

**ALLIANCE HOUSE FOUNDATION**

(Limited by Guarantee)

Company Number: 372490

Charity Number: 208554

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**Myrus Smith**

Chartered Accountants

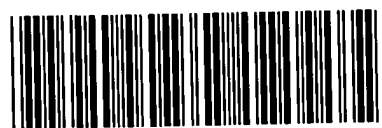
Norman House,

8 Burnell Road,

Sutton, Surrey.

SM1 4BW

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**ALLIANCE HOUSE FOUNDATION**

(Limited by Guarantee)

Company Number: 372490

Charity Number: 208554

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**ALLIANCE HOUSE FOUNDATION**  
(Limited by Guarantee)

**DIRECTORS REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**

**Introduction**

The Directors of Alliance House Foundation submit their annual report and the audited financial statements for the year ended 31 March 2017 which are also prepared to meet the requirements for a Directors' report and accounts for the purposes of the Companies Act.

The financial statements have been prepared in compliance with the Charities Act 2011, Companies Act 2006, the Memorandum and Articles of Association and the accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**Our Objectives and Activities**

Objectives

The objectives of the Charity are:

- *to spread the principles of total abstinence from alcoholic drinks*
- *to promote the moral and physical welfare of the community*
- *to promote the scientific study of the properties of alcohol and the effects of its use upon the human system, the social and moral consequences and the distribution of information on the subject.*

In pursuing these objectives, the charity is committed to promoting education on the subject of alcohol use and making information available to effect a reduction in alcohol related harm to individuals, families and in society in general.

The charity pursues activities that aim to contribute to the improvement in the quality of life for the general public and to this end the Directors have taken into consideration the Charity Commission's guidance on public benefit, including the guidance "Public Benefit : running a charity (PB2)".

The activities of the Charity primarily focuses on grant making in support of its charitable aims to promote the dissemination of information, education and the offering of advice on alcohol strategies to minimise individual and societal harm arising from alcohol consumption. The charity seeks to make this information as widely available as possible in order that individuals and decision makers are able to make informed choices.

Activities

The Charity reviews its objectives and activities on an annual basis with reference to an agreed strategic plan developed by the Directors. The activities undertaken by the charity are considered in relation to the benefit the charity seeks to bring to the general public.

The Charity seeks to influence relevant bodies at a national, regional and international level identifying where the general public are affected by European legislation or transnational health strategies. In addition, it seeks to provide information on the ways to reduce the harmful use of alcohol and to offer encouragement to those who seek to abstain from the use of alcohol.

The activities of the Alliance House Foundation are conducted through the projects which it finances and supports.

**ALLIANCE HOUSE FOUNDATION**  
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**DIRECTORS REPORT**

FOR THE YEAR ENDED 31 MARCH 2017  
/contd...

During 2016/7 these were:

- the Institute of Alcohol Studies
- the Dry January Campaign.

Operational activities centre on maintaining a library collection and historical archive covering the subjects of alcohol in society and Temperance History as an aid to researchers and members of the public who are interested in the subject.

During the year the Charity also commissioned and published a website to promote Temperance and Total Abstinence. The charity also maintained a presence on the social media platform "Twitter" and regularly tweeted items supporting Temperance and an alcohol free lifestyle.

During the year the Charity saw an excess of income over expenditure of £355,990 before investment gains. The net assets of the Charity increased from £14,816,438 to £15,321,170.

**Specific Projects and Significant Activities**

**Grant Making**

Alliance House Foundation continues to pursue UK educational and charitable activities primarily through its grant to the work of the Institute of Alcohol Studies (IAS).

In supporting the charitable activities of IAS, AHF follows its grant making policy, satisfied that in doing so it is complying with the AHF legal objects with regard to education and disseminating information distribution on alcohol namely:

*to promote the scientific study of the properties of alcohol and the effects of its use upon the human system, the social and moral consequences and the distribution of information on the subject.*

The Institute of Alcohol Studies was founded as a project of AHF in 1983 and in 2006 it was constituted as a separate charitable company. AHF makes a grant funding commitment to IAS in order for it to pursue its aforementioned objectives.

During the year the charity also made a grant to the Alcohol Concern organised "Dry January" campaign. This campaign took place during the month of January 2017 and promoted individual abstinence during that month. Previous campaigns have recorded a significant number who continued to abstain for a longer period.

In supporting the charitable activities of Alcohol Concern's "Dry January" campaign, AHF follows its grant making policy, satisfied that in doing so it is complying with the AHF legal objects with regard to:

*spread the principles of total abstinence from alcoholic drinks and to promoting the moral and physical welfare of the community.*

**ALLIANCE HOUSE FOUNDATION**  
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**DIRECTORS REPORT**

FOR THE YEAR ENDED 31 MARCH 2017  
/contd...

**A Temperance Website**

During the year the Charity launched a new website at [www.alliancehousefoundation.org.uk](http://www.alliancehousefoundation.org.uk). The website includes pages on all aspects of Temperance activity including Temperance history and principles.

**A Historical Archive**

Alliance House Foundation also continued to maintain a historical archive and library with material dating back to early nineteenth century. This is a wide-ranging collection of books, pamphlets and journals on the subject of alcohol in society and its effect on individual health. The collection includes books and journals published by the United Kingdom Alliance and other Temperance organisations.

This library archive and information is available for researchers and the general public to consult by appointment.

**Achievements against objectives**

The AHF Directors pursue a policy of continually reviewing its activities and how these benefit and make a difference to the public. The Directors receive regular and full reports on the work and activities of the Institute of Alcohol Studies and monitor these activities. Directors are satisfied that the achievements match the aims and objectives of AHF in relation to education.

The Directors are actively considering new projects and activities. It is a condition of our grant making policy that information produced by those in receipt of grant funding is freely available to the general public and widely disseminated.

With regard to the Dry January Campaign, the directors have received and assessed the impact statement from the organisers and are satisfied that the charitable expenditure was also in line with the aims and objectives of the charity.

The activities described above are undertaken to seek to meet the charity's aims and objectives and is committed to further its charitable purposes for the public benefit. The nature of these activities makes it difficult to assess the impact of particular publications or projects. Specific measurements are made by the IAS of on-line activity and AHF are satisfied that wide public use is made of IAS material.

**Financial Review**

The year under review had proved financially stable and a successful one and the statements for this financial year indicate a healthy excess of income. This includes an extraordinary write back of a pension liability provision which is no longer required.

**Reserves Policy**

AHF follows a policy of continually reviewing its reserves policy. The Directors are conscious that the charity is vulnerable to sharp falls in income resulting from tenants vacating the property coupled with downturns in the property market, issues addressed in the AHF Reserves Policy. It is clear that a significant sum must be held in reserve to ensure that the charity is able to react to events that may threaten its main source of income. To this end the Directors consider that the target level of reserve should be at least £500,000 to see the charity through a period of severely reduced rental income.

**ALLIANCE HOUSE FOUNDATION**  
(Limited by Guarantee)

**DIRECTORS REPORT**

FOR THE YEAR ENDED 31 MARCH 2017  
/contd...

The Charity holds one restricted fund which represents a legacy from Mrs Ross Phillips for charitable activity in Scotland. The total in this fund at 31 March 2017 was £66,798.

Directors note that significant asset value is locked into the investment property by way of a future refurbishment fund of £250,000 and a revaluation reserve of £10,936,784 at 31 March 2017. This would only be released if and when the property was sold. The directors have no plans to sell the property.

At 31 March 2017 the level of free reserves stood at £1,999,343 which includes listed investments. This contrasts with the target figure for the charity's net liquid assets at £500,000. The actual net liquid assets stood at £221,056. The Directors plan to review the level of reserves required in response to the significant increase in rental income and subsequent operational risk. The Directors are committed to monitoring the target figure throughout the financial year and to maintaining the present level of activity and staffing of the charity's projects.

**Going Concern**

As previously stated, the Directors undertake an annual risk assessment, which gives careful consideration to factors that may impact upon the charity's ability to move forward as a going concern, including business critical risks. The most recent assessment gave Directors confidence that any risks had been sufficiently mitigated.

**Significant Events**

During the year Alliance House Foundation undertook a number of refurbishment projects at Alliance House including the replacement of the fire alarm system, upgrade of fire doors and upgrade of washroom facilities.

**Principal Risks and Uncertainties**

The Directors have conducted a review of the major risks to which the charity is exposed using guidance produced by the Charity Commission. This is an ongoing process of assessing the types of risk facing the charity and identifying the means of mitigating those risks. The charity maintains a risk register and internal control risks are minimised by the application of agreed internal financial procedures for the charity.

The risk register was reviewed and updated during the year and the directors will continue to follow the policy of undertaking regular reviews and assessments of the risks on a periodic basis and when major change requires them to be conducted.

Principal risks that the Charity is exposed to centre on the performance and state of the central London property market as the charity relies on rental income for a significant proportion of its income. Thus falling rental value, empty offices generating no income and the necessity to cover empty property rates would all have an adverse effect on the charity's ability to maintain levels of activity. The charity's reserve policy seeks to provide for such an eventuality and should such events take place the charity could continue to fulfil its role. The Directors are also aware that there are reputational risks in their area of activity.

The Directors operate an Internal Audit Committee with responsibility to maintain a continual review of the charity's financial affairs and procedures.

**ALLIANCE HOUSE FOUNDATION**  
(Limited by Guarantee)

**DIRECTORS REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**  
/contd...

**Principal Funding Sources**

The principal source of funding for the charity is from property income which is treated as investment income. Expenditure during the year was planned and the income was adequate to cover these commitments.

**Pension Liability**

The Charity had previously contributed to a hybrid defined benefit pension scheme, administrated by KPMG LLP (UK) with Entrust Pension Limited acting as Trustee. In February 2009 a decision was taken by the Trustee to wind-up the scheme and in November of that year Directors of AHF decided to withdraw from the hybrid final salary scheme on 31 March 2010.

The Charity contributed to a recovery plan designed to return the scheme to parity by 2019 when the assets and liabilities will be passed to an insurance company. In March 2017 the charity was informed that these had been secured with the insurance company Aviva and no further recovery plan contributions were required.

From 1 April 2010 the Charity joined a new defined contribution scheme The Pensions Trust.

There is also a discretionary pension arrangement with a number of retired staff. Payments to these discretionary pensioners during the year totalled £19,145.

**Investment Policy**

The Directors continued to adopt a prudent approach to the charity's investments. The charity's property at Alliance House, London SW1 is treated as an investment asset. The property was subject to revaluation at 31 March 2016 and is reported on the balance sheet at £13,000,000.

Over the last thirty years substantial funds have been reinvested in the charity's London property by way of refurbishment to ensure an enhanced level of rental income. The property requires an ongoing programme of repair, improvement and upgrade and investment policy has been geared to allow for this without taking out loans. The property continued to produce an above average return and produced a gross return in the region of 5.8%.

As aforementioned, the directors set a target sum of at least £50,000 for retention in the financial year 2016/7.

The Directors are mindful of the liquidity requirements of the charity but note the economic circumstances that have depressed deposit rates. Previously the charity has held significant sums on high interest deposit accounts but the fall and continued depressed level of interest rates required a change in policy to ensure funds not immediately required would not be eroded by inflation.

During the last three years significant sums have been invested in specialist ethical unit trusts which do not hold any investments directly in organisations which engage in the production, distribution or sale of alcohol.

This policy is informed by need to balance investment return and social responsibility which, in the judgment of the Directors, would preclude investment in funds that invest directly in the alcohol industry. The investment policy seeks to achieve a good level of distribution, long term protection from inflation and appropriate ethical restrictions.

**ALLIANCE HOUSE FOUNDATION**  
(Limited by Guarantee)

**DIRECTORS REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**  
/contd...

The charity holds investments in:

- the CCLA administered COIF Charities Ethical Investment Fund which invests in a diverse portfolio and aims to provide a long term total return comprising capital growth and income. The gross annualised total return performance over the year was 20%.
- the Affirmative Fixed Interest Fund for Charities administered by Epworth Investment Management. This fund is comprised of a diverse range of gilts, bonds and cash as a balanced portfolio for charities not wishing to profit from organisations whose business is wholly involved in alcohol (amongst other restrictions).

The directors consider that the long-term future of the equity market is still uncertain and the investment performance is constantly monitored.

**Structure, Governance and Management**

**Governance**

AHF is a company limited by guarantee, governed by its a Memorandum of Association, which set out the objects and powers of the charitable company as revised in 2014. The Articles of Association allow for a minimum of three directors with no upper limit. There were seven directors at the year end. The directors meet three times per year. The Directors of the company are also Trustees for the purpose of charity law. New members of the Board are appointed by the charity and are confirmed at the next annual general meeting. They are elected for a period of three years after which they retire by rotation and may seek re-election.

**Recruitment of Board of Directors**

New Directors have historically been appointed from contacts made through the charity's activities or by personal recommendation made by existing Directors. Potential Directors with relevant charity/professional skills and an interest in alcohol issues have traditionally been targeted and selected for their knowledge and interest in the work of the charity. The board of Directors remain keen to strengthen the diversity of the Trustee body and continue to address this aim through the Nominations Committee which seeks to identify and recruit new members. The charity conducted an annual skills audit during the year with an aim to ensure there is an appropriate mix of skills amongst the Board members. The findings of the audit are taken into account in future Director retirement and recruitment. During the year one Director retired.

**Director Induction and Training**

All Directors are conversant with the day-to-day practical work of the charity and Directors are kept up to date with developments in the charitable sector.

Upon appointment all Directors attend an induction meeting where their obligations under charity and company law are explained. Directors are supplied with the Charity Commission guide "The Essential Trustee", and details of the Charity Commission guidance on public benefit in addition to copies of the Memorandum and Articles of Association and the latest copy of the annual report and financial statements. Trustees are invited to attend a biennial strategic planning event, the most recent of which was held in December 2016 in Cambridge.

All Directors give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 13 to the accounts. The Directors have continued to hold a charity Trustee Indemnity Insurance policy during the year.



**ALLIANCE HOUSE FOUNDATION**  
(Limited by Guarantee)

**DIRECTORS REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**  
/contd...

**Organisational Structure**

The Finance Director is accountable to the Directors for the efficient day-to-day running of Alliance House Foundation and is responsible for the implementation of policies and strategies that have been agreed by the Directors. When urgent decisions are necessary, these are made by the Finance Director in consultation with the Chairman and other senior Officers. The next meeting of the Board then ratifies any decisions that have been taken. Management accounts are received at the Directors meetings and the Officers are regularly updated with financial information between meetings.

The charity operates three sub-committees, namely a Nominations Committee, a Remuneration Committee and an Internal Audit Committee.

Alliance House Foundation has an agreed range of organisational policies and procedures which reflect its size and range of activities it pursues. The policies may be consulted at the AHF administrative office.

**Remuneration**

Three members of the Board undertake the duties and responsibilities of a remuneration committee and are not themselves remunerated.

The Board adopted a pay scale and benchmarks its pay and performance structure against the nationally agreed academic single pay spine. Within this framework IAS will mirror London institutions' 'professional services' scales, such as those adopted by Imperial College London. This currently comprises a scale of 52 spine points encompassed within 6 levels. Employees can progress to the next salary point in their level following a recommendation from their line manager after a satisfactory annual appraisal.

Every twelve months the Board will determine whether the salary points should be adjusted to reflect changes in the cost of living. The Remuneration Policy establishes a series of criteria that should be used in reaching a decision. Applying them in September 2016, the Board determined that the salary points should be increased by 1%.

Employees also received pension contributions equivalent to 14.5% of gross salary with employees contributing 7.5%.

There were no staff sickness or absence issues to report.

**Plans for the future**

The Directors will continue to promote the aims and objects of Alliance House Foundation through its grant funding of the Institute of Alcohol Studies, maintaining its Library/Archive and other maintaining and promoting the AHF website to promote its aims and objectives. The charity is planning to commission a research project to investigate the apparent increase in the number of abstainers in the UK.

**Reference and Administration Information**

Alliance House Foundation is a charitable company, number 372490, limited by guarantee, incorporated on 23 February 1942 and registered with the Charity Commission for England and Wales under number 208554 in 1942.

**ALLIANCE HOUSE FOUNDATION**  
(Limited by Guarantee)

**DIRECTORS REPORT**

FOR THE YEAR ENDED 31 MARCH 2017  
/contd...

**Directors**

Who served during the period 1st April 2016 to date:

Reverend Professor Stephen Orchard	Chair, RC, NC
Asif Abubaker	
John Boyd	Retired 2 November 2016
Michael Carr	Vice Chair RC, NC, IAC
Reverend Pauline Crispin	Resigned 20 July 2017
Jon Curtis	
John Ellis	
Reverend Dr Janet E. Tollington	RC, NC & IAC

IAC = Internal Audit Committee, RC = Remuneration Committee & NC = Nominations Committee

Registered Office

Alliance House, 12 Caxton Street, London, SW1H 0QS

Senior Management

Paul Whitaker - Finance Director

Auditors

Myrus Smith, Norman House, 8 Burnell Road, Sutton, Surrey, SM1 4BW

Bankers

National Westminster Bank PLC, 57 Victoria Street London, SW1H 9NH

Solicitors

David Jeacock, 41 Church Street, Wootton Bassett, Swindon, Wiltshire, SN4 7BQ  
Lee Bolton Monier Williams, 1 The Sanctuary, Westminster, LONDON SW1P3JT

Property Adviser

Paul T. Richards, Lower Sunnyside Cottage, Grenville Road, Shackleford, Surrey, GU8 6AG

Board of Directors

The following Directors retire by rotation and offer themselves for re-election,

Michael Carr, Jon Curtis and Reverend Professor Stephen Orchard

Directors' Responsibilities

The Directors (who are also Trustees of Alliance House Foundation for the purposes of Charity Law) are responsible for preparing the Directors Report and financial statements in accordance with applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice).

**ALLIANCE HOUSE FOUNDATION**  
(Limited by Guarantee)

**DIRECTORS REPORT**

FOR THE YEAR ENDED 31 MARCH 2017  
/contd...

Company law requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the affairs of the charitable company and of the income and expenditure of the company for that period. In preparing those Financial Statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and 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 operation.

The Directors are responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- The Directors have taken all steps that they ought to have to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Myrus Smith as Auditors of the Company will be put to the Annual General Meeting.

Exemption Statement

The Directors Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved and signed on behalf of the Board:



Reverend Professor Stephen Orchard  
Chairman

2 November 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

**ALLIANCE HOUSE FOUNDATION**  
(Limited by Guarantee)

We have audited the financial statements of Alliance House Foundation for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the Directors (who are also the Trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017, and of its 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.

**Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

**ALLIANCE HOUSE FOUNDATION**

(Limited by Guarantee)


/contd...

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Directors' Report.

  
S.A. Jones (Senior Statutory Auditor)  
For and on behalf of MYRUS SMITH  
Chartered Accountants and Statutory Auditor

Norman House,  
8 Burnell Road,  
Sutton,  
Surrey, SM1 4BW

2. November 2017

# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

## STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
<b>Income</b>					
Donations and legacies	2	832	-	832	5,470
Investments	3	864,321	-	864,321	924,656
Other income	4	130,129	-	130,129	150,289
<b>Total</b>		<u>995,282</u>	<u>-</u>	<u>995,282</u>	<u>1,080,415</u>
<b>Expenditure</b>					
Raising funds	5	194,131	-	194,131	84,594
Charitable activities	6	445,161	-	445,161	429,881
<b>Total</b>		<u>639,292</u>	<u>-</u>	<u>639,292</u>	<u>514,475</u>
<b>Net income before investment gains</b>		<u>355,990</u>	<u>-</u>	<u>355,990</u>	<u>565,940</u>
Gains on investment assets		148,742	-	148,742	3,970,913
<b>Net income</b>		<u>504,732</u>	<u>-</u>	<u>504,732</u>	<u>4,536,853</u>
Transfers		-	-	-	-
<b>Net movement in funds</b>		<u>504,732</u>	<u>-</u>	<u>504,732</u>	<u>4,536,853</u>
<b>Reconciliation of funds</b>					
Total Funds at 1 April 2016		<u>14,749,640</u>	<u>66,798</u>	<u>14,816,438</u>	<u>10,279,585</u>
<b>Total funds at 31 March 2017</b>		<u><u>£15,254,372</u></u>	<u><u>£66,798</u></u>	<u><u>£15,321,170</u></u>	<u><u>£14,816,438</u></u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes form part of these Financial Statements.

# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)


## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017	2016
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	15	5,029	7,313
Investments	16	14,778,287	14,379,545
		<u>14,783,316</u>	<u>14,386,858</u>
<b>CURRENT ASSETS</b>			
Debtors	17	207,149	313,786
Cash at bank and in hand		645,946	535,438
		<u>853,095</u>	<u>849,224</u>
<b>CREDITORS: Amounts falling due within one year</b>	18	315,241	351,139
<b>NET CURRENT ASSETS</b>		<u>537,854</u>	<u>498,085</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,321,170</u>	<u>14,884,943</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	19	-	68,505
<b>NET ASSETS</b>	21	<u>£15,321,170</u>	<u>£14,816,438</u>
<b>FUNDS</b>			
Restricted fund	20	66,798	66,798
Unrestricted funds			
General fund	20	1,999,343	1,642,327
Designated funds	20	13,255,029	13,107,313
		<u>£15,321,170</u>	<u>£14,816,438</u>

The Financial Statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Directors on 2 Nov. 2017



Reverend Professor Stephen Orchard  
CHAIRMAN  
Signed on behalf of the Board

The notes form part of these Financial Statements

# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

## CASH FLOW STATEMENT

FOR THE YEAR 31 MARCH 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Net movement in funds per statement of financial activities	504,732	4,536,853
Adjustments for:		
Investment income - Rent and management fee receivable	(820,330)	(882,152)
Investment income - Interest and dividends receivable	(43,991)	(42,504)
Unrealised gains on revaluation of investment assets	(148,742)	(3,970,913)
Gain on disposal of tangible fixed assets	-	(149,210)
Depreciation charges	4,082	6,154
(Increase) / decrease in debtors	(90,940)	(72,201)
Increase / (decrease) in creditors	(114,050)	(130,785)
<b>Net cash provided by / (used in) operating activities</b>	<b>(709,239)</b>	<b>(704,758)</b>
<b>Cash flows from investing activities</b>		
Investment income - Rent and management fee received	1,022,819	694,446
Investment income - Interest and dividends received	48,726	37,949
Purchase of investment assets	(250,000)	(341,000)
Purchase of tangible fixed assets	(1,798)	(4,472)
Proceeds from disposal of tangible fixed assets	-	330,936
<b>Net cash provided by / (used in) investing activities</b>	<b>819,747</b>	<b>717,859</b>
<b>Change in cash and cash equivalents in the year</b>	<b>110,508</b>	<b>13,101</b>
Cash and cash equivalents brought forward	535,438	522,337
<b>Cash and cash equivalents carried forward</b>	<b>£645,946</b>	<b>£535,438</b>



## **ALLIANCE HOUSE FOUNDATION**

(Limited by Guarantee)

### **NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2017

#### **1. ACCOUNTING POLICIES**

##### **Basis of accounting and assessment of Going Concern**

Alliance House Foundation is a registered charity (no. 208554) and private company limited by guarantee (no. 00372490), incorporated in Great Britain and registered in England and Wales. The liability in respect of the guarantee is limited to £10 per member. The registered office is given in the Reference and Administrative Details in the Directors' Report.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis and under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **Income recognition**

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

##### **Expenditure recognition**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise those costs associated with managing the charity's investment assets
- Expenditure on charitable activities which comprises mainly of the costs associated with supporting the work of the Institute of Alcohol Studies and other alcohol research bodies

Expenditure includes those costs of a direct nature which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned to each activity on the basis of staff time.

##### **Fund accounting**

Unrestricted general funds are freely available for use in furtherance of the objects of the charity and which have not been designated for specific purposes. Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

/contd...

### 1. ACCOUNTING POLICIES (Contd)

#### Tangible fixed assets and depreciation

Tangible assets costing more than £500 are capitalised.

Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following annual rates:

Fixture and fittings	15% reducing balance
Computer equipment	33% straight line

#### Investment property

Investment property is initially recognised at cost and subsequently restated at market value at the end of each accounting period. Revaluation gains and losses are recognised in the Statement of Financial Activities. Given the cost and time involved in obtaining a full formal valuation, this process is done approximately every five years. Valuations in the interim are based on the directors' opinion.

The charity occupies several offices for its own use at its investment property, Alliance House. The directors are of the view that this represents an insignificant portion of the building and the whole property is therefore treated as an investment property.

#### Investments

Listed investments are initially recognised at cost and subsequently restated at market value based on published stock exchange valuations at the end of each accounting period. Revaluation gains and losses are recognised in the Statement of Financial Activities.

#### Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

#### Pensions

The charity operates a defined contribution pension scheme. Contributions payable under the scheme are charged the Statement of Financial Activities in the year to which they relate.

The charity also has ongoing historic obligations under a multi-employer pension scheme which is a defined benefit scheme providing benefits to some 1,300 non-associated participating employers. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and it therefore accounts for the scheme as a defined contribution scheme.

2. DONATIONS AND LEGACIES	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Donations	-	-	-	50
Legacies	832	-	832	5,420
	<u>£832</u>	<u>£Nil</u>	<u>£832</u>	<u>£5,470</u>

All of the £5,470 received in 2016 was unrestricted funds.

# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

/contd...

<b>3. INVESTMENT INCOME</b>	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Rent receivable	804,765	-	804,765	867,002
Service charge management fee	15,565	-	15,565	15,150
Bank interest and dividends	43,991	-	43,991	42,504
	<u>£864,321</u>	<u>£Nil</u>	<u>£864,321</u>	<u>£924,656</u>

All of the £924,656 received in 2016 was unrestricted funds.

<b>4. OTHER INCOME</b>	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Surplus on disposal of tangible fixed assets	-	-	-	149,210
Compensation payment	130,000	-	130,000	-
Foreign exchange gains	-	-	-	774
Sundry income	129	-	129	305
	<u>£130,129</u>	<u>£Nil</u>	<u>£130,129</u>	<u>£150,289</u>

All of the £150,289 received in 2016 was unrestricted funds.

<b>5. COST OF RAISING FUNDS</b>	Direct costs	Support costs	Total 2017	Total 2016
Property management	<u>£211,836</u>	<u>£(17,705)</u>	<u>£194,131</u>	<u>£84,594</u>

All of the £84,594 expenditure in 2016 was charged to unrestricted funds.

## 6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant funding	Direct costs	Support costs	Total 2017	Total 2016
Research and dissemination	<u>£413,000</u>	<u>£46,520</u>	<u>£(14,359)</u>	<u>£445,161</u>	<u>£429,881</u>

All of the £429,881 expenditure in 2016 was charged to unrestricted funds.

# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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### 7. ANALYSIS OF GRANTS PAYABLE

	2017	2016
	£	£
<b>Grants to institutions</b>		
Institute of Alcohol Studies	403,000	392,000
Alcohol Concern	10,000	-
	<u>£413,000</u>	<u>£392,000</u>

### 8. ANALYSIS OF DIRECT COSTS

	Raising funds	Charitable activities	Total 2017	Total 2016
	£	£	£	£
Staff costs	55,773	45,234	101,007	94,411
Building and service charge	123,113	-	123,113	21,205
Legal and professional fees	32,950	-	32,950	41,204
Global Alcohol Policy Alliance	-	-	-	13,878
Institute of Alcohol Studies	-	-	-	5,126
Other direct costs	-	1,286	1,286	-
	<u>£211,836</u>	<u>£46,520</u>	<u>£258,356</u>	<u>£175,824</u>

### 9. ANALYSIS OF SUPPORT COSTS

	Raising funds	Charitable activities	Total 2017	Total 2016
	£	£	£	£
Office expenses	8,416	6,825	15,241	15,602
Premises expenses	4,481	3,634	8,115	47,370
Governance costs (note 10)	4,971	4,032	9,003	7,962
Depreciation	2,254	1,828	4,082	6,154
	<u>20,122</u>	<u>16,319</u>	<u>36,441</u>	<u>77,088</u>
Pension write back (note 23)	(37,827)	(30,678)	(68,505)	(130,437)
	<u>£(17,705)</u>	<u>£(14,359)</u>	<u>£(32,064)</u>	<u>£(53,349)</u>

### 10. GOVERNANCE COSTS

	2017	2016
	£	£
Audit fees	4,250	5,830
Directors meetings	3,988	1,348
Insurance	765	784
	<u>£9,003</u>	<u>£7,962</u>

# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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### 11. NET INCOME

	2017	2016
This is stated after charging:		
Auditors Remuneration - audit services	£4,250	£5,830
- non-audit services	£1,032	£1,032
Depreciation	£4,082	£6,154
Foreign exchange (gain)/loss	£125	£(774)
Operating lease rentals	<u>£2,496</u>	<u>£2,643</u>

### 12. STAFF COSTS AND NUMBERS

	2017 £	2016 £
Salaries	66,194	69,025
Social security costs	4,741	6,021
Pensions to former employees (see note 26)	19,145	18,969
Pension costs	10,364	9,240
Other costs	<u>563</u>	<u>729</u>
	101,007	103,984
Pension write back (see note 23)	<u>(68,505)</u>	<u>(130,437)</u>
	<u>£32,502</u>	<u>£(26,453)</u>

One employee (2016: nil) received employee benefits (excluding employer pension costs) falling in the £60,000 - £70,000 band.

The average number of employees based on full-time equivalents was 1.4 (2016: 2).

Total employee benefits received by key management personnel amounted to £70,643 (2016 : £65,045).

### 13. DIRECTORS' REMUNERATION AND EXPENSES

The Directors received no remuneration during either year. Travel, subsistence and accommodation costs amounting to £3,988 (2016: £1,347) were reimbursed to/paid on behalf of 8 (2016: 7) Directors.

### 14. TAXATION

The Company has charitable status and is therefore exempt from Corporation Tax on its charitable activities

# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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### 15. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Cost/valuation:			
At 1 April 2016	44,432	18,703	63,135
Additions	-	1,798	1,798
Disposals	-	(2,061)	(2,061)
At 31 March 2017	<u>44,432</u>	<u>18,440</u>	<u>62,872</u>
Depreciation:			
At 1 April 2016	41,253	14,569	55,822
Charge for year	477	3,605	4,082
Eliminated on disposal	-	(2,061)	(2,061)
At 31 March 2017	<u>41,730</u>	<u>16,113</u>	<u>57,843</u>
Net Book Value:			
At 31 March 2017	<u>£2,702</u>	<u>£2,327</u>	<u>£5,029</u>
At 31 March 2016	<u>£3,179</u>	<u>£4,134</u>	<u>£7,313</u>

### 16. FIXED ASSET INVESTMENTS

	Investment property £	Listed investments £	Total £
Market value at 1 April 2016	13,000,000	1,379,545	14,379,545
Acquisitions at cost	-	250,000	250,000
Net unrealised gain on revaluation	-	148,742	148,742
Market value at 31 March 2017	<u>£13,000,000</u>	<u>£1,778,287</u>	<u>£14,778,287</u>
Historic cost at 31 March 2017	<u>£2,063,216</u>	<u>£1,492,491</u>	<u>£3,555,707</u>

The investment property was formally valued on 31 March 2016 by Mr P. Whitaker, who is an employee of the charity. The Directors are of the opinion that there has been no material change in the fair value of the investment property since this valuation was carried out.

**ALLIANCE HOUSE FOUNDATION**

(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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<b>17. DEBTORS</b>			<b>2017</b>	<b>2016</b>
			£	£
Prepayments			13,640	8,914
Other debtors			193,509	304,872
			<u>£207,149</u>	<u>£313,786</u>
<b>18. CREDITORS: Amounts falling due within one year</b>			<b>2017</b>	<b>2016</b>
			£	£
Deferred income			125,254	115,607
Accruals			37,366	6,566
Other creditors			152,621	228,966
			<u>£315,241</u>	<u>£351,139</u>
Analysis of deferred income	Balance brought forward	Additions in year	Released to income	Balance carried forward
Rents received in advance	<u>£115,607</u>	<u>£125,254</u>	<u>£(115,607)</u>	<u>£125,254</u>
<b>19. CREDITORS: Amounts falling due after more than one year</b>			<b>2017</b>	<b>2016</b>
Pension liability (see note 23)			<u>£Nil</u>	<u>£68,505</u>

# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

/contd...

### 20. MOVEMENT IN FUNDS

	Balance 1 April 2016 £	Income (incl. gains) £	Expenditure £	Transfers £	Balance 31 March 2017 £
<b>Unrestricted funds</b>					
General funds	1,642,327	1,144,024	639,292	(147,716)	1,999,343
<b>Designated funds</b>					
Future refurbishment	100,000	-	-	150,000	250,000
Property and other fixed assets	2,070,529	-	-	(2,284)	2,068,245
Revaluation reserve	10,936,784	-	-	-	10,936,784
	13,107,313	-	-	147,716	13,255,029
<b>Restricted funds</b>					
Mrs Janet (Jessie) Ross Phillips' Trust	66,798	-	-	-	66,798
<b>Total funds</b>	<b>£14,816,438</b>	<b>£1,144,024</b>	<b>£639,292</b>	<b>£Nil</b>	<b>£15,321,170</b>

### Purpose of funds

#### Restricted Funds

Mrs. Janet (Jessie) Ross Phillips' Trust is a legacy to be used to fund the Charity's activities in Scotland.

#### Designated Funds

The future refurbishment fund represents funds set aside towards the cost of maintenance and repairs at Alliance House. An additional £150,000 was set aside in 2016/17.

The property and other fixed assets fund represents the level of unrestricted funds which are related to the cost of investment property and fixed assets and which are not therefore freely available to spend.

The revaluation reserve represents the amount by which the market value of the investment property (Alliance House) exceeds cost.



# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

/contd...

### 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Fixed asset investments £	Other net assets/ (liabilities) £	Total 2017 £
Unrestricted general funds	-	1,778,287	221,056	1,999,343
Unrestricted designated funds	5,029	13,000,000	250,000	13,255,029
Restricted funds	-	-	66,798	66,798
	<u>£5,029</u>	<u>£14,778,287</u>	<u>£537,854</u>	<u>£15,321,170</u>

### 22. FUNDS HELD AS CUSTODIAN TRUSTEE

Until March 2017 Alliance House Foundation acted as custodian trustee for Crook Temperance Hall, a charity whose objects encompass education relating to alcohol abuse. These objects are complementary to Alliance House Foundation's own objects as outlined in the Directors' report.

At the start of this year Alliance House Foundation held cash balances £27,429 on behalf of Crook Temperance Hall in a separate bank account so as to ensure segregation from the charity's own assets. Together with accumulated interest of £10 the balance of £27,439 was transferred to a new custodian trustee on 1 March 2017. Following this transfer, Alliance House Foundation no longer holds any assets on behalf of other organisations.

### 23. PENSION LIABILITY

Since 1982 the charity has been a contributor to the Federated Flexiplan No.1 ("the Plan") which is a defined benefit pension scheme. However, because of the non-associated multi-employer nature of the Plan the charity is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as set out in FRS 102, Section 28 "Employee Benefits", it accounts for the Plan as if it were a defined contribution scheme.

The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members has been definitively established. An actuarial valuation at 31 March 2009 revealed a significant deficit and a consequent recovery plan required the charity to contribute £46,596 for ten years commencing 1st April 2011 in respect of its share of the deficit. The total contributions of £465,967 under this plan were recognised in the year ended 31 March 2011. The basis used to calculate the deficit was chosen to produce a level for the liabilities which was anticipated to be broadly in line with the cost of securing the Plan benefits with an insurer.

Following the 31 March 2015 valuation, the Recovery Plan was amended to take account of the improved financial position of this Scheme. Deficit contributions were reduced so that the charity was required to pay £42,411 per annum up to 31 March 2017 and then £34,252 per annum for two years from 1 April 2017. As a result of this, the provision for the deficit liability was reduced by £130,437 and a credit recognised in the Statement of Financial Activities in the 31 March 2016 accounts.

In March 2017 the trustee of the scheme confirmed that an agreement had been reached with an insurer to insure the benefits provided by the Plan. Consequently, deficit contributions due after 1 April 2017 have been suspended indefinitely. The remaining provision for the deficit liability has therefore been reversed in the 31 March 2017 accounts resulting in a credit of £68,505 to the Statement of Financial Activities.

# ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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### 24. RELATED PARTY TRANSACTIONS

Details of related party transactions during the year are as follows:

Name of related Party	Nature of relationship	Transaction details	Amount £	Balance £
2017				
The Institute of Alcohol Studies	Trustees in common	Grant funding	403,000	8,599
The Institute of Alcohol Studies	Trustees in common	Rent receivable	38,500	-
2016				
The Institute of Alcohol Studies	Trustees in common	Grant funding	392,000	26,947
The Institute of Alcohol Studies	Trustees in common	Rent receivable	38,500	-

The Institute of Alcohol Studies started operating on 1 April 2006 and Alliance House Foundation had initially agreed to fund the charity for 3 years. Funding is now reviewed on an annual basis.

### 25. OPERATING LEASE COMMITMENTS

The total future minimum lease payments falling due under non-cancellable operating lease agreements are as follows:

	2017 £	2016 £
Within one year	2,496	2,496
Between one and five years	6,240	8,736
	<u>£8,736</u>	<u>£11,232</u>

### 26. CONTINGENT LIABILITIES

#### Pensions to former employees

The Charity has committed to make annuity payments to former members of staff. These payments are reported as "Pensions to former employees" in the accounts (see note 12). The directors have not been able to obtain a reliable estimate of the Charity's liability in respect of these annuities and therefore no provision has been made in the accounts.