

Co House

**ALDER HEY FAMILY HOUSE
TRUST LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2001



Registered no 2647684

ALDER HEY FAMILY HOUSE TRUST LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2001

Company registration number: 2647684

Registered Charity number 1008765

Registered office: Ronald McDonald House
Alder Road
Liverpool
L12 2AZ

Directors: G E Oliver (Chairman)
M Blundell
K E Deary
C Ferguson
R Franks
R B Hales
C M Hart
S Lewis
A J Redmond
J A G Slater
B Thaxter OBE, DL
P J Wotherspoon OBE, JP, DL
F R Jones
V F Merison

Secretary: C M Hart

Bankers: Barclays Bank plc
521 Prescott Road
Liverpool
L13 5US

Solicitors: DLA
India Buildings
Liverpool
L2 0NH

Investment managers: Rathbone Investment Management Limited
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

ALDER HEY FAMILY HOUSE TRUST LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2001

Auditors:

Grant Thornton
Registered Auditors
Chartered Accountants
1st Floor
Royal Liver Building
LIVERPOOL
L3 1PS

ALDER HEY FAMILY HOUSE TRUST LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2001

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ALDER HEY FAMILY HOUSE TRUST LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 March 2001.

The company

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

Principal activity

The company's principal activity during the year continued to be the provision of free accommodation and assistance for the parent and families of children undergoing treatment at Alder Hey Children's Hospital.

Some 640 families benefited. The average stay was 17 days and the average house occupancy was 100% during the year.

Future developments

Having considered various options over the last couple of years to increase the level of our services the Board of directors commissioned a feasibility study and subsequently a planning application for the construction of an annex adjacent to our existing site.

The proposed annex will approximately double the number of rooms available to parents. At the time of writing, no financial commitments have been made. It is estimated that the cost of the construction will be approximately £2.3million, and the Board is actively discussing with various organisations potential funding of the project.

It is the intention of the Trust, subject to donations, to commit a maximum of £1million of our current resources to the proposed construction, which if suitable overall funding is procured and planning permission granted, will commence construction in November 2001.

Business review

There has been no material changes to policy and day-to day management, which are under the control of a house manager, assisted by four administrative members of staff, four domestics and some fifty-five invaluable volunteers.

Income is dependent upon fund raising activity, donation and sponsorship, but the directors wish to acknowledge the considerable help and support received from Alder Hey Children's Hospital towards utilities, McDonalds Restaurants Ltd for payroll administration and Grant Thornton and Rathbones for professional advice

It is also the directors wish to acknowledge the donations received from families who have stayed at the house and all other individuals and organisations that have contributed towards the house regardless of the amount concerned.

A separate wholly-owned trading company, RMH Alder Hey Trading Limited, achieved a net income of £Nil (2000: £Nil) after a donation to the company of £647 (2000: £2,491) by way of gift aid on a turnover of £9,997 for the twelve months to 31 March 2001 and its results have been consolidated. Its principal activity is the sale of a range of merchandise associated with the Ronald McDonald House.

ALDER HEY FAMILY HOUSE TRUST LIMITED

REPORT OF THE DIRECTORS

Business review (continued)

The Trust continues to set aside funds annually for maintenance and depreciation, and is able to fulfil its normal and financial obligations.

The property is held on a 125 year lease expiring 2117 at a peppercorn rent from Alder Hey Children's Hospital.

Net income for the year was £110,059 (2000: £92,601). The financial position of the Trust is considered satisfactory and the directors thank the staff, volunteers and supporters for a sound year of activity.

Investment policy

The Trust continues with its existing investment policy of having long-term investments in shares and securities, the management of which is delegated to our investment brokers Rathbones.

Other funds are placed in high interest short-term deposit accounts in anticipation of the funds being required for our expansion plans.

Reserves policy

It is the Board's current policy to ensure that two years of anticipated future revenue expenditure is retained as readily available funds. The remainder will be applied to expansion and improvement of our services.

Directors and committee members

The membership of the Board during the year is set out below. All served on the Board throughout the year except where noted.

G E Oliver (Chairman)
M Blundell
K E Deary
C Ferguson
R Franks
R B Hales
C M Hart
S Lewis
A J Redmond
J A G Slater
B Thaxter OBE, DL
A Toyne (Resigned 18 April 2000)
P J Wotherspoon OBE, JP, DL
F R Jones
V F Merison (Appointed 18 July 2000)

ALDER HEY FAMILY HOUSE TRUST LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the group's incoming resources and application of resources for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton who were appointed during the year, offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



C M Hart
Secretary
17 July 2001

REPORT OF THE AUDITORS TO THE MEMBERS OF

ALDER HEY FAMILY HOUSE TRUST LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of the directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group at 31 March 2001 and of the net incoming resources of the group, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LIVERPOOL
17 July 2001

ALDER HEY FAMILY HOUSE TRUST LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting by Charities" issued in October 1995.

The financial statements have been prepared under the historical cost convention, except that investments are included at valuation, and in accordance with applicable accounting standards.

The principal accounting policies have remained unchanged from the previous year and are set out below.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the company and of its subsidiary undertaking (see note 8) drawn up to 31 March 2001. Profits or losses on intra-group transactions are eliminated in full.

DONATIONS AND GIFTS

Cash donations, gifts and legacies are included in the financial statements when received with the exception of intangible income, which is included at the estimated value of the benefit received.

INVESTMENT INCOME

Investment income comprises bank and building deposit interest and dividends which are included in the financial statements on an accruals basis.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided on a straight line basis as follows:

Long leasehold buildings	40 years
Fixtures and fittings	7 years
Office equipment	5 years

STOCKS

Stocks are stated at the lower of cost and net realisable value.

CONTRIBUTIONS TO PENSION SCHEMES

Defined Contribution Scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

ALDER HEY FAMILY HOUSE TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2001

	Note	2001 £	2000 £
INCOME AND EXPENDITURE			
Incoming resources			
Donations and gifts	1	326,300	284,274
Investment income		51,147	39,383
Net income of trading subsidiary	2	-	-
Total incoming resources		377,447	323,657
Resources expended			
Direct charitable expenditure	3	161,800	149,064
Fund-raising and publicity	4	75,061	61,052
Management and administration of charity	5	30,527	20,940
Total resources expended		267,388	231,056
Net incoming resources for the year	1	110,059	92,601
Unrealised (loss)/gain on quoted investments		(23,415)	25,791
Net movement in funds	11	86,644	118,392
Balances brought forward at 1 April 2000		2,510,132	2,391,740
Balances carried forward at 31 March 2001	11	2,596,776	2,510,132

The accompanying accounting policies and notes form an integral part of these financial statements.

ALDER HEY FAMILY HOUSE TRUST LIMITED

GROUP BALANCE SHEET AT 31 MARCH 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	7	1,237,634	1,273,350
Investments	8	562,877	578,490
		<u>1,800,511</u>	<u>1,851,840</u>
Current assets			
Stock - goods for resale		7,319	6,349
Debtors	9	17,704	2,615
Cash at bank, building society and in hand		803,788	687,545
		<u>828,811</u>	<u>696,509</u>
Creditors: amounts falling due within one year	10	<u>32,546</u>	<u>38,217</u>
Net current assets		<u>796,265</u>	<u>658,292</u>
		<u>2,596,776</u>	<u>2,510,132</u>
Capital and reserves			
Unrestricted - Charitable fund	11	2,585,234	2,497,812
- Trading company reserves	11	11,542	11,542
Restricted	11	-	778
	11	<u>2,596,776</u>	<u>2,510,132</u>

The financial statements were approved by the Board of Directors on 17 July 2001.

R B Hales

R. B. Hales.
17/7/01

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

ALDER HEY FAMILY HOUSE TRUST LIMITED

BALANCE SHEET

For the year ended 31 March 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	7	1,237,634	1,273,350
Investments	8	562,879	578,492
		<u>1,800,513</u>	<u>1,851,842</u>
Current assets			
Stock		210	196
Debtors	9	19,351	5,533
Cash at bank, building society and in hand		797,706	678,663
		<u>817,267</u>	<u>684,392</u>
Creditors: amounts falling due within one year	10	<u>32,546</u>	<u>37,644</u>
Net current assets		<u>784,721</u>	<u>646,748</u>
		<u>2,585,234</u>	<u>2,498,590</u>
Capital and reserves			
Unrestricted	11	2,585,234	2,497,812
Restricted	11	-	778
	11	<u>2,585,234</u>	<u>2,498,590</u>

The financial statements were approved by the Board of Directors on 17 July 2001.

R B Hales

R. B. Hales
17/7/01

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

1 DONATIONS AND GIFTS AND NET INCOMING RESOURCES FOR THE YEAR

Donations and gifts consists of gross proceeds from fund-raising events, intangible income comprising utilities and professional advice provided to the charity and other donations from companies, private individuals and associations.

Net income for the year which is shown as net incoming resources for the year on the Statement of Financial Activities on page 6, is stated after:

	2001 £	2000 £
Auditors remuneration - audit services	5,875	5,875
Depreciation - tangible fixed assets, owned	45,933	61,236
Pension contributions	3,233	2,226

The company has been granted charitable status and is thus exempt from corporation tax. The subsidiary undertaking pays its trading profit to the company and is thus also exempt from corporation tax.

2 NET INCOME OF TRADING SUBSIDIARY

	2001 £	2000 £
Turnover	9,997	12,760
Cost of sales	5,399	6,269
Gross profit	4,598	6,491
Administrative expenses paid to parent undertaking	(4,000)	(4,000)
Other administrative expenses	(15)	(44)
Donations to parent undertaking	(647)	(2,491)
Interest received	64	44
Profit before taxation	-	-
Corporation tax	-	-
Retained profit	-	-

The parent company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes £110,059 (2000: £92,601) which is dealt with in the financial statements of the company.

3 DIRECT CHARITABLE EXPENDITURE

	2001 £	2000 £
Salaries and pension costs	59,539	52,107
Depreciation of fixed assets	45,933	61,236
Other house maintenance and operating expenses	56,328	35,721
	161,800	149,064

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

4 FUND-RAISING AND PUBLICITY

	2001 £	2000 £
Salaries and pension costs	30,236	25,077
Fund-raising events	44,446	32,362
Advertising and publicity	379	3,613
	<u>75,061</u>	<u>61,052</u>

5 MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	2001 £	2000 £
Salaries and pension costs	20,069	13,835
Audit and accountancy charges	5,875	5,875
Legal and professional fees	4,583	1,230
	<u>30,527</u>	<u>20,940</u>

6 DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration during the year in respect of their services to the company or its subsidiary undertaking. Expenses were not reimbursed to any directors during the year.

The company had an average of five administrative and operational staff members during the year. The salaries, pension and social security costs which amounted to £109,844 (2000: £87,963) are paid by McDonalds Restaurants Limited. The company reimburses McDonalds Restaurants Limited for their costs.

No employee earned £40,000 pa or more.

7 TANGIBLE FIXED ASSETS

The Group and the Company	Long leasehold building £	Equipment, fixtures and furnishings £	Total £
Cost			
At 1 April 2000	1,477,527	176,496	1,654,023
Additions	-	10,217	10,217
At 31 March 2001	<u>1,477,527</u>	<u>186,713</u>	<u>1,664,240</u>
Depreciation			
At 1 April 2000	236,197	144,476	380,673
Provided in the year	36,936	8,997	45,933
At 31 March 2001	<u>273,133</u>	<u>153,473</u>	<u>426,606</u>
Net book amount at 31 March 2001	<u>1,204,394</u>	<u>33,240</u>	<u>1,237,634</u>
Net book amount at 31 March 2000	<u>1,241,330</u>	<u>32,020</u>	<u>1,273,350</u>

All tangible fixed assets are held for use by the charity.

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

8 FIXED ASSET INVESTMENTS

	The Group		The Company	
	2001 £	2000 £	2001 £	2000 £
Investments at cost comprise:				
Quoted investments:				
UK	456,314	462,184	456,314	462,184
Overseas	29,241	49,433	29,241	49,433
	<u>485,555</u>	<u>511,617</u>	<u>485,555</u>	<u>511,617</u>
Cash on deposit with stockbrokers	45,754	10,518	45,754	10,518
Investment in subsidiary undertaking	-	-	2	2
	<u>531,309</u>	<u>522,135</u>	<u>531,311</u>	<u>522,137</u>
Quoted investments at cost				
At 1 April 2000	511,617	468,982	511,617	468,982
Additions	62,110	42,635	62,110	42,635
Disposals	(88,172)	-	(88,172)	-
At 31 March 2001	<u>485,555</u>	<u>511,617</u>	<u>485,555</u>	<u>511,617</u>
Market value at 31 March 2001	<u>562,877</u>	<u>578,490</u>	<u>562,879</u>	<u>578,492</u>

At 31 March 2001, the company held 100% of the allotted share capital of R M H Alder Hey Trading Limited, whose principal activity is selling a range of merchandise associated with the Ronald McDonald House.

9 DEBTORS

	The Group		The Company	
	2001 £	2000 £	2001 £	2000 £
Subsidiary undertaking	-	-	1,647	2,918
Prepayments and accrued income	16,257	1,142	16,257	1,142
Income tax repayable	1,447	1,473	1,447	1,473
	<u>17,704</u>	<u>2,615</u>	<u>19,351</u>	<u>5,533</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2001 £	2000 £	2001 £	2000 £
Income tax	-	573	-	-
Accruals	32,546	37,644	32,546	37,644
	<u>32,546</u>	<u>38,217</u>	<u>32,546</u>	<u>37,644</u>

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

11 FUNDS

The Group	Total £	Charitable fund £	Restricted fund £	Trading company reserves £
At 1 April 2000	2,510,132	2,497,812	778	11,542
Net movement in funds	86,644	86,644	-	-
Transfer	-	778	(778)	-
At 31 March 2001	<u>2,596,776</u>	<u>2,585,234</u>	<u>-</u>	<u>11,542</u>

The Company	Total £	Charitable fund £	Restricted fund £
At 1 April 2000	2,498,590	2,497,812	778
Net movement in funds	86,644	86,644	-
Transfer	-	778	(778)
At 31 March 2001	<u>2,585,234</u>	<u>2,585,234</u>	<u>-</u>

The restricted fund was established in 1994. The donor has now agreed that the funds should be made available for general use.

The funds include an unrealised gain of £31,568 (2000: £54,983).

12 PENSION COMMITMENTS

Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

13 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2001 or 31 March 2000.

14 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2001 or 31 March 2000.