

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 2019**

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# ALDER HEY FAMILY HOUSE TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

Mr N Williams (Chair)  
Ms C M Hart  
Mr F R Jones  
Ms P M Cole  
Mr A G M Higdon  
Mrs K H Camden  
Ms S L Carter  
Mr M W Blundell  
Mr S A Russell  
Mrs A P Pope  
Mr R E Robinson (Appointed 5 June 2018)

**Secretary** Ms C M Hart

**Chief executive officer** 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** DSG  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

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# **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 2019**

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The trustees present their report and financial statements for the year ended 31 March 2019.

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)"

#### **Chair and Chief Executive's Report**

We would like to take this opportunity to welcome you to our Annual Report and Accounts for 2018/19. This was a year of celebration and reflection for Ronald McDonald House at Alder Hey Children's Hospital ("the House").

Celebrating our 25th Anniversary led to us reflecting on the previous 25 years.

The Anniversary Ball, which had a Strictly Come Dancing theme, was a fantastic way of rounding off a year of celebrations, which began with a Family Fun Day on our actual birthday 7th May, and carried on throughout the year. It was wonderful to reconnect with families who used the House over the last 25 years and to celebrate our achievements with new friends and supporters too.

Sadly, this was the year that we lost our President, the inspirational Lady Jean Stoddart, who passed away at the age of 93. As our founding member, it was a privilege to be able to celebrate her life and involvement in the House with her family, friends and colleagues, and to remember the positive start and continued support she gave to the House for 25 years.

The Board of Trustees took time out in January 2019, to reflect on the challenges the charity faces in what is a difficult time for all small charitable organisation. The challenge of fundraising £700k per annum is becoming increasingly difficult, especially as expenditure rises. Although the Charity takes every opportunity to stream line its expenses, it was recognised that the organisation would benefit from an external overview of its fundraising strategy, which took place during the year.

Families continue to tell the House exactly what it means to them. We have had more feedback than ever, as we have invested in social media, and are able to better capture the comments from families. Nearly 2,080 families stayed with us this year with an average stay of 20 nights. This is an increase in the number of families staying, which has risen year on year since Alder Hey Hospital moved site, and also an increase in the length of time families staying from 13 nights to 20 nights. Families tell us that they just do not know what they would do without the House, and although it is recognised that the fabric of the building would benefit from some refreshing, it is still a very precious home from home for nearly 84 families each night.

Looking towards the future, there are some exciting developments ahead. A new Organisational Strategy is complete and a new Fundraising Strategy is in place, which has identified some new and exciting fundraising streams that have not yet been fully explored by the Charity. The Board have committed to a solid investment in fundraising. It has been recognised that without this the challenge would only become more difficult, we are excited to see the results of that investment, as the new strategy is implemented and additional staff come into post.

#### **Thank You**

We would like to extend a huge thanks to all those who continue to support Ronald McDonald House, and enable us to provide not only accommodation, but a vast array of support to families of seriously sick children, enabling them to stay together during the most difficult time in their lives.

We know that the families who benefit from staying at Ronald McDonald House are so grateful to be given the opportunity to be close to their child, and we are grateful that with your ongoing support we will be able to continue to support families when they need us most.

Neil Williams, Chair of Trustees  
Wendy Carson, Chief Executive Officer

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **Objectives and activities**

The company is a registered charity and its trading name is Ronald McDonald House at Alder Hey Children's Hospital "the House". 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 "Alder Hey".

The House provides free accommodation for families from across the UK and from further afield in Europe. Whilst allocating rooms on a strict criterion, so as 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 is an independent charity and is responsible for raising all funds relating to the running and upkeep of the house, through voluntary donation. It receives a very modest amount of short-term contractual income and limited support from its project partners McDonald's Restaurants and Alder Hey.

The House provides regular voluntary employment opportunities to individuals and various groups of volunteers also work on an ad hoc basis within the House decorating rooms, gardening, or supporting the House with fundraising. The House in turn benefits, not only financially, with volunteers saving many of thousands of pounds in revenue costs but also by placing the House firmly at the heart of the local community.

Over the last 25 years the House has expanded from 26 rooms to 69 rooms and 15 self-contained apartments to meet the increasing demand from parents. Over that time it has accommodated over 32,000 families.

During the recent rebuild of Alder Hey Children's Hospital "Alder Hey" the House had a period of consolidation in order to see how the demand for accommodation might change. Following completion of the hospital and a period of settling in we are excited by their further plans and how our services might evolve to meet the changing needs of parents.

### **Mission, Vision and Values**

Our Mission remains **"To provide accommodation for the families of sick children enabling them to stay together as a family unit, within a comfortable homely environment"**.

Following on from the independent review of fundraising the Board and Senior Management Team met in January 2019 to agree its future Vision and Values for the House.

Our vision is simple **"To ensure every sick child has access to his or her family when they need it most"**

We will do this **with Care, with Support, with Empathy and we will be Dedicated to meeting the needs of families.**

Our strategic and operational goals and objectives are underpinned by the continued independence of the Charity, improved branding and closer working with our project partners.

### **How the activities of the House deliver Public Benefit**

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake. Ronald McDonald House at Alder Hey Children's Hospital "The House" is a special caring home where families of seriously ill children, receiving treatment at Alder Hey Children's Hospital "Alder Hey" can stay, without charge, for the duration of their child's stay in hospital.

A large number of children cared for at Alder Hey come from outside Liverpool, as far afield as Staffordshire, North Wales and the Isle of Man. The House provides parents accommodation for approximately 2,000 families each year. It survives purely on public donations and its service has a wide number of beneficiaries;

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019**

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### ***Children who are being treated at Alder Hey***

Research shows that children recover more quickly if families are nearby and involved in their care.

### ***Parents of children being treated at Alder Hey, siblings and wider family members***

The House enables parents, siblings and wider family members be close to their sick child, and supports a feeling of normality in a stressful situation.

### ***Alder Hey Children's Hospital and their staff***

Alder Hey Hospital and its staff can be confident that families have somewhere to stay and can be involved in their children's care, the sharing of information helps to safeguard vulnerable children.

### ***Volunteers***

Volunteers are able to carry out their duties in safe and appreciative environment, and can be assured they are supporting sick children.

### ***RMH staff and trustees***

The organisation is supportive of staff and trustees, and is committed to being a good place to work and volunteer.

### ***Wider partners, supporters and funders***

Wider partners and supporters can be assured that they are involved in a well-run charity, and that their commitment is helping sick children. Funders can be assured that they are committing funds to a reliable and well-run charity, which is meeting the needs of the children and families it serves.

### **Governance**

In 2017 the National Council for Voluntary Organisations "NCVO" issued its 'Governance Code for Charities'. The code is not a legal or statutory requirement and some aspects may be aspirational but as part of our goal to have the very highest standards of governance the Charity intends to use it as a tool for continuous improvement.

The code contains seven principles: Organisation purpose, Leadership, Integrity, Decision making and risk control, Board effectiveness, Diversity and Openness and accountability. The Charity has set up a working party to evaluate performance against the code and implement best practice. As part of this work all policies have been reviewed to ensure they are up to date and fit for purpose.

Trustees serve for a maximum of three years, after which time they can offer themselves for re-election. With due regard to the need to ensure Board effectiveness the Board has discussed the fact that there is currently no maximum term in office. The Board believe that it is more important to have the right skills and input/output from trustees rather than fixed terms. Whilst three of the current twelve trustees have served more than 10 years the remaining trustee posts have changed regularly with one serving 5-10 years and eight serving under 5 years.

In addition to its scheduled quarterly meetings the Board meets to discuss and agree strategy. Following on from the independent review of fundraising an updated Strategic Plan has been completed. Performance against the plan will be regularly monitored.

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **Achievements and performance**

Over the past 12 months the House has accommodated 2,080 (2018; 1,919) families, with the average stay increasing from 13 nights to 20 nights. The children of the majority of families accommodated were being treated on the Cardiac wards (816) followed by families with children on Critical care wards (547), the nature of the treatment these children are undertaking is thought to be the reason for the increase in length of family stay.

This year the House invested in a new database system that allows us to book family accommodation as well as record donor support. This is assisting us in understanding the needs of families, and changes in how Alder Hey use the family accommodation we supply. It will also greatly assist us as we support the journeys of our supporters and donors.

The House now also accommodates patients and their families after they have had SDR surgery. This type of surgery requires intensive physiotherapy, but does not always require the child to be in hospital during the 2 weeks rehabilitation. Working with Alder Hey, who have helped cover the costs of this accommodation, the family are able to stay with their child in our supportive environment, and be close to the hospital for their physio appointments. This is vital for families living a long distance from the hospital. This has helped to increase our occupancy rates which rose from 85% in the previous two years to 91% this year.

An independent fundraising review took place, and part of the implementation was to recruit additional resources into the fundraising team. A Head of Fundraising appointment was made in November 2018 and an experienced Corporate and Community fundraiser joined the team in March 2019. There is a new Fundraising Strategy and Plan, which sees us developing our fundraising practice and exploring new fundraising activities. The Strategy and plan will take us forward for the next 5 years, and although the challenge is recognised, it is exciting times for the House, as we see what new avenues can be explored.

Even as our social media successes, throughout the year, went from strength to strength we recognised it as an area needing still more growth and support. Not just in the way we support families but also as a key element of our fundraising efforts. The role of our Copywriter was therefore expanded into a Communication and Marketing Officer. Ensuring we market ourselves, and communicate our mission effectively is a key priority for the charity, this has now led to the development of a Communications Strategy and Plan.

We continue to try and improve the way we evaluate our services and capture families' comments and social media has been key in enabling us to communicate with our families.

The small team continued to be 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.

### **Our "Mac House"**

We are the largest Ronald McDonald house in Europe, with 84 bedrooms, including 15 longer stay apartments, and can help over 2,000 families a year. Many families come from as far afield as North Wales, Staffordshire, Cheshire, Lancashire, the Isle of Man and of course all across Merseyside and the North West.

The House, built in 1993 and extended twice due to demand and the generosity of donors, is located in the grounds of the world-famous Alder Hey Children's Hospital. We are a home away from home, where families of seriously ill children receiving care and treatment at the hospital can stay close by, just minutes away from their child's bedside, in accommodation provided free of charge.

The House, affectionately known by families as "Mac House", provides them with a warm and welcoming environment, where they can stay for as long as they need, be it a matter of days, weeks, months or in some cases, even years. Mac House is equipped with the facilities for family living, with bedrooms, spacious lounges, tv's in bedrooms and a separate TV lounge, Wi-Fi, galley kitchens, their own food storage lockers, playrooms, a garden and a laundry. Rooms can sleep up to four persons and families can cook, clean, rest, and be together, all the time knowing that they are just minutes away their child in hospital. The difference this can make is simply incredible. The staff and volunteers are always there to support with dedicated family support workers who maintain regular contact with families.

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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Research shows that having the ability to stay close to your child whilst they are being treated in hospital hugely aids recovery and makes a massive difference to all the family, including the well brothers or sisters of the child being cared for. Some families also find it helpful to be with other families that are going through similar difficult experiences.

Ensuring that we maintain the accommodation, and also meet the diverse needs of families is key to the organisation. Donations of time from volunteers as well as resources goes a long way to ensuring the building is well maintained, though it is recognised that after 25 years, refurbishment of rooms is necessary, and future plans to fundraise for this are being developed.

The Charity recognises the need to ensure it is able to meet the changing priorities for parent accommodation in line with the changing priorities of Alder Hey Children's Hospital, and as a key partner the charity is well placed to make the changes needed.

### **Feedback from Families**

***Our baby was transported to PICU the day she was born. Thanks to Mac House we were able to be by her side as we live in North Wales. We were able to hold her close and go through everything with her during her 71 day stay at Alder Hey. I will never be able to thank Mac House enough for the work they do"***

Comments such as these from families, helps to put into the context the invaluable work of the House, and captures the families' appreciation.

We are working hard to ensure we improve the way we capture the impact Ronald McDonald House has on families. We have plans for quarterly focus groups, and ongoing evaluations processes. We have started by asking families opinion on staff and were pleased to see that they held staff in high regard.

***86% of families asked rated their experience of staff as excellent with comments such as the following being made; "I could never fault any of the staff at Mac House. They were and are incredible. The help they provide for families is amazing and we will be back for further surgeries and as much as it is a hard time, we look forward to seeing them all."*** (Survey Monkey: Staff Evaluation, 54 respondents)

Reviewing what we deliver to families is on-going and is dependent on the changes within Alder Hey. We know, for example, that there is an increase in neo-natal patients coming to Alder Hey and this has led us to develop a good relationship with the Breastfeeding lead at Alder Hey. The House has sourced funding to increase the number of breast pumps we have within the House for mums to use. This support for mums is vital, not just in the health of their very sick babies, but in their own wellbeing and ability to give this basic care need to their child.

Working with wider partners means we are able to source food for families free of charge which is delivered weekly. We are also authorised to give out foodbank vouchers, this is vital for a number of families who are struggling financially with having a sick child.

There are a number of simple things that the House facilitates which just makes families feel better. For example, students from Greenbank College visit the House monthly to give a hair trim and wash and blow to parents. This gives the families permission, for a short period of time, to have some time to themselves. Families comment on how something so simple can make them feel better.



# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **Family Case Study**

As told by his mum, Melanie Guiney.

*"On 22nd October 2013 we were admitted to hospital in Llandudno late at night. Our baby son Fletcher was 10 weeks old and had hydrocephalus, which is a build-up of fluid on the brain. We were blue lighted to Alder Hey and straight in to theatre the next day, where they found a brain tumour. All I had with me was an overnight bag for me and the baby, as I thought we would just be there for one for night. The next day we were given a room at Mac House, where we were able to stay while Fletcher was having treatment.*

*For us, Mac House was amazing. It helped us as a family as we also had a two-year-old, our son Lloyd, who could stay with us for the odd night. My mum was also able to stay with us when we needed extra support. It was a huge relief to have that space and to relax and get away from the ward. We didn't have to worry about cooking as volunteers cook a family meal for the people staying at the house. We could also do normal things like our laundry, and use the facilities away from the ward.*

*Money was a worry for us, but Mac House took that worry away from us. I was on maternity leave, and my husband wasn't being paid. The staff at Mac House were very helpful and always at hand if we needed anything. I even had my hair done, which made a difference. When you are staying there, it really feels like someone is looking after you.*

*Fletcher is doing brilliantly now and has been clear for five years. He was discharged in February last year. His tumour was very rare, and only one in ten million people develop it. We are grateful that we had the help of Mac House. Staying there took away a lot of worry and pressure from us."*

### **Fundraising**

This year continued to be financially challenging for the House. The Board recognised the need to review its approach to Fundraising and commissioned an external agency to undertake this. This review highlighted a need to invest in fundraising resources which led to the appointment of Kate Davis as Head of Fundraising, together with other team members. It was also identified that there were areas within existing fundraising streams that could be improved, and new fundraising streams that needed to be thoroughly explored. A new Fundraising strategy was written for implementation in 2019 and the Board are excited to see how this supports the financial position of the House over the next 5 years.

This was a year of celebration for the Charity as it celebrated its 25th Year and investing in fundraising for the future was a very positive and exciting step. It was an opportunity to re-engage with past supporters, and these relationships will be further supported going forward.

The House has always relied heavily on public donations, to enable it to carry out its charitable activities. Its fundraising ratios continue to be favourable compared to other charities that undertake similar methods of fundraising. We have focused on return on investment for all our activities and ensured we met or exceeded our regulatory obligations.

As with all our fundraising efforts this year, we worked collaboratively with staff and volunteers to share stories and powerful messages.

Families have always supported the House and continued to do so this year, but we recognise the pressure people are under with limited resources and the increase in the number of charities asking for donations. To enable us to increase our donations going forward we have reviewed our stewardship of our donors, to enable us to create lifelong supporters, who experience a meaningful donor journey supporting the House.

Community fundraising is an area that the House has continued to have some success with and a number of community events took place. Our strategy is to embed community fundraising at our heart.

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2019**

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This year our fundraising focus shifted back to grass roots fundraising. The Charity focused on past families and volunteers as being central to spreading the fundraising messages, to get as many people as possible giving and involved with Mac House, with the aim to grow individual giving. This focus maximised income and set the parameters for partnership working.

The House activities continue to be popular and as ever this year and we were able to take advantage of our 5 Golden Bond places for the London Marathon. The sun shone at Birkdale as once again we held a successful Golf Day, and our families enjoyed the Summer and Christmas toy sales.

Applications to Trusts and Foundations was a funding stream that we began exploring for the first time this year. Although we had limited success this year, with the additional resources and expertise in the team, this is an area that can now be explored further and is an encouraging prospect going forward. We were able to fund our Evening House Assistant role with grant funding this year, and it is hopeful that in the future we will get year on year funding to help support some of the valuable work we undertake.

The House is registered voluntarily with the Fundraising Regulator and we follow the Institute of Fundraising "IOF" best practice guide and Charity Commission guidance for Charity Fundraising (CC20). We comply with the Privacy and Electronic Communications Regulations (PECR) that sits alongside the current Data Protection Act and have undertaken all the relevant compliance preparation. For the year 2018/19 we did not receive any complaints about our fundraising practices/approaches. Protection of vulnerable people is something the House takes seriously. We adhere to the IOF's guidance – 'Treating Donors Fairly - Fundraising with people in vulnerable circumstances'. Adherence to all fundraising regulation and best practice gives our supporters and funder's confidence that their monies raised are spent wisely and lawfully. The Charity does not use any professional fund-raisers or commercial participants in its fundraising. It did use an external consultant to carry out the fundraising review.

### **Marketing & Communication**

We have appointed our first Communications and Marketing Officer, and continued to develop the website which was launched the previous year. Our website now appears as the second-to-top search for Ronald McDonald House, whereas in the previous year we did not appear at all.

Our social media presences continue to grow with a 1,000 increase in Twitter followers, a 600 increase in Facebook followers, and 50% increase in Instagram, which is a new platform for the House.

The House has also appeared in Liverpool Echo, Good News Liverpool, Liverpool Business News, on BBC Northwest tonight, The Guild Liverpool and several regional radio shows, all helping to raise the profile of the Charity.

### **Trading Company**

RMH Alder Hey Trading Limited was formed over 20 years ago to sell merchandise within the House. Sales are not significant and following changes in rules and best practice and advice from our Auditors it has been decided to transfer all future trading into the Charity. The trading company will be retained as a dormant, wholly owned subsidiary of the Charity. The accounts for the year therefore show a payment to the Charity of £8,049 bringing the Net Assets to £2 represented by its Called-up share capital

During the year the company achieved a net income of £nil (2018: £nil) after a donation to the charity of £8,049 (2018: £958) by way of gift aid, on a turnover of £4,144 (2018: £4,424).

### **Partners**

Whilst the Charity's full name "Ronald McDonald House at Alder Hey Children's Hospital" includes the name of its two major project partners, Ronald McDonald referring to McDonald's Restaurants and Alder Hey referring to Alder Hey Children's Hospital, it operates as an independent charity and is responsible for raising all funds relating to its running costs and repairs and replacement of its building, fixtures and fittings.

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2019**

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The project partners were responsible for providing the capital funds for building the original house 25 years ago and smaller grants towards the two further extensions. It is worth noting that both partners have their own separate charitable organisations who are in direct competition for voluntary donations with the House. However, the House still has strong relationships with them both and receives valuable support in the way of Board membership, staff fundraising and volunteering from local McDonald's restaurants and franchisees, payroll services through McDonald's and contribution towards the cost of utilities by Alder Hey.

The House has strong working relationships with Alder Hey Children's Hospital and a variety of different agencies in order to provide the best possible level of support to families. It also works in partnership with many local suppliers who provide essential services for free or at a significant discount.

For the first time this year Alder Hey Children's Hospital funded a small number of rooms that the Charity reserves for use by children receiving SDR surgery and their family. This is a short-term commitment renewable six monthly.

### **Volunteering**

The House provides voluntary employment for some 20 or more volunteers ranging in age from 16 to 85 years. (2018:27) Many of these volunteers are preparing for employment in health or social care or have taken early retirement. Some 7 volunteers have been with the charity for 10 years or more. A number of volunteers retired from the House this year, and sadly 3 volunteers passed away. We are continuing to try and recruit new volunteers both for housekeeping and fundraising activities.

The Charity recognises the need to invest in its volunteers, and a new volunteering strategy is in development and will be implemented in 2019.

Many of the volunteers currently working at the House have been with the Charity for a number of years and continue to be a great source of support. There are currently 20 volunteers working with us in range of roles, from housekeeping to fundraising, not forgetting our Trustees who all willing volunteer their time to support the Charity.

We also support a number of corporate volunteers who undertake bigger task such as decorating rooms and tackling the gardening. These activities are invaluable team building exercises for these companies, as well as being a resource for the House.

The House has an ongoing relationship with Bank View College and for the second year supported two young people with Autism to gain work experience in RMH. They worked with us for a week, and as well as gaining valuable experience of a work environment enriched the working environment for the staff, who enjoyed supporting them during their time with us.

The House works closely with Alder Hey to recruit volunteers, who after a period of induction and training, are now also able to volunteer at the House as well as at the hospital. The House provides volunteers with an induction to their role and refreshments during their shifts. Most volunteers have featured in our social media stories, where regular thanks are given to them for their support. We also hold an annual social event at Christmas time. They are also invited to staff training where relevant to their role.

The House benefits financially, with the financial contribution of volunteering being equivalent to in excess of £37,000 based on £10 per hour.

The Trustees receive no remuneration.

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2019**

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### **Financial review**

Net outgoing resources for the year before investment gains or losses were £234,930 (2018: £229,947). The mixed risk investment portfolio recorded a gain in the year of £52,241 (2018: loss £9,014) resulting in a total reduction in funds of £182,689 (2018: £238,961) in the period.

Despite the staff and volunteers working extremely hard on several fundraising events and generous family donations the annual running costs target was not achieved for the fourth successive year. There was a cash shortfall from operating activities of £166,593 (2017: £84,458) which the House was able to meet from its reserves.

A number of initiatives were started this year to address the declining financial position, not least significant investment in our fundraising resources and processes. These will however take time to implement and improve our income levels. This is explained more fully in the sections in this report 'Achievements and Performance' and 'Fundraising'.

The new donor management system and improved IT infrastructure and connectivity, both purchased this year, are supporting the new fundraising strategy and have benefitted staff working practices. Visitors and families have also benefitted from improved wi-fi access.

Income is dependent upon fund-raising activity, donations and sponsorship. The Board wish to acknowledge the donations received from families who have stayed in the House and all other individuals and organisations that have contributed funds toward the House regardless of amount concerned. Of particular note was a generous legacy from one of our volunteers who had helped look after our families for 25 years.

They also wish to thank all those organisations who support the House with free or heavily discounted services. The estimated value of such services grew to £92,000 (2018: £60,000) plus savings from payroll services and utilities which are also provided free of charge.

It is estimated that the support provided by volunteers would have cost the House in excess of £37,000 and the Board are extremely grateful for this support.

The House 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 House, funds are held in a designated Tangible Fixed Asset fund with a value of £3,181,066 (2018: £3,328,776).

As a significant part of the building has reached 25 years old the Board has set aside a designated Capital Replacement fund which equates to 2.5% of the estimated rebuild costs of the property. This totals £325,000 (2018: £325,000). During the year it was not necessary to invest any funds in capital items but the repairs and maintenance costs were significantly higher. We expect both capital replacement and repairs and maintenance costs to increase significantly due to the age of the buildings.

The Board have created a new designated Building Expansion fund of £300,000 which equates to approximately one quarter of the likely costs of expansion of the existing apartment block. This is in the light of increased occupancy levels and is further explained under the Reserves section.

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

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

### **FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Reserves Policy**

In accordance with Charity Commission guidance the House has a reserves policy which is reviewed annually using a risk identification approach. The Board updated its reserves policy this year in the light of increased occupancy, increasing running costs and a review of essential repairs and replacement costs. It agreed to revise its free reserves policy to 12 months of anticipated future cash expenditure.

Anticipated future cash expenditure is taken to be the House's anticipated expenditure excluding depreciation, costs associated with specific fund-raising events, and major lifecycle and replacement expenditure. Available free reserves are reflected within general unrestricted funds. The resulting ratio, expressed in months, is known as the Reserves Ratio. The trustees have set a target reserves figure of £700k to cover 12 months future cash running costs.

The Free reserves currently stand above target at £856k (2018:£1,241k) and the Reserve Ratio is 16 months as at 31 March 2019. In the previous year our reserves were 25 months against a target of 24 months but this was on lower cash running costs and before losses this year. Having healthy reserves has allowed us to 'weather the storm' of reducing income over the last four years. Following an independent review of fundraising the Board has increased spending on fundraising (systems, staff and processes) but this investment will take time to make a net return. Shortfalls of £200,000 are therefore expected to continue for the next two years and further erode reserves down to our Target of 12 months.

The reserves policy is established in order that accommodation for the parents of sick children being treated at Alder Hey can be provided on a continuing basis and without disruption. The Charity is almost entirely dependent on voluntary giving. It has just started to receive a modest amount of contractual income from "Alder Hey" for 5 rooms but this is only agreed for six months at a time with the hospital. It therefore faces uncertain income whilst the majority of its costs are fixed. It also relies on volunteers and gifts in kind to keep costs as low as possible.

The free reserves are necessary to cover our working capital (natural timing of cashflows), the additional costs of unforeseen events such as loss of senior staff, volunteers or gifts, short term fluctuations in the value of our investments, uncertainty over the amount and timing of voluntary donations and, in recent years, shortfalls in covering our running costs.

The free reserves are represented by a mixture of net current assets, cash and mixed risk investments. The value of these investments regularly rises and falls but with the medium-term goal of steady growth. Fluctuations in the value of investments has a direct impact on the level of free reserves at any given time.

The Charity holds 3 designated reserve funds. A designated Tangible Fixed Asset reserve of £3,181,066 which represents funds tied up in the property which is used operationally by the charity and cannot therefore be spent. A designated Capital Replacement reserve of £325,000 to cover anticipated future replacement and repair costs of the existing fixtures, fittings, equipment and building. The 5-year business plan includes budgeted costs for essential items equating to this value, but this excludes any significant upgrade to facilities and rooms. A designated Property Expansion reserve of £300,000 to cover one quarter of the likely cost of expanding our apartment block. The house is currently operating at capacity level that means that we do not have a significant waiting list. We believe that families should not have to wait for many days for a room and should be supported during those first, very difficult, days when their child is admitted to Hospital, often quite unexpectedly or in an emergency. The design of the two-storey apartments building, built in 2011, included the ability to build a third floor should demand outstrip supply. Such a project would necessitate a capital fundraising programme and hopefully financial support from our Project Partners, as they have done in the past. The designated reserves 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. Designated funds total £3,806,066 (2018: £3,653,776).

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### Investment Policy

The investment strategy of the House 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 with the Budget & Audit sub-committee. The performance of the fund is compared to various FTSE indices and the ARC Charity Steady Growth benchmark. During the recent face to face review with its advisers it was agreed to continue with a risk category of 3, on a scale of 1-6 where 6 is the highest risk. This was despite the recognition that a modest amount of the investments will need to be sold over the next two years to fund expected shortfalls in income.

The current portfolio structure holds a mixture of UK equities, Overseas equities, Gilts/Bonds, Alternatives and Cash. Part of the overseas investments are hedged against significant currency movements. The Board has adopted good practice in respect of its stance on ethical investments; on the basis that the Charity is involved in the health of young people significant investment in tobacco and alcohol is excluded on ethical grounds.

### Principal Risks and Uncertainties

The Board 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 House operates rigorous financial and operating controls, including:

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

### Plans for the Future

After the celebrations of our 25th year the House is now looking towards to the next stages in its development with excitement and anticipation. The charitable world is a challenging environment, but with a new organisational strategy in place, and a new fundraising strategy the Charity is ready to face what lies ahead and is eager to develop and improve. We have developed the following strategic goals.

#### ***Achieve financial stability***

McDonald's Restaurants, as one of the founding donors, is a key partnership for the Charity. Although corporate funding is no longer received, the initial funding enabled the setup of the Charity. Local McDonald's staff and Franchisees continue to support their local "Mac House" at Alder Hey and are planning to fundraise more than ever over the next year, as well as volunteering for the Charity.

Trustees have committed to invest significant funds into fundraising, and this can be seen in plans that have been put in place. The delivery of these plans over the next 12 months and beyond, will hopefully not only have a positive financial impact but will also raise the profile of the Charity locally and beyond. These plans and additional funding will help develop and improve what the House is able to offer to its families. It is recognised that the social media and website development is key to the Charity's development both for fundraising, and raising awareness of what we do, and the new Communication Strategy will help support and develop these areas further.

#### ***Reduce family stress by delivering impactful services to families, keeping them at the heart of what we do.***

The priority for the House is and always will be to ensure that parents are able to be close to their sick child, when their child needs them most. We believe that there are always steps and improvements that can be made and the Charity works closely and collaboratively with its key partners. In particular the "Alder Hey in the Park" developments are exciting and innovative and the House is ensuring that it is involved in these discussions to enable it to develop its services in line with the hospital and families' future needs. The House is seen by a lot of families as an old friend. Somewhere where they may have had a difficult experience but where they recognise the difference it made to them to enable them to cope with those difficulties. Their comments and evaluations are key and we are exploring different ways to capture their passion for the House. We are also using these evaluations to ensure we continue to improve and develop our services.

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# ALDER HEY FAMILY HOUSE TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### ***Establish ourselves as one of the most respected charities in Liverpool, and be the best RMH we can be.***

Ronald McDonald House Charities (UK) "RMHC", who themselves run 11 Houses in the UK, is a key partner in delivery and we continue to strengthen our relationship both with them and the Global teams who run Houses worldwide. We are keen to learn from this respected charity and to share our own good practice, and have many opportunities to do this planned for the next year. Refreshing our branding and working more closely within the community will enable us to be more visible within Liverpool. We are keen, over the next 12 months, to work towards developing a holistic package of support for families which take us beyond just the "bed for a night" offer, which may be the perception of our services to those within the local community.

### ***Achieve a building which is modern, meets the diverse needs of families and keeps its home from home appeal.***

After 25 years of much love and usage, the bedrooms and communal areas at the House are ready for a refurbishment. This year sees the start of our Error in formula ->#roomforchange<- program, giving people the opportunity to sponsor the refurbishment of a room, we are excited to see how this develops, and how these changes go towards improving the experience for families who, without choice, have to stay at the House. We are also developing a plan for the whole building which will include a review all of the current areas in use and plan for any changes we think are necessary. Although we do have a cyclical repair and replacement program for the House, we will be also be reviewing the fabric of the building. We will then have a robust plan in place, ready for when funding allows us to make the changes identified.

### ***Establish volunteering at the heart of our service delivery.***

Volunteers have always been key to the success of the House. To continue to ensure we have adequate volunteers the House is developing a new volunteer strategy in 2019, which it hopes will support the recruitment and development of sufficient volunteers to take us into the future.

## **Structure, governance and management**

### **Governing Document & Legalities**

The company is constituted as a company limited by guarantee, not having share capital and governed by its memorandum and articles of association. Its affairs are conducted by trustees, who are also the board of directors.

The company is known as 'Ronald McDonald House at Alder Hey Children's Hospital' and is registered as a charity with the Charity Commission with its principal object being to provide accommodation and other assistance for children being treated at the Royal Liverpool Children's Hospital, Alder Hey and their families during periods of treatment.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr N Williams (Chair)

Ms C M Hart

Mr F R Jones

Mrs S M Rogers

(Resigned 30 July 2018)

Ms P M Cole

Mr A G M Higdon

Mrs K H Camden

Ms S L Carter

Mr M W Blundell

Mr S A Russell

Mrs A P Pope

Mr M J Flannagan

(Resigned 16 September 2019)

Mr S M McGauley

(Resigned 26 January 2019)

Mr R E Robinson

(Appointed 5 June 2018)

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2019**

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### **Appointment of Trustees**

There is a minimum of four and a maximum of fifteen trustees. Trustees serve for a maximum of three years, after which time they can offer themselves for re-election. The Chair 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. Trustee Officers and Chairs of the sub-committees are re-elected every 2 years.

New trustees are appointed based on the skill requirements of the charity. The Board of Trustees "the Board" includes representatives from its service users (families) its project partners (McDonald's Restaurants and Alder Hey Children's Hospital) and the general public.

### **Trustee Induction, Training and Development**

New trustees receive a comprehensive set of documents outlining the powers and rules of the charity together with recent minutes and performance of the charity. They also receive internal and Charity Commission guidance on the role of trustees. This is so that they understand their legal obligations under charity and company law.

All trustees sign a trustee contract and code of conduct and declaration of eligibility. All Trustees have also signed the recommended declaration covering automatic disqualification rules for charity trustees and senior manager positions.

The trustees keep up to date with changes in charity regulation by receiving regular newsletters issued by the Charity Commission, National Council for Voluntary Organisations "NCVO" and the Fundraising Regulator. There are also trustees on the Board who work with or for other charities who can offer advice and guidance to new or inexperienced trustees.

### **Organisation**

The Board administers the Charity and meets once every 3 months. It is supported by a number of sub-committees, made up of board members, co-opted members and relevant members of the senior team. These committees are accountable to the Main Board and each have their own terms of reference governing their responsibilities, duties and constitution. They cover Budget and Audit, Finance and Fund-raising and Employment and Remuneration and each of them meet on a regular basis.

A House Director "the HD" is appointed by the trustees to manage the day to day operations of the Charity. The HD is also the Chief Executive Officer for the Charity and has delegated authority, within the terms of delegation approved by the Board, for all operational matters.

### **Staff Pay & Training**

Staff pay is reviewed annually and incremental increases are based on performance throughout the previous year. A pay scale matrix, developed by the HayGroup, is uplifted each year to reflect inflation levels and affordability.

Staff training takes place throughout the year, and is based on personal development and mandatory training in subjects such as Safeguarding and Health and Safety.

Volunteers have an induction process in the House, they are also invited to attend training and events with staff.

Trustees receive no remuneration, out of pocket expenses paid to trustees during the year were £916 (2018: £nil).

### **Related Parties**

The Charity has a wholly-owned trading company, RMH Alder Hey Trading Limited whose principal activity is the sale of a range of merchandise associated with the House.



# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019**

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### **Auditor**

In accordance with the company's articles, a resolution proposing that DSG 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 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.



**Ms C M Hart**

Trustee

Dated: 20 September 2019

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 MARCH 2019**

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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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements 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 financial statements, 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 financial statements; and
- prepare the financial statements 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 financial statements 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**

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#### **Opinion**

We have audited the financial statements of Alder Hey Family House Trust Limited (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ALDER HEY FAMILY HOUSE TRUST LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ALDER HEY FAMILY HOUSE TRUST LIMITED**

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#### **Use of our report**

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



**Jean Ellis BA FCA CTA (Senior Statutory Auditor)**  
**for and on behalf of DSG**

20 September 2019

**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 2019

		Unrestricted funds 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes				
<b><u>Income and endowments from:</u></b>					
Donations and legacies	2	546,073	471,392	-	471,392
Investments	3	36,771	40,969	-	40,969
Other income	4	20,495	9,683	-	9,683
<b>Total income</b>		<b>603,339</b>	<b>522,044</b>	<b>-</b>	<b>522,044</b>
<b><u>Expenditure on:</u></b>					
Raising funds	5	160,373	133,393	-	133,393
Charitable activities	6	677,896	618,598	-	618,598
<b>Total resources expended</b>		<b>838,269</b>	<b>751,991</b>	<b>-</b>	<b>751,991</b>
Net gains/(losses) on investments	10	52,241	(9,014)	-	(9,014)
Gross transfers between funds		-	758,205	(758,205)	-
<b>Net movement in funds</b>		<b>(182,689)</b>	<b>519,244</b>	<b>(758,205)</b>	<b>(238,961)</b>
Fund balances at 1 April 2018		4,894,979	4,375,735	758,205	5,133,940
<b>Fund balances at 31 March 2019</b>		<b>4,712,290</b>	<b>4,894,979</b>	<b>-</b>	<b>4,894,979</b>

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 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	11	3,181,066		3,328,776	
Investments	12	1,292,154		1,257,648	
		<u>4,473,220</u>		<u>4,586,424</u>	
<b>Current assets</b>					
Debtors	14	37,073		17,974	
Cash at bank and in hand		267,347		381,167	
		<u>304,420</u>		<u>399,141</u>	
<b>Creditors: amounts falling due within one year</b>	15	(65,350)		(90,586)	
<b>Net current assets</b>		<u>239,070</u>		<u>308,555</u>	
<b>Total assets less current liabilities</b>		<u>4,712,290</u>		<u>4,894,979</u>	
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	18	3,806,066		3,653,776	
General unrestricted funds		<u>906,224</u>		<u>1,241,203</u>	
		<u>4,712,290</u>		<u>4,894,979</u>	
		<u>4,712,290</u>		<u>4,894,979</u>	

The financial statements were approved by the Trustees on 20 September 2019



Mr N Williams (Chair)  
Trustee



Ms C M Hart  
Trustee

Company Registration No. 02647684

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	22		(166,593)		(84,458)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,733)		(56,250)	
Purchase of investments		(237,057)		(75,218)	
Proceeds on disposal of investments		254,792		144,424	
Interest received		36,771		40,969	
<b>Net cash generated from investing activities</b>			52,773		53,925
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(113,820)		(30,533)
Cash and cash equivalents at beginning of year			381,167		411,700
<b>Cash and cash equivalents at end of year</b>			267,347		381,167



# **ALDER HEY FAMILY HOUSE TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **1 Accounting policies**

#### **Charity 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**

The financial statements have been prepared in accordance 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)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 modified to include the revaluation of fixed asset investments.

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 financial statements, 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 financial statements.

#### **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 financial statements.

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 financial statements.

#### **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 2019

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### 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 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 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.

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

(Continued)

#### 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.

##### **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 payments 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.

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### 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

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Donations and gifts	546,073	471,392

Donations and legacies includes intangible income comprising utilities provided which is estimated to be worth £64,000 (2018: £28,000).

### 3 Investments

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Income from listed investments	36,002	36,472
Interest receivable	769	4,497
	36,771	40,969

### 4 Other income

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Other income	20,495	9,683

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 5 Raising funds

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
<u>Fundraising and publicity</u>		
Staging fundraising events	47,787	31,321
Costs of fundraising	9,073	4,820
Advertising	3,080	2,972
Staff costs	91,081	84,709
	<hr/>	<hr/>
Fundraising and publicity	151,021	123,822
	<hr/>	<hr/>
<u>Investment management</u>	9,352	9,571
	<hr/>	<hr/>
	<u>160,373</u>	<u>133,393</u>

### 6 Charitable activities

	2019	2018
	£	£
Staff costs	148,278	113,820
Depreciation and impairment	149,442	173,379
Insurance	14,568	9,413
Heat, light, water and rates	73,164	60,321
Maintenance and repairs	22,568	9,853
Stationery, postage and telephone	3,088	4,763
Cleaning and household	73,449	67,848
Contract maintenance	33,284	39,068
Staff training	2,054	39
Travelling, subsistence and entertaining	1,926	1,411
Miscellaneous	8,327	7,192
Night porters	71,479	76,543
Recruitment	7,560	-
Computer expenses	3,641	-
	<hr/>	<hr/>
	612,828	563,650
	<hr/>	<hr/>
Share of support costs (see note 7)	48,356	48,288
Share of governance costs (see note 7)	16,712	6,660
	<hr/>	<hr/>
	<u>677,896</u>	<u>618,598</u>

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 7 Support costs

	Support costs £	Governance costs £	2019 £	Support costs £	Governance costs £	2018 £
Staff costs	48,356	-	48,356	48,288	-	48,288
Audit fees	-	6,780	6,780	-	6,660	6,660
Legal and professional	-	9,932	9,932	-	-	-
	<u>48,356</u>	<u>16,712</u>	<u>65,068</u>	<u>48,288</u>	<u>6,660</u>	<u>54,948</u>
Analysed between Charitable activities	<u>48,356</u>	<u>16,712</u>	<u>65,068</u>	<u>48,288</u>	<u>6,660</u>	<u>54,948</u>

Costs of generating funds (donations and legacies) comprise the costs actually incurred in inducing others to make gifts to the charity that are voluntary income. Such costs include the costs of producing fund-raising, marketing and direct mail materials.

Expenditure on activities undertaken directly on charitable activities includes all expenditure incurred by the charity to provide accommodation and related facilities to the families of sick children as opposed to the cost of raising the funds to finance the charitable activities.

Staff costs are allocated on a time apportionment basis.

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. Trustee expenses of £916 (2018: £nil) were reimbursed in the period.

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Administrative	4	4
Operational	7	6
	<u>11</u>	<u>10</u>

#### Employment costs

	2019 £	2018 £
Wages and salaries	277,855	236,702
Other pension costs	9,860	10,115
	<u>287,715</u>	<u>246,817</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.

### 10 Net gains/(losses) on investments

	Unrestricted funds 2019 £	Unrestricted funds 2018 £
Revaluation of investments	35,507	(7,739)
Gain/(loss) on sale of investments	16,734	(1,275)
	<u>52,241</u>	<u>(9,014)</u>

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2018	4,804,401	1,315,200	6,119,601
Additions	-	1,733	1,733
At 31 March 2019	4,804,401	1,316,933	6,121,334
<b>Depreciation and impairment</b>			
At 1 April 2018	1,874,467	916,359	2,790,826
Depreciation charged in the year	120,020	29,422	149,442
At 31 March 2019	1,994,487	945,781	2,940,268
<b>Carrying amount</b>			
At 31 March 2019	2,809,914	371,152	3,181,066
At 31 March 2018	2,929,934	398,842	3,328,776

### 12 Fixed asset investments

	Listed investments	Other investments	Total
	£		£
<b>Cost or valuation</b>			
At 1 April 2018	1,257,646	2	1,257,648
Additions	237,057	-	237,057
Valuation changes	35,507	-	35,507
Disposals	(238,058)	-	(238,058)
At 31 March 2019	1,292,152	2	1,292,154
<b>Carrying amount</b>			
At 31 March 2019	1,292,152	2	1,292,154
At 31 March 2018	1,257,646	2	1,257,648

	Notes	2019 £	2018 £
Other investments comprise:			
Investments in subsidiaries	21	2	2



# ALDER HEY FAMILY HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 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 £1,026,419 (2018: 986,671).

### 13 Financial instruments

2019

2018

£

£

#### Carrying amount of financial assets

Debt instruments measured at amortised cost

8,055

958

Equity instruments measured at cost less impairment

1,292,152

1,257,646

#### Carrying amount of financial liabilities

Measured at amortised cost

65,350

90,586

### 14 Debtors

2019

2018

£

£

#### Amounts falling due within one year:

Amounts owed by subsidiary undertakings

8,055

958

Prepayments and accrued income

29,018

17,016

37,073

17,974

### 15 Creditors: amounts falling due within one year

2019

2018

£

£

Trade creditors

2,731

2,130

Accruals and deferred income

62,619

88,456

65,350

90,586

### 16 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.

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 17 Restricted funds

	Balance at 1 April 2017 £	Transfers £	Balance at 1 April 2018 £	Transfers £	Balance at 31 March 2019 £
New Annex	612,884	(612,884)	-	-	-
RMH3	145,321	(145,321)	-	-	-
	<u>758,205</u>	<u>(758,205)</u>	<u>-</u>	<u>-</u>	<u>-</u>

The New Annex and RMH3 represented donations received for the construction of the new annex and for the construction of new development block RMH3. As the charity had expended these funds in line with the purpose of the donations this discharged the restriction on the funds and therefore the assets were transferred to unrestricted funds in 2018.

### 18 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 2017 £	Transfers £	Balance at 1 April 2018 £	Transfers £	Balance at 31 March 2019 £
Capital replacement fund	62,200	262,800	325,000	-	325,000
Tangible fixed asset fund	2,687,696	641,080	3,328,776	(147,710)	3,181,066
Property expansion fund	-	-	-	300,000	300,000
	<u>2,749,896</u>	<u>903,880</u>	<u>3,653,776</u>	<u>152,290</u>	<u>3,806,066</u>

Capital replacement fund - As a significant part of the building has reached 25 years old the Board have increased the designated capital replacement fund to reflect 2.5% of the rebuild costs of the property. The Board has plans to replace certain essential fixtures, fittings, and equipment in line with the business plan and also needs to hold a contingency for major repair to the fabric of the building.

Tangible fixed asset fund - This fund reflects the value of the tangible fixed assets used operationally by the charity.

Property expansion fund - The Board have created a new property expansion fund of £300,000 in the year which equates to approximately one quarter of the likely costs of expansion of the existing apartment block. This is in the light of increased occupancy levels and is further explained under the reserves section of the trustees report.

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 19 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	155,230	148,384
Between two and five years	3,521	158,751
	<u>158,751</u>	<u>307,135</u>

### 20 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	<u>53,946</u>	<u>55,285</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.

### 21 Subsidiaries

Details of the charitable company's subsidiaries at 31 March 2019 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 & Wales Selling a range of merchandise associated with Ronald McDonald House	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
R M H Alder Hey Trading Limited	(11,542)	2

# ALDER HEY FAMILY HOUSE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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22 Cash generated from operations	2019 £	2018 £
Deficit for the year	(182,689)	(238,961)
Adjustments for:		
Investment income recognised in statement of financial activities	(36,771)	(40,969)
(Gain)/loss on disposal of investments	(16,734)	1,275
Fair value gains and losses on investments	(35,507)	7,739
Depreciation and impairment of tangible fixed assets	149,442	173,379
Movements in working capital:		
(Increase)/decrease in debtors	(19,099)	13,707
(Decrease) in creditors	(25,235)	(628)
<b>Cash absorbed by operations</b>	<b>(166,593)</b>	<b>(84,458)</b>

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