

Registered Company No 2252337  
Registered Charity No 802047  
Scottish Registered Charity No SC040717

## **Ronald McDonald House Charities (UK)**

### **Report and Financial Statements**

31 December 2012

THURSDAY



"L2HPNGBL"

LD4

26/09/2013

#421

COMPANIES HOUSE

## Company Information

### Trustees

J Fergus (Chairman)  
Dr S Fradd  
S Tomlin  
N Hindle  
S Kirk  
S Curran  
P Pomroy  
Dr A Ohrling  
A Sirkhot  
R Forte  
S Hunsdale (Appointed 15/03/2013)

### Company secretary

A Roberts

### Auditors

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

### Bankers

Barclays Bank PLC  
1 Churchill Place  
London E14 5HP

### Registered Office

11-59 High Road  
East Finchley  
London N2 8AW  
0844 840 0844  
[www.rmhc.org.uk](http://www.rmhc.org.uk)

Registered Company No 2252337

## Trustees' report

The Trustees present their report and financial statements for the year ended 31 December 2012

Ronald McDonald House Charities (UK) (RMHC) is an independent charity registered in England and Wales (802047) and in Scotland (SC040717). A company limited by guarantee number 2252337, registered in England. The Charity is governed by memorandum and articles of association, which were last amended materially on 17 May 2006 to reflect the change of name from Ronald McDonald Children's Charities (RMCC).

The names of Trustees and the address of the principal office are shown on the previous page.

### Structure, governance and management

The Charity was established in 1989 to provide accommodation and other assistance for children being treated in hospital and their families, also to raise funds for children's charities generally. Historically this was achieved through the funding and building of Ronald McDonald Houses and Family Rooms in or close to hospitals and children's hospices, however since 2007 the Charity has focused exclusively on the charitable objective of providing and operating Ronald McDonald Houses to support families when their children are seriously ill and in hospital.

In the past the Charity has run a grant giving programme to fund small local projects initiated by local charities, schools and groups though this has now ceased.

The board has given full consideration to the Charity Commission's guidance on public benefit and the Trustees are confident that the Charity continues to fulfil the objectives of the Charity.

The board is made up of a group of Trustees, headed by an elected Chairman. Potential Trustees are identified through personal contact and the relevance of their skills to the Charity. Following interview and due process, they are elected to the Trustee board by formal vote. They serve for an initial period of three years after which they may offer themselves for re-election. Trustees are inducted through an orientation programme involving an understanding of the Charity's strategic objectives, their legal responsibilities, and visits to the Houses.

Trustees serve on subcommittees, as needed, according to their particular area of expertise and experience so as to aid the decision-making process. These groups report on a quarterly basis to the full board for ratification and approval. In addition, the full Trustee board and senior staff usually meet once a year to focus solely on strategic issues. All financial expenditure has to be approved by the Trustees through set budgets, and a Finance and Governance subcommittee monitors all financial matters.

The liability of Trustees is limited. Every member of the company undertakes to contribute a maximum amount of £1 to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member.

RMHC is a licensed chapter of a global network of charities. However, it operates completely independently of this network, but works towards similar charitable aims and objectives.

Of the 14 Ronald McDonald Houses operating in the UK at the end of 2012, 4 were established as independent charities. They were originally funded in whole or in part, through grants from RMCC, now RMHC. The Charity continues to work in partnership with these Houses.

## Trustees' report (continued)

### Principal risks and uncertainties

The key risk is that our source of income is dependent on the performances of the businesses of our stakeholders, which results in a degree of risk. This risk is managed by continually assessing the performance of those businesses and forecasting our income accordingly.

The Charity maintains a Risk Register, as a live document, which is reviewed quarterly at board meetings, and all risks noted have mitigating procedures in place.

### Future developments

The mission of the Charity is to ensure we have sufficient funds, and expertise, to develop and sustain free accommodation at specialist children's hospitals.

The Trustees have given approval in principle to three major projects (totalling nearly 120 rooms) not yet in build, and these should come on stream, subject to local planning approval, over the next two years. Continued expansion is anticipated further in the future, and will help maintain the Charity as the largest provider of accommodation to families with children in hospitals in the UK.

### Principal objectives and activities, achievements and performance

The Charity's aims are defined through a new Strategic Plan introduced in November 2012 after lengthy consultation with the Charity's main stakeholders and meetings with Trustees. The vision is that families should be able to stay close to their children in hospital, by having access to a caring and supportive 'home away from home'.

Trustees identified a number of key performance indicators for the year. Successful targets included:

1. Open a new 60 bedroom House in Manchester on time and on budget in May/June 2012
2. Re-locate a new 24 bedroom House at Camberwell before year end
3. Implement an inaugural advertising campaign to raise awareness in September 2012
4. Collection Box income in McDonald's restaurants to be maintained above £3 million
5. Achieve a profitable bottom line surplus in line with 2012 RMHC budgets

The Charity provides 14 Ronald McDonald Houses across the UK for the benefit of families whose children are sick in hospital. In addition, historically, the Charity made provision through donation of 29 sets of family accommodation known as Ronald McDonald Family Rooms, which vary in size from a single room to suites of over ten rooms. These Family Rooms, however, were established through donations to various hospices and hospitals and the sponsorship of many of these rooms are now out of contract.

### Financial review

The financial statements have been prepared in accordance with current UK statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005).

The financial position of the Charity is healthy and it is well placed to deliver the future developments planned, whilst at the same time having sufficient funds to sustain existing family accommodation.

The largest source of income was donated by the general public via collection boxes located primarily in McDonald's restaurants all over the UK. Their contribution amounted to over £3.1 million. This was an increase over last year of 3.3% - a good result that reflects a growing number of customers visiting McDonald's in 2012 and donating. In addition, targeted fundraising events provided further income, raising a total of £0.7 million net of expenses.

## Trustees' report (continued)

### Financial review (continued)

The Charity raised approximately 8% of its income in Scotland in 2012 through collection boxes in McDonald's Restaurants Ltd. The Charity continues to sponsor accommodation at Ninewells Hospital, Dundee, and at Raigmore Hospital, Inverness, and work in partnership with the independently operated Ronald McDonald House in Glasgow. There was no further Scottish based activity.

The Charity was once again indebted to McDonald's Restaurants Limited and their Franchisees who donated £0.9 million towards the work of the Charity, as well as Office facilities and other practical support. This donation more than covered the Charity's combined Administrative and Governance Costs, and meant that all the money donated by the Charity's supporters was used in furthering its objectives.

The Trustees have reviewed the expenditure and are satisfied that it supports the stated objectives. Income targets were met with the Charity beating its budgeted Net Incoming Resources objective. As a consequence, RMHC is well positioned to honour its current pledges to future projects. The Charity is currently building a new House at Southampton Hospital at a total cost of £7.5 million. The year end reserves for 2012 (£5.4 million) will go towards financing this project.

Whilst the Charity's governing documents empower Trustees to borrow money in furtherance of its objectives, it has never done so to date. However, this option is kept under review as the scale of the Charity's building programme increases in response to need.

The Trustees currently maintain all funds on cash deposit to ensure liquidity to meet the Charity's obligations and ongoing commitments notwithstanding broad investment powers under the governing documents.

### Going concern

The director and trustees have concluded that it is appropriate to prepare the financial statements on a going concern basis after reviewing the strong balance sheet position and the expectation of future incoming resources.

### Trustees

The trustees who served the company during the year were as follows:

J Fergus (Chairman)  
H C Bowring (Resigned 01/01/12)  
Dr S Fradd  
A Baxter (Resigned 31/05/12)  
S Tomlin  
D Hudaly (Resigned 29/11/12)  
N Hindle  
S Kirk  
S Curran  
P Pomroy  
Dr A Ohrling  
A Sirkhot  
R Forte

## Trustees' report (continued)

### Disclosure of information to the auditor

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow trustees and the company's auditor, each trustee has taken all the steps that he/she is obliged to take as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditor

The auditor, Ernst & Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Trustees



Chairman

10/9/13

## Statement of Trustees' responsibilities

The Charity's financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting by Charities' issued in 2005, and with applicable accounting standards in the United Kingdom

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditor's report**

## **to the members of Ronald McDonald House Charities (UK)**

We have audited the financial statements of Ronald McDonald House Charities (UK) for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 20. 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).

This report is made solely to the company's members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the 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 December 2012 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).



# **Independent auditor's report (continued)**

**to the members of Ronald McDonald House Charities (UK)**

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 trustees' remuneration specified by law are not made or
- we have not received all the information and explanations we require for our audit

*Ernst & Young LLP*

Julie Carlyle (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

London

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

*16 September 2013*

## Statement of financial activities

for the year ended 31 December 2012

		<i>Unrestricted funds 2012 £</i>	<i>Restricted funds 2012 £</i>	<i>Total funds 2012 £</i>	<i>Total funds 2011 £</i>
	<i>Notes</i>				
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	3	6,142,528	–	6,142,528	5,010,723
Activities for generating funds	4	1,145,478	–	1,145,478	1,236,427
Grant income	5	64,500	–	64,500	266,900
Investment income	6	96,158	–	96,158	143,182
Total incoming resources		<u>7,448,664</u>	<u>–</u>	<u>7,448,664</u>	<u>6,657,232</u>
<b>Resources expended</b>					
Cost of generating funds					
Voluntary income	7	(1,510,290)	–	(1,510,290)	(945,398)
Trading	8	(494,588)	–	(494,588)	(586,906)
		<u>(2,004,878)</u>	<u>–</u>	<u>(2,004,878)</u>	<u>(1,532,304)</u>
<b>Charitable activities</b>					
RM House running costs	9	(2,022,419)	–	(2,002,419)	(1,452,078)
		<u>(2,022,419)</u>	<u>–</u>	<u>(2,002,419)</u>	<u>(1,452,078)</u>
Governance costs	11	(530,836)	–	(530,836)	(400,196)
Total resources expended		<u>(4,558,133)</u>	<u>–</u>	<u>(4,558,133)</u>	<u>(3,384,578)</u>
<b>Fund balance brought forward</b>		2,890,531	–	2,890,531	3,272,654
Fund balance carried forward		<u>22,498,114</u>	<u>–</u>	<u>22,498,114</u>	<u>19,225,460</u>
	18	<u>25,388,645</u>	<u>–</u>	<u>25,388,645</u>	<u>22,498,114</u>

All amounts relate to continuing activities

## Statement of total recognised gains and losses

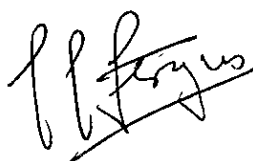
for the year ended 31 December 2012

There are no recognised gains or losses other than the net incoming resources of £2,890,531 in the year ended 31 December 2012 (2011 – £3,272,654)

## Balance sheet

at 31 December 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	15	19,570,370	13,945,307
<b>Current assets</b>			
Debtors	16	269,903	298,944
Cash at bank and in hand		5,754,954	8,499,456
		6,024,857	8,798,400
<b>Creditors</b> amounts falling due within one year	17	(206,582)	(245,593)
<b>Net current Assets</b>		5,818,275	8,552,807
<b>Net Assets</b>		25,388,645	22,498,114
<b>Unrestricted funds</b>			
Designated funds	18	5,502,648	6,080,521
General funds	18	19,885,997	16,417,593
		25,388,645	22,498,114



10/9/13

Trustee

## Statement of cash flows

for the year ended 31 December 2012

	2012 £	2011 £
<b>Net cash inflow from operating activities</b>	3,354,821	3,573,469
<b>Returns on investments and servicing of finance</b>		
Interest receivable and similar income	133,593	126,057
<b>Capital expenditure and financial instruments</b>		
Payments to acquire tangible fixed assets	(6,232,916)	(4,223,393)
<b>(Decrease) in cash</b>	<u>(2,744,502)</u>	<u>(523,867)</u>

### Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	2012 £	2011 £
Net incoming resources before transfers	2,890,531	3,272,654
Less interest receivable	(96,158)	(143,182)
Add back depreciation	479,381	328,827
Add back loss on disposal of a non-current asset	128,472	—
(Increase)/decrease in debtors	(8,394)	394,148
(Decrease) in creditors	(39,011)	(278,978)
<b>Net cash inflow from operating activities</b>	<u>3,354,821</u>	<u>3,573,469</u>

### Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
<b>Net funds at 1 January</b>	8,499,456	9,023,323
(Decrease) in cash	(2,744,502)	(523,867)
<b>Net funds at 31 December</b>	<u>5,754,954</u>	<u>8,499,456</u>

## Notes to the financial statements

at 31 December 2012

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) published in March 2005 and applicable United Kingdom accounting standards

#### *Income*

Income is received by way of donation, special grants and interest on deposits. Income resources are included in the statement of financial activities when the Charity is entitled to the income and it can be quantified with reasonable certainty.

#### *Going concern*

The director and trustees have concluded that it is appropriate to prepare the financial statements on a going concern basis after reviewing the strong balance sheet position and the expectation of future incoming resources.

#### *Taxation*

As a charity, the company is exempt from tax on income and gains. As such, no tax charges have arisen.

#### *Donations*

Cash donations are included in the income and expenditure account when received.

#### *Grants*

Grants are accounted for on an accruals basis.

#### *Tangible fixed assets*

Leasehold improvements and fixtures and fittings are stated at cost less depreciation. The assets relate to Ronald McDonald Houses that are managed and run by the company.

Depreciation is provided on all fixed assets. The depreciation rates used are calculated to write off the cost of each asset by equal annual instalments over its expected useful life as follows:

Leasehold improvement	–	unexpired portion of the lease
Fixtures and fittings	–	ten years
Motor vehicles	–	ten years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Governance costs*

Included within governance costs are salaries to administration staff, general office expenses, auditors' remuneration and bank and legal charges.

#### *Funds*

Designated funds are monies on reserve that the Charity has identified against specific projects that are close to fruition, yet subject to contract.

Details of the nature and purpose of each fund are set out in note 18.

#### *Resources expended*

Where costs cannot be directly attributed to particular headings, they have been allocated by proportion to activities based on the staff time spent carrying out the function. Fundraising costs are those incurred in seeking voluntary donations, support costs are those costs incurred directly in support of the Charity's aims and include project management of new and existing projects, management and administration costs are those incurred in connection with administration of the Charity and compliance with legal and statutory requirements.

## Notes to the financial statements

at 31 December 2012

### 2. Net incoming resources before transfers

This is stated after charging

	2012	2011
	£	£
Depreciation – owned assets	68,265	49,365
– leased assets	411,116	279,462
Loss on the routine disposal of fixed assets	(128,472)	–

### 3. Voluntary income

	2012	2011
	£	£
McDonald's Restaurants Limited	406,669	392,599
McDonald's Restaurants Franchisees	515,748	441,096
Collection boxes	3,152,920	3,048,592
Three peaks challenge	16,807	25,485
Overseas challenge	64,001	1,486
General donations	357,135	154,694
Welsh Carrier Bag Income	122,648	–
IDH (Integrated Dental Holding)	113	57
Marketing and communications	–	–
RMH Brighton	65,118	35,428
RMH Camberwell	46,999	36,050
RMH Tooting	28,691	28,068
RMH Oxford	187,554	206,125
RMH Manchester	632,971	216,597
RMH Birmingham	465,991	375,643
RMH Moorfields	12,594	14,490
RMH Arrowe Park	57,999	34,313
RMH Southampton	6,324	–
RMH Stanmore	2,221	–
RMH Northwick	25	–
	<u>6,142,528</u>	<u>5,010,723</u>

## Notes to the financial statements

at 31 December 2012

### 4. Activities for generating funds

	2012	2011
	£	£
Black Tie Dinner	444,934	402,162
Golf Tournament	328,877	391,391
Merchandise sales and keyrings	370,886	435,867
ARMS	781	7,007
	<u>1,145,478</u>	<u>1,236,427</u>

### 5. Grants receivable

	2012	2011
	£	£
Department of Health Grant RMH Birmingham	37,500	200,000
Department of Health Grant RMH Brighton	–	33,450
Department of Health Grant RMH Tooting	–	33,450
Department of Health Grant RMH Manchester	25,000	–
Department of Health Grant Arrowe Park	2,000	–
	<u>64,500</u>	<u>266,900</u>

### 6 Investment income

	2012	2011
	£	£
Interest receivable	<u>96,158</u>	<u>143,182</u>

### 7. Costs of generating income, voluntary income

	2012	2011
	£	£
Collection boxes	82,039	121,766
Three peaks challenge	4,954	14,541
Overseas challenge	39,667	1,086
General donations	59,804	29,774
Marketing and communications	762,735	291,722
Fundraising salaries	561,091	486,509
	<u>1,510,290</u>	<u>945,398</u>

## Notes to the financial statements

at 31 December 2012

### 8. Costs of generating income: trading

	2012	2011
	£	£
Black tie dinner	304,268	301,286
Golf tournament	153,206	181,229
Merchandise sales and keyrings	37,073	103,985
ARMS	41	406
	<u>494,588</u>	<u>586,906</u>

### 9. RM House running costs

	2012	2011
	£	£
RMH Brighton	118,477	105,967
RMH Camberwell	106,354	95,947
RMH Tooting	84,410	84,057
RMH Oxford	177,446	212,317
RMH Moorfields	38,852	38,701
RMH Stanmore	3,125	2,799
RMH Birmingham	801,715	691,606
RMH Norwich	21	23
RMH Manchester	573,774	110,018
RMH Ashford	33	36
RMH Arrowe Park	99,627	91,973
RMH Birmingham Women's	3,129	3,409
RMH Northwick	7,069	13,626
RMH Southampton	5,179	–
RMH Truro	326	–
RMHC salaries/management and admin expenses (Van)	2,882	1,599
<b>Total RMH running costs</b>	<u>2,022,419</u>	<u>1,452,078</u>

These costs are comprised principally of the running costs of the Charities' accommodation residences which provide overnight accommodation for the parents of hospitalised children

### 10. Grants paid

Grants are made to charitable and medical organisations and are approved by the Trustees

	2012	2011
	£	£
Ronald McDonald Houses	<u>–</u>	<u>–</u>



## Notes to the financial statements

at 31 December 2012

### 11 Governance costs

	2012	2011
	£	£
Salaries	240,468	208,504
Administration	147,586	173,468
Bank and legal fees	14,311	18,224
Asset write off	128,471	–
	<u>530,836</u>	<u>400,196</u>

### 12. Auditors' remuneration

	2012	2011
	£	£
Auditors' remuneration	<u>9,779</u>	<u>9,544</u>

In 2012 and 2011, the audit fee has been borne by McDonald's Restaurants Limited

### 13. Trustees' remuneration

The Trustees did not receive any remuneration during the year in respect of their services to the Charity (2011 – £nil)

### 14 Staff costs

	2012	2011
	£	£
Wages and salaries	1,464,159	1,254,100
Social security costs	122,472	122,723
Pension costs	62,296	68,649
	<u>1,648,927</u>	<u>1,445,472</u>

The average monthly number of employees during the year was made up as follows

	2012	2011
	No	No
Support staff	12	10
Operational	32	25
	<u>44</u>	<u>35</u>

## Notes to the financial statements

at 31 December 2012

### 15 Tangible fixed assets

	<i>Leasehold improvement</i>	<i>Fixtures and fittings</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
At 1 January 2012	14,482,480	630,756	16,000	15,129,236
Additions	6,111,837	121,079	–	6,232,916
Disposals	(139,101)	(174)	–	(139,275)
At 31 December 2012	20,455,216	751,662	16,000	21,222,877
Depreciation				
At 1 January 2012	923,356	253,506	7,067	1,183,929
Provided in the year	411,116	66,666	1,599	479,381
Disposals	(10,644)	(159)	–	(10,803)
At 31 December 2012	1,323,828	320,013	8,666	1,652,507
Net book value				
At 31 December 2012	19,131,388	431,649	7,334	19,570,370
At 1 January 2012	13,559,124	377,250	8,933	13,945,307

### 16. Debtors

	2012	2011
	£	£
Other debtors and prepayments	194,113	185,719
Accrued interest income	75,790	113,225
	269,903	298,944

### 17. Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	–	4,139
Accruals	142,516	91,285
Other creditors	52,066	43,000
Deferred income	12,000	107,169
	206,582	245,593

## Notes to the financial statements

at 31 December 2012

### 18. Fund balance

The company is limited by guarantee. Accordingly, no share capital account is presented.

<i>Unrestricted funds</i>	<i>General fund</i> £	<i>Designated funds</i> £	<i>Total</i> £
At 1 January 2012	16,417,593	6,080,521	22,498,114
Movement in funds for year	3,468,404	(577,873)	2,890,531
At 31 December 2012	19,885,997	5,502,648	25,388,645

The designated funds are for the remaining works required for the new house at Southampton (£5,380,000) and the Welsh carrier bag levy donation to be spent in Wales (£122,648).

The general fund is held to meet intended pledges.

### 19. Limitation by guarantee

The charity is limited by guarantee and as a consequence does not have share capital. The members of the charity comprise of McDonald's Restaurants Limited and franchisees. The liability of every member is limited to £1 each.

### 20. Related party transactions

During the year, the company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 December 2012, are as listed below. The company:

- received fees of £2,254 from the intermediary, McDonald's Marketing Co-operative Limited (2011 – £392,163) which collected funds from McDonald's restaurants and joint venture companies in the United Kingdom on the charity's behalf. At the balance sheet date the amount outstanding was £2,254 (2011 – £nil).
- During the year the charity received charitable donations from McDonald's Restaurants Limited, £406,699 (2011 – £392,599).

Additionally McDonald's Restaurants incur costs on behalf of the charity which are then recharged at cost to RMHC.

During the year McDonald's Restaurants Limited received £1,919,951 (2011 – £1,729,571) in recharges for costs incurred. At the balance sheet date the amount due from RMHC was £10,925 (2011 – £68,723).