were distributed.
- 459 adults and 422 children attended our free family days out, giving them access to face to face support and information.
- 621 enquiries about bereavement support.
- 116 families were allocated a Befriender to offer peer-to-peer support during the year.
- 250 families were supported through the CONI programme; an additional 400 families were enrolled on CONI PLUS.

a growing desire to get more feedback for our family days out, we began a process during the year of gaining feedback from children who attend the days, through a specially designed feedback form. We are hoping to get some excellent feedback for next year.

4. To work across the infant and child health community to reduce infant mortality in the UK

Influencing practice at local level

Following the ONS publication of the numbers of unexplained infant deaths in August 2016, we produced a policy briefing, with the aim of raising awareness of SIDS and our safer sleep messages for local public health leads, Local Safeguarding Children's Panels (LSCBs) and MPs, which was distributed in the autumn of that year.

We have provided safer sleep advice to over 3,200 professionals. Our small team of regional staff continue to make a huge impact throughout the country, and we have been involved with several local projects to train healthcare professionals during the year. The quality of our training allows them to enhance their skills making it an important part of their development.

We completed detailed evaluations with those who attended our training to consider the impact as well as feedback on the events. 97% of professionals who attended one of our regional training sessions said the presentation was highly relevant or relevant to their professional role. We were pleased to see that 78% of those who attended the training sessions detailed changes they would make to their professional practice as a result of attending the training.

Influencing at national level

As part of our wider policy and national work, we work closely with the wider baby charity sector to highlight infant mortality in the UK. We advocate for improved public health to prevent infant deaths and services to support bereaved families. This year, we have worked with key charities including Sands, Bliss, Antenatal Results and Choice and the Miscarriage Association to develop a National Bereavement Care Pathway. The National Bereavement Care Pathway is a set of guidelines to help professionals support families whose



Over a third of SIDS deaths could be avoided if no women smoked during pregnancy

baby dies. As a member of the core group, The Lullaby Trust has ensured that the pathway also provides advice and support to professionals working with families who have lost a baby suddenly and unexpectedly.

Smoking in pregnancy is the biggest modifiable factor for sudden infant death. Our Chief Executive continues to co-chair the National Smoking in Pregnancy Challenge Group and has worked with Ash, Action on Smoking and Health to ensure the new Department of Health's Tobacco Control Plan has a strong focus on helping women quit smoking in pregnancy. According to latest annual NHS data, we were pleased to see that the numbers of women who smoke in pregnancy has reduced to 1 in 10 pregnant women. However, this still means 70,000 women smoke in pregnancy risking their health and the lives of their babies. We will therefore continue to be active as a charity to raise awareness of the harm that smoking in pregnancy causes to an unborn baby and campaign to ensure that local stop smoking services provide specialist support to pregnant women.

The Lullaby Trust provides the secretariat to the All Party Parliamentary Group (APPG) on Baby Loss. We have brought together Parliamentarians with key charities to highlight the impact of baby loss and to press Government to commit resources to support bereaved parents. Last year, with the support of the Lullaby Trust, the APPG published Beyond Awareness to Action: Tackling baby loss in the UK. This document was launched at Speaker's House in Parliament during Baby Loss Awareness Week in October 2016. The week was a great success, culminating in a moving debate in the House of Commons, where MPs talked about their own personal experience of losing a baby. This led to increased media attention, and commitment on the part of health ministers, to do more to embed support within the NHS, for bereaved parents.

Our Chief Executive represented The Lullaby Trust on a working party convened by the Royal College of Pathologists (RCP) and the Royal College of Paediatrics and Child Health (RCPCH) to revise the multi-agency guidelines on investigating the sudden infant death of a baby. The guidelines were originally drafted under the leadership of Helena Kennedy QC now Baroness Kennedy, in 2004 in response to a series of miscarriages of justice, involving the prosecution of mothers for causing the deaths of their babies.

Much has changed over the last 12 years and we were delighted that RCP and RCPCH took the initiative to update the guidance. Once again, Helena Kennedy was asked to oversee the process. The involvement of the Lullaby Trust ensured that the experience of bereaved families was embedded in the guidance. The final document was launched by Baroness Kennedy in the House of Lords in November 2016.

Highlights

- 3,200 professionals were provided with our safer sleep advice at 125 training sessions and presentations.
- 5,518 Lullaby Trust guides for professionals were distributed.
- 78% of professionals attending our training sessions were able to detail changes they would make to their professional practice as a result of attending our training
- The first ever backbench debate on Baby Loss in Parliament took place during Baby Loss Awareness Week 2016, where MPs movingly shared personal experiences of bereavement along with those of their constituents

Future plans

We are dedicated to achieving our over-arching goal of reducing the numbers of SIDS to below 150 by 2020. In 2014, the number of unexplained deaths in infancy across the UK was 235. In 2015, the UK figure recorded was 214. We are very pleased that the numbers of

deaths continue to fall and we believe that the charity has made a significant contribution to the decline of SIDS in this country.

However, we acknowledge that there is still more to do. The death of a baby or toddler is devastating for any parent and we are determined to do all we can to prevent this from happening to families.

We are now entering the third year of our 2015-2020 strategy and are increasing our focus on vulnerable and disadvantaged families, where the incidence of sudden infant deaths, is significantly higher. Our four strategic objectives remain the same going forward but will be kept under review by the Board of Trustees. These are:

- To reduce the numbers of babies who die from SIDS to below 150 across the UK by 2020 by promoting our Safer Sleep message.
- To fund new research into both the causes and prevention of unexpected infant death, including SIDS.
- To provide support to bereaved families affected by the unexpected death of a baby or toddler.
- To work across the infant and child health community to reduce infant mortality in the UK

Promoting our safer sleep message

We are committed to improving the accessibility of our safer sleep message, ensuring that it reaches the most vulnerable families whose babies are at increased risk of SIDS. We will continue developing and delivering our national safer sleep awareness campaign, Safer Sleep Week, building on the success of the previous 3 years. The new website allows us to provide a much improved user experience; we are continuing to look at how we present our digital information to ensure we are answering the questions people ask about SIDS and safer sleep and that this content is optimised to reach as many people as possible.

We will continue to create targeted campaigns to make parents aware of modifiable risks such as sofa sharing and to provide more information about bedding and baby products. We are looking at using video to put out our messages in the most impactful way and taking advantage of new social media features such as Facebook Live.

We will also continue to reach out to more vulnerable groups such as young parents. Little Lullaby, our service for young parents, continues to go from strength to strength. A further 18 months funding commitment from the Big Lottery Fund means we are able to continue to build on strong foundations; working with and engaging an ever widening community of young parents. The Young Parents Panel takes an active role in the work of Little Lullaby to ensure young mums and dads remain at the heart of all we do.

Funding research

Pediatrics, the journal of the American Academy of Pediatrics recently published a paper on the results of the 'Global Action and Prioritisation of Sudden infant death (GAPS)' project. The paper discussed the work done for this pioneering project to establish new global priorities for tackling Sudden Unexpected Death in Infancy. The results of the study, which was conducted in collaboration with the International Society for the Prevention of Perinatal and Infant Death (ISPID), Red Nose (formerly SIDS and Kids) in Australia and the American SIDS Institute, have informed The Lullaby Trust's new research strategy. We will continue to fund relevant projects that will help us reduce SIDS still further over the next 10 years.

Our annual Grantholders meeting will again take place in September 2017, where our researchers who have received funding from us will present on the studies they are undertaking. There will also be the opportunity to hear about new research projects, which we are funding during 2017 and 2018.

Supporting bereaved families

We are committed to improving our bereavement support services. Having developed and tested new online discussion forums in response to the growing number of people contacting us online, we will focus on promoting and developing this area of our service.

Our Care of Next Infant (CONI) programme for bereaved parents will benefit from regionally based staff who will deliver training to our CONI co-ordinators and we will continue to work with health care service providers and commissioners to ensure this much needed programme remains widely available.

Our new Risk Calculator; a tool to help health professionals estimate the level of risk for SIDS for individual babies is in development.

We will continue to work with the other leading pregnancy loss and infant death charities across the UK sharing information and expertise, to bring pressure to bear on policy makers and healthcare professionals to help us reduce preventable infant mortality and improve services for bereaved families.

We are currently working in partnership with other baby charities and professional bodies to improve the quality of care that bereaved parents receive when their baby dies, through the development of The National Bereavement Care Pathway (NBCP). The NBCP, which has the support of the Department of Health, has been developed to improve the quality of bereavement care experienced by parents and families at all stages of pregnancy and baby loss up to 12 months, through a set of guidelines to help professionals support families whose baby dies. As a member of the core group, The Lullaby Trust has ensured that the pathway also provides advice and support to professionals working with families who have lost a baby suddenly and unexpectedly.

From October, 11 pilot sites in England will trial the use of new materials, guidelines and training for professionals and will work with the project team to understand the impact and the effectiveness of the National Bereavement Care Pathway on improving bereavement care for parents.

We will also continue to support the All Party Parliamentary Group on Baby Loss to highlight what more can be done to prevent infant mortality and support bereaved families.

We are preparing a national briefing to send out to all Directors of Public Health and Local Safeguarding Children Boards to raise awareness of sudden infant deaths in their region. Our Chief Executive will continue to Co-Chair the Smoking in Pregnancy Challenge Group to highlight the risks of smoking in pregnancy, which is the single biggest modifiable factor in reducing SIDS.

Working to reduce wider infant mortality

As part of our long term strategy to build strategic partnerships with other charities, we have recently

entered into preliminary talks with Sands, the Stillbirth and Neonatal Death Charity to explore the possibility of the two charities merging to create a much stronger platform to reduce infant mortality rates as well as improve care and widen support for all bereaved parents. We have collaborated with Sands on a number of projects and feel that our goals are aligned and that there could be real benefits to be gained from the two charities working together to secure our aims to prevent babies dying in the future.

A decision to merge would represent a very significant development for The Lullaby Trust and we plan an extensive consultation exercise with our key stakeholders next year to discuss the full implications for the charity. The Board of Trustees will ultimately decide whether a merger should go ahead. In doing so they will ensure that the work of The Lullaby Trust is enshrined in any new charity and greater impact for beneficiaries is achieved.

Financial report

We have consolidated our income performance in 2017, achieving £1.53m in the current year against £1.52m in 2016. As part of our strategy to diversify our sources of income we have started to see the results of increasing our trust fundraising and individual giving expertise. Grants received from trusts and foundations have increased from £281,000 in 2016 to £326,000 in the current year. We were delighted to secure a second grant from Big Lottery Fund's Reaching Communities Programme in May 2017, which has enabled us to extend our Little Lullaby project for young parents until November 2018.

We expect longer-term growth from our work with individuals but we have already seen a modest increase in the year. One of the highlights of the year for the fundraising team was The Big Give Christmas Challenge. We met our £30,000 match funding target in just 29 minutes leading to us winning an award for our supporter engagement activities.

Community fundraising has continued to be our largest source of income for the year although the amount raised has fallen from £506,000 in 2016 to £485,000 in the current year. The London Marathon had an exceptional year in 2016 and income usually varies

from year to year. We are pleased to have been able to offer a varied portfolio of community fundraising opportunities in 2017 including the Yellow Yourself campaign and participation in a number of new fun runs and challenge events. We continue to be grateful to our supporters for their commitment and ingenuity.

We have seen a significant decrease in charitable income from £116,000 in 2016 to £80,000 in 2017. A large part of this is due to a reduction in sales of CONI equipment to health providers, which we believe to be as a result of NHS cost savings as well as uncertainty over the future of health visiting.

Total expenditure has increased from £1.56m in 2016 to £1.68m in 2017.

Our fundraising expenditure increased from £463,000 to £536,000 which reflects the additional expertise we have brought into the team as well as a one-off special event and in kind costs for graphic design work.

We made planned investment into research, using restricted funds raised for this purpose and funds designated by the Trustees in June 2015 to fund priorities identified by our new Research Strategy published in January 2017. 2 new project grants were approved in the year:

- £36,000 was awarded to The University of Glasgow for a study of the use of financial incentives for smoking cessation during pregnancy.
- £38,000 was committed towards the first year of a PhD studentship to be hosted by University College London and Great Ormond Street Hospital investigating the microbiome of sudden unexpected deaths in infancy and childhood.

In addition to the new projects, we increased our investment in the ongoing newborn hearing research project from £153,000 to £170,000. Restricted Funds were available to meet £43,000 of research commitments in the year. All current research commitments having been met, the Trustees have decided to transfer the balance of £45,000 remaining in the Designated Fund for research projects back to General Funds.

2017 has also seen significant investment in a new website for The Lullaby Trust, a capital asset, the costs of £41,000 will be amortised over a 3-year period.

Expenditure on monitors and equipment for the CONI programme fell from £93,000 in 2016 to £56,000 in 2017. Although the 2016 figure was above average the level of expenditure in 2017 has fallen below average and this reflects the lower volume of sales to health providers explained above. We anticipate a significant increase in equipment purchases over the next 3 years as one of the breathing monitors that we routinely supplied to health providers up to 2015 is due to become obsolete and monitors of this model in use across the country will need to be replaced.

The CONI programme is now fully integrated as a core project of the charity, having originally transferred to our London office base in February 2015. In recognition of this the Trustees have decided to transfer the balance of £40,000 that remained in the Designated Fund for the CONI programme back to General Funds.

The Lullaby Trust holds restricted funds in accordance with donors' requirements. At 30 June 2017, the balance of Restricted Funds amounted to £206,000 (2016: £202,000).

The Lullaby Trust Sales Limited continued its activities of securing sponsorship from corporate partners and selling Christmas cards, T shirts and other merchandise. It made profits of £79,079 in the year, which was gifted to the charity under the gift aid scheme.

Reserves Policy

The reserves policy as agreed by Trustees is designed to reflect the underlying risks facing the charity and to ensure that the charity has an appropriate level of reserves to safeguard its day to day operations. The Trustees consider that the minimum level of free General Funds, required to support the charity's operations is three months budgeted expenditure (excluding research commitments) with an additional allowance for anticipated cash movements in the year. At 30 June 2017, this amounted to a target range of £326,000 to £444,000.

At 30 June 2017 free General Funds stood at £400,000. The Trustees are satisfied that the general free reserves meet the above conditions.

Grant Making Policy

The Lullaby Trust is a member of AMRC and follows best practice. The Lullaby Trust provides research grants in order to support our key charitable objectives. The Scientific Committee is responsible for assessing all requests for research funding. Applicants from accredited research institutions are invited to apply for funding for projects that meet our criteria to reduce incidence of sudden infant death.

All applications are subject to independent peer review and are also considered by a lay panel of bereaved parents. The committee will only recommend projects for funding to the Board of Trustees which meet the highest scientific merit. The Board of Trustees have ultimate responsibility for approving any grant expenditure. Once a grant is approved, the successful applicant will be contacted and required to complete a formal research contract with the charity. This contract will be monitored by the Chief Executive and the Scientific Committee.

Structure, governance and management

The Lullaby Trust is a company limited by guarantee, Registered in England and Wales No. 01000824 and is a registered charity, No. 262191. Its governing document is its Memorandum and Articles of Association, dated January 1971 as amended by special resolution in February 2017. There was a change of name in March 2012 (formerly the Foundation for the Study of Infant Deaths).

The Lullaby Trust has one, wholly-owned subsidiary, The Lullaby Trust Sales Limited, which is a private limited company, Registered in England and Wales No. 01731141. Its governing document is its Memorandum and Articles of Association, dated April 1983 as amended in March 2012 to reflect the change of name from F.S.I.D. Sales Limited. The principal activity of the subsidiary company is that of raising funds for The Lullaby Trust through trading and sponsorship income and all profits are donated to The Lullaby Trust annually under the Gift Aid scheme.

The charity's Articles of Association allow it to operate in England, Wales and Northern Ireland; its

headquarters are in London, where it employs 17 full-time and 14 part-time staff, including six regional staff working part-time from their homes. The majority of employees deliver the charitable objects, four full-time equivalent posts are administrative and financial functions, and seven are engaged in fundraising.

The Board of Trustees meets four times a year to set strategy, agree on policy and review finances. The Board comprises of trustees who bring a broad range of skills and professional qualifications necessary to ensure that the charity has access to all relevant expertise.

They are advised by:

- The Scientific Committee, which meets one to two times a year to review submitted proposals for scientific research and to recommend them to The Board of Trustees for approval for funding.
- The Lullaby Trust Advisory Committee, which meets three times a year to act as a forum for discussion and provide advice to senior staff on The Lullaby Trust's core charitable activities.
- The Finance and Resources Committee, which meets five times a year to monitor the finance and resources of The Lullaby Trust on behalf of the Board of Trustees and to provide strategic advice to the Chief Executive.
- The Remuneration Committee, which consists of the Chairman of the Board of Trustees and the Chairman of the Finance and Resources Committee, meets twice a year to review policy and make recommendations for the remuneration of staff to the Board of Trustees.

Each of these committees operates under terms of reference approved by the Board of Trustees. The Trustees are appointed by the Board of Trustees. The Board of Trustees continue to review and monitor governance arrangements. New trustees receive a comprehensive induction pack when they join the charity and are offered training on the roles and responsibilities of charity trusteeship. New trustees are introduced to staff and encouraged to attend all events organised by the charity.

Key management personnel

The Trustees and the Chief Executive are key management personnel. Day to day operational management of the charity is delegated to the Chief Executive.

Remuneration policy

The Lullaby Trust believes that its staff are key to delivering its objectives. To this end it believes that its pay policies should be fair, transparent, competitive and sustainable. The Lullaby Trust believes that it is important to reward its staff competitively within the small charity sector and at the same time ensure that it remains prudent and can guarantee that its pay bill is sustainable both at the current time and in the future.

The Remuneration Committee has overall responsibility to set remuneration and terms and conditions of employment for all staff of The Lullaby Trust. It specifically has the responsibility to set the pay and terms and conditions of the Chief Executive, which is then approved by the full Board of Trustees.

The Lullaby Trust aspires to pay its staff around the median market pay level for comparable jobs in similar sized charities in London where the jobs are based in London and with respect to the local pay market place where the jobs are not based in London.

The Lullaby Trust is committed to paying the "London Living Wage" for its paid staff, so far as this is within the sustainable financial resources of The Lullaby Trust. The Lullaby Trust's salaries include any "London Weighting" for all salaries paid to staff working in London.

Currently, The Lullaby Trust pays "spot salaries" for each employee, related to their particular skills, experience, qualifications, performance and contribution to The Lullaby Trust, which is the typical approach to setting pay for small to medium sized charities.

The Lullaby Trust aspires to provide an employee benefits package, which is appropriate and competitive within the relevant charity market place for relevant jobs. In addition, The Lullaby Trust provides training and development for its staff both to enable them to undertake their job to the required standards and also to develop them for future job growth and career development.

The Lullaby Trust normally reviews salary levels prior to setting the charity's Annual Budget in June each year. The Remuneration Committee will recommend to the Board of Trustees whether all staff or selected staff should receive a pay rise.

The Lullaby Trust aims to undertake a pay benchmarking exercise, every three years, to measure the extent to which The Lullaby Trust is achieving its objective of setting the pay of its staff at the chosen level against the relevant market place.

Volunteers

The Lullaby Trust relies on volunteers in many areas of its work. During the reporting year we received voluntary help from 100 volunteers including:

- 46 befrienders providing support to bereaved families
- 17 young parents who have been recruited through Little Lullaby to act as peer ambassadors and/or serve on our young parents panel
- 28 members of our advisory, scientific and finance and resources committees supporting the governance of the charity and working alongside our trustees
- 9 regular office volunteers or voluntary interns helping with fundraising and office administration.

Risk management and financial control

The Board of Trustees continues to review and assess risks faced by the charity at each board meeting. The Chief Executive fully updates the Board of Trustees at these meetings and highlights current risks facing the charity.

The Senior Management Team assesses risks facing the charity updating the charity's risk register every six months. The risk register is the charity's chart and description of the quantitative method of evaluating risk. It covers Governance, Financial, Operational, Physical, Child Protection, External and Reputational, Legal and Compliance risks.

The Senior Management Team ensures that robust policies, procedures, systems and training are in place to deal with risk and these are designed to mitigate or manage any potential impact on the charity should those risks materialise.

The following risks in our Risk Register have been identified as high risk to the charity before taking into account measures in place to safeguard against them:

- Non-compliance with legislation and regulations applicable to charities is one of the biggest risks to the charity. The Chief Executive and Senior Management Team keep up to date with compliance issues and report on new developments and action plans to the Finance and Resources Committee and the Board of Trustees.
- The risk of financial loss through income and expenditure budgets being uncontrolled is mitigated through a series of internal controls. Monthly management accounts compare performance against budgets and these are monitored by the Finance and Resources Committee.
- The main operational risks include IT system failure and accidents causing injury to staff, beneficiaries or supporters of the charity. We have recently undertaken a thorough IT review and are in the process of developing a comprehensive IT strategy and reviewing suppliers. Health and safety risks are taken very seriously and measures include regular servicing of equipment, inductions for staff and risk assessments for all events. We review the charity's insurances annually to ensure cover is adequate.
- Risks of a physical nature include damage or theft of the charity's property, which are safeguarded by security measures and insurance cover.
- Our work with families exposes us to a number of safeguarding risks including the possibility of abuse by persons attending a Lullaby Trust activity. All staff and volunteers who have direct contact with families are subject to criminal record checks. We offer additional support for our Little Lullaby ambassadors who may be vulnerable individuals themselves. This includes support from the Project Manager throughout their time as an ambassador and Level 2 Child Protection Training.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of The Lullaby Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable

company and the group and of its income and expenditure for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles set out in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.
- The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. None of the Trustees had any beneficial interest in any contract to which the Organisation was party during the year.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Audit Information

So far as each of the Trustees at the time the Trustees' report is approved is aware:

- a. there is no relevant information of which the auditors are unaware; and

- b. they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

This report was approved by the Board of Trustees and signed on its behalf by:



Terry Hebdan
Chairman

Date: 05/12/2017

Thank you

We would like to say a huge thank you to the many individual supporters, who in the past year have given up time and energy, taken part in an event, raised money or made a donation to support the work of The Lullaby Trust. Highlights from 2016/17 include:

- The Big Give Challenge 2016; our supporters generated a new record for the charity and raised £96,000 in under 72 hours for our Safer Sleep Awareness campaign.
- 46 keen runners took part in the 2017 Virgin London Marathon to support The Lullaby Trust, and raised £124,000.
- One of the many highlights in Events and Community was a team of 4 trekkers signing up and raising a staggering total of £22,000, ahead of their trek up Kilimanjaro in October 2017.
- Supporters attended a host of Lullaby Trust events, which included our annual London Carol Concert at which more than 300 people enjoyed performances from a gospel choir and St Joseph's School who received a standing ovation!

Thank you to all the staff and hundreds of volunteers across the country who worked so hard to help The Lullaby Trust achieve its aims.

Thank you to our special events committee for their hard work and for arranging a number of fundraising events for The Lullaby Trust. A highlight in April 2017 was The Langley Event, which launched our new research appeal and raised a fantastic £23,000.

Thank you to all our corporate partners, Trusts and Foundations who have funded our work this year. In the year 2016/17 we were delighted to enter into the 16th year of our relationship with The Gro Company, our longest standing partnership, and one which continues to thrive. We also continued our work with Kiddy and were delighted to launch a new partnership with Moba. The National Federation of Demolition Contractors (NFDC) also supported us again in 2016/17. We once again have received valued Pro-bono support from White and Case and also from Identica a brand strategy and design agency.

Companies, Trusts and Foundations offering pro bono services or donating £1,000 or more in 2016/2017 include:

Adint Charitable Trust
Area Square Ltd
Bounty UK Ltd
Candis Club
Charities Trust
Charles S French Charitable Trust
Dame Violet Wills Will Trust
Dandia Charitable Trust
Drumkeeran Parish Church
Flying Start Centre
Frazer Trust
Golden Bottle Trust
GPS Great Britain Ltd
Hillgate Travel
Hospital Saturday Fund
HSBC Bank plc
Ian Askew Charitable Trust (previously Dorothy Askew CT)
Identica
J E Posnansky Charitable Trust
Kiddy
Kinleigh Folkard & Hayward
Lodge of Love & Charity
Masonic Charitable Foundation
Moba
Nationwide Building Society
NFDC
Osbornes Solicitors
P G Oxley Ltd
Pilkington Charities Fund
Quilter Cheviot Limited
R S Brownless Charitable Trust
Rolls Royce Enthusiasts Club
Salford City Council
Sandhu Charitable Foundation
Sandra Charitable Trust
Seattle Children's Hospital
Sir James Knott Trust
Springfields Medical Research and Charity Trust Fund (BNFL)
Teddy's Wish
The Big Lottery Fund (Reaching Communities)
The Borrows Charitable Trust
The Chelsea Square 1994 Trust
The Conway Charitable Foundation
The Ernest Kleinwort Charitable Trust
The Gro Company
The JW Bankes Charitable Settlement
The James Beattie Charitable Trust

The James Tudor Foundation
 The Kristina Martin Charitable Trust
 The Oldhurst Trust
 The Rothley Trust
 The Schuh Trust
 The William Allen Young Charitable Trust
 The Wortley Arms
 TK Maxx (TJX Foundation)
 Travers Smith
 Vandervell Foundation
 W O Street Charitable Foundation
 Weldrick Group
 Weltonhurst Limited
 White & Case LLP
 World First UK Ltd
 Yorkshire Children's Hospital Fund

A gift in a will is a special way of supporting The Lullaby Trust. We are grateful to the following supporters for collectively leaving us £11,000 in their memory:

Judith Mary Bell
 Eileen Burdock
 Phyllis May Fisher
 Yvonne Janet Whittaker

Board of Trustees & Committees

Patron

HRH the Duchess of Gloucester

President

Mr Charles de Selincourt OBE

Vice-President

Sylvia Lady Limerick CBE MA Hon FRCP HonFRCPCH

Founder

The late Mrs Nancy Hunter-Gray MBE

Chief Executive

Ms Francine Bates OBE

Board

Mr Terry Hebden (Chairman)
 Miss Holly Butcher
 Mr Chris Cleaver
 Dr Charlotte Daman Willems FRCP FRCPCH
 Dr Justin Daniels BMedSci BMBS MSc FRCPCH
 Ms Ethna Dillon BSc (Hons) RN RHV
 Dr Steve Gould FRCPPath
 Mrs Rupal Kantaria (appointed February 2017)
 Mr David Marshall FCA
 Ms Gabrielle Osrin
 Mrs Lavinia Postlethwaite
 Mrs Kirsti Robertshaw
 Dr Peter Sidebotham

Scientific Committee

Professor Helen Ball (Chair appointed Oct 2016)
 Ms Lynsay Allan (appointed May 2017)
 Dr Andrew Boon BSc MD FRCP FRCPCH DCH (retired Oct 2016)
 Professor Mike Campbell BA MSc PhD CStat
 Dr Rachel Carling (appointed Oct 2016)
 Dr Robert Coombs MB BS BSc FRCPCH MRCP DCH
 Professor Neil Dalton MA PhD (retired Oct 2016)
 Dr Charlotte Daman Willems FRCP FRCPCH
 Dr Justin Daniels BMedSci BMBS MSc FRCPCH
 Professor Ruth Gilbert MSc MD FRCPCH (retired May 2017)
 Dr Sarah Johnson BSc PhD
 Dr Penny Jones MB BS (retired Oct 2016)
 Professor James A Morris MA MB BChir FRCPPath (retired Oct 2016)
 Dr Anna Pease MA MSc PhD (appointed Oct 2016)
 Dr Peter Sidebotham MB ChB (appointed May 2017)
 Professor Marjorie Smith PhD CPsychol AsFBPS (retired Oct 2016)
 Dr Victoria Thomas MB BS (appointed May 2017)

Advisory Committee

Dr Justin Daniels BMedSci BMBS MSc FRCPCH (Chair)
 Dr Charlotte Daman Willems FRCP FRCPCH
 Ms Louise Carmi
 Dr Robert Coombs MB BS BSc FRCPCH MRCP DCH
 Dr Paul Davis MD MB FRCPCH MRCP DCH representing the British Association of Community Child Health
 Dr Steve Gould FRCPPath
 Ruth Jalloh
 Ms Gail Johnson representing the Royal College of Midwives
 Ms Clare Jolly BSc (Hons) MSc RGN RHV representing Community Practitioners and Health Visitors Association
 Ms Lucy Lyus (appointed June 2016)
 Ms Maria Kane (retired June 2017)
 Dr Angela Moore MB BS MMedSci DCH FRCP FRCPCH
 Mr Edward Thomas
 Ms Alison Wall

Finance and Resources Committee

Mr David Marshall FCA (Chairman)

Mr Nick Beaumont

Mr Terry Hebden

Ms Sue Hunt

Mrs Rupal Kantaria (appointed May 2017)

Mr Kevin O'Brien

Mr Charles de Selincourt OBE

The Lullaby Trust Sales Limited

Mr Terry Hebden (Chairman), Director

Ms Francine Bates (CEO), Director

Mr Andrew Cole, Director

Mr Alan Curtis, Director (appointed August 2017)

Mr David Marshall FCA, Director

Ms Lisa Penney, Director

Independent Auditors' Report to the Members and Trustees of The Lullaby Trust

Opinion

We have audited the financial statements of The Lullaby Trust (the 'company') for the year ended 30 June 2017 which comprise Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group and Charity Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2017 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 and the Charities Act 2011.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

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 financial statements section of our report. We are independent of the 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

The Lullaby Trust

Independent Auditors' Report to the Members and Trustees of The Lullaby Trust (continued)

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

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

The Lullaby Trust

Independent Auditors' Report to the Members and Trustees of The Lullaby Trust (continued)

- 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

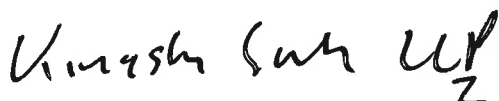
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

The Lullaby Trust

Independent Auditors' Report to the Members and Trustees of The Lullaby Trust (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Luke Holt, Senior Statutory Auditor

for and on behalf of Kingston Smith LLP, Statutory Auditor

Date: 05/12/2017

Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006

The Lullaby Trust

Consolidated Statement of Financial Activities for the year ended 30th June 2017

	Note	General Funds	Designated Funds	Restricted Funds	Total 2017
INCOME AND EXPENDITURE		£	£	£	£
Income					
Donations and legacies	5	982,017	-	314,720	1,296,737
Other trading activities:					
- The Lullaby Trust generated income	6	50,560	-	6,740	57,300
- The Lullaby Trust Sales Limited	8	98,743	-	-	98,743
Income from investments:					
- The Lullaby Trust		692	-	-	692
- The Lullaby Trust Sales Limited	8	125	-	-	125
Income from charitable activities	7	55,810	-	24,082	79,892
Total Income		1,187,947	-	345,542	1,533,489
Expenditure					
Expenditure on raising funds					
- The Lullaby Trust	9	(535,513)	-	-	(535,513)
- The Lullaby Trust Sales Limited	8	(19,789)	-	-	(19,789)
Charitable activities					
- Scientific research	10	(18,931)	(47,606)	(44,185)	(110,722)
- Support and information	10	(659,630)	(70,041)	(231,271)	(960,942)
- Monitors and sundry equipment (CONI)	10	-	-	(56,435)	(56,435)
Total Expenditure		(1,233,863)	(117,647)	(331,891)	(1,683,401)
Net Incoming/(Outgoing) Resources		(45,916)	(117,647)	13,651	(149,912)
Transfers between funds	21	93,747	(84,607)	(9,140)	-
Net Movement in Funds	12	47,831	(202,254)	4,511	(149,912)
Balance at 1st July 2016		406,874	202,254	201,872	811,000
Balance at 30th June 2017	22	454,705	-	206,383	661,088

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

The net outgoing resources of the parent amounted to £228,991 (2016: £125,946).

The notes on pages 30 to 46 form part of these financial statements.

The Lullaby Trust

Consolidated Statement of Financial Activities for the year ended 30th June 2016

	Note	General Funds	Designated Funds	Restricted Funds	Total 2016
INCOME AND EXPENDITURE		£	£	£	£
Income					
Donations and legacies	5	863,004	-	372,887	1,235,891
Other trading activities:					
- The Lullaby Trust generated income	6	64,531	-	1,050	65,581
- The Lullaby Trust Sales Limited	8	100,375	-	-	100,375
Income from investments:					
- The Lullaby Trust		1,532	-	-	1,532
- The Lullaby Trust Sales Limited	8	74	-	-	74
Income from charitable activities	7	67,177	-	49,161	116,338
Total Income		1,096,693	-	423,098	1,519,791
Expenditure					
Expenditure on raising funds					
- The Lullaby Trust	9	(462,617)	-	-	(462,617)
- The Lullaby Trust Sales Limited	8	(17,190)	-	-	(17,190)
Charitable activities					
- Scientific research	10	38,226	(7,746)	(115,466)	(84,986)
- Support and information	10	(692,101)	-	(213,877)	(905,978)
- Monitors and sundry equipment (CONI)	10	-	-	(92,638)	(92,638)
Total Expenditure		(1,133,682)	(7,746)	(421,981)	(1,563,409)
Net Incoming/(Outgoing) Resources		(36,989)	(7,746)	1,117	(43,618)
Transfers between funds		-	-	-	-
Net Movement in Funds	12	(36,989)	(7,746)	1,117	(43,618)
Balance at 1st July 2015		443,863	210,000	200,755	854,618
Balance at 30th June 2016	20	406,874	202,254	201,872	811,000

The Lullaby Trust

Consolidated Balance Sheet as at 30 June 2017

	Note	Group 2017 £	Group 2017 £	Charity 2017 £	Charity 2016 £
Fixed Assets					
Tangible	15	16,731	22,153	16,731	22,153
Intangible	16	37,955	-	37,955	-
Investments	8	-	-	10,000	10,000
		<u>54,686</u>	<u>22,153</u>	<u>64,686</u>	<u>32,153</u>
Current Assets					
Stocks		1,909	1,130	-	-
Debtors and prepayments	17	173,288	167,502	225,221	219,263
Cash at bank and in hand		<u>775,784</u>	<u>1,018,479</u>	<u>708,713</u>	<u>999,067</u>
		950,981	1,187,111	933,934	1,218,330
Creditors: Amounts falling due within one year	18	<u>(296,742)</u>	<u>(130,853)</u>	<u>(289,695)</u>	<u>(172,072)</u>
Net Current Assets		654,239	1,056,258	644,239	1,046,258
Creditors: Amounts falling due after more than one year	19	<u>(47,837)</u>	<u>(267,411)</u>	<u>(47,837)</u>	<u>(267,411)</u>
Net Assets		<u>661,088</u>	<u>811,000</u>	<u>661,088</u>	<u>811,000</u>
Represented by:					
Restricted funds	21	206,383	201,872	206,383	201,872
Designated Funds	21	-	202,254	-	202,254
General funds	21	<u>454,705</u>	<u>406,874</u>	<u>454,705</u>	<u>406,874</u>
		<u>661,088</u>	<u>811,000</u>	<u>661,088</u>	<u>811,000</u>

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the provisions of FRS 102 (effective January 2015).

The notes on pages 30 to 46 form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 5 December 2017.



T. Hebden
Chairman

Date:

Registered Company No. 01000824

The Lullaby Trust

Statement of Cash flows for the year ended 30th June 2017

	Note	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Cash used in operating activities					
Cash provided by (used in) operating activities	1	<u>(195,185)</u>	<u>(51,592)</u>	<u>(242,719)</u>	<u>(12,637)</u>
Cash flows from investing activities					
Interest income		817	1,606	692	1,532
Purchase of tangible fixed assets		(6,921)	(6,832)	(6,921)	(6,832)
Purchase of intangible assets		(41,406)	-	(41,406)	-
Cash provided by (used in) investing activities		<u>(47,510)</u>	<u>(5,226)</u>	<u>(47,635)</u>	<u>(5,300)</u>
Change in cash and cash equivalents in the reporting period					
		<u>(242,695)</u>	<u>(56,818)</u>	<u>(290,354)</u>	<u>(17,937)</u>
Cash and cash equivalents at the beginning of the reporting period					
		<u>1,018,479</u>	<u>1,075,297</u>	<u>999,067</u>	<u>1,017,004</u>
Cash and cash equivalents at the end of the reporting period					
	2	<u>775,784</u>	<u>1,018,479</u>	<u>708,713</u>	<u>999,067</u>

Notes to the Financial Statements for the year ended 30 June 2017

1 Reconciliation of net income/(expenditure) to net cash provided by operating activities		Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Net Income/(Expenditure)		(149,912)	(43,618)	(149,912)	(43,618)
Depreciation Charges		12,343	9,093	12,343	9,093
Amortisation Charges		3,451	-	3,451	-
Interest Income		(817)	(1,606)	(692)	(1,532)
(Increase)/decrease in Current Assets		(6,565)	(38,437)	(5,958)	(2,937)
Increase/(decrease) in Creditors		(53,685)	22,976	(101,951)	26,357
Net Cash Flow from Operating Activities		<u>(195,185)</u>	<u>(51,592)</u>	<u>(242,719)</u>	<u>(12,637)</u>
2 Cash and cash equivalents					
Cash in hand		<u>775,784</u>	<u>1,018,479</u>	<u>708,713</u>	<u>999,067</u>
Total cash and cash equivalents		<u>775,784</u>	<u>1,018,479</u>	<u>708,713</u>	<u>999,067</u>

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

3 Accounting Policies

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and Group is a public benefit company for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donations income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements. There were no material uncertainties during the year.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies are as follows:

Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Consolidation

The group financial statements consolidates the financial statements of The Lullaby Trust and its wholly owned subsidiary undertaking, The Lullaby Trust Sales Limited, for the year ended 30th June 2017. A separate income and expenditure account for The Lullaby Trust is not presented because The Lullaby Trust has taken advantage of the exemptions permitted by section 230 of the Companies Act 2006.

Income

Donations, legacies and income from special events are recognised when the three conditions of probable, entitlement and measurement are satisfied and where it is probable that monies will not be repayable. Grants and interest receivable are included in the financial period to which they relate.

Expenditure

All expenditure is accounted for on an accruals basis and is classified under specific expenditure categories where appropriate. Overhead expenses which do not relate to a specific expenditure category within the Statement of Financial Activities are apportioned over the various categories using a formula based on the level of man hours dedicated.

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

3 Accounting Policies (continued)

This is approved by the Finance and Resources Committee of The Lullaby Trust and reviewed on an annual basis.

Grants payable are payments made to the third parties in the furtherance of the charitable objects of the Charity. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Charity.

Long term creditors for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about the timing of the grant.

Gifts in Kind

Goods and services donated to the charity with an estimated value of at least £5,000 are recognised as donations under income and as expenditure under the most appropriate heading for the expense.

Tangible Fixed Assets

Fixed assets, which are stated at cost, are depreciated at rates sufficient to reduce the net book amount of those assets to their estimated residual value at the end of their expected useful lives. The following rates are currently used:

Office equipment – over 4 years on a straight line basis

Fixtures & fittings – over the period of the lease on a straight line basis

Fixed assets costing £100 or more are capitalised.

Intangible Assets

Fixed assets, which are stated at cost, are amortised at rates sufficient to reduce the net book amount of those assets to £nil at the end of their expected useful lives. The following rates are currently used:

Website developments – over 3 years on a straight line basis

Software licences – over 3 years on a straight line basis

Fixed assets costing £100 or more are capitalised. Software licences with a fixed term are not capitalised.

Stocks

Stocks of goods for resale are stated at the lower of cost and net realisable value after making allowance for obsolete and slow moving items.

Other financial instruments

i. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

3 Accounting Policies (continued)

ii. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Fund Accounting

Funds held by The Lullaby Trust are either:

Unrestricted general funds – these are funds which can be used for the charitable objects at the discretion of the trustees.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Taxation

The taxable profit of the subsidiary undertaking The Lullaby Trust Sales Limited is eliminated by a gift aided donation in favour of The Lullaby Trust which is not liable to taxation due to its charitable status.

Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the terms of the lease.

4 Liability of Members

At 30th June 2017 The Lullaby Trust has 97 Members (2016 - 83 members). The liability of each Member to contribute to the assets of the Charity is limited to £1.00. The number of Members is limited to 150.

5	Donations and legacies income	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £
	Community and events	474,043	10,842	484,885
	Individuals	316,576	65,791	382,367
	Trusts	92,455	233,087	325,542
	Companies	98,943	5,000	103,943
		<u>982,017</u>	<u>314,720</u>	<u>1,296,737</u>

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

5	Donations and legacies income (continued)	Unrestricted 2016 £	Restricted 2016 £	Total 2016 £
	Community and events	443,856	61,703	505,559
	Individuals	333,053	20,496	353,549
	Trusts	25,750	255,668	281,418
	Companies	60,345	35,020	95,365
		<u>863,004</u>	<u>372,887</u>	<u>1,235,891</u>

6	The Lullaby Trust generated income	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £
	Special events	50,560	6,740	57,300
		<u>50,560</u>	<u>6,740</u>	<u>57,300</u>

	Unrestricted 2016 £	Restricted 2016 £	Total 2016 £
Special events	64,531	1,050	65,581
	<u>64,531</u>	<u>1,050</u>	<u>65,581</u>

7	Charitable activities income	Unrestricted 2016 £	Restricted 2016 £	Total 2016 £
	CONI	16,081	23,982	40,063
	Other activities	39,729	100	39,829
		<u>55,810</u>	<u>24,082</u>	<u>79,892</u>

	Unrestricted 2016 £	Restricted 2016 £	Total 2016 £
CONI	22,718	49,139	71,857
Other activities	44,459	22	44,481
	<u>67,177</u>	<u>49,161</u>	<u>116,338</u>

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

8 The Lullaby Trust Sales Limited

The Lullaby Trust has a wholly-owned trading subsidiary undertaking, The Lullaby Trust Sales Limited, a company incorporated and registered in England and Wales. The principal activity of this company is the raising of funds for the Charity through the sale of goods and all its profits are paid to the Charity by gift aid. The Charity owns the entire issued share capital of 10,000 ordinary shares of £1 each. A summary of the results is shown below:

Profit and Loss Account	2017 £	2016 £
Income	98,743	100,375
Cost of sales	(13,727)	(10,754)
Gross profit	85,016	89,621
Distribution and administration expenses	(6,062)	(6,436)
Interest receivable and similar income	125	74
Donations under gift aid	(79,079)	(83,259)
Profit on ordinary activities after donation and taxation	-	-

Balance Sheet	2016 £	2015 £
Current assets	112,563	99,489
Creditors: amounts falling due within one year	(102,563)	(89,489)
Total assets less current liabilities	10,000	10,000
Called up share capital	10,000	10,000
Retained profit and loss account	-	-
Shareholders' funds	10,000	10,000

Registered Company No. 01731141

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

9	Fundraising expenditure	Direct Costs 2017	Apportioned Costs 2017	Total 2017	Total 2016
		£	£	£	£
	Raising funds				
	Community and events	90,374	152,680	243,054	221,068
	Individuals	19,632	113,932	133,564	70,780
	Trusts	30,358	38,170	68,528	82,444
	Companies	1,188	43,953	45,141	27,528
	Special events	26,720	18,506	45,226	60,797
		<u>168,272</u>	<u>367,241</u>	<u>535,513</u>	<u>462,617</u>

10	Charitable expenditure	General Funds	Designated Funds	Restricted Funds	Total 2017
		£	£	£	£
	Scientific Research				
	Grants payable:				
	University of Bristol Hearing Project	-	(7,746)	25,659	17,913
	Durham University Safer Sleep Space (i)	-	-	(1,894)	(1,894)
	University of Glasgow Smoking Cessation	-	31,449	5,050	36,499
	Great Ormond Street Hospital Microbiome Project	-	23,903	14,267	38,170
	Direct costs	18,036	-	1,103	19,139
	Support costs apportioned (Note 9)	895	-	-	895
		<u>18,931</u>	<u>47,606</u>	<u>44,185</u>	<u>110,722</u>

Support and information

CONI Programme	-	70,041	28,437	98,478
Direct costs	419,779	-	202,834	622,613
Support costs apportioned (Note 9)	239,851	-	-	239,851
	<u>659,630</u>	<u>70,041</u>	<u>231,271</u>	<u>960,942</u>

(i) The balance of £1,894 was written back in 2017 for the project titled 'A New Approach for Improving Infant Sleep-Sharing Safety: a feasibility study' as this project had been completed and no further invoices were payable.

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

10 Charitable expenditure (continued)	General Funds	Designated Funds	Restricted Funds	Total 2016
	£	£	£	£
<u>Scientific Research</u>				
Grants payable:				
University of Bristol Infant Care Practices	-	-	(17)	(17)
University of Bristol Hearing Project	-	7,746	100,773	108,519
University of Sheffield Long QT Syndrome (ii)	(50,000)	-	-	(50,000)
Adjustment to previously completed projects	(10,515)	-	10,515	-
Direct costs	14,583	-	4,195	18,778
Support costs apportioned (Note 11)	7,706	-	-	7,706
	<u>(38,226)</u>	<u>7,746</u>	<u>115,466</u>	<u>84,986</u>
<u>Support and information</u>				
CONI Programme	50,429	-	40,245	90,674
Direct costs	369,456	-	173,632	543,088
Support costs apportioned (Note 11)	272,216	-	-	272,216
	<u>692,101</u>	<u>-</u>	<u>213,877</u>	<u>905,978</u>

(ii) An amount of £50,000 was written back in 2016 for the project titled 'The Prevalence of Long QT Syndrome Gene Variants in Sudden Infant Death Syndrome in England: A Molecular-Clinical Study From Victims to Families'. The grant was reduced in agreement with the grantholder.

	General Funds	Designated Funds	Restricted Funds	Total 2017
	£	£	£	£
<u>Monitors and Sundry Equipment</u>				
Purchase of equipment	<u>-</u>	<u>-</u>	<u>56,435</u>	<u>56,435</u>
	General Funds	Designated Funds	Restricted Funds	Total 2016
	£	£	£	£
<u>Monitors and Sundry Equipment</u>				
Purchase of equipment	<u>-</u>	<u>-</u>	<u>92,638</u>	<u>92,638</u>

Monitors and sundry equipment

Monitors and sundry equipment expenditure represents the cost of the specific purchase of monitors and sundry equipment for use by health providers, and is funded by specific donations and group committees raising the necessary funds locally.

Grants payable

The total amount of grants payable in the year amounted to £143,813 (2016: £61,061).

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

11	Apportioned costs	Management & Staff Costs (i)	Facilities & Depreciation (i)	Fundraising Costs (ii)	Governance Costs (iii)	Total 2017
		£	£	£	£	£
	Support costs apportioned					
	Costs of generating voluntary income:					
	Individuals	17,570	15,327	81,035	-	113,932
	Community and events	23,546	20,539	108,595	-	152,680
	Trusts	5,886	5,135	27,149	-	38,170
	Companies	6,778	5,913	31,262	-	43,953
	Special events	2,854	2,490	13,162	-	18,506
		56,634	49,404	261,203	-	367,241
	Scientific Research	446	389	-	60	895
	Support and information	119,512	104,253	-	16,086	239,851
		176,592	154,046	261,203	16,146	607,987

	Management & Staff Costs (i)	Facilities & Depreciation (i)	Fundraising Costs (ii)	Governance Costs (iii)	Total 2016
Support costs apportioned	£	£	£	£	£
Costs of generating voluntary income:					
Individuals	11,302	9,934	37,345	-	58,581
Community and events	28,984	25,473	95,766	-	150,223
Trusts	11,190	9,836	36,975	-	58,001
Companies	5,259	4,623	17,378	-	27,260
Special events	7,609	6,688	25,142	-	39,439
	64,344	56,554	212,606	-	333,504
Scientific Research	3,805	3,344	-	557	7,706
Support and information	134,397	118,126	-	19,693	272,216
	202,546	178,024	212,606	20,250	613,426

(i) Support costs are apportioned on the basis of the number of staff working in each area.

(ii) Other fundraising costs are apportioned on the basis of the number of fundraising staff working in each area.

(iii) Governance costs are apportioned on the basis of the number of staff working on charitable activities in each area.

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

12 Net Movement of Funds

2017
£

2016
£

Net Movement of Funds is stated after charging:

Auditors remuneration current year	9,835	9,450
Non audit services	1,300	650
Operating leases	76,860	84,964
Depreciation	12,343	9,093
Amortisation	3,451	-

13 Staff Costs and Trustees' Remuneration

2017
£

2016
£

Staff costs arising during the year amounted to:

Wages and salaries	782,746	680,432
Social security costs	69,243	61,881
Pension costs	28,107	25,675
Redundancy and termination payments	-	34,358
Other staff benefits	3,362	13,101
	883,458	815,447

Number

Number

The average monthly number of persons employed during the year was as follows:

31

27

The number of employees with emoluments above £60,000 were:
£70,001 - £80,000

1

1

Employer's pension contributions in respect of higher paid employees in 2016 totalled £4,139 (2016: £4,080).

Trustees receive no remuneration or benefits. During the year 4 trustees received reimbursed expenses of £1,424 for travel expenses (2016: £3,939 to 4 trustees).

Key management personnel as listed on page 17 received remuneration totalling £88,974 (2016: £87,645).

14 Related Party Transactions

As at 30 June 2017, Trustees' and key management personnel donations amounted to £4,386 (2016: £4,761). Trustees and key management personnel paid £1,761 (2016: £1,745) for attendance at fundraising events.

Identica Limited, of which Christopher Cleaver is a Director, donated pro bono branding and design work with an estimated value of £21,000. This is included in donations and legacies income from companies (note 5).

White & Case LLP, of which Kirsti Robertshaw is a Member, donated space for meetings and events and pro bono legal advice with an estimated value of £5,474. This is included in donations and legacies income from companies (note 5).

There are no other related party transactions during the year.

15 Tangible Fixed Assets

<i>Group and Trust</i>	Office Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1st July 2016	152,358	15,563	167,921
Additions	5,182	1,739	6,921
Reclassification to intangible assets	(44,317)	-	(44,317)
Disposals	(56,673)	-	(56,673)
At 30th June 2017	<u>56,550</u>	<u>17,302</u>	<u>73,852</u>
Depreciation			
At 1st July 2016	132,655	13,113	145,768
Reclassification to intangible assets	(44,317)	-	(44,317)
Disposals	(56,673)	-	(56,673)
Charge for year	9,496	2,847	12,343
At 30th June 2017	<u>41,161</u>	<u>15,960</u>	<u>57,121</u>
Net Book Value			
At 30th June 2017	<u>15,389</u>	<u>1,342</u>	<u>16,731</u>
At 30th June 2016	<u>19,703</u>	<u>2,450</u>	<u>22,153</u>

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

16 Intangible Assets

<i>Group and Trust</i>	Website Developments	Software Licences	Total
	£	£	£
Cost			
At 1st July 2016	-	-	-
Additions	41,406	-	41,406
Reclassification to intangible assets	9,147	35,170	44,317
At 30th June 2017	<u>50,553</u>	<u>35,170</u>	<u>85,723</u>
Amortisation			
At 1st July 2016	-	-	-
Charge for year	3,451	-	3,451
Reclassification from tangible assets	9,147	35,170	44,317
At 30th June 2017	<u>12,598</u>	<u>35,170</u>	<u>47,768</u>
Net Book Value			
At 30th June 2017	<u>37,955</u>	<u>-</u>	<u>37,955</u>
At 30th June 2016	<u>-</u>	<u>-</u>	<u>-</u>

17 Debtors and Prepayments

	Group 2017 £	Group 2016 £	Trust 2017 £	Trust 2016 £
Amounts owed by group undertaking	-	-	95,516	83,261
Trade debtors	29,313	45,005	10,010	13,505
Other debtors	27,346	33,365	27,346	33,365
Prepayments and accrued income	<u>116,629</u>	<u>89,132</u>	<u>92,349</u>	<u>89,132</u>
	<u>173,288</u>	<u>167,502</u>	<u>225,221</u>	<u>219,263</u>

All Debtors are financial instruments measured at present value except prepayments of £41,141 (2016: £76,897).

Accruals and deferred income include an amount in respect to pension commitments of £555 (2016: £600).

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Notes to the Financial Statements for the year ended 30 June 2017

18 Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Trust 2017 £	Trust 2016 £
Trade creditors	37,117	41,219	37,117	41,219
Amounts owed to group undertakings	-	-	-	47,447
Taxation and social security	23,806	20,014	19,622	16,586
Accruals and deferred income	235,819	69,620	232,956	66,820
	<u>296,742</u>	<u>130,853</u>	<u>289,695</u>	<u>172,072</u>

All Creditors are financial instruments measured at present value except the social security creditor, £23,806 (2016: £20,014).

Accruals and deferred income include an amount in respect to pension commitments of £555 (2016: £600).

19 Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Grants payable - research grants	<u>47,837</u>	<u>267,411</u>	<u>47,837</u>	<u>267,411</u>

All Creditors are financial instruments measured at present value.

20 Operating Leases

At 30th June 2017 there were total commitments in respect of operating leases for office equipment, land and buildings as follows:

	Office equipment 2017 £	Buildings 2017 £	Total 2017 £	Total 2016 £
<i>Group and Trust</i>				
Lease payments due within 1 year	3,960	30,375	34,335	85,236
Lease payments due in 1-2 years	3,960	-	3,960	39,919
Lease payments due in 2-5 years	6,930	-	6,930	10,890
Total commitments	<u>14,850</u>	<u>30,375</u>	<u>45,225</u>	<u>136,045</u>

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

21 Statement of Funds

	At 30th June 2016	Incoming Resources	Outgoing Resources	Fund Transfers	At 30th June 2017
	£	£	£	£	£
Restricted Funds:					
Helpline	-	27,505	(13,713)	-	13,792
Regional family days	50	9,103	(2,598)	-	6,555
Regional Development officers	8,737	6,221	(12,149)	-	2,809
Little Lullaby (Big Lottery Fund)	49,860	112,690	(110,159)	-	52,391
Little Lullaby (Other)	-	12,238	(11,440)	-	798
Baby Check Resources	-	3,150	-	-	3,150
Safer Sleep Week	-	60,000	(30,349)	(5,000)	24,651
Scientific Research Projects	6,381	11,042	(17,423)	-	-
Hearing Research	-	34,711	(34,711)	-	-
Over 1 Projects	58,646	342	(14,481)	(4,140)	40,367
Research Gap Analysis	1,035	-	(1,035)	-	-
CONI	77,163	68,539	(83,832)	-	61,870
Total Restricted Funds	201,872	345,541	(331,890)	(9,140)	206,383
Unrestricted Designated Funds:					
Project funds	92,254	-	(47,606)	(44,648)	-
CONI Programme	110,000	-	(70,041)	(39,959)	-
Total Designated Funds	202,254	-	(117,647)	(84,607)	-
Unrestricted General Funds:					
The Lullaby Trust	406,874	1,089,079	(1,214,074)	172,826	454,705
The Lullaby Trust Sales Ltd	-	98,868	(19,789)	(79,079)	-
Total General Funds	406,874	1,187,947	(1,233,863)	93,747	454,705
Total Unrestricted Funds	609,128	1,187,947	(1,351,510)	9,140	454,705
Total Funds	811,000	1,533,488	(1,683,400)	-	661,088

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

21 Statement of Funds (continued)

	At 30th June 2015	Incoming Resources	Outgoing Resources	Fund Transfers	At 30th June 2016
	£	£	£	£	£
Restricted Funds:					
Carol Service	231	262	(493)	-	-
Helpline	28,074	4,620	(32,694)	-	-
Regional family days	13,042	50	(13,042)	-	50
Regional Development officers	-	14,732	(5,995)	-	8,737
Little Lullaby (Big Lottery Fund)	49,881	105,404	(105,425)	-	49,860
Baby Check Resources	4,500	-	(4,500)	-	-
Scientific Research Projects	22,113	-	(12,122)	(3,610)	6,381
Hearing Research	-	84,163	(84,773)	610	-
Over 1 Projects	40,445	44,641	(26,440)	-	58,646
Research Gap Analysis	605	-	(2,570)	3,000	1,035
CONI	41,864	169,226	(133,927)	-	77,163
Total Restricted Funds	200,755	423,098	(421,981)	-	201,872
Unrestricted Designated Funds:					
Project funds	100,000	-	(7,746)	-	92,254
CONI Programme	110,000	-	-	-	110,000
Total Designated Funds	210,000	-	(7,746)	-	202,254
Unrestricted General Funds:					
The Lullaby Trust	443,863	996,244	(1,116,492)	83,259	406,874
The Lullaby Trust Sales Ltd	-	100,449	(17,190)	(83,259)	-
Total General Funds	443,863	1,096,693	(1,133,682)	-	406,874
Total Unrestricted Funds	653,863	1,096,693	(1,141,428)	-	609,128
Total Funds	854,618	1,519,791	(1,563,409)	-	811,000

The nature and purpose of each of the funds is as follows:

Restricted Funds

The project fund donations represent grants and donations received for specific projects:

Carol Service – Annual Lullaby Trust carol service at York Minster.

Helpline – Provides support for bereaved families and advice for professionals and members of the public on bereavement and on infant health.

Regional family days – Days for bereaved families to engage with other families, and make contact with The Lullaby Trust.

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

21 Statement of Funds (continued)

Regional Development Officers – Covering nine regions around the country, they represent The Lullaby Trust and liaise with local professionals to ensure best practice supporting families and promoting safer sleep advice.

Little Lullaby (Big Lottery Fund) – A three-year grant concluded in March 2017 and a further grant was awarded covering 18 months from May 2017 from Big Lottery Fund's Reaching Communities Programme. This funding is for work with young parents, developing peer education opportunities and online resources for young parents to access safer sleep advice for their babies.

Little Lullaby (Other) – A grant from The Schuh Trust for our work with young parents

Baby Check Resources – For the development of our baby check application to educate parents on safer sleeping advice for their babies.

Safer Sleep Week – Funds raised from The Big Give in 2016 towards an Awareness Campaign for parents about safer sleep advice for their babies. A transfer was made from the fund to realise capital expenditure towards the development of the Lullaby Trust's website.

Scientific Research Projects – Specific research projects to determine our evidence based advice to reduce the risk of sudden infant death syndrome.

Hearing Research – Funds raised for Professor Peter Fleming's Newborn Hearing Study into the risk of Unexpected Infant Death

Over 1 Projects – Funds raised for research and project work relating to babies over one year old including a research grant awarded to Great Ormond Street Hospital to study Sudden Unexpected Death in Childhood. A transfer was made from the fund in the year to realise capital expenditure towards the development of the Lullaby Trust's website.

Safe Sleep Space – Funds raised for the research grant awarded to Professor Helen Ball towards a feasibility study of a new approach for improving infant sleep-sharing safety

Research Gap Analysis – To identify areas of future new research that have the most potential to unlock the cause(s) of sudden unexpected death in infancy and reduce the number of sudden unexpected infant deaths around the world.

CONI – A programme run together with the NHS to provide support and monitoring equipment to bereaved parents when they go on to have another baby.

Designated Funds

The Trustees have reviewed the need to hold designated funds to cover key project work. No designated funds were held at 30 June 2017 and as a result all funds not spent in the year were transferred to General Funds.

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2017

22 Analysis of Group Net Assets between Funds	General Funds 2017	Designated Funds 2017	Restricted Funds 2017	Total Funds 2017
	£	£	£	£
Tangible fixed assets	54,686	-	-	54,686
Net current assets	447,856	-	206,383	654,239
Creditors: amounts falling due after more than one year	(47,837)	-	-	(47,837)
	<u>454,705</u>	<u>-</u>	<u>206,383</u>	<u>661,088</u>
	General Funds 2016	Designated Funds 2016	Restricted Funds 2016	Total Funds 2016
	£	£	£	£
Tangible fixed assets	22,153	-	-	22,153
Net current assets	652,132	202,254	201,872	1,056,258
Creditors: amounts falling due after more than one year	(267,411)	-	-	(267,411)
	<u>406,874</u>	<u>202,254</u>	<u>201,872</u>	<u>811,000</u>

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Registered charity number: 262191

Company registration number: 01000824

