



The Lullaby Trust Limited

Annual report and consolidated
financial statements for the year
1 July 2017 - 30 June 2018

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Introduction from our Chairman

Thanks to your generosity and support we were able to reach more people than ever before with our life saving safer sleep advice and support hundreds of bereaved families.

This year has not been without its challenges. The recent release of the latest SIDS figures from the Office for National Statistics (ONS), showing a rise in SIDS rates in 2016 is a stark reminder of the work still to be done. Cuts to public health and parent support services mean we face a tougher battle to achieve our aim of halving SIDS rates by 2020 but we remain unwavering in our determination.

In the current financial climate The Lullaby Trust has found it increasingly difficult to raise the funds needed to maintain our level of activity and so have had to draw on our reserves. This is in part due to a widespread but incorrect assumption that the overall decline in the number of deaths means SIDS is no longer a problem. However, the cause(s) of SIDS has not been found and many parents are still left without answers as to why their child died. It is incredibly important that we continue to ensure families have access to vital safer sleep advice in order to prevent SIDS deaths from rising.

Over the last 10 years the rate of SIDS deaths has decreased by 23% overall. We are proud of the role we have played in this reduction, which was recognised by the ONS in their recent report. During 2018 we reached millions of people with information on how to reduce the risk of SIDS, as well as providing thousands of health professionals with safer sleep advice they can pass on to families. We provided bereavement support to over 1,000 people and enrolled the families of over 570 babies 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 continuing to work in partnership with other baby charities to tackle wider infant mortality. This year The Lullaby Trust and Sands started a discussion regarding the possibility of the two charities merging. We were disappointed that the Sands board of trustees took a majority decision not to proceed with the

merger but both organisations will continue to work closely together to reduce infant mortality and ensure that families receive the best possible bereavement support. The Lullaby Trust is now focused on looking ahead. As a result of financial pressures and the merger not proceeding, trustees will be reviewing our current strategic objectives to guide the future direction of the charity.

We are moving forward with confidence as a charity that continues to punch above our weight. The Lullaby Trust will continue to support bereaved families, raise awareness of SIDS and safer sleep, fund SIDS research and work with other charities to develop public health interventions to reduce preventable infant deaths. My sincere thanks to all of our supporters whose incredible generosity has made possible all we have achieved this year and allowed us to continue our work saving babies' lives and ensuring that bereaved families receive the support they need.



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 2018.

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.

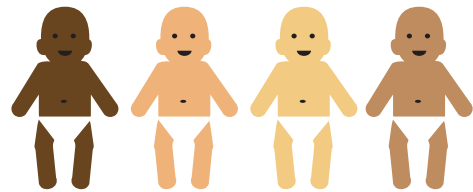
Annually in the UK, approximately 500 infants die suddenly and unexpectedly. Around half of the deaths are explained, often by post-mortem examination. Those left unexplained are registered as sudden infant death syndrome (SIDS) or unascertained for babies under the age of one or sudden unexpected death 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. 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.

Our work as a charity has had direct public benefit. Most notably, we have directly contributed to a 79% 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

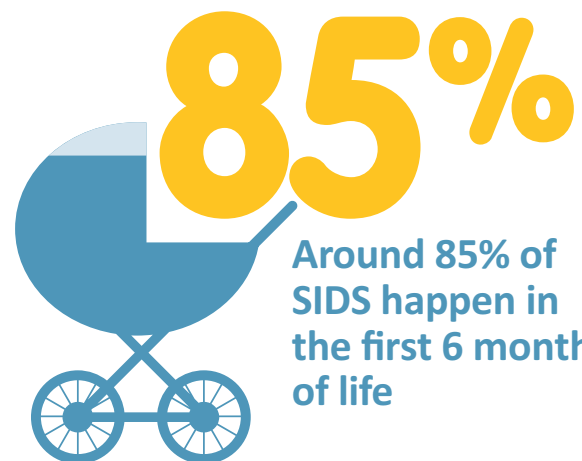
240

SIDS claims the lives of approximately 240 babies every year in the UK: that's around 5 babies a week



1 per 3,200

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



Around 85% of SIDS happen in the first 6 months of life

deaths and, through our helpline, leaflets, website and social media, provide safer sleep advice to the parents of over 750,000 babies born each year in the UK.

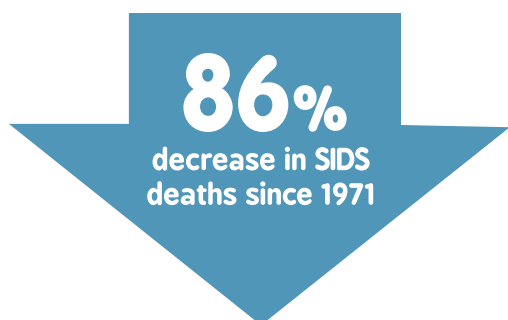
All of The Lullaby Trust's activities are focused on our ultimate aim of eliminating preventable sudden infant death in England, Wales and Northern Ireland and supporting bereaved families.

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

As the leading SIDS charity for the UK we are able to measure our impact by the significant reduction in SIDS deaths since the charity founded in 1971. The number of babies who die suddenly and unexpectedly each week has dropped from around 35 in 1971 to 5 according to the most recent figures, which is a decrease of approximately 86%.



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.

The ONS figures on SIDS rates in England and Wales and equivalent figures for Scotland and Northern Ireland from National Records of Scotland and Northern Ireland

199,637

Safer Sleep advice leaflets delivered to parents and professionals

Statistics and Research Agency are a key indicator of the efficacy of our work in reducing the number of SIDS deaths. Over the last 10 years the number of deaths has decreased by 23%. In this year's report the ONS suggested The Lullaby Trust played a key role in this decline through our advice and guidance, awareness raising and training of health professionals in safer sleep practices.

We also measure the number of professionals we have trained to deliver our safer sleep advice to families, the number of people we reach with advice through our website and social media, publications and press coverage and the number of families we support through our bereavement services.

Between July 2017 and June 2018:

- We provided 5,000 professionals with safer sleep advice
- 93% of professionals who attended one of our regional training sessions said the presentation was highly relevant or relevant to their professional role
- 72% of those who attended the training sessions detailed changes they would make to their professional practice as a result of attending the training
- 199,637 leaflets on safer sleep advice were sent out to parents and professionals working with families
- 1,232 parents contacted us for information on safer sleep
- 728 professionals contacted us for information on safer sleep
- 1,011 bereaved parents contacted us for direct support
- 309 professionals contacted us for support on behalf of a family they are working with
- 119 families were allocated a Befriender to offer peer-to-peer support during the year
- 23 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.

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

Over 2017-18, we have continued to grow our profile and our online following allowing us to reach an ever greater number of parents with our safer sleep advice.

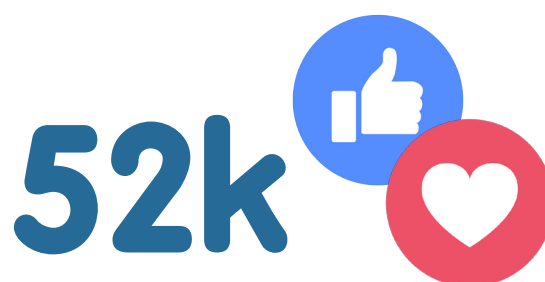
This year, over 1,960 people contacted our information services for advice, and we have distributed over 127,489 guides for parents on safer sleep for babies and a further 68,429 easy-read cards. Over the year we had over 1.6 million page views on our website (a 68% increase from last year) with our safer sleep advice pages receiving the most traffic and we increased our Facebook followers by 60% to over 22,000.

In March 2018, we ran our fourth and most successful Safer Sleep Week campaign to raise awareness of SIDS and our safer sleep advice. We decided to focus on sleeping products as we were getting hundreds of questions about this and could see there was a great deal of confusion about what items were needed for safer sleep and what should be avoided. The baby product market has expanded exponentially with new products constantly appearing and certain products growing in popularity, some of which are not suitable for safer sleep. However, parents were making the reasonable assumption that a product available on the high street or from a trusted retailer would be safe for their baby.

We produced a product guide in partnership with Public Health England to help parents make safer more informed choices when choosing items for their baby. We also released a video on choosing products as part of a new series of safer sleep videos.

We once again partnered with Bounty, 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. Additionally, a Bounty e-shot was sent to 675,074 new and expectant parent subscribers, containing our warning regarding unsafe sleep products.

Social media engagement was strong with the hashtag #SaferSleepWeek reaching an audience of 3 million people. Our Facebook engagement (likes, shares, comments and clicks) was 52,330 over the week and the product video was viewed over 34,000 times. 78,000 pages were viewed on our website during the campaign. We received hundreds of pieces of media coverage, including articles in national and regional newspapers and blogs and appearances on TV and radio. The highlights were appearances on BBC's Victoria Derbyshire, ITV News and Good Morning Britain.



Over 52,000 engagements with Facebook posts during Safer Sleep Week



People reached on Twitter with our #SaferSleepWeek hashtag

The impact of the campaign messages is evidenced by two surveys conducted by Bounty on our behalf, one before and one after the campaign. In the post campaign survey, the number of parents who had bought or intended to buy a pod or nest showed a 10% decrease and the number of parents who had no intention of buying these items showed a 10% increase from the pre-campaign survey. Both surveys had over 2,000 parent and expectant parent respondents. Also a well known and popular pod manufacturer has changed the wording on their website and the labelling on the product itself to say the product is not suitable for unsupervised sleep.

A number of local authorities ran Safer Sleep Week campaigns and Little Lullaby, our service for young parents, ran a campaign aimed at a younger audience.

Little Lullaby has continued to grow. The team has expanded from a team of two to five since being awarded a second round of funding from the Big Lottery Fund and has made great strides in taking the project forward. Engagement with the website and our social media channels has increased substantially, including our latest channel; Snapchat, which was launched in October. We have a large and enthusiastic Young Parent 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. We also have a large number of volunteers who blog and vlog for us and take over our social media channels, including young dads who were previously a difficult group to engage.



In 2016 the rate of SIDS was three times higher among mothers under 20 compared to all other age groups

97%

of young parents attending Little Lullaby ambassador talks said they learnt something new

It's been an exciting year for Little Lullaby as we have just completed a re-brand and launched a new website. This process was carried out in close consultation with our Young Parent Panel and we feel is much more representative of our young audience. 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. The latest figures showed an increase in the rate of deaths for this age group so they remain 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, was launched on 12th June with an event at the Houses of Parliament attended by MPs and celebrity doctor Ellie Cannon. It has been downloaded 24,848 times.

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

Our 2017 Grantholders Meeting was held at the Royal College of Paediatrics and Child Health in London on September 14th. The annual meeting is an opportunity for researchers from across the world and from a diverse range of specialities 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, reported on the final results 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 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 at a higher risk of SIDS by studying the test results.

Dr Victoria Bryant, Clinical Research Associate and Honorary SpR, UCL Great Ormond Street Institute of Child Health (GOSH), presented on her 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.

Dr Robert Coombs updated on his work 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.

Professor Neil Sebire, Professor of Paediatric Pathology, Great Ormond Street Hospital introduced his new research project, which investigates whether specific combinations of infection-causing bacteria are associated with SUDI, and whether the presence of these bacteria is related to known risk factors for SUDI, such as sleeping position or infant age.

Professor David Tappin, Professor of Clinical Trials for Children, Glasgow University also introduced his phase III study to examine the effectiveness and cost-effectiveness of offering voucher incentives to pregnant smokers, in order to encourage them to engage with stop-smoking services and to quit during pregnancy and after.

In June 2017, a small delegation from The Lullaby Trust attended The International Society for the Study and Prevention of Perinatal and Infant Death (ISPID) Conference in Glasgow, 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 and a number of our staff presented abstracts.

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 almost 10,000 families and over 14,300 babies. We have supported the families of more than 570 babies in 2018, including over 270 on CONI and 300 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 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 under increasing pressure due to regular reorganisation, new commissioning arrangements, and a decreased number of health visitors due to retirement and posts being cut. It is important that The Lullaby Trust continues to advocate the needs of bereaved parents to receive specialist help at this very anxious time. We have invested in a number of new SISS monitors, which is an Apnoea monitor for newborns that monitors their breathing function and has an alarm to notify of threatening respiratory pauses. In the past year we have focused training for CONI co-ordinators on how to train families to use them. Representatives from our supplier attended regional meetings and also we commissioned a short instructional film for parents and health visitors that is easily accessed via YouTube.

The CONI team has undergone some changes over the last year with the retirement of our Head of CONI Alison Waite after 30 years with The Lullaby Trust. Alison's work on the CONI programme has helped 24,000 families since 1988 and she was fundamental in developing CONI from a research project into what it is today. Joanne Carroll a longstanding member of the CONI team has taken the reins as National Lead for CONI and two regional co-ordinator roles have been introduced.

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 1,011 contacts looking for bereavement support, this is compared

to 621 contacts in 2016-17. 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 3,434 bereavement support leaflets and 5,923 helpline cards.

Of the bereavement contacts we received, 370 were contacting us for the first time during the year, which is an increase of 62% from 2016-2017 despite declining numbers of SIDS deaths. Because we offer support to anyone affected by the sudden death of a baby, there is not always a correlation between SIDS rates and number of contacts we receive.

We allocated 119 families a Befriender to offer peer-to-peer support during the year. This is a slight increase on the 116 we allocated in 2016-17, 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 7 days, which were attended by over 339 adults and 285 children. We were pleased to be able to hold a day in April 2018, specifically for families who had a child over the age of one die. We invited the newly created charity SUDC UK to come along to tell families about their work. We have continued to ask children for their feedback in a specially-designed picture-based response form.

Highlights

- 3,434 bereavement support leaflets and 5,923 helpline cards to raise awareness of our bereavement support services were distributed
- 339 adults and 285 children attended our free family days out, giving them access to face to face support and information
- 1,011 enquiries about bereavement support
- 119 families were allocated a Befriender to offer peer-to-peer support during the year.
- We have supported more than 570 babies in 2018 - over 270 on CONI and 300 on CONI PLUS

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 2017, 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 5,000 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. 93% 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 72% of those who attended the training sessions detailed changes they would make to their professional practice as a result of attending the training.

Influencing practice at a national level

The Lullaby Trust plays an active role across the baby charity sector highlighting the high level of infant mortality in the UK and the need for better bereavement care. Collaboration with other organisations has been the key to our success as an influencer. This has included joint meetings with Ministers to support the new maternity reforms and improving maternal and infant health.

We continue to provide the secretariat of the All Party Parliamentary Group on Baby Loss in Parliament and support the two Co-Chairs, Antoinette Sandbach MP and Will Quince MP. Both Antoinette and Will are two of our strongest champions in the House of Commons and as bereaved parents, they have bravely brought the issue of baby loss to public attention. We are very

proud to have worked with them both to build the All Party Group into a successful and influential grouping of MPs and Peers. Last year, MPs, many of whom had experienced the loss of a baby, spoke in a special debate in Parliament during Baby Loss Awareness Week in 2017.

A key area of work for us has been the development of the National Bereavement Care Pathway in collaboration with Sands, Bliss, Miscarriage Association, Antenatal Results and Choices. The pathway is now being piloted in a number of NHS Trusts to ensure that all bereaved parents, including those who have experienced sudden infant death, receive timely and appropriate bereavement care following the death of their baby.

Our Chief Executive continues to co-chair the national Smoking in Pregnancy Challenge Group, which has helped to secure a new commitment from the Department of Health to reduce the numbers of women smoking in pregnancy from 10.7% to below 6% by 2022.

We are invited to participate in a number of groups and were delighted to be asked to join the stakeholder group convened by the University of Bristol to help develop the first ever national child mortality database. We also supported NHS England to promote the reforms to the child death review process and led a consultation with parents to produce a new leaflet explaining the changes that will take place next year.

As a result of our expertise and trusted brand, we have managed to secure regular coverage in the media. During the past year, we have issued statements on a variety of subjects ranging from the impact of air pollution on infants to baby boxes. Our communications team is small but we do our best to respond to every request in order to get our message out to parents and professionals. Over the last year we have achieved hundreds of pieces of media coverage in the local and national press, and on television and radio.

Future plans

We are dedicated to achieving our over-arching goal of reducing the numbers of SIDS to below 150 by 2020. In 2015, the number of unexplained deaths in infancy across the UK was 214. In 2016, the UK figure recorded was 240 and the rate increased from 0.28 to 0.31 deaths per 1,000 births. We are deeply concerned that the number of deaths has shown an increase. However, The Lullaby Trust remains determined to hit our goal despite the obstacles created by the current economic climate.

Despite the rise shown by the most recent figures, SIDS rates have decreased over the last decade and we believe that the charity has made a significant contribution to the decline of SIDS in this country. The release of the 2016 SIDS figures has only served to underline the importance of the work we do to ensure every parent has access to safer sleep advice. The death of a baby or toddler is devastating for any parent and we are dedicated to doing all we can to prevent this from happening to families.

We are now entering the fourth 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. We are now reviewing our strategic objectives, which will guide the future direction of the charity. For now our four strategic objectives remain the same. 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 continuing to reach more and more people via our social media channels and attract increasing

numbers of visitors to the website. We will continue to work on the creation of compelling digital content to ensure we are answering the questions people ask about SIDS and safer sleep and that our advice reaches as many people as possible.

We will continue to create targeted campaigns to make parents aware of modifiable risks such as sofa sharing and smoking in pregnancy. We will also continue to reach out to more vulnerable groups such as young parents. Our service for young parents, Little Lullaby, is working on a new campaign and resources to help professionals work more effectively with young parents, in particular young dads. The funding we received from the Big Lottery Fund for Little Lullaby is now coming to an end but we are seeking new grant funding to build on the work done with young parents.

Funding research

The results of our 'Global Action and Prioritisation of Sudden infant death (GAPS)' project to establish new global priorities for tackling Sudden Unexpected Death in Infancy continues to inform our research strategy. It will help The Lullaby Trust identify relevant projects that could help us reduce SIDS still further over the next 10 years. We will also be working with the University of Bristol and University College London to secure funding for a National Patient Register on sudden deaths in infants and childhood, which will ultimately act as a focal point for future national and international research collaborations.

Supporting bereaved families

We are committed to improving our bereavement support services. This year we are introducing online and telephone training for our Befrienders, who are bereaved volunteers trained in offering support to bereaved parents. We are also expanding the remit of our bereavement services to support more families who have lost a baby during the neonatal stage.

We will continue to work 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.

We are working to streamline our CONI programme moving from a paper based system to digital. We have also entered a partnership with Snuza who produce small wearable movement monitors for babies and have donated 300 to the CONI scheme. This will allow us to gift monitors to many parents rather than loan the more expensive monitors.

Working to reduce wider infant mortality

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 looking at potential strategic partnerships with other organisations in the sector to strengthen our services.

We have joined the stakeholder group convened by the University of Bristol to help develop the first ever national child mortality database. The National Child Mortality Database will collect information about all children in England who die before their 18th birthday. The collection, analysis and public reporting of information from all child deaths across England will facilitate learning to reduce preventable child mortality.

We will continue working with other organisations to highlight the importance of universal health services for all new parents to promote healthy outcomes for families.

Financial report

We have seen an overall increase in our income in 2018, achieving £1.6m in the current year against £1.53m in 2017.

Grants received from trusts and foundations have increased from £326,000 in 2017 to £401,000 in the

current year. Of this £189,000 was received from Big Lottery Fund's Reaching Communities Programme towards our Little Lullaby project for young parents. We secured £86,000 in grants for movement monitors for families joining the CONI programme, enabling us to make significant progress against our plans to replace obsolete equipment across the country.

Income donated by companies has been significantly boosted by pro bono support which makes up £54,000 of the £181,000 received (2017: £26,000 of £104,000). Support from a management consulting firm helped us to explore the business case for a potential merger with Sands without diverting much-needed resources from delivering our charitable objectives. Companies also directly funded our charitable work including grants for research costs and our Safer Sleep Week campaign.

We held fewer special events in 2018, raising £20,000 from three events compared with £57,000 from eight events in 2017. We also saw a small reduction in our income from individuals from £382,000 in 2017 to £367,000 in 2018. We trialled some new fundraising approaches to individuals in the year in pursuit of longer-term growth and plan to continue this in 2019 by launching a crowdfunding appeal and a summer appeal, whilst aiming to sustain income from regular givers.

Community fundraising presented more of a challenge with income falling from £485,000 2017 to £415,000 in 2018. There are a few contributing factors. We understand that the charity sector is experiencing a general decline in participation in challenge events and other community fundraising activities and as we make progress towards our aim of reducing the number of babies who die from SIDS this is inevitably diminishing our pool of supporters too. All of this reinforces the need for us to continue our efforts to diversify our sources of income and place less reliance on community fundraising. That said we continue to celebrate the successes of our supporters who have once again demonstrated tireless commitment to raising funds through taking on challenges and hosting events.

Our charitable income increased from £80,000 in 2017 to £110,000 in 2018. This included collaborative work with NHS England and Public Health England as well as partners in the baby charity sector.

Total expenditure has increased from £1.68m in 2017 to £1.76m in 2018.

Our fundraising expenditure decreased from £555,000 to £489,000 following a restructure of our fundraising team which reduced the overall headcount. Savings were also made by hosting fewer special events in the year.

Expenditure on research fell from £111,000 in 2017 to £49,000 in 2018. However in the current year £54,000 was released in relation to two longstanding research projects that were concluded in the year, resulting in a net credit of £5,000. We received grant funding to create a fixed-term research and policy manager post to translate the latest findings from the SIDS research community into the charity's evidence-based policies.

We increased expenditure on our support and information programmes from £961,000 in 2017 to £1.14m in 2018. The Little Lullaby programme was expanded with funding from Big Lottery Fund to increase our digital engagement with young parents as well as continuing to deliver peer education opportunities for them to access our safer sleep advice. We restructured our CONI team introducing two regional co-ordinator roles which are funded for three years by Global Radio's Make Some Noise programme.

Expenditure on monitors and equipment for the CONI programme increased from £56,000 in 2017 to £138,000 in 2018. This is due to the identified need to replace monitors of an obsolete model previously supplied to health providers across the country and the success of our fundraising team in securing grants from trusts and foundations for this purpose.

Activities across the organisation benefited from increased investment in our database and IT infrastructure with a dedicated database manager post to improve our database architecture, streamline processes and lead on our preparation for and implementation of the EU General Data Protection Regulation (GDPR). We built on this work with pro bono support from a consumer credit reporting agency to improve the accuracy of our data.

The Lullaby Trust holds restricted funds in accordance with donors' requirements. At 30 June 2018, the balance of Restricted Funds amounted to £224,000 (2017: £206,000).

The Lullaby Trust Sales Limited continued its activities of securing sponsorship from corporate partners and selling Christmas cards, T shirts and other merchandise.

Entry fees for challenge events such as the London Marathon and Great North Run were added to the trading activities in 2018. The Lullaby Trust Sales Limited made profits of £64,000 in the year, and a distribution of profits was made to the charity under the gift aid scheme. This totalled £143,000 and included profits from 2017 and 2018.

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 a deed of covenant is in force whereby 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 19 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 six 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 111 volunteers including:

- 44 befrienders providing support to bereaved families
- 37 young parents who have been recruited through Little Lullaby to act as peer ambassadors and/or serve on our young parents panel
- 22 members of our advisory, scientific and finance and resources committees supporting the governance of the charity and working alongside our trustees
- 8 regular office volunteers or voluntary interns helping with fundraising and office administration.
- 13 CONI Steering Group members helping to guide and feedback on the CONI programme.

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 2018, this amounted to a target range of £249,000 to £303,000.

At 30 June 2018 free General Funds stood at £227,000. The Trustees intend to introduce cost reductions in 2019, both to replenish the general free reserves and to reduce the target range so that the above conditions can be met.

Grant Making Policy

The Lullaby Trust is a member of the Association of Medical Research Charities (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.

Fundraising Disclosures

Our approach to fundraising is focused on engaging and interacting with supporters who are passionate about supporting The Lullaby Trust. A large proportion of our income comes via Events and Community supporters, many of whom have benefitted from our work or may know of people affected by our cause, and therefore feel compelled to support our ongoing work.

We do not carry out intrusive fundraising activities. We have a limited direct mailing programme which contacts supporters by post once or twice a year and via email in line with their consent for receiving communications. We do not carry out any face to face fundraising.

In 2017-18, we have worked with fundraising experts, KEDA Consulting Ltd, to support our fundraising from trusts and other grantmakers. KEDA Consulting is a well-respected fundraising consultancy that is committed to the established codes of practice of the Institute of Fundraising, Fundraising Regulator and all relevant regulations. Their work with us does not involve any contact with the general public or solicitation of funds from individuals on our database. We have regular reporting mechanisms in place to monitor the work undertaken.

Our complaints procedure is carried out in line with the Fundraising Regulator requirements. Every complaint is investigated, responded to and logged internally. We received six complaints during 2017/2018 in relation to our fundraising activity, which focused on the content and/or phrasing of communications. We have reviewed the complaints and adapted our communications appropriately.

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:

- We are conscious of the need to respond quickly in the event of a disaster, whether directly affecting our office or indirectly due to our Central London location and have developed a recovery plan to ensure business continuity
- In the current financial climate we are keen to retain our staff who have a wealth of skills and experience and to prevent disaffection or destabilisation. Alongside reviewing salaries and working conditions we are seeking ways to motivate staff with non-financial incentives. We are mindful of the need to communicate regularly to our staff and involve them in strategic planning for the charity. We have succession plans in place for loss of senior staff
- The main operational risks include loss of productivity through IT system failure or falling behind in technology. We have plans to upgrade hardware and utilise cloud-based systems within the next year
- Health and safety risks are taken very seriously, including accidents causing injury to staff, beneficiaries or supporters of the charity. 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 Safeguarding 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 Hebden
Chairman

Date: 17/01/2019

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 2017/2018 include:

The Big Give Challenge 2017; our supporters generated £80,000 for a three-year long research project at Great Ormond Street Hospital which is using new techniques to investigate whether certain combinations of infection-causing bacteria are associated with SUDI and known risk factors for SUDI, such as sleeping position or infant age.

The 2018 Virgin London Marathon was the hottest on record and 58 runners took part in the sweltering heat to raise more than £128,000 for The Lullaby Trust.

One of the many highlights from our active Community supporters was through Reflections Marketing Group for their Child Portrait Awards raising an amazing £13,000 through their customers.

Global Radio chose to support The Lullaby Trust through their annual charity appeal, Global Make Some Noise. The campaign featured a number of Lullaby Trust supporters who highlighted the work of the charity, helping to raise a staggering £84,000 in donations from Global Radio listeners.

The Motcomb Street Party welcomed us back for a third year as one of their benefitting charities and we were delighted to support the event which took place in June, raising over £15,000 for The Lullaby Trust.

We were also delighted to be chosen as one of the benefitting charities for the 2018 HQR London Ball which took place in June, raising an amazing £42,000 for The Lullaby Trust.

Supporters attended a host of Lullaby Trust events. One particular highlight was our annual London Carol Concert at which more than 300 people enjoyed performances from Sing Gospel and St Joseph's School along with a host of celebrity readers including Dan Jones, Romola Garai, Rebecca Night, Rebecca Wilcox

and Daisy Waugh. The evening was supported by Douglas and Gordon as reception sponsor, Quilter Cheviot, choir sponsor and Nationwide, Venue Sponsor. 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 2018 was a fun quiz night, which raised a fantastic £8,000.

Thank you to all our corporate partners, Trusts and Foundations who have funded our work this year. In the year 2017/18 we were delighted to enter into the 17th 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 Moba and were delighted to launch a new partnership with Eve Sleep. We have received valued Pro-bono support from Bump PR, Experian, Grosvenor Estates, Identica, Oliver Wyman and White and Case throughout the year.

Companies, Trusts and Foundations offering pro bono services or donating £1,000 or more in 2017/2018 include:

Bump PR
Charles S French Charitable Trust
Childwick Trust
Dandia Charitable Trust
Dennis Curry Charitable Trust
Douglas and Gordon
Esmee Fairbairn Foundation
Eve Sleep
Eveson Charitable Trust
Experian
Fowler Smith and Jones Trust
Garfield Weston Foundation
Global's Make Some Noise
Grosvenor Estates
HQR London Charitable Foundation
Identica
J E Posnansky Charitable Trust
Kiddy
Lord Austin Trust
Masonic Charitable Foundation
May Gibson Charitable Trust
Moba
Morrisons Foundation
Nationwide
Oliver Wyman

Quilter Cheviot
 R S Brownless Charitable Trust
 Sandra Charitable Trust
 Sir Jules Thorn Charitable Trust
 Souter Charitable Trust
 Springfields Medical Research and Charity Trust Fund
 (BNFL)
 Teddy's Wish
 The Borrowes Charitable Trust
 The Big Lottery Fund (Reaching Communities)
 The Ernest Kleinwort Charitable Trust
 The Frederick And Phyllis Cann Trust
 The Fulmer Charitable Trust
 The Gro Company
 The Hasluck Charitable Trust
 The Joseph Strong Frazer Trust
 The J W Bankes Charitable Settlement
 The Lower Green Foundation
 The Manchester Guardian Society Charitable Trust
 The Motcomb Street Traders Association
 The Swire Charitable Trust
 UKH Foundation
 Vandervell Foundation
 White and Case
 Yorkshire Children's Hospital Fund
 12 Yard Productions

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 £22,000 in their memory:

Myra Alderton
 Gladys Clark
 Judith Collins
 Evelyn Gibson
 John Hennell
 Ann Johnson
 Jessica Kempster
 Margaret Kingswood
 Thomas Martin
 Alice Martin
 Margaret Singleton
 Kathleen Sloan

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 FRCPATH
 Mrs Rupal Kantaria
 Mr David Marshall FCA
 Ms Gabrielle Osrin
 Mrs Lavinia Postlethwaite
 Mrs Kirsti Robertshaw
 Dr Peter Sidebotham

Scientific Committee

Professor Helen Ball (Chair)
 Ms Lynsay Allan
 Professor Mike Campbell BA MSc PhD CStat
 Dr Rachel Carling
 Dr Robert Coombs MB BS BSc FRCPCH MRCP DCH
 Dr Charlotte Daman Willems FRCP FRCPCH
 Dr Justin Daniels BMedSci BMBS MSc FRCPCH
 Dr Sarah Johnson BSc PhD
 Dr Anna Pease MA MSc PhD
 Dr Peter Sidebotham MB ChB
 Dr Victoria Thomas MB BS

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 FRCPATH
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
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
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 for the year ended 30 June 2018 which comprise the Consolidated Statement of Financial Activities, including the Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2018 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.

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

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 Lullaby Trust

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

- 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 requires 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 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.
- 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.

The Lullaby Trust

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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

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.
- 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.

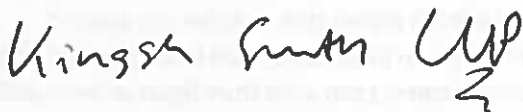
The Lullaby Trust

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

- 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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Luke Holt, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date: 21/1/19
Devonshire House
60 Goswell Road
London EC1M 7AD

The Lullaby Trust

Consolidated Statement of Financial Activities for the year ended 30th June 2018

	Note	General Funds	Restricted Funds	Total 2018
		£	£	£
INCOME AND EXPENDITURE				
Income				
Donations and legacies	5	855,171	508,489	1,363,660
Other trading activities:				
- The Lullaby Trust generated income	6	19,713	-	19,713
- The Lullaby Trust Sales Limited	8	110,587	-	110,587
Income from investments:				
- The Lullaby Trust		649	-	649
- The Lullaby Trust Sales Limited	8	51	-	51
Income from charitable activities	7	58,081	52,132	110,213
Total Income		1,044,252	560,621	1,604,873
Expenditure				
Expenditure on raising funds				
- The Lullaby Trust	9	(441,879)	-	(441,879)
- The Lullaby Trust Sales Limited	8	(46,902)	-	(46,902)
Charitable activities				
- Scientific research	10	(390)	5,146	4,756
- Support and information	10	(750,771)	(388,152)	(1,138,923)
- Monitors and sundry equipment (CONI)	10	-	(138,090)	(138,090)
Total Expenditure		(1,239,942)	(521,096)	(1,761,038)
Net Incoming/(Outgoing) Resources		(195,690)	39,525	(156,165)
Transfers between funds	21	21,570	(21,570)	-
Net Movement in Funds	12	(174,120)	17,955	(156,165)
Balance at 1st July 2017		454,705	206,383	661,088
Balance at 30th June 2018	22	280,585	224,338	504,923

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 £69,563 (2017: £145,732)

The notes on pages 28 to 44 form part of these financial statements.

The Lullaby Trust

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

	Note	General Funds	Designated Funds	Restricted Funds	Total 2017 restated
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		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	20	454,705	-	206,383	661,088

The Lullaby Trust

Consolidated Balance Sheet as at 30 June 2018

	Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 restated £
Fixed Assets					
Tangible	15	12,144	16,731	12,144	16,731
Intangible	16	41,096	37,955	41,096	37,955
Investments	8	-	-	10,000	10,000
		<u>53,240</u>	<u>54,686</u>	<u>63,240</u>	<u>64,686</u>
Current Assets					
Stocks		1,370	1,909	-	-
Debtors and prepayments	17	222,039	173,288	253,080	146,142
Cash at bank and in hand		494,024	775,784	482,706	708,713
		<u>717,433</u>	<u>950,981</u>	<u>735,786</u>	<u>854,855</u>
Creditors: Amounts falling due within one year	18	<u>(242,364)</u>	<u>(296,742)</u>	<u>(270,717)</u>	<u>(289,695)</u>
Net Current Assets		475,069	654,239	465,069	565,160
Creditors: Amounts falling due after more than one year	19	<u>(23,386)</u>	<u>(47,837)</u>	<u>(23,386)</u>	<u>(47,837)</u>
Net Assets		<u>504,923</u>	<u>661,088</u>	<u>504,923</u>	<u>582,009</u>
Represented by:					
Restricted funds	21	224,338	206,383	224,338	206,383
General funds	21	280,585	454,705	280,585	375,626
		<u>504,923</u>	<u>661,088</u>	<u>504,923</u>	<u>582,009</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 28 to 44 form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 4 December 2018.



T. Hedden
Chairman

Date: 17/01/2019

Registered Company No. 01000824

The Lullaby Trust

Statement of Cash flows for the year ended 30th June 2018

	Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 restated £
Cash used in operating activities					
Cash provided by (used in) operating activities	1	(259,132)	(195,185)	(203,328)	(242,719)
Cash flows from investing activities					
Interest income		700	817	649	692
Purchase of tangible fixed assets		(6,385)	(6,921)	(6,385)	(6,921)
Purchase of intangible assets		(16,943)	(41,406)	(16,943)	(41,406)
Cash provided by (used in) investing activities		(22,628)	(47,510)	(22,679)	(47,635)
Change in cash and cash equivalents in the reporting period		(281,760)	(242,695)	(226,007)	(290,354)
Cash and cash equivalents at the beginning of the reporting period		775,784	1,018,479	708,713	999,067
Cash and cash equivalents at the end of the reporting period	2	494,024	775,784	482,706	708,713
1 Reconciliation of net income/(expenditure) to net cash provided by operating activities					
		Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 restated £
Net Income/(Expenditure)		(156,165)	(149,912)	(77,086)	(145,732)
Depreciation Charges		10,787	12,343	10,787	12,343
Amortisation Charges		13,802	3,451	13,802	3,451
Loss on Disposal of Equipment		185	-	185	-
Interest Income		(700)	(817)	(649)	(692)
(Increase)/decrease in Current Assets		(48,212)	(6,565)	(106,938)	(10,138)
Increase/(decrease) in Creditors		(78,829)	(53,685)	(43,429)	(101,951)
Net Cash Flow from Operating Activities		(259,132)	(195,185)	(203,328)	(242,719)
2 Cash and cash equivalents					
Cash in hand		494,024	775,784	482,706	708,713
Total cash and cash equivalents		494,024	775,784	482,706	708,713

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

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 at the year end.

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 2018. 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 hours dedicated.

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

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 2018

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 2018 The Lullaby Trust has 69 Members (2017 - 97 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 2018 £	Restricted 2018 £	Total 2018 £
	Community and events	396,157	19,279	415,436
	Individuals	289,260	77,253	366,513
	Trusts	37,445	363,287	400,732
	Companies	132,309	48,670	180,979
		<u>855,171</u>	<u>508,489</u>	<u>1,363,660</u>

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

5 Donations and legacies income (continued)	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>

6 The Lullaby Trust generated income	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £
Special events	19,713	-	19,713
	<u>19,713</u>	<u>-</u>	<u>19,713</u>

	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>

7 Charitable activities income	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £
CONI	16,620	36,191	52,811
Other activities	41,461	15,941	57,402
	<u>58,081</u>	<u>52,132</u>	<u>110,213</u>

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £
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>

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

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	2018	2017
	£	restated £
Income	110,587	98,743
Cost of sales	(44,772)	(13,727)
Gross profit	65,815	85,016
Distribution and administration expenses	(2,130)	(6,062)
Interest receivable and similar income	51	125
Profit on ordinary activities after taxation	63,736	79,079

Movement in Shareholders' Funds	2018	2017
	£	restated £
Profit/(loss) for the financial year	63,736	79,079
Distribution to parent under gift aid	(142,815)	(83,259)
Shareholders' funds at 1st July 2017	89,079	93,259
Shareholders' funds at 30 June 2018	10,000	89,079

Balance Sheet	2018	2017
	£	restated £
Current assets	68,096	112,563
Creditors: amounts falling due within one year	(58,096)	(23,484)
Total assets less current liabilities	10,000	89,079
Called up share capital	10,000	10,000
Retained profit and loss account	-	79,079
Shareholders' funds	10,000	89,079

Registered Company No. 01731141

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

9	Fundraising expenditure	Direct Costs 2018	Apportioned Costs 2018	Total 2018	Total 2017
		£	£	£	£
	Raising funds				
	Community and events	57,342	158,745	216,087	243,054
	Individuals	17,401	99,214	116,615	133,564
	Trusts	34,073	29,143	63,216	68,528
	Companies	580	28,524	29,104	45,141
	Special events	5,697	11,160	16,857	45,226
		<u>115,093</u>	<u>326,786</u>	<u>441,879</u>	<u>535,513</u>

10	Charitable expenditure	General Funds	Designated Funds	Restricted Funds	Total 2018
		£	£	£	£
	Scientific Research				
	Grants payable:				
	University of Bristol Hearing Project (i)	-	-	(36,543)	(36,543)
	University of Sheffield Long QT Syndrome Project (ii)	(17,049)	-	-	(17,049)
	Direct costs	4,055	-	31,397	35,452
	Support costs apportioned (Note 9)	13,384	-	-	13,384
		<u>390</u>	<u>-</u>	<u>(5,146)</u>	<u>(4,756)</u>

Support and information

CONI Programme	71,773	-	38,997	110,770
Direct costs	371,912	-	349,155	721,067
Support costs apportioned (Note 9)	307,086	-	-	307,086
	<u>750,771</u>	<u>-</u>	<u>388,152</u>	<u>1,138,923</u>

(i) The balance of £36,543 was written back in 2018 for the project titled 'Newborn Hearing Feasibility Study and the Risk of Unexpected Infant Death' as this project had been completed and no further invoices were payable.

(ii) An amount of £17,913 was written back in 2018 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' 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 2018

10 Charitable expenditure (continued)	General Funds	Designated Funds	Restricted Funds	Total 2017
	£	£	£	£
<u>Scientific Research</u>				
Grants payable:				
University of Bristol Hearing Project	-	(7,746)	25,659	17,913
Durham University Safer Sleep Space (iii)	-	-	(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 11)	895	-	-	895
	<u>18,931</u>	<u>47,606</u>	<u>44,185</u>	<u>110,722</u>
<u>Support and information</u>				
CONI Programme	-	70,041	28,437	98,478
Direct costs	419,779	-	202,834	622,613
Support costs apportioned (Note 11)	239,851	-	-	239,851
	<u>659,630</u>	<u>70,041</u>	<u>231,271</u>	<u>960,942</u>

(iii) 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.

	General Funds	Designated Funds	Restricted Funds	Total 2018
	£	£	£	£
<u>Monitors and Sundry Equipment</u>				
Purchase of equipment	-	-	138,090	138,090
	<u>-</u>	<u>-</u>	<u>138,090</u>	<u>138,090</u>
	General Funds	Designated Funds	Restricted Funds	Total 2017
	£	£	£	£
<u>Monitors and Sundry Equipment</u>				
Purchase of equipment	-	-	56,435	56,435
	<u>-</u>	<u>-</u>	<u>56,435</u>	<u>56,435</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 £99,841 (2017: £143,813).

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

11 Apportioned costs	Management				Total 2018
	& Staff Costs (i)	Facilities & Depreciation (i)	Fundraising Costs (ii)	Governance Costs (iii)	
	£	£	£	£	£
Support costs apportioned					
Costs of generating voluntary income:					
Individuals	12,873	12,195	74,146	-	99,214
Community and events	20,597	19,514	118,634	-	158,745
Trusts	3,781	3,582	21,780	-	29,143
Companies	3,701	3,506	21,317	-	28,524
Special events	1,448	1,372	8,340	-	11,160
	<u>42,400</u>	<u>40,169</u>	<u>244,217</u>	<u>-</u>	<u>326,786</u>
Scientific Research	<u>5,712</u>	<u>5,412</u>	<u>-</u>	<u>2,260</u>	<u>13,384</u>
Support and information	<u>131,062</u>	<u>124,165</u>	<u>-</u>	<u>51,859</u>	<u>307,086</u>
	<u>179,174</u>	<u>169,746</u>	<u>244,217</u>	<u>54,119</u>	<u>647,256</u>

	Management				Total 2017
	& Staff Costs (i)	Facilities & Depreciation (i)	Fundraising Costs (ii)	Governance Costs (iii)	
	£	£	£	£	£
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
	<u>56,634</u>	<u>49,404</u>	<u>261,203</u>	<u>-</u>	<u>367,241</u>
Scientific Research	<u>446</u>	<u>389</u>	<u>-</u>	<u>60</u>	<u>895</u>
Support and information	<u>119,512</u>	<u>104,253</u>	<u>-</u>	<u>16,086</u>	<u>239,851</u>
	<u>176,592</u>	<u>154,046</u>	<u>261,203</u>	<u>16,146</u>	<u>607,987</u>

(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 2018

12	Net Movement of Funds	2018	2017
		£	£
Net Movement of Funds is stated after charging:			
	Auditors remuneration current year	10,180	9,835
	Non audit services	675	1,300
	Operating leases	76,860	76,860
	Depreciation	10,787	12,343
	Amortisation	13,802	3,451

13	Staff Costs and Trustees' Remuneration	2018	2017
		£	£
Staff costs arising during the year amounted to:			
	Wages and salaries	886,035	782,746
	Social security costs	79,795	69,243
	Pension costs	50,889	28,107
	Other staff benefits	6,064	3,362
		<u>1,022,783</u>	<u>883,458</u>

	Number	Number
The average monthly number of persons employed during the year was as follows:	<u>33</u>	<u>31</u>
The number of employees with emoluments above £60,000 were:		
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

Employers' pension contribution in respect of higher paid employees in 2018 totalled £4,218 (2017: £4,139).

Trustees receive no remuneration or benefits. During the year 4 trustees received reimbursed expenses of £2,832 for travel expenses (2017: £1,424 to 4 trustees).

Key management personnel as listed on page 14 received remuneration totalling £90,761 (2017: £88,974).

14 Related Party Transactions

As at 30 June 2018, Trustees' and key management personnel donations amounted to £6,366 (2017: £4,386). Trustees and key management personnel paid £249 (2017: £1,761) for attendance at fundraising events.

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

14 Related Party Transactions (continued)

Identica Limited, of which Christopher Cleaver is a Director, donated pro bono branding and design work with an estimated value of £10,000 (2017: £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 £nil (2017: £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 Charity</i>	Office Equipment	Fixtures & Fittings	Total
	£	£	£
Cost			
At 1st July 2017	56,550	17,302	73,852
Additions	6,159	226	6,385
Disposals	(1,279)	-	(1,279)
At 30th June 2018	<u>61,430</u>	<u>17,528</u>	<u>78,958</u>
Depreciation			
At 1st July 2017	41,161	15,960	57,121
Disposals	(1,094)	-	(1,094)
Charge for year	9,431	1,356	10,787
At 30th June 2018	<u>49,498</u>	<u>17,316</u>	<u>66,814</u>
Net Book Value			
At 30th June 2018	<u>11,932</u>	<u>212</u>	<u>12,144</u>
At 30th June 2017	<u>15,389</u>	<u>1,342</u>	<u>16,731</u>

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

16 Intangible Assets

<i>Group and Charity</i>	Website Developments	Software Licences	Total
	£	£	£
Cost			
At 1st July 2017	50,553	35,170	85,723
Additions	16,943	-	16,943
At 30th June 2018	<u>67,496</u>	<u>35,170</u>	<u>102,666</u>
Amortisation			
At 1st July 2017	12,598	35,170	47,768
Charge for year	13,802	-	13,802
At 30th June 2018	<u>26,400</u>	<u>35,170</u>	<u>61,570</u>
Net Book Value			
At 30th June 2018	<u>41,096</u>	<u>-</u>	<u>41,096</u>
At 30th June 2017	<u>37,955</u>	<u>-</u>	<u>37,955</u>

17 Debtors and Prepayments

	Group 2018	Group 2017	Charity 2018	Charity 2017 restated
	£	£	£	£
Amounts owed by group undertaking	-	-	50,737	16,437
Trade debtors	37,460	29,313	17,764	10,010
Other debtors	27,985	27,346	27,985	27,346
Prepayments and accrued income	<u>156,594</u>	<u>116,629</u>	<u>156,594</u>	<u>92,349</u>
	<u>222,039</u>	<u>173,288</u>	<u>253,080</u>	<u>146,142</u>

All Debtors are financial instruments measured at present value except prepayments of £61,488 (2017: £41,141).

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

18 Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 restated £
Trade creditors	59,627	37,117	59,490	37,117
Amounts owed to group undertakings	-	-	35,712	-
Taxation and social security	26,165	23,806	21,904	19,622
Accruals and deferred income	156,572	235,819	153,611	232,956
	<u>242,364</u>	<u>296,742</u>	<u>270,717</u>	<u>289,695</u>

All Creditors are financial instruments measured at present value except the social security creditor, £26,165 (2017: £23,806).

Accruals and deferred income include an amount in respect to pension commitments of £671 (2017: £555).

19 Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Grants payable - research grants	<u>23,386</u>	<u>47,837</u>	<u>23,386</u>	<u>47,837</u>

All Creditors are financial instruments measured at present value.

20 Operating Leases

At 30th June 2018 there were total commitments in respect of operating leases for office equipment, land and buildings as follows:

	Office equipment 2018 £	Buildings 2018 £	Total 2018 £	Total 2017 £
<i>Group and Charity</i>				
Lease payments due within 1 year	3,960	80,939	84,899	34,335
Lease payments due in 1-2 years	3,960	-	3,960	3,960
Lease payments due in 2-5 years	2,970	-	2,970	6,930
Total commitments	<u>10,890</u>	<u>80,939</u>	<u>91,829</u>	<u>45,225</u>

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

21 Statement of Funds

	At 30th June 2017	Incoming Resources	Outgoing Resources	Fund Transfers	At 30th June 2018
	£	£	£	£	£
Restricted Funds:					
Child Death Review Consultation	-	9,891	(9,891)	-	-
Helpline	13,792	36,158	(35,987)	-	13,963
Regional Family Days	6,555	22,368	(14,923)	-	14,000
Regional Development Officers	2,809	950	(2,940)	-	819
Little Lullaby (Big Lottery Fund)	52,391	188,597	(202,245)	-	38,743
Little Lullaby (Other)	798	-	(798)	-	-
Baby Check Resources	3,150	500	(1,360)	-	2,290
Safer Sleep Activities	24,651	38,648	(61,201)	-	2,098
Scientific Research Projects	-	4,264	9,265	(3,985)	9,544
Hearing Research	-	-	13,000	-	13,000
Over 1 Projects	40,367	646	(23,012)	(17,585)	416
Research Direct Costs	-	23,765	(23,765)	-	-
Research PhD Studentship	-	80,000	-	-	80,000
CONI	61,870	154,834	(167,239)	-	49,465
Total Restricted Funds	206,383	560,621	(521,096)	(21,570)	224,338
Unrestricted General Funds:					
The Lullaby Trust	375,626	933,614	(1,193,040)	164,385	280,585
The Lullaby Trust Sales Ltd	79,079	110,638	(46,902)	(142,815)	-
Total General Funds	454,705	1,044,252	(1,239,942)	21,570	280,585
Total Unrestricted Funds	454,705	1,044,252	(1,239,942)	21,570	280,585
Total Funds	661,088	1,604,873	(1,761,038)	-	504,923

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

21 Statement of Funds (continued)

	At 30th June 2016	Incoming Resources	Outgoing Resources	Fund Transfers	At 30th June 2017 Restated
	£	£	£	£	£
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 Activities	-	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	68,540	(83,833)	-	61,870
Total Restricted Funds	201,872	345,542	(331,891)	(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	323,615	1,089,079	(1,214,074)	177,006	375,626
The Lullaby Trust Sales Ltd	83,259	98,868	(19,789)	(83,259)	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	1,533,489	(1,683,401)	-	661,088

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:

Child Death Review Consultation – A grant from NHS England towards consultation with bereaved parents to develop suitable messages for bespoke literature about the Child Death Review process.

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

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

21 Statement of Funds (continued)

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

Regional Development Officers – They represent The Lullaby Trust in six regions across the country, liaising 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. Funding our work with young parents, developing peer education opportunities and digital engagement.

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 help parents determine whether their baby needs to see a doctor or health professional based on a series of symptom checks.

Safer Sleep Activities – Funds raised towards an annual Awareness Campaign for parents about safer sleep and year-round outreach activities to disseminate our advice.

Scientific Research Projects – Specific research projects to determine our evidence based advice to reduce the risk of sudden infant death syndrome. A transfer was made from the fund in 2018 to compensate the General Fund for expenditure on a prior year research project commitment.

Hearing Research – Funds raised for Professor Peter Fleming’s Newborn Hearing Study into the risk of Unexpected Infant Death and for the dissemination of the results of the study.

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 2018 to compensate the General Fund for expenditure on a prior year research project commitment.

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

Research Direct Costs – Funds raised towards the internal costs of supporting research activity including recruiting families to take part in research projects, managing grants and applications and ensuring the latest findings from the SIDS research community are translated into the charity’s evidence-based policies.

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.

The Lullaby Trust

Notes to the Financial Statements for the year ended 30 June 2018

22 Analysis of Group Net Assets between Funds	General Funds 2018	Restricted Funds 2018	Total Funds 2018
	£	£	£
Tangible fixed assets	53,240	-	53,240
Net current assets	250,731	224,338	475,069
Creditors: amounts falling due after more than one year	(23,386)	-	(23,386)
	<u>280,585</u>	<u>224,338</u>	<u>504,923</u>
	General 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>206,383</u>	<u>661,088</u>

23 Prior Year Adjustment

The Financial Reporting Council completed their first triennial review of FRS102 and ruled that gift aid payments from charity trading subsidiaries should not be recorded in the profit and loss account and instead be treated as distributions on the date of payment and cannot be accrued. Accordingly gift aid receipts of £83,259 paid in 2017 and £98,764 paid in 2016, have been included in the year received, with the prior year debtor due from the subsidiary being restated.

The Lullaby Trust
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www.lullabytrust.org.uk

Registered charity number: 262191

Company registration number: 01000824

