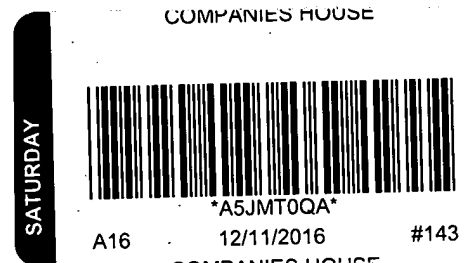


Charity Registration No. 1008765

Company Registration No. 02647684 (England and Wales)

ALDER HEY FAMILY HOUSE TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



ALDER HEY FAMILY HOUSE TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------|--|
| Trustees | Mr G E Oliver (Chair) Ms C M Hart Mr F R Jones Mrs S M Rogers Mr D A Bell Ms P M Cole Mr A Higdon Mr N A Williams Mr I Ward Ms C Chung Ms H Gwilliams (Appointed 9 December 2015) |
| Secretary | Ms C M Hart |
| House Director | Ms W Carson |
| Charity number | 1008765 |
| Company number | 02647684 |
| Principal address | Ronald McDonald House Alder Road Liverpool L12 2AZ |
| Registered office | Ronald McDonald House Alder Road Liverpool L12 2AZ |
| Auditor | Duncan Sheard Glass Castle Chambers 43 Castle Street Liverpool L2 9TL |

ALDER HEY FAMILY HOUSE TRUST LIMITED

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ALDER HEY FAMILY HOUSE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2016

The trustees present their report and accounts for the year ended 31 March 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and "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)"

Objectives and activities

The company is a registered charity and its trading name is Ronald McDonald House at Alder Hey Children's NHS Foundation Trust. Its principal activity is to provide accommodation for the families of sick children, enabling them to stay together as a family unit, within a comfortable, homely environment. The House at Alder Hey, which opened on 7th May 1993, provides accommodation and family support totally free of charge, for the parents/carers of the most critically ill children who are inpatients in Alder Hey Children's NHS Foundation Trust.

The House provides accommodation for families from across the UK and from further afield in Europe. Whilst allocating rooms on a strict criteria to ensure the parents of the most critically ill children obtain accommodation, the House operates on the basis of 'unconditional positive regard' making no judgements about ethnicity, social background, religion or sexual orientation.

The House provides voluntary employment for some 30 (2015:31) or more volunteers ranging in age from 16 to 85 years. Many of these volunteers are preparing for employment in health or social care or have taken early retirement. Some 11 volunteers have been with the charity for 10 years or more.

The House in turn benefits both financially with volunteers saving many of thousands of pounds in revenue costs but also by placing the House firmly in the heart of the local community.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Achievements and performance

The small team are very focused on value for money, ensuring they receive the best service for the best price from all suppliers. Often they receive the service free of charge, or the supply is greatly discounted. The estimated value of such services was in excess of £49,000 plus savings from payroll services and utilities which are also provided free of charge.

Last year the average weekly room cost was £121 (2015 £112) and the charity was able to provide rooms for 1,723 (2015 1,900) families. The move of Alder Hey Hospital to the new site, and the ability for parents to sleep by the child's bed on the majority of wards, had had an impact on the occupancy of the house. Working in partnership with hospital staff, the house is looking at diversifying and offering other services to families such as pre-op accommodation for families who have large distances to travel.

The new House Director, Wendy Carson, was appointed in January 2015 and alongside the already established team is working to prioritise and secure new funding streams for the house, this work has led to the recruitment of a Fundraising manager, and Gill Wilson came to post in November 2015. The Fundraising manager will work to ensure the house explores all fundraising opportunities and maximises new and existing fundraising streams.

The Trustees would like to thank the staff, volunteers and supporters for all their hard work, dedication and efforts throughout the year.

ALDER HEY FAMILY HOUSE TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2016

Despite the staff and volunteers working extremely hard on several fundraising events and generous family donations the annual running costs target was not achieved this year, for the first time in many years. There was a cash shortfall of £100k which the Trust was able to meet from its reserves but which also led to an increased focus on fundraising from wider sources during the year.

Financial review

Net outgoing resources for the year before investment gains or losses were £330,441 (2015: £104,480). The mixed risk investment portfolio recorded a loss in the year of £69,397 (2015: gain £84,977) resulting in a total reduction in funds of £399,838 (2015: £19,503) in the period.

The financial position of the trust is considered satisfactory and the trustees thank the staff, volunteers and supporters for a sound year of activity.

Income is dependent upon fund-raising activity, donations and sponsorship. In addition the trustees wish to acknowledge the considerable help and support received from Alder Hey Children's NHS Foundation Trust towards the cost of utilities and McDonald's Restaurants Limited for payroll services.

The trustees also wish to acknowledge the donations received from families who have stayed in the House and all other individuals and organisations that have contributed toward the House regardless of amount concerned. For many years the House has benefited from substantial donations from the British Kidney Patients Association and the trustees are grateful for their continued support. In particular the trustees wish to acknowledge the substantial donations made by families who have stayed in the House.

The trust continues to set aside funds annually for maintenance and depreciation, and is able to fulfil its normal financial obligations. The property is held on a 124 year lease expiring in 2117 at a peppercorn rent from Alder Hey Children's NHS Foundation Trust. In order to accurately show the reserves tied up in the property, which is used operationally by the charity, funds held in the restricted fund are supplemented by a designated tangible fixed asset fund and a capital replacement fund to reflect the charity's plans to replace certain essential fixtures, fittings, and equipment in line with the business plan. These total £3,677,164 (2015: £3,836,452).

Reserves policy

The trust's current policy is to ensure that two years of anticipated future cash expenditure is covered by available reserves. Anticipated future expenditure is taken to be the trust's anticipated expenditure excluding depreciation, costs associated with specific fund-raising events, and major lifecycle and replacement expenditure. Available reserves are taken to be reflected in the general unrestricted funds. The resulting ratio, expressed in years, is known as the reserves ratio. The trustees have set a target reserves figure of £1.2 million to cover 2 years future running costs.

The reserve ratio currently stands at 2.4 years as at 31 March 2016 (2015: 2.6 years) based on £600k of future annual running costs.

The reserves policy was established in order that accommodation for parents of sick children being treated at Alder Hey Children's NHS Trust could be provided on a continuing basis and without disruption.

As noted in the financial review, in order to accurately show the reserves tied up in the property, which is used operationally by the charity, designated tangible fixed asset and capital replacement funds are held. These funds, in addition to the restricted fund, total £3,677,164 (2015: £3,836,452)

These designated funds have been set aside so that the Trust has sufficient funds to cover anticipated future expenditure requirements. The funds are to be used at the discretion of the Board of Trustees, but the expectation is that they will be applied for the purposes for which they have been designated.

ALDER HEY FAMILY HOUSE TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2016

Investment policy

The investment strategy of the trust is to maximise the return on the funds by investment in a mixed risk investment portfolio. The portfolio is managed by Rathbone Investment Management who provide quarterly valuations and an annual face to face review. The portfolio mix was set at £200,000 in cash with the remaining £1 million spread between 55% equity investments, 35% investment in fixed interest securities and gilts and 10% in structured products.

Plans for the future

The trustees are delighted to report another successful year of both providing free home from home accommodation to the parents and families of children undergoing treatment at Alder Hey Children's NHS Trust and in raising funds for the continual development and improvement of the service the trust provides.

The trustees are very mindful of the additional funds that have arisen from the generous gifts received in this and previous years and that may arise from the continued generosity of its benefactors. As a consequence the trustees continue to review and update the trusts business strategy in its aim to improve and widen the services and facilities it provides to meet the increasing demands from the families.

The trustees are pleased that Alder Hey Children's NHS Foundation Trust's plans for a Children's Health Park are nearing completion. Ronald McDonald House will continue to provide the support that has become very much a unique selling point for the partnership between the Alder Hey Family House Trust and the Alder Hey Children's NHS Foundation Trust. It is hoped that we, together, will continue to build upon 23 years experience.

Structure, governance and management

The company is constituted as a company limited by guarantee and is governed by its memorandum and articles of association. Its affairs are conducted by a minimum of four and a maximum of fifteen trustees, who are also the board of directors. Trustees serve for a maximum of three years, after which time they offer themselves for re-election. The chairman of the trustees serves for three years and may offer himself/herself for re-election for a further three years. All trustees serve on one or more of the sub-committees, namely, budget and audit, fund-raising, investment, employment and remuneration.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr G E Oliver (Chair)

Ms C M Hart

Mr F R Jones

Mrs S M Rogers

Mr D A Bell

Ms P M Cole

Miss P G Core

(Resigned 2 September 2015)

Mr A Higdon

Mr N A Williams

Mr I Ward

Mr G Hughes

(Resigned 13 September 2016)

Ms C Chung

Ms M Balmer

(Resigned 28 April 2015)

Ms H Gwilliams

(Appointed 9 December 2015)

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

ALDER HEY FAMILY HOUSE TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2016

The trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The charity operates a rigorous financial and operating controls, including:

- Financial policies and procedures
- A comprehensive system of annual budgets, approved by the trustees, and quarterly financial reporting of actuals against budgets
- Regular forecasting of predicted income and expenditure
- Quarterly monitoring of reserves policy
- Regular review of the charity's risk register

Related parties

The charity has a wholly-owned trading company, R M H Alder Hey Trading Limited whose principal activity is the sale of a range of merchandise associated with Ronald McDonald House.

During the year the company achieved a net income of £nil (2015: £nil) after a donation to the charity of £2,219 (2015: £2,987) by way of gift aid, on a turnover of £3,900 (2015: £5,466).


Auditor

In accordance with the company's articles, a resolution proposing that Duncan Sheard Glass be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

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

The trustees' report was approved by the Board of Trustees.



Mrs S M Rogers

Trustee

Dated: 24 October 2016

ALDER HEY FAMILY HOUSE TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2016

The trustees, who are also the directors of Alder Hey Family House Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

ALDER HEY FAMILY HOUSE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALDER HEY FAMILY HOUSE TRUST LIMITED

We have audited the financial statements of Alder Hey Family House Trust Limited for the year ended 31 March 2016 set out on pages 8 to 22. 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 Financial Reporting Standard 102.

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 auditors' 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 trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 5, the trustees, who are also the directors of Alder Hey Family House Trust Limited for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts 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 accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 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 matter prescribed by the Companies Act 2006

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

ALDER HEY FAMILY HOUSE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALDER HEY FAMILY HOUSE TRUST LIMITED

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 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)
for and on behalf of Duncan Sheard Glass

24 October 2016

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

ALDER HEY FAMILY HOUSE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

| | | Unrestricted funds | Restricted funds | Total 2016 | Total 2015 |
|---|-------|-----------------------|---------------------|------------------|------------------|
| | Notes | £ | £ | £ | £ |
| <u>Income and endowments from:</u> | | | | | |
| Donations and legacies | 2 | 431,455 | - | 431,455 | 589,427 |
| Investments | 3 | 43,409 | - | 43,409 | 38,157 |
| Other income | 4 | 6,319 | - | 6,319 | 9,162 |
| Total income and endowments | | 481,183 | - | 481,183 | 636,746 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 5 | 107,956 | - | 107,956 | 77,668 |
| Charitable activities | 6 | 675,394 | 28,274 | 703,668 | 663,558 |
| Total expenditure | | 783,350 | 28,274 | 811,624 | 741,226 |
| Net (losses)/gains on investments | 10 | (69,397) | - | (69,397) | 84,977 |
| Net movement in funds | | (371,564) | (28,274) | (399,838) | (19,503) |
| Fund balances at 1 April 2015 | | 4,822,544 | 814,753 | 5,637,297 | 5,656,800 |
| Fund balances at 31 March 2016 | | 4,450,980 | 786,479 | 5,237,459 | 5,637,297 |

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ALDER HEY FAMILY HOUSE TRUST LIMITED

BALANCE SHEET

AS AT 31 MARCH 2016

| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|-------|------------------|---|------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 11 | 3,614,964 | | 3,774,252 | |
| Investments | 12 | 1,257,079 | | 1,425,136 | |
| | | <u>4,872,043</u> | | <u>5,199,388</u> | |
| Current assets | | | | | |
| Debtors | 13 | 23,592 | | 24,026 | |
| Cash at bank and in hand | | 398,186 | | 459,875 | |
| | | <u>421,778</u> | | <u>483,901</u> | |
| Creditors: amounts falling due within one year | 14 | (56,362) | | (45,992) | |
| Net current assets | | <u>365,416</u> | | <u>437,909</u> | |
| Total assets less current liabilities | | <u>5,237,459</u> | | <u>5,637,297</u> | |
| Income funds | | | | | |
| Restricted funds | 16 | 786,479 | | 814,753 | |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 17 | 2,890,685 | | 3,021,699 | |
| General unrestricted funds | | 1,424,806 | | 1,545,349 | |
| Revaluation reserve | | <u>135,489</u> | | <u>255,496</u> | |
| | | <u>4,450,980</u> | | <u>4,822,544</u> | |
| | | <u>5,237,459</u> | | <u>5,637,297</u> | |

The accounts were approved by the Trustees on 24 October 2016



Ms C M Hart
Trustee



Mrs S M Rogers
Trustee

Company Registration No. 02647684

ALDER HEY FAMILY HOUSE TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|-------|-----------|-----------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 21 | | (191,000) | | 2,080 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (12,758) | | (41,088) | |
| Purchase of fixed asset investments | | (294,704) | | (377,452) | |
| Proceeds on disposal of fixed asset investments | | 393,364 | | 305,767 | |
| Interest received | | 43,409 | | 38,157 | |
| Net cash generated from/(used in) investing activities | | | 129,311 | | (74,616) |
| Net cash used in financing activities | | | - | | - |
| Net decrease in cash and cash equivalents | | | (61,689) | | (72,536) |
| Cash and cash equivalents at beginning of year | | | 459,875 | | 532,411 |
| Cash and cash equivalents at end of year | | | 398,186 | | 459,875 |

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Alder Hey Family House Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Ronald McDonald House, Alder Road, Liverpool, L12 2AZ.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charitable company is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared on the historical cost convention.

These accounts for the year ended 31 March 2016 are the first accounts of Alder Hey Family House Trust Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The financial statements present information about the charity as an individual undertaking and not about its group. The charity and its subsidiary undertakings comprise a small-sized group. The charity has therefore taken advantage of relevant charity law not to prepare group accounts.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure, which is charged on an accruals basis, is allocated between:

Expenditure incurred directly in the fulfillment of the charity's objectives (charitable activities), expenditure incurred directly in the effort to raise voluntary contributions (costs of generating voluntary contributions) and expenditure incurred in the governance of the charity.

Items of expenditure involving more than one cost category are apportioned on the basis of staff time incurred in respect of each category.

No amounts are included in the financial statements for services donated by volunteers.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|-----------------------|
| Land and buildings | 40 years |
| Fixtures, fittings & equipment | Between 5 and 7 years |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Taxation

Alder Hey Family House Trust Limited is a registered charity and is thus exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to charitable objects. No tax charges have arisen in the charitable company.

2 Donations and legacies

| | 2016 | 2015 |
|---------------------|---------|---------|
| | £ | £ |
| Donations and gifts | 431,455 | 589,427 |

Donations and legacies includes intangible income comprising utilities provided which is estimated to be worth £28,000 (2015 : £28,000).

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3 Investments

| | 2016 | 2015 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Income from listed investments | 38,878 | 36,106 |
| Interest receivable | 4,531 | 2,051 |
| | <u>43,409</u> | <u>38,157</u> |

4 Other income

| | 2016 | 2015 |
|--------------|--------------|--------------|
| | £ | £ |
| Other income | <u>6,319</u> | <u>9,162</u> |

5 Raising funds

| | 2016 | 2015 |
|----------------------------------|----------------|---------------|
| | £ | £ |
| <u>Fundraising and publicity</u> | | |
| Staging fundraising events | 29,684 | 28,118 |
| Advertising | 9,292 | 4,852 |
| Staff costs | 61,179 | 38,715 |
| <u>Investment management</u> | 7,801 | 5,983 |
| | <u>107,956</u> | <u>77,668</u> |

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

6 Charitable activities

| | 2016 £ | 2015 £ |
|--|----------------|----------------|
| Staff costs | 140,176 | 143,875 |
| Depreciation and impairment | 172,046 | 175,482 |
| Insurance | 9,138 | 8,833 |
| Heat, light, water and rates | 55,562 | 51,928 |
| Maintenance and repairs | 55,261 | 20,388 |
| Stationery, postage and telephone | 8,528 | 4,457 |
| Cleaning and household | 93,861 | 100,365 |
| Contract maintenance | 34,875 | 30,066 |
| Staff training | 5,042 | 3,456 |
| Travelling, subsistence and entertaining | 3,616 | 3,835 |
| Miscellaneous | 500 | 723 |
| Night porters | 72,141 | 65,506 |
| Recruitment | - | 13,900 |
| | <u>650,746</u> | <u>622,814</u> |
| Share of support costs (see note 7) | 46,262 | 33,712 |
| Share of governance costs (see note 7) | 6,660 | 7,032 |
| | <u>703,668</u> | <u>663,558</u> |
| Analysis by fund | | |
| Unrestricted funds | 675,394 | |
| Restricted funds | 28,274 | |
| | <u>703,668</u> | |
| For the year ended 31 March 2015 | | |
| Unrestricted funds | | 635,284 |
| Restricted funds | | 28,274 |
| | | <u>663,558</u> |

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

7 Support costs

| | Support costs £ | Governance costs £ | 2016 £ | 2015 £ | Basis of allocation |
|---|--------------------|-----------------------|---------------|---------------|---------------------|
| Staff costs | 46,262 | - | 46,262 | 33,712 | Staff time |
| Audit fees | - | 6,660 | 6,660 | 6,660 | Governance |
| Legal and professional | - | - | - | 372 | Governance |
| | <u>46,262</u> | <u>6,660</u> | <u>52,922</u> | <u>40,744</u> | |
| Analysed between Charitable activities | <u>46,262</u> | <u>6,660</u> | <u>52,922</u> | <u>40,744</u> | |

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, none of them were reimbursed for travelling expenses (2015- nil).

9 Employees

Number of employees

The average monthly number employees during the year was:

| | 2016 Number | 2015 Number |
|----------------|----------------|----------------|
| Administrative | 3 | 3 |
| Operational | 5 | 5 |
| | <u>8</u> | <u>8</u> |

Employment costs

| | £ | £ |
|---------------------|----------------|----------------|
| Wages and salaries | 239,964 | 210,816 |
| Other pension costs | 7,653 | 5,486 |
| | <u>247,617</u> | <u>216,302</u> |

Salaries, pensions and social security costs are paid by McDonalds Restaurants Limited. The charity reimburses McDonalds Restaurants Limited in full for these costs.

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

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

10 Net gains/(losses) on investments

| | 2016 | 2015 |
|----------------------------------|-----------------|---------------|
| | £ | £ |
| Revaluation of investments | (25,060) | 82,169 |
| Gain/loss on sale of investments | (44,337) | 2,808 |
| | <u>(69,397)</u> | <u>84,977</u> |

11 Tangible fixed assets

| | Land and buildings | Fixtures, fittings & equipment | Total |
|------------------------------------|--------------------|--------------------------------|------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2015 | 5,454,952 | 595,641 | 6,050,593 |
| Additions | - | 12,758 | 12,758 |
| At 31 March 2016 | <u>5,454,952</u> | <u>608,399</u> | <u>6,063,351</u> |
| Depreciation and impairment | | | |
| At 1 April 2015 | 1,685,014 | 591,327 | 2,276,341 |
| Depreciation charged in the year | 166,548 | 5,498 | 172,046 |
| At 31 March 2016 | <u>1,851,562</u> | <u>596,825</u> | <u>2,448,387</u> |
| Carrying amount | | | |
| At 31 March 2016 | <u>3,603,390</u> | <u>11,574</u> | <u>3,614,964</u> |
| At 31 March 2015 | <u>3,769,938</u> | <u>4,314</u> | <u>3,774,252</u> |

12 Fixed asset investments

| | Notes | 2016 £ | 2015 £ |
|------------------------------------|-------|------------------|------------------|
| Investments in subsidiaries | 20 | 2 | 2 |
| Listed investments | | 1,257,077 | 1,425,134 |
| | | <u>1,257,079</u> | <u>1,425,136</u> |
| Listed investments included above: | | 2016 £ | 2015 £ |
| Listed investments carrying amount | | <u>1,257,077</u> | <u>1,425,134</u> |

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

12 Fixed asset investments

(Continued)

Fixed asset investments revalued

Investments are included at revalued amounts, being the market value of the shares at the year end. The historical cost of the shares was £1,137,070 (2015: £1,169,640).

Movements in fixed asset investments

| | Shares £ |
|--------------------------|-------------|
| Cost or valuation | |
| At 31 March 2016 | 1,425,136 |
| Additions | 294,704 |
| Valuation changes | (44,336) |
| Disposals | (418,425) |
| At 31 March 2016 | 1,257,079 |
| Carrying amount | |
| At 31 March 2016 | 1,257,079 |
| At 31 March 2015 | 1,425,136 |

13 Debtors

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Amounts due from subsidiary undertakings | 2,219 | 2,987 |
| Prepayments and accrued income | 21,373 | 21,039 |
| | 23,592 | 24,026 |

14 Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------|-----------|-----------|
| Trade creditors | 4,405 | 7,928 |
| Accruals and deferred income | 51,957 | 38,064 |
| | 56,362 | 45,992 |

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

15 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

16 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:

| | Balance at 1 April 2015 £ | Movement in funds | | Balance at 31 March 2016 £ |
|-----------|---------------------------------|----------------------------|----------------------------|----------------------------------|
| | | Incoming resources £ | Resources expended £ | |
| New Annex | 660,884 | - | (24,000) | 636,884 |
| RMH3 | 153,869 | - | (4,274) | 149,595 |
| | <u>814,753</u> | <u>-</u> | <u>(28,274)</u> | <u>786,479</u> |

New Annex - created in the year ended 31st March 2002, and comprises all of the donations received for the construction of the new annex, less depreciation to date, and is represented by a proportion of tangible fixed assets i.e. equipment, fixtures and fittings.

RMH3 - established in the year ended 31st March 2010, comprising all of the donations received for the construction of new development block RMH3, less depreciation to date.

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | Balance at 1 April 2015 £ | Movement in funds | | | Balance at 31 March 2016 £ |
|---------------------------|---------------------------------|----------------------------|----------------------------|------------------|----------------------------------|
| | | Incoming resources £ | Resources expended £ | Transfers £ | |
| Capital replacement fund | 62,200 | - | - | - | 62,200 |
| Tangible fixed asset fund | 2,959,499 | - | - | (131,014) | 2,828,485 |
| | <u>3,021,699</u> | <u>-</u> | <u>-</u> | <u>(131,014)</u> | <u>2,890,685</u> |

The capital replacement fund reflects the charity's plans to replace certain essential fixtures, fittings and equipment in line with the business plan.

The tangible fixed asset fund, in addition to the restricted fund, reflects the value of the tangible fixed assets used operationally by the charity.

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

17 Designated funds

(Continued)

18 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|--|----------------------------|--------------------------|------------------|
| Fund balances at 31 March 2016 are represented by: | | | |
| Tangible assets | 2,828,485 | 786,479 | 3,614,964 |
| Investments | 1,257,079 | - | 1,257,079 |
| Current assets/(liabilities) | 365,416 | - | 365,416 |
| | <u>4,450,980</u> | <u>786,479</u> | <u>5,237,459</u> |

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

| | 2016 £ | 2015 £ |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>48,600</u> | <u>43,800</u> |

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

20 Subsidiaries

Details of the charitable company's subsidiaries at 31 March 2016 are as follows:

| Name of undertaking and country of incorporation or residency | Nature of business | Class of shareholding | % Held Direct Indirect |
|--|----------------------|--|---------------------------|
| R M H Alder Hey Trading Limited | England and Wales | Selling a range of merchandise associated with Ronald McDonald House | 100.00 |

| Name of undertaking | Profit/(Loss) £ | Capital and Reserves £ |
|------------------------------------|--------------------|------------------------------|
| R M H Alder Hey Trading Limited | - | 11,544 |

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

| 21 | Cash generated from operations | 2016 £ | 2015 £ |
|----|--|------------------|--------------|
| | Deficit for the year | (399,838) | (19,503) |
| | Adjustments for: | | |
| | Investment income recognised in profit or loss | (43,409) | (38,157) |
| | Loss/(gain) on disposal of investments | 44,337 | (2,808) |
| | Fair value gains and losses on investments | 25,060 | (82,169) |
| | Depreciation and impairment of tangible fixed assets | 172,046 | 175,482 |
| | Movements in working capital: | | |
| | Decrease/(increase) in debtors | 434 | (9,007) |
| | Increase/(decrease) in creditors | 10,370 | (21,758) |
| | Cash (absorbed by)/generated from operations | (191,000) | 2,080 |
