

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 2020

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ALDER HEY FAMILY HOUSE TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr N Williams (Chair) Ms C M Hart Mr F R Jones Ms P M Cole Mrs K H Camden Mr M W Blundell Mr S A Russell Mrs A P Pope Mr R E Robinson Ms P Brown (Appointed 6 December 2019)
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

ALDER HEY FAMILY HOUSE TRUST LIMITED

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ALDER HEY FAMILY HOUSE TRUST LIMITED

CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2020

We would like to take this opportunity to welcome you to our Annual Report and Accounts for 2019/20.

This was a year of new starts and new beginnings as well as considerable challenges for the charity. We began the new financial year in 2019 with an ambitious fundraising plan. At this point we could not have predicted that by the end of the financial year, our fundraising strategy would be truly challenged by the impact of COVID-19.

We had yet another successful Gala Dinner at Liverpool Football Club, where our supporters were able to have pictures taken with the European Cup. We had fantastic support for our Liv Sync Challenge, a truly fun night for all our supporters, and one we are keen to repeat.

The fundraising team went through some significant changes in the year.

Our Head of Fundraising left the organisation in November 2019, to take up a new challenge. We took this opportunity to review our strategy, as it was almost 12 months old, and to be sure we were confident in the direction we were following. Senior Fundraiser Linda De Sa came into post in June 2019, and quickly began developing our challenge event calendar, supporters were keen to engage with the Great North Run, Snowdon Climbs and Skydives. We engaged Jenny Haskey Consulting to work with us on a number of projects, and she also supported us to recruit a new Head of Fundraising. In March 2020 Janet Pennington was appointed and joined the team in June 2020 with the additional challenge of joining us during lockdown. This now means our fundraising team is complete.

2,054 families stayed with us this year with an average stay of 13 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.

As we come to the end of the financial year, we are beginning to see the impact of COVID-19 with a reduced number of families staying with us and a reduction in the donations received. To meet the needs of Alder Hey NHS Trust and the families of sick children, we had to adapt the way we operated. We are proud to say we did stay operational throughout.

"We had no family close by, so Mac House was an absolute God send to us. It gave us stability at such a rocky time. It was safe place, with open arms and normality. When my husband and I came back from the hospital every night we were exhausted, so it was good to come have a place where we could shower and have food, and just be 'us.' No matter how long we might have needed to stay here we would have been made welcome. Mac House was like a warm hug." Racheal Gardner.

As the lockdown restrictions ease, we will continue to review our operations. The biggest challenge will be how we resource this, within a totally unknown fundraising field.

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
Chairman



Wendy Carson
Chief Executive Officer

Dated: 26 October 2020

ALDER HEY FAMILY HOUSE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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 2019)".

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 26 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 34,000 families.

The development of the Alder Hey Campus continues. Work has begun to build the new Alder Centre, which will support bereaved families. There are plans for Springfield Park to be replaced, which will enhance the facility for children and families. The House continues to liaise with Alder Hey, and will continue to work with them on any future plans and opportunities.

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.

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

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;

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' and it is now being reviewed with scheduled publication of the revised Code in December 2020. 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's principles are used to assist in evaluating the Charity's performance and to implement best practice with regards to internal working practices and Board performance. The Charity will continue to monitor its performance as recommended in the Code and will implement the recommendations that are included in the revised Code once it is published. In the meantime, progress with the development of the new Code is being followed.

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 two of the current ten trustees have served more than 10 years the remaining trustee posts have changed regularly with two serving 5-10 years and six serving under 5 years.

In addition to its scheduled quarterly meetings the Board meets to discuss and agree strategy and performance against plan is monitored. In light of the current COVID-19 pandemic the Board is holding more frequent meetings and is reviewing the Board structure. Risks continue to be reviewed and monitored in light of the pandemic.

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance

Over the past 12 months the House has accommodated 2,054 (2019; 2080) families, with an average stay increasing to 13 nights, our figures were impacted by the COVID-19 outbreak at the end of the financial year.

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. The hospital also uses these beds to support other children who need to be close to the hospital the night before their surgery, and altogether we accommodated 217 patients and their families in this year.

We launched our new Challenge event program in 2019, and new events such as the Great North run, Sky dives and Snowdon Walk were planned, and met with enthusiasm from our supporters. This has also led to new partnerships opportunities, which we are looking forward to reporting on next year.

We also introduced a contactless donation device into the House which helped raise an additional £4K for the Charity, we were the first Charity in Liverpool to use this technology

We began our "roomforchange" campaign, which was launched in January 2019. This campaign was designed to enable us to refurbish some of our rooms. In the year we were able to refurbish 6 rooms, two corridors and the reception area. We have had to put the campaign on hold due to the COVID-19 pandemic, and it will be reviewed in 2020 alongside the fundraising strategy.

We have always appreciated the support we receive from our Volunteers. We know that we want to extend our offer to volunteers as well as increase the number of volunteers who engage with us. To do this we decided to develop our Volunteer Strategy, setting up a working group made up of two trustees, two current volunteers, and three staff members. This began well, and the group were very excited by the potential plans, but we have had to put this on hold due to the COVID-19 pandemic, but the work will resume in Autumn 2020.

This year we received a 5* rating from Liverpool Council Environmental Health department, this enables us to provide families with a much appreciated, home cooked meal weekly, and gives them the reassurance that it is prepared in a safe environment.

This year we have recognised more than ever the financial impact on families, when they have a sick child in Alder Hey. We are really pleased to be able to work with Liverpool Universities Interchange Charity, to commission Bronwen Thomas to complete a piece of research showing what the financial impact is on families when they need to stay in Ronald McDonald House. We are excited to see the results of this and to use this data going forward to help plan our services to meet the needs of families.

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.

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

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.

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

The COVID-19 pandemic hit in March 2020. We worked closely with Alder Hey Children's Hospital, to continue to deliver a service to families, when the advice given was to stop taking new families. Alder Hey became a regional children's treatment centre during this period, as local hospital children's wards shut. The hospital was very clear, they needed our service to continue. To enable us to follow government guidelines, by allowing all non-operational staff to work from home, and to keep our small operational staff team safe, we needed a new way of working. Over a four-day period we changed our processes to enable new families to safely check in, using Alder Hey volunteers working alongside the Charity CEO and thus keep the house operational. We are still waiting to see the results the pandemic will have on the Charity going forward, but we are very proud of the brave decision the Trustees made to ensure the House continued to be operational, helping 278 families, and the contribution of all involved in the operational running of the House.

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.

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

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.

Our weekly sibling group has proved very successful, and is allowing parents a precious hour of two, where they are able to have some time to themselves, to have coffee, make family phone calls, or speak to the hospital in private.

Family Case Studies

"We stayed at Ronald McDonald House Liverpool for 4 months as our little boy needed open heart surgery. After his first surgery he ended up being critically ill with a lot of complications and a few times we almost lost him. He had around 8 surgeries all together, so we had a longer stay than expected. At the hardest times, the staff at Ronald McDonald House (Mac House) were always there for us and helped us to get through the tough times. Simple things like a free meal on nights when you didn't feel like cooking, and the food delivery was a treat – especially with all the cake!"

We very much appreciate everything you all did for us. Our Joseph is almost 5 months old and he has been home for 4 weeks now. We will be forever grateful to Ronald McDonald House Liverpool."

Fundraising

The start of the new financial year began with the launch of our new fundraising plan. During this time, we also recruited a Senior Fundraiser, who began developing our Challenge events program which was well received.

We launched the "roomforchange" campaign, which was supported by a number of businesses as well as families and individuals. This enabled us to refurbish a corridor of family rooms and brighten up our reception and main corridor.

With the departure of our Head of Fundraising, we took the opportunity to review our plans, and with the support of Jenny Haskey Consulting, were able to continue to support the fundraising team, and update some of our processes. We were also able to recruit Janet Pennington to lead the team.

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 the stewardship of our donors, to enable us to create lifelong supporters, who experience a meaningful donor journey supporting the House. This is more vital than ever as we battle against the impact COVID-19 will have on the fundraising world.

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

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.

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 2019/20 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 participators in its fundraising. It did use an external consultant to carry out a fundraising review and provide short-term support for the team.

Marketing & Communication

Families continue to be our main source of support on social media, with over 4000 followers on Facebook alone. We continue to increase our presence on Twitter and Instagram, with most posts reaching over 1000 people

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

Trading Company

RMH Alder Hey Trading Limited is a dormant, wholly owned subsidiary of the Charity with Net Assets of £2 represented by its Called-up share capital. The Charity undertakes a very modest amount of non-primary purpose trading, in merchandise, directly which is included in these accounts.

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.

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. However, it is worth noting that neither partner are under any obligation to make donations towards the running costs, other than Alder Hey who make a contribution towards the cost of utilities, which is treated as intangible income in these accounts at £65,220 (2019: £64,000). 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 and payroll services through McDonald's. Both partners also have their own separate charitable organisations, Ronald McDonald House Charities (RMHC) & Alder Hey Children's Charity, both of whom who are in direct competition for voluntary donations with the House.

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

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.

Alder Hey Children's Hospital funds 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.

The strong partnership with Alder Hey Children's Hospital was strengthened even further in March 2020, as the COVID-19 pandemic hit. There was a strong commitment, by both organisations, to the House continuing to welcome families during the whole of the three-month lock-down period. Clearly this was a challenging task for everyone concerned but we did achieve it by working together. The impact of COVID-19 is yet to be fully assessed, but Ronald McDonald House Liverpool, is proud to have been able to support 278 families and the NHS during this time.

Volunteering

The House provides voluntary employment for some 20 or more volunteers ranging in age from 16 to 85 years. (2019:20) .

With the recruitment of a Senior fundraiser, we have increased the number of fundraising volunteers. They support with activities in the House as well as fundraising. These volunteers come from a number of different corporate organisations, and provided 534 hours of volunteering, saving the organisation £5340.

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. Our volunteers work with us in a range of roles, from housekeeping to fundraising, not forgetting our Trustees who all willing volunteer their time to support the Charity

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 and volunteers who enjoyed supporting them during their time with us. From this experience one young persons requested a permanent work placement with us, and attended one day a week, to gain confidence and learn new skills to prepare her for college in the future.

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.

Volunteers support the weekly family meal and were part of our success in gaining a 5* health and hygiene rating, as they completed Food Hygiene certificates, and worked under the guidance of our family support worker.

The House benefits financially, with the financial contribution of volunteering being equivalent to in excess of £23,000 based on £10 per hour.

The Trustees receive no remuneration.

Volunteers from Alder Hey, were key in our ability to continue to be operational during the COVID-19 pandemic, they provided 683 hours of volunteer time, to ensure the smooth and safe running of the House for the 278 families we looked after.

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

Financial review

Net outgoing resources for the year before investment gains or losses were £290,678 (2019: £234,930). The mixed risk investment portfolio recorded a loss in the year of £117,314 (2019: gain £52,241) resulting in a total reduction in funds of £407,992 (2019: £182,689) in the period.

The investment portfolio suffered an unusually high unrealised loss of £125,000 in the year which was largely as a result of the fall in the world's stock markets in March 2020 from COVID-19. There was some bounce back in the valuations and at the end of June 2020 it had recovered by £100,000. See further comments under Reserves Policy and Investment Policy.

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 fifth successive year. There was a cash shortfall from operating activities of £179,783 (2019: £166,593) which the House was able to meet from its reserves.

The Charity has made significant investment in its fundraising resources and processes over the last two years but, as expected, this is taking time to improve our income levels. A shortfall in the region of £200k was expected but a change in the Head of Fundraising during the year exacerbated the situation. Coupled with COVID-19, which has already significantly impacted income levels in the current year, the return to breakeven has been delayed for at least another year and the Trustees will be closely monitoring the position.

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.

They also wish to thank all those organisations who support the House with free or heavily discounted services. The estimated value of such services to £89,000 (2019: £92,000) 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 £23,000 (2019: £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 £3,052,428 (2019: £3,181,066).

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 (2019: £325,000). During the year it was not necessary to invest any significant funds in capital items, but the repairs and maintenance costs continue to grow as the house gets older. We expect both capital replacement and repairs and maintenance costs to increase significantly due to the age of the buildings.

The Board has also set aside funds into a 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 2020

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 continues to have a free reserves policy of 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 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 receives 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 Free reserves currently stand below target at £589k (2019: £906k) and the Reserve Ratio is 10 months as at 31 March 2020. The shortfalls in income suffered by the Charity over the last 5 years have depleted its reserves so in order to stem the losses the Board increased spending on fundraising over the last two years (systems, staff and processes) but this investment will take time to make a net return. The Trustees had planned for shortfalls of £200,000 for the current and next year, however in March this year we also saw a significant reduction in the valuation of our investment portfolio due to Covid-19, which has unexpectedly taken our reserves down below the Target of 12 months.

The impact of COVID-19 on fundraising income in the current year is significant and we are expecting to see a further erosion in our reserves in 2021. The Charity has been successful in the past and built up sufficient funds to set aside designated reserves, some of which the Trustees are able to release into Free Reserves should the need arise.

The Charity holds 3 designated reserve funds. A designated Tangible Fixed Asset reserve of £3,052,428 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. Such a project would, in the light of COVID-19 pressure on charity fundraising across the sector, be unlikely to take place in the near future. It would in any case necessitate a capital fundraising programme and 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 £3,677,428 (2019: £3,806,066).

The Charity is holding a small amount of funds in Restricted Reserves £38,251 (2019: £nil).

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

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 "Rathbones" who provide quarterly valuations and an annual face to face review, normally with the Budget & Audit sub-committee. The performance of the fund is compared to various FTSE indices and the ARC Charity Steady Growth benchmark. Since March 2020 Rathbones have kept in frequent touch with the Charity to update on the impact of Covid-19 on the value of the portfolio. It has also been necessary to make regular cash withdrawals to fund the shortfalls in fundraising income from Covid-19. During a video conferencing review, recently undertaken with Rathbones, it was agreed to continue with a risk category of low 3, on a scale of 1-6 where 6 is the highest risk. The full Trustee board rather than the sub-committee will be maintaining close contact with Rathbones over the next 12 months.

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 continues to assess the major risks to which the charitable company is exposed. The risks are being reviewed on a frequent basis in light of the COVID-19 pandemic. The outcomes of the current pandemic cannot be predicted including macro-economic effects and subsequent outcomes of these events which may be inconsistent with judgements that were reasonable at the time they were made. However, there are systems in place to mitigate exposure to what the Board consider are the major risks.

The Charity operates rigorous financial and operating controls, including:

- Financial policies and procedures
- Operational policies and procedures
- A comprehensive system of annual budgets, approved by the Board, and quarterly financial reporting of actuals against budgets
- Monthly forecasting of predicted income and expenditure
- Regular review and monitoring of reserves policy
- Regular review of its risk register
- Quarterly monitoring of its investment portfolio
- Investment manager attendance at Board meetings on an annual basis

Plans for the Future

After the celebrations of our 25th year the House is now looking towards 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. Whilst initial funding enabled the setup of the Charity it does not receive any Corporate funds or share in the public donations made at restaurants to RMHC. However 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.

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

COVID-19 pandemic has had a serious effect on our ability to move forward, with our fundraising plans coming to a standstill in March 2020. To mitigate this, the team are working on improving and maximising our use of the Harlequin fundraising database and focusing their efforts on Individual giving and the Lottery, which are still areas of potential development.

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.

The services on offer have been impacted by COVID-19 as we now need to social distance at all times. The number of families we can welcome into the House has reduced. We know that the families will experience increased financial difficulties due to COVID-19, and we are hopeful that the research project commissioned will guide us in ways we can support families, as this will be needed more than ever going forward.

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 "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. Unfortunately, due to the COVID-19 pandemic this project has needed to go on hold, but we will revisit in 2020/21

Establish volunteering at the heart of our service delivery.

Volunteers have always been key to the success of the House. We have begun work on our new strategy, this has been held up due to the pandemic, but we were able to recruit a number of corporate volunteers this year, which we will hope to grow further in the future. The aim of our strategy is to recruit and retain a more diverse range of volunteers to support the service delivery to families.

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

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

Ms P M Cole

Mr A G M Higdon

(Resigned 11 August 2020)

Mrs K H Camden

Ms S L Carter

(Resigned 6 December 2019)

Mr M W Blundell

Mr S A Russell

Mrs A P Pope

Mr M J Flannagan

(Resigned 16 September 2019)

Mr R E Robinson

Ms P Brown

(Appointed 6 December 2019)

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.

ALDER HEY FAMILY HOUSE TRUST LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2020

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 £Nil (2019: £916).

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. This Company is currently dormant.

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: 26 October 2020

ALDER HEY FAMILY HOUSE TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

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

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11	3,052,428		3,181,066	
Investments	12	964,411		1,292,154	
		<u>4,016,839</u>		<u>4,473,220</u>	
Current assets					
Stocks	13	1,519		-	
Debtors	14	23,489		37,073	
Cash at bank and in hand		325,313		267,347	
		<u>350,321</u>		<u>304,420</u>	
Creditors: amounts falling due within one year	15	(62,862)		(65,350)	
Net current assets			287,459		239,070
Total assets less current liabilities			<u>4,304,298</u>		<u>4,712,290</u>
Income funds					
Restricted funds	17	38,251		-	
<u>Unrestricted funds</u>					
Designated funds	18	3,677,428		3,806,066	
General unrestricted funds		588,619		906,224	
		<u>4,266,047</u>		<u>4,712,290</u>	
		<u>4,304,298</u>		<u>4,712,290</u>	

The financial statements were approved by the Trustees on 26 October 2020



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 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(179,783)		(166,593)
Investing activities					
Purchase of tangible fixed assets		(10,830)		(1,733)	
Purchase of investments		(124,736)		(237,057)	
Proceeds on disposal of investments		335,165		254,792	
Interest received		38,150		36,771	
Net cash generated from investing activities			237,749		52,773
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			57,966		(113,820)
Cash and cash equivalents at beginning of year			267,347		381,167
Cash and cash equivalents at end of year			325,313		267,347

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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) (effective 1 January 2019)". 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.

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 Income

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 2020

1 Accounting policies

(Continued)

1.5 Expenditure

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 raising funds) 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).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALDER HEY FAMILY HOUSE TRUST LIMITED

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

26 October 2020

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 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £
<u>Income from:</u>					
Donations and legacies	2	373,589	81,054	454,643	433,834
Other trading activities	3	119,900	-	119,900	132,734
Investments	4	38,150	-	38,150	36,771
Total income		531,639	81,054	612,693	603,339
<u>Expenditure on:</u>					
Raising funds	5	143,596	-	143,596	160,373
Charitable activities	6	716,972	42,803	759,775	677,896
Total resources expended		860,568	42,803	903,371	838,269
Net gains/(losses) on investments	10	(117,314)	-	(117,314)	52,241
Net movement in funds		(446,243)	38,251	(407,992)	(182,689)
Fund balances at 1 April 2019		4,712,290	-	4,712,290	4,894,979
Fund balances at 31 March 2020		4,266,047	38,251	4,304,298	4,712,290

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALDER HEY FAMILY HOUSE TRUST LIMITED

Opinion

We have audited the financial statements of Alder Hey Family House Trust Limited (the 'charitable company') for the year ended 31 March 2020 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 2020 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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.11 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.

1.12 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.

1.13 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 2020

1 Accounting policies

(Continued)

1.14 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	Restricted funds	Total	Unrestricted funds
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	373,589	81,054	454,643	433,834

Donations and legacies includes intangible income comprising utilities provided which is estimated to be worth £65,220 (2019: £64,000).

3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Fundraising events	48,285	86,357
Shop income	6,336	1,660
Letting and licensing arrangements	54,600	22,813
Sponsorships and social lotteries	640	1,409
Other trading activity income	10,039	20,495
Other trading activities	119,900	132,734

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Income from listed investments	37,472	36,002
Interest receivable	678	769
	<u>38,150</u>	<u>36,771</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
<u>Fundraising and publicity</u>		
Staging fundraising events	32,702	47,787
Costs of fundraising	10,542	9,073
Advertising	5,585	3,080
Staff costs	82,914	91,081
	<u>131,743</u>	<u>151,021</u>
<u>Fundraising and publicity</u>		
Trading costs		
Other trading activities	2,731	-
	<u>9,122</u>	<u>9,352</u>
<u>Investment management</u>		
	<u>143,596</u>	<u>160,373</u>

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6 Charitable activities

	2020 £	2019 £
Staff costs	183,525	148,278
Depreciation and impairment	139,468	149,442
Insurance	14,105	14,568
Heat, light, water and rates	94,089	73,164
Maintenance and repairs	60,754	22,568
Stationery, postage and telephone	4,582	3,088
Cleaning and household	78,962	73,449
Contract maintenance	41,225	33,284
Staff training	2,230	2,054
Travelling, subsistence and entertaining	1,590	1,926
Miscellaneous	2,957	8,327
Night porters	68,619	71,479
Recruitment	5,885	7,560
Computer expenses	1,632	3,641
	<u>699,623</u>	<u>612,828</u>
Share of support costs (see note 7)	49,492	48,356
Share of governance costs (see note 7)	10,660	16,712
	<u>759,775</u>	<u>677,896</u>
Analysis by fund		
Unrestricted funds	716,972	677,896
Restricted funds	42,803	-
	<u>759,775</u>	<u>677,896</u>

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	49,492	-	49,492	48,356	-	48,356
Audit fees	-	6,660	6,660	-	6,780	6,780
Legal and professional	-	4,000	4,000	-	9,932	9,932
	<u>49,492</u>	<u>10,660</u>	<u>60,152</u>	<u>48,356</u>	<u>16,712</u>	<u>65,068</u>
Analysed between Charitable activities	<u>49,492</u>	<u>10,660</u>	<u>60,152</u>	<u>48,356</u>	<u>16,712</u>	<u>65,068</u>

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 £Nil (2019: £916) were reimbursed in the period.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Administrative	4	4
Operational	8	7
	<u>12</u>	<u>11</u>

Employment costs

	2020 £	2019 £
Wages and salaries	281,044	255,718
Social security costs	23,973	22,137
Other pension costs	10,914	9,860
	<u>315,931</u>	<u>287,715</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 2020

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Revaluation of investments	(125,000)	35,507
Gain/(loss) on sale of investments	7,686	16,734
	<u>(117,314)</u>	<u>52,241</u>

11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2019	4,804,401	1,316,933	6,121,334
Additions	-	10,830	10,830
	<u>4,804,401</u>	<u>1,327,763</u>	<u>6,132,164</u>
At 31 March 2020	4,804,401	1,327,763	6,132,164
Depreciation and impairment			
At 1 April 2019	1,994,487	945,781	2,940,268
Depreciation charged in the year	120,021	19,447	139,468
	<u>2,114,508</u>	<u>965,228</u>	<u>3,079,736</u>
At 31 March 2020	2,114,508	965,228	3,079,736
Carrying amount			
At 31 March 2020	<u>2,689,893</u>	<u>362,535</u>	<u>3,052,428</u>
At 31 March 2019	<u>2,809,914</u>	<u>371,152</u>	<u>3,181,066</u>

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

12 Fixed asset investments

	Listed investments £	Other investments	Total £
Cost or valuation			
At 1 April 2019	1,292,152	2	1,292,154
Additions	124,736	-	124,736
Valuation changes	(125,000)	-	(125,000)
Disposals	(327,479)	-	(327,479)
At 31 March 2020	964,409	2	964,411
Carrying amount			
At 31 March 2020	964,409	2	964,411
At 31 March 2019	1,292,152	2	1,292,154

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	22	2	2

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 £898,682 (2019: £1,026,419).

13 Stocks

	2020 £	2019 £
Finished goods and goods for resale	1,519	-

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	506	8,055
Prepayments and accrued income	22,983	29,018
	23,489	37,073

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	2,731
Accruals and deferred income	62,862	62,619
	<u>62,862</u>	<u>65,350</u>

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.

17 Restricted funds

	Movement in funds		
	Balance at 1 April 2019 £	Incoming resources £	Resources expended 31 March 2020 £
Room for change	-	53,128	(14,940)
Family support workers	-	25,500	(25,500)
Cash for kids	-	1,426	(1,345)
Baby equipment	-	1,000	(1,018)
	<u>-</u>	<u>81,054</u>	<u>(42,803)</u>
			<u>38,251</u>

Room for change is a campaign to raise funds specifically for the refurbishment of all the bedrooms at Ronald McDonald House. Funding has been received from numerous sources in the year.

Family support workers - Funding received as a contribution towards staff salaries. Grants have been received from the 23 Foundation, The National Lottery, Medicash, The Eleanor Rathbone Trust and the Edward Gostlin Trust.

Cash for Kids - Funding to purchase toys for the playroom.

Baby Equipment - A grant from the Chrimes Family Trust for equipment for new mums and babies.

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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 2018 £	Transfers £	Balance at 1 April 2019 £	Transfers £	Balance at 31 March 2020 £
Capital replacement fund	325,000	-	325,000	-	325,000
Tangible fixed asset fund	3,328,776	(147,710)	3,181,066	(128,638)	3,052,428
Property expansion fund	-	300,000	300,000	-	300,000
	<u>3,653,776</u>	<u>152,290</u>	<u>3,806,066</u>	<u>(128,638)</u>	<u>3,677,428</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.

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £
Fund balances at 31 March 2020 are represented by:				
Tangible assets	3,052,428	-	3,052,428	3,181,066
Investments	964,411	-	964,411	1,292,154
Current assets/(liabilities)	223,708	63,751	287,459	239,070
	<u>4,240,547</u>	<u>63,751</u>	<u>4,304,298</u>	<u>4,712,290</u>

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	55,409	53,946

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 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:

	2020 £	2019 £
Within one year	3,521	155,230
Between two and five years	-	3,521
	3,521	158,751

22 Subsidiaries

Details of the charitable company's subsidiaries at 31 March 2020 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 Ordinary merchandise associated with Ronald McDonald House	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		2

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

23	Cash generated from operations	2020 £	2019 £
	Deficit for the year	(407,992)	(182,689)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(38,150)	(36,771)
	Gain on disposal of investments	(7,686)	(16,734)
	Fair value gains and losses on investments	125,000	(35,507)
	Depreciation and impairment of tangible fixed assets	139,468	149,442
	Movements in working capital:		
	(Increase) in stocks	(1,519)	-
	Decrease/(increase) in debtors	13,584	(19,099)
	(Decrease) in creditors	(2,488)	(25,235)
	Cash absorbed by operations	<u>(179,783)</u>	<u>(166,593)</u>
24	Analysis of changes in net funds		
	The charitable company had no debt during the year.		