

Registered no 2647684



**ALDER HEY FAMILY HOUSE
TRUST LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2003

ALDER HEY FAMILY HOUSE TRUST LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2003

Company registration number: 2647684

Registered Charity number: 1008765

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

Trustees: G E Oliver (Chairman)
M Blundell
R Franks
R B Hales
C M Hart
S Lewis
P J Wotherspoon OBE, JP, DL
F R Jones
V F Merison
P Griffiths
R Burke
J A G Slater
M Balmer

Secretary: C M Hart

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

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

Solicitors: DLA
India Buildings
Water Street
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 2003

INDEX	PAGE
Report of the trustees	1 - 4
Report of the independent auditors	5 - 6
Principal accounting policies	7 - 8
Consolidated statement of financial activities	9
Group balance sheet	10
Balance sheet	11
Notes to the financial statements	12 - 16

ALDER HEY FAMILY HOUSE TRUST LIMITED

REPORT OF THE TRUSTEES

The trustees, who are also the directors of the company, present their report together with the audited financial statements for the year ended 31 March 2003.

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 three years and may offer himself/herself for re-election for a further three 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 regularly under review by the board of directors.

Principal activity

The company is a registered charity and its working name is Ronald McDonald House at Alder Hey Children's Hospital. Its principal activity during the year continued to be the provision of free accommodation and assistance for the parents and families of children undergoing treatment at Alder Hey Children's Hospital.

Some 805 families benefited, the average stay was 26 days and the average house occupancy was 98% during the year.

Future developments

The trustees are delighted to report the successful completion of an annex adjacent to the existing house which was opened on 1 February 2003 and has increased the number of rooms available to parents from 30 to 64.

In constructing the annex the trust applied approximately £1million of its own funds and received donations from a variety of individuals and organisations. The trustees wish to thank those donors for making the construction possible. In particular they would like to acknowledge the considerable donations made by Ronald McDonald Children's Charity and the Alder Hey Children's Hospital.

The increase in the size of the charitable facility provided has necessarily increased the trust's ongoing costs and therefore its short term focus will be on fund-raising and promotional activity to ensure an incremental rise in annual donations is achieved before considering any further extension to our charitable services.

However the trustees acknowledge the need to refurbish the existing house, which is now in its eleventh year of operation, to bring the furniture and fittings to an equivalent quality to that introduced in the new annex. Specific fund-raising will be undertaken to generate funds sufficient to enable such refurbishment to be carried out.

Business review

There have 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 55 invaluable volunteers.

Income is dependent upon fund-raising activity, donations and sponsorship, but the trustees 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.

ALDER HEY FAMILY HOUSE TRUST LIMITED

REPORT OF THE TRUSTEES

Business review (continued)

It is also the trustees 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 (2002: £Nil) after a donation to the company of £1,420 (2002: £1,620) by way of gift aid, on a turnover of £11,339 (2002: £12,017) for the 12 months to 31 March 2003 and its results have been consolidated. Its principal activity is the sale of a range of merchandise associated with the Ronald McDonald House.

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 in 2117 at a peppercorn rent from Alder Hey Children's Hospital.

Net income for the year was £930,952 (2002: £147,269). The financial position of the trust is considered satisfactory and the trustees thank the staff, volunteers and supporters for a sound year of activity.

The financial statements comply with current statutory requirements, the requirements of the memorandum and articles of association and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" (2000).

Investment policy

As a result of the completion of the annex and the application of the trust's own investments to that project a review will be made of the investment strategy in the forthcoming months. Currently monies are invested in a mix of long term investments in shares and securities of which approximately 50% is invested in government gilts.

Reserves policy

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

The trust's current policy is to ensure that two years of anticipated future cash expenditure is covered by available reserves. Anticipated future expenditure is taken to be the trust's anticipated resources required to be expended excluding depreciation and costs associated with specific fund-raising events. Available reserves are taken to be investments plus or minus net assets or net liabilities. The resulting ratio expressed in years is known as the reserves ratio.

During the last two years the trustees committed over £1m of its own funds toward the construction of an Annex in order to properly apply funds, considered to be surplus, in the furtherance of its charitable purposes. As a result the reserves ratio has fallen considerably and as at 31 March 2003 stood at 1.4 years (based on anticipated future annual cash expenditure of £232,726).

The trustees have approved budgeted income and expenditure plans for the forthcoming year in which it is targeted to generate a cash surplus of approximately £100,000 which should enable the reserves ratio to be improved and be brought closer to the policy target of 2.0 years.

ALDER HEY FAMILY HOUSE TRUST LIMITED

REPORT OF THE TRUSTEES

Risk management

The trustees have compiled a comprehensive risk register which identifies the major risks to which the charity is exposed and stipulates measures appropriate to the avoidance or reduction of these risks.

Day-to-day responsibility has been delegated to sub-committees and staff. A formal annual review is completed.

Trustees, 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
C B Ferguson (resigned 31 August 2002)
R Franks
R B Hales
C M Hart
S Lewis
P J Wotherspoon OBE, JP, DL
F R Jones
V F Merison
P Griffiths
R Burke (appointed 29 October 2002)
J A G Slater (appointed 23 April 2002)
M Balmer (appointed 23 April 2002)

Governance

Statement of trustees responsibilities

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 company and the group and of the group's incoming resources and application of resources for that period. In preparing those financial statements, the trustees are required to:

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

The trustees 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.

Internal controls

The trustees confirm that internal controls and procedures are in place in order to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- financial policies and procedures
- a comprehensive system of annual budgets, approved by the trustees, and quarterly financial reporting of actuals against budget
- regular forecasting of predicted income and cash flow
- quarterly monitoring of reserves policy
- regular review of the charity's risk register

ALDER HEY FAMILY HOUSE TRUST LIMITED

REPORT OF THE TRUSTEES

Internal controls (continued)

During the year the Charity was randomly selected for a Charity Commission review visit. As a result of this visit the trustees can confirm that the charity is complying with the legal framework within which it operates and that the area of trusteeship and Governance came in for particular praise by the Charity Commission.

Auditors

Grant Thornton 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

16th October 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALDER HEY FAMILY HOUSE TRUST LIMITED

We have audited the financial statements of Alder Hey Family House Trust Limited for the year ended 31 March 2003 set out on pages 7 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The trustees, who are the directors of the charity for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the group is not disclosed.

We are not required to consider whether the statement in the trustees' report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the trustees' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

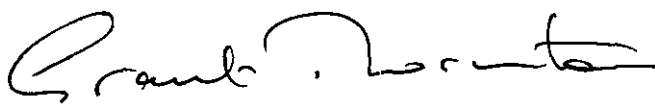
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ALDER HEY FAMILY HOUSE TRUST LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charity and its subsidiary as at 31 March 2003 and of the incoming resources and application of resources, including its income and expenditure, for the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LIVERPOOL

21 October 2003

ALDER HEY FAMILY HOUSE TRUST LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (2000), and the Companies Act 1985.

The financial statements have been prepared under the historical cost convention, except that investments are included at valuation.

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 2003. Profits or losses on intra-group transactions are eliminated in full.

DONATIONS AND LEGACIES

Cash donations, gifts and legacies are included in the financial statements when all the conditions for receipt have been met. Intangible income is included at the estimated value of the benefit received.

FUNDS

Donations received to fund the construction of the new annex are credited to the restricted fund.

INVESTMENT INCOME

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

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

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.

RESOURCES EXPENDED

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

- expenditure incurred directly to the fulfilment of the charity's objectives (direct charitable);
- expenditure incurred directly in the effort to raise voluntary contributions (cost of generating funds);
- and
- expenditure incurred in the management and administration 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.

ALDER HEY FAMILY HOUSE TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2003

	Note	2003 Restricted funds £	2003 Unrestricted funds £	2003 Total £	2002 Total £
INCOME AND EXPENDITURE					
Incoming resources					
Donations and legacies	1	834,087	325,263	1,159,350	323,296
Investment income		-	40,731	40,731	56,122
Net income of trading subsidiary	2	-	-	-	-
Total incoming resources		834,087	365,994	1,200,081	379,418
Resources expended					
Direct charitable expenditure	3	-	190,323	190,323	194,135
Costs of generating funds	4	-	71,075	71,075	43,718
Total resources expended		-	261,398	261,398	237,853
Net incoming resources for the year	1	834,087	104,596	938,683	141,565
Realised (loss)/gain on sale of investments		-	(7,731)	(7,731)	5,704
Unrealised loss on quoted investments		-	(52,099)	(52,099)	(30,823)
Net movement in funds	11	834,087	44,766	878,853	116,446
Balances brought forward at 1 April 2002		55,870	2,657,352	2,713,222	2,596,776
Balances carried forward at 31 March 2003	11	889,957	2,702,118	3,592,075	2,713,222

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 2003

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	7	3,259,752	1,450,651
Investments	8	442,858	485,191
		<u>3,702,610</u>	<u>1,935,842</u>
Current assets			
Stock - goods for resale		6,627	6,096
Debtors	9	7,712	10,093
Cash at bank, building society and in hand		52,025	916,861
		<u>66,364</u>	<u>933,050</u>
Creditors: amounts falling due within one year	10	<u>176,899</u>	<u>155,670</u>
Net current (liabilities)/assets		<u>(110,535)</u>	<u>777,380</u>
		<u>3,592,075</u>	<u>2,713,222</u>
Capital and reserves			
Unrestricted - Charitable fund	11	2,690,576	2,645,810
- Non-charitable trading reserves	11	11,542	11,542
Restricted fund	11	889,957	55,870
	11	<u>3,592,075</u>	<u>2,713,222</u>

The financial statements were approved by the trustees on 15th July 2003, and signed on their behalf by:

A.B. Hales.

R B Hales

Trustee

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 2003

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	7	3,259,752	1,450,651
Investments	8	<u>442,860</u>	<u>485,193</u>
		<u>3,702,612</u>	<u>1,935,844</u>
Current assets			
Stock		-	281
Debtors	9	12,132	13,713
Cash at bank, building society and in hand		<u>42,048</u>	<u>907,288</u>
		<u>54,180</u>	<u>921,282</u>
Creditors: amounts falling due within one year	10	<u>176,259</u>	<u>155,446</u>
Net current (liabilities)/assets		<u>(122,079)</u>	<u>765,836</u>
		<u>3,580,533</u>	<u>2,701,680</u>
Capital and reserves			
Unrestricted funds	11	2,690,576	2,645,810
Restricted fund	11	<u>889,957</u>	<u>55,870</u>
	11	<u>3,580,533</u>	<u>2,701,680</u>

The financial statements were approved by the trustees on 15th July 2003 and signed on their behalf by:

R. B. Hales.

R B Hales

Trustee

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 2003

1 DONATIONS AND LEGACIES AND NET INCOMING RESOURCES FOR THE YEAR

Donations and legacies consist 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 8, is stated after:

	2003 £	2002 £
Auditors remuneration:		
- audit services	6,228	5,875
- other services	881	7,696
Depreciation - tangible fixed assets, owned	<u>46,308</u>	<u>46,164</u>

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 thus has no corporation tax liability.

2 NET INCOME OF TRADING SUBSIDIARY

	2003 £	2002 £
Turnover	11,339	12,017
Cost of sales	<u>(5,919)</u>	<u>(6,410)</u>
Gross profit	5,420	5,607
Administrative expenses paid to parent undertaking	(4,000)	(4,000)
Other administrative expenses	-	(15)
Donations to parent undertaking	(1,420)	(1,620)
Interest received	<u>-</u>	<u>28</u>
Profit before taxation	-	-
Corporation tax	<u>-</u>	<u>-</u>
Retained profit	<u>-</u>	<u>-</u>

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 £930,952 (2002: £147,269) which is dealt with in the financial statements of the company.

3 DIRECT CHARITABLE EXPENDITURE

	2003 £	2002 £
Salaries and pension costs	55,836	72,778
Depreciation of fixed assets	46,308	46,164
Other house maintenance and operating expenses	<u>47,803</u>	<u>49,570</u>
	149,947	168,512
Management and administration (see note 5)	<u>40,376</u>	<u>25,623</u>
	<u>190,323</u>	<u>194,135</u>

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

4 FUND-RAISING AND PUBLICITY

	2003 £	2002 £
Salaries and pension costs	39,348	21,828
Fund-raising events	29,254	19,367
Advertising and publicity	1,112	1,162
Legal and professional fees	1,361	1,361
	<u>71,075</u>	<u>43,718</u>

5 MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	2003 £	2002 £
Salaries and pension costs	28,547	18,544
Audit and accountancy charges	7,109	5,875
Legal and professional fees	4,720	1,204
	<u>40,376</u>	<u>25,623</u>

6 TRUSTEES AND EMPLOYEES

The trustees did not receive any remuneration during the year in respect of their services to the company or its subsidiary undertaking. Total expenses paid to trustees in respect of travel expenses were £502 and related to 10 trustees.

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 £123,731 (2002: £113,150) are paid by McDonalds Restaurants Limited. The company reimburses McDonalds Restaurants Limited for their costs.

No employee earned £50,000 pa or more.

Staff costs incurred in the year were as follows:

	2003 £	2002 £
Wages and salaries	112,506	102,519
Social security costs	7,780	7,300
Pension costs	3,445	3,331
	<u>123,731</u>	<u>113,150</u>

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

7 TANGIBLE FIXED ASSETS

The Group and the Company	Long leasehold buildings £	Equipment, fixtures and fittings £	Total £
Cost			
At 1 April 2002	1,735,708	187,713	1,923,421
Additions	1,714,589	140,820	1,855,409
At 31 March 2003	<u>3,450,297</u>	<u>328,533</u>	<u>3,778,830</u>
Depreciation			
At 1 April 2002	310,069	162,701	472,770
Provided in the year	36,936	9,372	46,308
At 31 March 2003	<u>347,005</u>	<u>172,073</u>	<u>519,078</u>
Net book amount at 31 March 2003	<u>3,103,292</u>	<u>156,460</u>	<u>3,259,752</u>
Net book amount at 31 March 2002	<u>1,425,639</u>	<u>25,012</u>	<u>1,450,651</u>

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

8 FIXED ASSET INVESTMENTS

	The Group		The Company	
	2003 £	2002 £	2003 £	2002 £
Investments at cost comprise:				
Quoted investments:				
UK	448,905	451,722	448,905	451,722
Overseas	22,033	22,033	22,033	22,033
	<u>470,938</u>	<u>473,755</u>	<u>470,938</u>	<u>473,755</u>
Cash on deposit with stockbrokers	23,274	10,691	23,274	10,691
Investment in subsidiary undertaking	-	-	2	2
	<u>494,212</u>	<u>484,446</u>	<u>494,214</u>	<u>484,448</u>
Quoted investments at cost				
At 1 April 2002	473,755	485,555	473,755	485,555
Additions	13,690	58,452	13,690	58,452
Disposals	(16,507)	(70,252)	(16,507)	(70,252)
At 31 March 2003	<u>470,938</u>	<u>473,755</u>	<u>470,938</u>	<u>473,755</u>
Market value at 31 March 2003	<u>442,858</u>	<u>485,191</u>	<u>442,860</u>	<u>485,193</u>

Quoted investments, at valuation, include UK Government Treasury stocks amounting to £257,875. There are no other material investments.

At 31 March 2003, 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.

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

9 DEBTORS

	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Amounts owed by subsidiary undertaking	-	-	4,420	3,620
Prepayments and accrued income	6,554	8,841	6,554	8,841
Income tax repayable	1,158	1,252	1,158	1,252
	<u>7,712</u>	<u>10,093</u>	<u>12,132</u>	<u>13,713</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Accruals:				
- Capital	138,207	119,048	138,207	119,048
- Other	38,692	36,622	38,052	36,398
	<u>176,899</u>	<u>155,670</u>	<u>176,259</u>	<u>155,446</u>

11 FUNDS

The Group	Total £	Charitable fund £	Trading company reserves £	Restricted fund £
At 1 April 2002	2,713,222	2,645,810	11,542	55,870
Net movement in funds	878,853	44,766	-	834,087
At 31 March 2003	<u>3,592,075</u>	<u>2,690,576</u>	<u>11,542</u>	<u>889,957</u>

The Company	Total £	Charitable fund £	Restricted fund £
At 1 April 2002	2,701,680	2,645,810	55,870
Net movement in funds	878,853	44,766	834,087
At 31 March 2003	<u>3,580,533</u>	<u>2,690,576</u>	<u>889,957</u>

The restricted fund, which was created in the year ended 31 March 2002, comprises all of the donations received for and spent on the construction of the new annex and is represented by a proportion of long leasehold buildings included in fixed assets.

The trading company reserves are represented by a proportion of the group's net current assets. The Charitable fund represents the unrestricted fund of the company, and the trading company reserves those of the subsidiary.

The Charitable fund includes an unrealised loss of £51,354 (2002: unrealised gain of £745).

ALDER HEY FAMILY HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2003

12 PENSION COMMITMENTS

Defined Contribution Scheme

The group 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 2003 or 31 March 2002.

14 CAPITAL COMMITMENTS

	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Contracted for but not provided in the financial statements	-	1,829,000	-	1,829,000

15 RELATED PARTY TRANSACTIONS

Expenses paid to trustees amount to £502. Details are set out in note 6.

None of the trustees benefited from the activities of the charity in their capacity as trustees.

ALDER HEY FAMILY HOUSE TRUST LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 2003

	2003	2002
	£	£
INCOME		
Donations	1,159,350	323,296
Investment income	40,731	56,122
	<u>1,200,081</u>	<u>379,418</u>
EXPENDITURE		
Salaries and pension costs	123,731	113,150
Insurance	2,387	1,737
Heat, light, water and rates	15,000	14,000
Maintenance and repair	8,884	12,969
Stationery, postage and telephone	8,291	6,910
Cleaning and household	10,311	8,976
Staff training	323	1,356
Travelling, subsistence and entertaining	4,203	7,856
Miscellaneous	571	(234)
Audit and accountancy	7,109	5,875
Legal and professional fees	6,081	2,565
Fund-raising	29,254	19,367
Advertising	1,112	1,162
Depreciation	46,308	46,164
Administration charge to subsidiary	(4,000)	(4,000)
Loss/(profit) on disposal of investments	7,731	(5,704)
Launch of new annex	1,833	-
	<u>269,129</u>	<u>232,149</u>
Net income for the year	930,952	147,269
Unrealised loss on quoted investments	(52,099)	(30,823)
Fund balance brought forward	2,701,680	2,585,234
Fund balance carried forward	<u>3,580,533</u>	<u>2,701,680</u>

THIS PAGE DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS