

**CHARITY
COMMISSION Please return to H. W. FISHER & CO.
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Charity Registration No. 299679

Company Registration No. 2212082 (England and Wales)

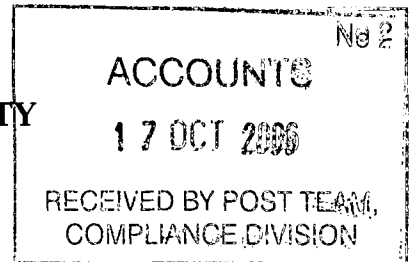
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STILLBIRTH AND NEONATAL DEATH SOCIETY

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2006



STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Annis-Salter (Chair) E Thorp (Vice-chair) S Guy (Vice-chair) S Hale (Treasurer) A Balcomb J Nicholls M Di Clemente (Co-opted) K Anker (Co-opted)
Secretary	N Nandi
Director	N Long
Charity number	299679
Company number	2212082
Registered office	28 Portland Place London W1B 1LY
Auditors	H W Fisher & Company Acre House, 11-15 William Road London NW1 3ER
Bankers	Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB

**STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
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**STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006**

Introduction

The Trustees, who are also directors of the charity, for the purposes of the Companies Act, submit their annual report and the financial statements of Stillbirth and Neonatal Death Society for the year ended 31 March 2006. The Trustees confirm that the annual report and financial statements of the charity have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in 2005.

Objectives of the charity

The objectives of Sands are as follows: -

1. to promote the emotional, psychological and physical well-being of parents, their families and friends, when a baby dies in utero, at birth or soon after birth, by:

the provision of support and information to those so bereaved and their carers; and

by working collaboratively with health and social care professionals to improve and enhance professional practice with bereaved parents; and
2. to promote research and the implementation of best practice that will help identify the causes and reduce the incidence of the death of a baby in utero, at birth or soon after birth.

Background

Thirty years ago the devastating impact of the death of a baby on the mother and father was neither understood nor acknowledged. For parents it felt as if their baby had not existed and did not matter.

Sands was established in 1978 to change that perception and to redress the lack of care by offering support directly to anyone affected by the death of a baby and by working closely with health professionals to change the way in which bereaved parents were supported in maternity units.

Yet while the way in which parents and families are cared for and supported has substantially changed since that time, the tragic reality is that large numbers of families continue to be devastated by the death of a baby. Today in the UK, 17 babies a day are stillborn or die within the first twenty eight days of life which means that the principal focus of Sands work remains bereavement support.

However, increasingly, Sands believes that the strong links forged with health professionals in improving bereavement care could also be used to highlight emerging research and changes in practice that might reduce the loss of babies' lives.

Review of Activities from 1st April 2005 to 31st March 2006

The following report sets out the core activities and key service developments undertaken by Sands in respect of each of the above objects. For simplicity those objects are referred to below under the following headings: (A) supporting anyone affected by the death of a baby; (B) working with health professionals to improve bereavement care; (C) promoting research to reduce the loss of babies' lives.

A. Supporting anyone affected by the death of a baby

We offer support for anyone who is affected by the death of a baby through the following key services: -

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A.1 National Helpline

On average each week last year, the Helpline service provided support and information for 51 parents and for a further 83 family members, friends, health and social care professionals.

Approximately 65% of those contacting the Helpline service were provided with the details of local Groups and their befrienders and with information packs which includes Sands newsletter and an appropriate selection of support leaflets.

A.2 UK-wide network of 90 local Groups

Sands Groups are run by and for bereaved parents, offering a range of local services.

They include: -supporting parents and their families through trained befrienders; working with local hospitals to improve care and provide facilities such as a special room; holding memorial services; and creating a garden in memory of their babies.

Many of the Sands Groups are now linked together through seven regional/national networks covering Northern Ireland, Scotland, Wales, North, East, South and West England. The networks enable Groups to offer mutual support, share good practice and develop a more co-ordinated approach in implementing Sands aims within their region/country.

Sands places a high priority on the level and quality of the befriender service provided by the Groups. During the past year Sands delivered 15 befriender training days at different venues throughout the UK, including Aberdeen, Birmingham, Epsom, Fife, London and York. As a result a total of 94 bereaved parents successfully completed the training and are authorised to act as befrienders on behalf of Sands within their local Groups.

Information and Publications

Sands provides a comprehensive quarterly newsletter and a wide-ranging website which includes sections for parents, health professionals and Sands Groups. Our publications include support leaflets, information sheets and books which reflect the many practical and emotional aspects of baby loss.

In October 2005, Sands published "Fathers Feel too" by Andrew Don, which is a collection of the stories of ten fathers whose baby has died. Their experiences reveal how bereaved fathers also suffer terrible grief and pain when their baby dies, but that it's possible to survive and find that life can be worth living again.

Following on from "Living with Leo" and "A Star for Bobby", "Fathers Feel too" is the third book which Sands has published as part of its commitment to offer a range of books with different perspectives and stories of bereavement.

B. Working with health professionals to improve bereavement care

Sands works closely with health professionals to improve the care provided to parents and families at a national level, and at a local level through its network of Groups

During the year a new bereavement room was opened at Sandwell General Hospital with funding support from Birmingham Sands. In addition, the bereavement rooms at Warwick Hospital and at Wrexham Maelor Hospital were refurbished with support respectively from Coventry Sands and from Wrexham and Glan Clwyd.

The "Sands Guidelines for Professionals" by Nancy Kohner, set out standards for good practice in key areas and emphasise the principles which should underpin good care. The Guidelines were first produced in 1991 and then revised in 1995. With funding support principally from the Department of Health and the Scottish Executive, Sands commissioned Nancy Kohner in 2003 to produce a new edition.

When Nancy subsequently became too ill with cancer to complete the work, she recommended that the new edition should be entrusted to Judith Schott and Alix Henley with whom she had already worked closely on publications such as "When A Baby Dies" and the previous editions of the Guidelines.

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The new edition will build on the strong foundations laid down by Nancy. It will be fully referenced and will tackle areas where improvements are still needed. These include: -

- the needs of fathers and of the extended family
- care in the community following a loss, and before and during another pregnancy
- where women who are having a late miscarriage are cared for
- understanding and distinguishing between normal and complicated grief
- the needs of parents in those vulnerable groups that have the highest incidence of childbearing loss
- care for bereaved parents who were expecting two or more babies

All of the 22 chapters of the new edition have now been drafted. They are being sent to the appropriate specialists for advice, feedback, and comments. Subject to that consultation process, Sands should be in a position to publish and launch the new edition of the Guidelines by, at the latest, June 2007.

The Trustees are deeply saddened to report that in March 2006, Nancy Kohner died from breast cancer. Her extraordinary contribution and commitment in helping to change the understanding of the significance of the death of a baby and the practice of bereavement care cannot be overstated. As a writer, trainer and advisor, Nancy had a unique ability to understand the different perspectives of bereaved parents and health professionals and to communicate them with a sensitivity and clarity that enabled those perspectives to be understood and respected. She will be greatly missed.

C. Promoting research to reduce the loss of babies' deaths

During the course of the last year the development of Sands role in promoting research to reduce the loss of babies' lives has gathered momentum.

Sands growing collaboration with the Perinatal Institute, an NHS training and research organisation based in the West Midlands, resulted in a national conference in June 2005 on "Stillbirth: Causes and Strategies for Prevention". The conference was attended by over 200 health professionals from different parts of the UK and highlighted key areas where specific research and changes in antenatal practice could make a real difference.

Three months later in Washington, USA, stillbirth researchers and support organisations from all over the world met for the first International Stillbirth Alliance Conference. Sands was represented by two delegates who are respectively involved on the Board and on the parent support sub committee of the International Stillbirth Alliance. The second conference took place in Japan in June 2006 and it has now been agreed that Sands and the Perinatal Institute will jointly host the third conference in October 2007 in the UK.

In October 2005 the Perinatal Institute's research into the causes of apparently unexplained stillbirths in the West Midlands was published in the British Medical Journal. The study found a strong link between stillbirth and poor growth rates in unborn babies suggesting that many stillbirths might be avoided by improving identification of fetal growth problems during pregnancy.

Sands follow up press release resulted in increased media interest culminating in a powerful full page article in the Observer and a 15 minute piece on Radio 4's Woman's Hour which focused in particular on the techniques which can be used to help identify when a baby is not growing properly.

Equally encouraging was the subsequent news that the RCOG (Royal College of Obstetricians and Gynaecologists) and CEMACH (Confidential Enquiry into Maternal and Child Health) have agreed to convene a working group, which includes Sands and the Perinatal Institute to make recommendations to change the stillbirth classification system. The current system unhelpfully identifies two thirds of stillbirths as unexplained - by implication unavoidable - and omits reference to some factors, in particular growth restriction, which might contribute to a better understanding of why a baby has died.

In March 2006, to provide important background information for the CEMACH/RCOG working group, Sands hosted a meeting for the key international researchers, from Sweden, Holland, Australia and the UK who are currently working

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on developing stillbirth and perinatal death classification systems. It is the first time that these specialists have compared and discussed their different classification systems directly and is a prime example of the way in which Sands is looking to help facilitate more communication and information on how the loss of babies' lives could be reduced.

Other activities and events

To launch Sands Awareness Week in June 2005 we set out to bring home the message of how many babies are stillborn or die early in life each year in the UK, by organising four main balloon releases in London, Glasgow, Llandrindod and Belfast.

The number of balloons at each location reflected the number of stillbirths and neonatal deaths occurring in each country of the UK (as of 2003); 5,579 in England; 474 in Scotland; 254 in Wales; and 195 in Northern Ireland. A number of Sands Groups and members also held local balloon releases and fundraising Forget-Me-Not Walks.

At the end of the week over 100 people attended our annual open day at the Sands Garden in the National Memorial Arboretum at Alrewas, near Lichfield. The day included a moving memorial service where the theme for this year was butterflies, symbolising the journey to new life and opportunities. The service concluded in the Garden with the release of 200 balloons all with gold butterfly shaped message tags.

In October 2005, Sands together with four other charities, ARC (Antenatal Results and Choices), Babyloss.com, Ectopic Pregnancy Trust and the Miscarriage Association, held their fourth joint Baby Loss Awareness Campaign. A series of events were held throughout the week culminating in the global "Wave of Light" service on October 15, which is increasingly recognised in the UK, America, New Zealand and other countries as the annual international Baby Loss Awareness Day.

On 16th December 2005 Sand held its second Lights of Love service in the candlelit church of St Paul's in Knightsbridge; an evening of traditional carols, inspiring readings and beautiful music. Over 150 people came to the service which included readings from our patrons, Bernie Nolan, David Haig and Matt Allwright, and music from the Choir of St Paul's Church and from young singer, Clarissa Hayward.

Central to the evening were the two "Lights of Love" Christmas trees, covered in cards with messages dedicated to a baby or another loved one. The trees remained lit throughout the holiday period; a poignant reminder that at Christmas, with so much emphasis on children and on families sharing happy times together, the death of a baby or another loved one can seem especially hard to bear.

Financial Review

The Charity had incoming resources of £501,470 during the year, of which £331,797 relates to UK Office unrestricted funds, £77,860 relates to restricted funds and £91,813 relates to Sands Groups, and resources expended of £463,809, of which £318,912 relates to UK Office unrestricted funds, £69,288 relates to restricted funds and £75,609 relates to Sands Groups.

Trustees

The Trustees who served during the year were:

S Annis-Salter, *Chair*
J Dennison, *Vice Chair (resigned 30/03/06)*
S Hale, *Treasurer*
E Thorp, *Vice Chair*
S Guy, *Vice Chair*
A Balcomb
J Nicholls
M Di Clemente, *Co-opted*
K Anker, *Co-opted*

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None of the Trustees has any beneficial interest in the company. All are members of the company and guarantee to contribute £1 in the event of a winding up.

Trustees are elected by the membership at the Annual General Meeting. Additionally, Trustees can be co-opted by the existing Board of Trustees. These appointments are then approved by the members at the next Annual General Meeting.

Reserves Policy

At present free reserves (i.e. excluding the value of fixed assets) are at a level of just over two months running costs which is therefore still below the level required to ensure continuity of services in the event of a loss or delay of funding and to maintain the ability to meet unforeseen costs.

Risk Management:

The Trustees consider risk as part of their (bi-monthly) meetings and are confident that systems are in place to mitigate the impact of key risks.

Related parties

Sands main related parties are Lothian Sands, an unincorporated charity registered in Scotland (number SCO24375), and Bootle Sands, an unincorporated charity registered in England and Wales (number 501181). These organisations are affiliated to Sands and have similar objectives, but have separate management and legal status. There were no material transactions during the year or balances at the year end between Sands and its related parties.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that H.W. Fisher & Company be re-appointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the Board of Trustees



S Annis-Salter
Chair of Trustees
Dated: 7 October 2006

**STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF STILLBIRTH AND NEONATAL DEATH SOCIETY**

We have audited the accounts of Stillbirth and Neonatal Death Society for the year ended 31 March 2006 set out on pages 9 to 18. These accounts have been prepared under the accounting policies set out on page 11.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 6, the trustees, who are also the directors of Stillbirth and Neonatal Death Society for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF STILLBIRTH AND NEONATAL DEATH SOCIETY**

Opinion

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the accounts.

H W Fisher & Company

H W Fisher & Company

Chartered Accountants

Registered Auditor

Acre House, 11-15 William Road

London

NW1 3ER

Dated: *9th October 2006*

STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006

	Notes	Unrestricted funds		Restricted funds	Total 2006	Total 2005
		UK Office	SANDS Groups			
		£	£	£	£	£
<u>Incoming resources from generated funds</u>						
Voluntary Income	2	137,118	55,670	64,860	257,648	190,566
Activities for generating funds		148,789	33,796	-	182,585	112,513
Investment income	3	2,775	2,347	-	5,122	3,974
		<u>288,682</u>	<u>91,813</u>	<u>64,860</u>	<u>445,355</u>	<u>307,053</u>
Incoming resources from charitable activities.	4	39,045	-	13,000	52,045	57,134
Other incoming resources	5	4,070	-	-	4,070	9,458
		<u>331,797</u>	<u>91,813</u>	<u>77,860</u>	<u>501,470</u>	<u>373,645</u>
<u>Resources expended</u>						
Costs of generating funds						
Fundraising and publicity costs		60,673	22,129	10,937	93,739	34,417
Charitable activities						
Support services		197,001	53,480	53,008	303,489	272,474
Information service		35,560	-	5,343	40,903	25,958
Promotion and research		18,878	-	-	18,878	-
		<u>251,439</u>	<u>53,480</u>	<u>58,351</u>	<u>363,270</u>	<u>298,432</u>
Governance costs	7	6,800	-	-	6,800	4,760
		<u>318,912</u>	<u>75,609</u>	<u>69,288</u>	<u>463,809</u>	<u>337,609</u>
Net incoming resources before transfers						
		<u>12,885</u>	<u>16,204</u>	<u>8,572</u>	<u>37,661</u>	<u>36,036</u>
Gross transfers between funds	10	10,456	-	(10,456)	-	-
		<u>23,341</u>	<u>16,204</u>	<u>(1,884)</u>	<u>37,661</u>	<u>36,036</u>
Net income/(expenditure) for the year/ Net movement in funds						
		<u>75,592</u>	<u>86,867</u>	<u>209,707</u>	<u>372,166</u>	<u>336,130</u>
Fund balances at 1 April 2005		75,592	86,867	209,707	372,166	336,130
		<u>98,933</u>	<u>103,071</u>	<u>207,823</u>	<u>409,827</u>	<u>372,166</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2006

	Notes	2006		2005	
		£	£	£	£
Fixed assets					
Tangible assets	11		32,921		33,161
Current assets					
Stocks	12	14,232		5,879	
Debtors	13	3,051		-	
Cash at bank and in hand		380,956		346,310	
			<u>398,239</u>		<u>352,189</u>
Creditors: amounts falling due within one year	14		<u>(21,333)</u>		<u>(13,184)</u>
Net current assets			<u>376,906</u>		<u>339,005</u>
Total assets less current liabilities			<u>409,827</u>		<u>372,166</u>
Income funds					
Restricted funds	15		207,823		209,707
Unrestricted funds:					
Designated funds	16		103,071		86,867
Other charitable funds			98,933		75,592
			<u>409,827</u>		<u>372,166</u>

The accounts were approved by the Board on 7 October 2006

Susan Annis-Salter

S Annis-Salter (Chair)
 Trustee

STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention. The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity. The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 1985.

1.2 Incoming resources

Grants are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred. Voluntary income and donations are accounted for as they are received. Earned income is accounted for as it is receivable. Donations in kind are recognised at their fair value, with an equivalent charge made to resources expended. Donated fixed assets are recognised at their fair value and capitalised and depreciated, as below. Where a group has not indicated any restricted income and the group's annual income or reserves at the balance sheet date are below £500 then all the funds are deemed to be unrestricted. Where groups have reserves or income between £500 and £1000, 50% is deemed to be restricted and 50% unrestricted. Where a group's reserves or income exceeds £1000, these are groups who will have been actively fundraising for specific projects and therefore 75% of funds are deemed to be restricted and 25% unrestricted.

1.3 Resources expended

Fundraising and publicity costs comprise the costs incurred in producing materials for promotional purposes and in raising funds. Governance costs are those which do not directly relate to charitable activities, and include the costs of audit and statutory compliance. Staff costs and overhead expenses are allocated to activities on the basis of the staff time spent on those activities. Income and expenditure are stated net of VAT. The charity has a partial exemption for VAT and is not able to reclaim VAT on all its indirect charitable costs. Irrecoverable VAT is written off against charitable activities.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

SANDS Garden & Memorial	5% reducing balance
Computer equipment	50% reducing balance
Fixtures, fittings & equipment	33% reducing balance

The depreciation basis has been revised in respect of computer equipment, fixtures, fittings and equipment to provide a more accurate reflection of the use of the assets.

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Stock

Stocks of publications and promotional items are valued at the lower of cost and net realisable value.

1.7 Pensions

The Charity makes payments on behalf of its employees to the Sands Stakeholder Pension Scheme. The pension costs charged in the accounts represent the contributions payable by the charity during the year.

1.8 Accumulated funds

Restricted funds are to be used for specified purposes as laid down by the donor. Relevant expenditure is charged to the fund, together with a fair allocation of central costs. Some income received by Sands groups is restricted and these funds are not available for use by UK Office. Unrestricted funds are donations or other incoming resources received or generated by UK Office or Sands Groups for the charity's general purposes. Transfers between restricted funds and unrestricted funds are where permitted by the donor. Transfers between unrestricted and designated funds are at the discretion of the trustees.

STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006

2 Voluntary Income

	Unrestricted funds			Total 2006 £	Total 2005 £
	UK Office £	Sands Groups £	Restricted funds £		
Donations and gifts	126,764	55,670	64,860	247,294	174,000
Grants receivable for core activities	10,354	-	-	10,354	16,566
	<u>137,118</u>	<u>55,670</u>	<u>64,860</u>	<u>257,648</u>	<u>190,566</u>
Donations and gifts					
Restricted funds:					
Funds received by UK Office				13,073	7,624
Funds received by Sands Groups				51,787	37,812
				<u>64,860</u>	<u>45,436</u>

3 Investment income

	Unrestricted funds £	Designated funds £	Total 2006 £	Total 2005 £
Interest receivable	2,775	2,347	5,122	3,974
	<u>2,775</u>	<u>2,347</u>	<u>5,122</u>	<u>3,974</u>

STILLBIRTH AND NEONATAL DEATH SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006

4 Incoming resources from charitable activities.

	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
Support Services	18,000	13,000	31,000	35,400
Information service	21,045	-	21,045	21,734
	<u>39,045</u>	<u>13,000</u>	<u>52,045</u>	<u>57,134</u>

Included within income relating to support services are the following:

S64 Department of Health - Core	14,000	14,000
S16B Scottish Executive - Core	4,000	4,000
S64 Department of Health - Bereavement Support	9,000	12,000
S16B Scottish Executive - Project	4,000	4,000
	<u>31,000</u>	<u>35,400</u>

5 Other incoming resources

	2006 £	2005 £
Other income	4,070	9,458
	<u>4,070</u>	<u>9,458</u>

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6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2006 £	Total 2005 £
Costs of generating funds					
Fundraising and publicity costs	32,303	-	61,436	93,739	34,417
Charitable activities					
<u>Support services</u>					
Activities undertaken directly	130,601	6,074	166,814	303,489	272,474
<u>Information service</u>					
Activities undertaken directly	15,747	-	25,156	40,903	25,958
<u>Promotion and research</u>					
Activities undertaken directly	-	-	18,878	18,878	-
	146,348	6,074	210,848	363,270	298,432
Governance costs	-	-	6,800	6,800	4,760
	178,651	6,074	279,084	463,809	337,609

Governance costs includes payments to the auditors of £4,750 (2005- £4,700) for audit fees and £1,500 (2005- £nil) for other services.

7 Governance costs

	2006 £	2005 £
Other governance costs comprise:		
Legal and professional	550	60
Audit & accountancy	6,250	4,700
	6,800	4,760

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but all were reimbursed travelling and telephone expenses totalling £2,514 (2005- All were reimbursed £3,121).

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9 Employees

Number of employees

The average monthly number of employees during the year was:

	2006	2005
	Number	Number
Fundraising, publicity and support - full time	1	-
Fundraising, publicity and support - part time	2	1
Helpline - part time	6	5
Information - part time	2	3
Groups - part time	2	2
Management and administration - full time	2	2
Management and administration - part time	2	3
	<u>17</u>	<u>16</u>

Employment costs

	2006	2005
	£	£
Wages and salaries	162,356	131,804
Social security costs	13,065	10,146
Other pension costs	3,230	3,800
	<u>178,651</u>	<u>145,750</u>

There were no employees whose annual emoluments were £60,000 or more.

10 Transfers

Transfers includes the release of funds restricted to the purchase of computer equipment to unrestricted funds now the obligations have been met. The unexpended balance will be depreciated over the life of the assets. Restricted funds previously allocated to marketing and publicity have been transferred against unrestricted expenditure incurred in respect of this.

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11 Tangible fixed assets

	Sands Garden & Memorials £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 April 2005	36,342	21,966	17,670	75,978
Additions	-	5,834	-	5,834
At 31 March 2006	<u>36,342</u>	<u>27,800</u>	<u>17,670</u>	<u>81,812</u>
Depreciation				
At 1 April 2005	7,448	20,180	15,189	42,817
Charge for the year	1,445	3,810	819	6,074
At 31 March 2006	<u>8,893</u>	<u>23,990</u>	<u>16,008</u>	<u>48,891</u>
Net book value				
At 31 March 2006	<u>27,449</u>	<u>3,810</u>	<u>1,662</u>	<u>32,921</u>
At 31 March 2005	<u>28,894</u>	<u>1,786</u>	<u>2,481</u>	<u>33,161</u>

12 Stocks

	2006 £	2005 £
Publications and leaflets	<u>14,232</u>	<u>5,879</u>

13 Debtors

	2006 £	2005 £
Prepayments and accrued income	<u>3,051</u>	<u>-</u>

14 Creditors: amounts falling due within one year

	2006 £	2005 £
Taxes and social security costs	2,416	2,237
Accruals	<u>18,917</u>	<u>10,947</u>
	<u>21,333</u>	<u>13,184</u>

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15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2006
	Balance at 1 April 2005	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Sands Groups support services	171,540	51,788	(42,627)	-	180,701
Marketing	1,000	-	-	(1,000)	-
Sands Garden	2,352	74	-	-	2,426
Bereavement support development project	28,913	14,399	(24,048)	-	19,264
Website	2,500	-	-	-	2,500
Befriender training	3,402	-	(2,613)	-	789
IT and Computer project	-	9,456	-	(9,456)	-
Small projects	-	2,143	-	-	2,143
	<u>209,707</u>	<u>77,860</u>	<u>(69,288)</u>	<u>(10,456)</u>	<u>207,823</u>

Sands has a UK network of ninety active self help groups, run by bereaved parents. Each Sands group is self financing and raises funds to cover the costs of its own activities, including day to day support of bereaved parents and for larger projects, such as memorials or improved services at local hospitals. Where income has been designated as restricted by the donor or has been raised for a specific project this is regarded as being restricted. All other income received by Sands Groups is deemed to be held for the general purposes of the charity and is therefore unrestricted and could be called upon to meet the liabilities of the charity.

Helpline: The helpline provides telephone support to bereaved parents, their friends and families.

Sands Garden: This refers to funds raised to cover all costs relating to the development, creation and maintenance of the Sands Garden at the National Memorial Arboretum, Lichfield.

Bereavement Support Development Project: This is a three year project of which the key elements are: 1) The revision of "Pregnancy Loss and the Death of a Baby: Guidelines for Professionals; 2) The development and implementation of parent led training in support of the revised Guidelines; 3) The revision of all Sands support leaflets together with the appropriate translations and new publications.

Website: The new website was launched at the end of October 2003 with funding contributed by the Department of Health, Scottish Executive and Sands Groups. The funds cover the ongoing maintenance and updating of the website.

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16 Sands Groups - Unrestricted funds

The income funds of the charity include the following unrestricted funds held by individual Sands Groups.

	Movement in funds			Balance at 31 March 2006
	Balance at 1 April 2005	Incoming resources	Resources expended	
	£	£	£	£
Sands Groups	86,867	91,813	(75,609)	103,071
	<u>86,867</u>	<u>91,813</u>	<u>(75,609)</u>	<u>103,071</u>

17 Analysis of net assets between funds

	Unrestricted funds £	Sands Groups unrestricted £	Restricted funds £	Total £
Fund balances at 31 March 2006 are represented by:				
Tangible fixed assets	32,921	-	-	32,921
Current assets	87,345	103,071	207,823	398,239
Creditors: amounts falling due within one year	(21,333)	-	-	(21,333)
	<u>98,933</u>	<u>103,071</u>	<u>207,823</u>	<u>409,827</u>

18 Commitments under operating leases

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2006 £	2005 £
Expiry date:		
Within one year	<u>15,560</u>	<u>14,500</u>

19 Related parties

Sands' main related parties are Lothian Sands, an unincorporated charity registered in Scotland (number SCO24375), and Bootle Sands, an unincorporated charity registered in England and Wales (number 501181). These organisations are affiliated to Sands and have similar objects, but have separate management and legal status. There were no material transactions during the year or balances at the year end between Sands and its related parties.