



***Trustees' Annual Report***

***Year Ended 31 March 2018***

***Registered Charity No. 1160661***

***A Company Limited by Guarantee***

***Registered in England Company no. 09389239***



# **ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018**

## **Trustees' Report**

It is a pleasure to present the 3rd Annual Report for Alder Hey Children's Charity ("the Charity"), together with the audited financial statements for the year ended 31 March 2018.

The 2017/2018 Annual Report and Accounts have been prepared in accordance with the Statement of Recommended Accounting Practice: Accounting and Reporting by Charities (FRS102). The Charity's report and accounts include all the separately established funds. The trustees are also directors of the Charity for the purposes of the Companies Act 2006 and this report contains the Group Directors' Report as required by company law.

## **Strategic Report**

### **Objectives**

The Charity covers a wide range of charitable purposes relating to the NHS and the objectives as per the governing document are

- (a) to further any charitable purpose or purposes: relating to the general or any specific purposes of Alder Hey Children's NHS Foundation Trust or the purposes of the National Health Service;
- (b) to promote, protect, preserve and advance all or any aspects of the health and welfare of the public; and
- (c) to advance and promote knowledge and education in medicine, including by engaging in and supporting medical research (and the dissemination of the useful results).

There are 73 restricted funds.

It is the objective of the Charity to take careful stewardship of all donations received and to this end the Charity is aligned to Alder Hey Children's NHS Foundation Trust's strategic vision. Consequently all charitable expenditure is supported by the Trust.

Charitable expenditure covers expenditure over five main categories; Patient Welfare and Amenities; Capital; Staff Welfare, Research & Development; Other Charitable expenditure. Highlights of this expenditure are detailed within the Activities section on pages 5 to 7.

## **THE ALDER HEY CHILDREN'S CHARITY**

### **TRUSTEES' REPORT (continued)**

#### **Trustees**

In the year ended 31 March 2018 the following people served as Trustees. All Trustees, with the exception of Shani Arora, Jo Williams and Sir Malcolm Thornton, were appointed on 1<sup>st</sup> April 2015 when the new independent charity was launched.

**Professor Michael Brown CBE DL**  
**Trustee Board meetings in year**  
Trustee Chair  
Resigned 2<sup>nd</sup> January 2018

**Attended 2 out of 3**

**Sir Malcolm Thornton**  
Trustee Chair  
Appointed 2<sup>nd</sup> January 2018, resigned  
27<sup>th</sup> September 2018

**Attended 1 out of 1 Trustee Board meetings in year**

**Liz Craig**

**Attended 4 out of 4 Trustee Board meetings in year**

**Sir David Henshaw**

**Attended 0 out of 2 Trustee Board meetings in year**

Non independent member; Chair of Alder Hey Children's NHS Foundation Trust

Resigned 2<sup>nd</sup> October 2017

**Eileen Jones**

**Attended 3 out of 4 Trustee Board meetings in year**

**Nicky Collins**

**Attended 4 out of 4 Trustee Board meetings in year**

Chair of Spending Committee

**Helen Dearden**

**Attended 3 out of 4 Trustee Board meetings in year**

Chair of Audit Committee

Resigned 18<sup>th</sup> October 2018

**Glynis Johnston**

**Attended 4 out of 4 Trustee Board meetings in year**

**Jeannie France-Hayhurst**

**Attended 2 out of 4 Trustee Board meetings in year**

Non independent member: Non-Executive Director, Alder Hey Children's NHS Foundation Trust

**John Carson**

**Attended 4 out of 4 Trustee Board meetings in year**

**Shalni Arora**

**Attended 3 out of 4 Trustee Board meetings in year**

**Dame Jo Williams**

**Attended 2 out of 2 Trustee Board meetings in year**

Non independent member: Non-Executive Director, Alder Hey Children's NHS Foundation Trust

Appointed 9<sup>th</sup> November 2017

**Chief Executive**

**Clare White (Resigned 19 October 2018)**

**Registered Office**

The registered address of the Charity is:  
Alder Hey Children's Charity  
Alder Hey Children's NHS Foundation Trust  
Eaton Road  
Liverpool L12 2AP

## **THE ALDER HEY CHILDREN'S CHARITY**

### **TRUSTEES' REPORT (continued)**

#### **Principal Professional Advisors**

##### **Bankers**

NatWest  
Liverpool City Office  
2-4 Church Street  
Liverpool  
L1 2AP

##### **Auditors - External**

Bennett Brooks & Co Limited  
St George's Court  
Winnington Avenue  
Northwich  
CW8 4EE

##### **Investment Fund Managers**

Rathbones Investment Management Ltd  
Port of Liverpool Building  
Pier Head  
Liverpool L3 1NW

#### **Governance Structure and Management**

The Alder Hey Children's Charity was originally established in July 1995 by a Trust Deed and two further supplemental Deeds. The first, in May 2011, reflecting the change whereby Alder Hey Children's Charity Foundation Trust ceased being a Corporate Trustee, but gained the ability to appoint individual Independent Trustees. The second reflected the change of name of the Charity in 2012. On 1<sup>st</sup> April 2015 Alder Hey Children's Charity became an independent charity (registration number 1160661) and company limited by guarantee (company no 09389239).

The Alder Hey Children's Charity has a Board of independent Trustees; it is governed by its Standing Orders and can have up to thirteen Trustees to its Board. At all times the Board of Trustees must remain independent of the Foundation Trust. This is achieved by ensuring the balance of independent Trustees and those with a NHS link is maintained. The Foundation Trust will have the right to appoint up to two of its non-executive directors as Trustees of the Charity. The Trustees consider that it operates a balanced, complete and unified Board with particular emphasis on achieving the optimum balance of appropriate skills and experience; this is reviewed whenever any vacancy arises to ensure that a broad range of skills and expertise is available to the Charity.

The Trustees are required to:

- Ensure an adequate system of internal control is in place, continually reviewed and updated as appropriate
- Ensure all operations are undertaken within the Standing Orders laid down by the Board and in accordance with Charity Commission guidelines, charity law, other relevant statute and regulations, and best practice
- Uphold current generally held principles of good governance, value for money and probity of transactions at all times

## **THE ALDER HEY CHILDREN'S CHARITY**

### **TRUSTEES' REPORT (continued)**

Trustees are recruited through an open recruitment process, with advertisements being placed in relevant online publications. New Trustees are given an induction pack explaining the duties of a Trustee and the role of the Board. A comprehensive Trustee induction programme provides new Trustees with full knowledge of the Trust's vision and the Charity's strategy prior to their first Board meeting. A recruitment campaign for Trustees is currently being undertaken. This will hopefully address the current skills gaps we have in our board.

To aid decision making the Trustees established three sub-committees to the main Board. The terms of reference to each committee have been agreed by the Trustees. Each sub-committee is Chaired by a Trustee and includes at least one other Trustee in its membership:

- Audit Committee
- Charitable Spending Committee
- HR Committee

There is also an additional ad-hoc committee

- Ethics Panel

The purpose of the **Audit Committee** is to support the Board of Trustees in ensuring that the strategic objectives of the Charity are met, particularly to ensure effective operational and financial planning, reporting and management, risk management policy setting and effective governance procedures are in place.

The purpose of the **Charitable Spending Committee** is to oversee the expenditure of the Alder Hey Children's Charity in accordance with the vision and values of the organisation it supports (Alder Hey Children's NHS Foundation Trust) and with the Charity's stated and charitable purposes. Within its approval procedures, the Trustee Board is provided with a breakdown of all applications and spending trends at least four times per annum. The Trustees remain accountable for all the funds and adhere to Charity Commission guidelines, laws, other statute, regulations, generally accepted best practice and appropriate protocols.

Analysis of spending trends by type, department and fund signatory, allows the Trustees to monitor the funds ensuring they are being applied appropriately to maximum effect.

The purpose of the **HR Committee** is to review on behalf of the Board of Trustees the employment emoluments of all Charity staff holding Charity employment contracts, taking into account staff pay benchmarks in similar areas and roles, pension arrangements, affordability and individual performance. Staff employment emoluments can include both salary levels and performance bonuses where appropriate.

The purpose of the **Ethics Panel** is to assess, when called upon by the Charity CEO, to what extent a potential partner, fundraising activity or donation could have a negative reputational impact on either Alder Hey Children's Charity or Alder Hey Children's NHS Foundation Trust. The Ethics Panel, in consultation with key stakeholders where appropriate, would consider when necessary, whether the partnership/fundraising activity/donation in question could be detrimental to the Charity's mission, the Charity's and/or hospital's brand, existing partners, funders/donors and key stakeholders.

**TRUSTEES' REPORT (continued)**

**Declaration of Interest**

The Trustees have a legal obligation to act in the best interests of the Charity in accordance with the Charity's governing documents. The staff of the Charity has the same obligation. Conflicts of interest may arise where an individual's or a related party's business, personal or family interests and/or loyalties conflict with those of the Charity. All Trustees and senior management of the Charity declare their interests in writing within four weeks of taking up any position. Trustees and staff are asked to confirm annually that the information held continues to be relevant. In addition all Trustees are asked to declare any conflicts of interest prior to the commencement of each Board. See note 15 for related party transactions.

**Risk Management**

The Trustees have examined the major risks affecting the Charity and identified the system and mechanisms to mitigate these risks. The risk register was updated and reviewed quarterly by the Audit committee and this was reported at every full Trustee Board meeting. One of the most significant risks identified is the potential loss incurred by a fall in the value of the Charity's investments. The Trustees have considered this risk carefully and review the investment portfolio regularly with the investment manager, ensuring that the Charity's investments are spread over a wide and varied portfolio and that the ethical considerations laid down by the Board are met. The Trustees believe that the higher returns available over the longer term from investments through the stock market render any potential exposure acceptable. Careful management of finances ensured the Charity remained in a strong financial position while donating a significant amount of funds to support both the new hospital and the Research Institute.

Reserves were maintained at the approved level for the year. Any grants distributed to the Trust were approved by Trustees only after funds were secured, minimising any financial risk.

**Reserves Policy**

The objective of the reserves policy is to ensure the Charity has sufficient funds available to honour its commitments and continue to deliver its business plan. The Trustees have formally adopted a reserves policy to hold approximately one year operating costs at its current level of operations, which amounts to £1.8m. Apart from this reserve, all funds which have not been committed to a specific project are available to be spent in furtherance of the charity's objectives. At the 31<sup>st</sup> March 2018 total unrestricted funds had a balance of £4,271K. At 31<sup>st</sup> March 2018 the Alder Hey General Purpose Fund had a balance of £3,505k. A full copy of the reserves policy is available on request from the CEO.

**Public Benefit**

The Trustees have a duty to comply with Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The Trustees can confirm that it has fulfilled the public benefit requirement and that this requirement is strongly embedded within the procedures for approving grants and spending plans.

The Trustees ensure that all grants and spending plans contain identifiable public benefits, that are clear, and meet the objects of the Charity supporting any NHS charitable purpose relating to Alder Hey Children's NHS Foundation Trust. This is achieved by the Trustees keeping spending plans under review throughout the year.

The Trustees consider the aims, objectives and activities of the Charity and compares these with the achievements and outcomes of the various programmes, reviewing the benefits brought to the public the Charity seeks to help by each key activity. The Trustees have referred to the Charity Commission's guidance on public benefit in undertaking the public benefit duty.

**TRUSTEES' REPORT (continued)**

The Charity's aims and the public benefit requirement are undertaken through a range of programmes, as identified in the Activities section, supported by charitable funds provided by our generous donors.

All services are provided free to patients in accordance with the objects of the Charity, there are no unreasonable restrictions and people in poverty have the opportunity to benefit.

**Activities of the year**

Autumn 2017 marked the fifth anniversary of the re-launch of Alder Hey Children's Charity in preparation for the new hospital appeal. Since that time the Charity has grown both its supporter base and income bringing on board national companies and raising income from £1.3m per year to £7.7m in 2017/18. This has enabled the Charity to grant over £35million to Alder Hey Children's NHS Foundation Trust to support state of the art medical equipment, enhancement of patient facilities and vital research. To facilitate this growth, the team has grown with 21 staff now employed within the Charity across all areas of fundraising. Investment in marketing has also been vital in raising awareness about Alder Hey Charity and the support we offer to patients and families at Alder Hey.

During the 2017/18 financial year the Charity granted further funds to support the second phase build of the research and education center 'The Institute in the Park', bringing the total charity contribution to this £27million build to £6.2million. This purpose built facility will support the Trust's ambition to significantly improve the fight against childhood disease, and enable the development of better medicines and treatments, with the impact not only improving the lives of patients here in Liverpool but with the potential of helping young people across the world.

The concept of the new 'Institute in the Park' was to provide a state of the art facility alongside the new Alder Hey Children's Hospital, which will both attract the best researchers in their field and enable joint working with key universities to accelerate improvement in child health. We look forward to the official opening of the building in early 2019 and are pleased to announce a wing will named after a major donor in recognition of his significant support to the charity and the hospital.

In addition to the research appeal, the Charity has contributed a further £3million funding to support:

- Ward based catering: the ward based catering programme at the hospital provides a food on demand service on wards, encouraging healthy eating and nutrition to support patients recovery to health.
- Play at Alder Hey: Alder Hey treats over 270,000 young patients each year, many of whom are babies and require specialist distraction techniques to calm them during medical procedures. Our young patients also often who need specialist therapy before treatment to help them deal with anxiety. Some of the other services the play team support include organize daily play and art activities in the playroom or at the bedside, use play to maintain a child's level of development during illness. During 2017/18 the charity was able to offer a one off grant to support this activity.
- The patient experience and spiritual care team: this services allow the delivery of enhanced level of patient experience and therapy to patients and families and staff to access whilst a user/staff member of Alder Hey. The spiritual care team provide a unique service to our patients and families supporting them through the difficult journey when receiving specialist care at the trust.

During the year, the Charity was also able to support the Trust's plans to build a new home for its bereavement centre by securing £1.4m from the treasury through LIBOR grant funding. This is a unique, national centre of excellence which provides care and education for anyone affected by the loss and death of a child. The national child death helpline is also run from this facility. It will be housed in a purpose built, state of the art environment within the wider health park. Building will commence in 2019. In addition to this the Charity was also able to secure a grant of £50,000 from The People's Millions for a project which brings music to children on wards, fund enhanced medical equipment such as the heated cots for our

## THE ALDER HEY CHILDREN'S CHARITY

youngest patients as well as support enhancements to patient waiting areas and distraction within the route to theatres.

### TRUSTEES' REPORT (continued)

The Charity continues to increase its strong community fundraising base, particularly throughout the North West. Income through sponsored events came in at over £450k. Our own bespoke events are all now well established and continue to be successful, grossing over £250k. During 2018/19 we shall continue to expand our fundraising base with the addition of a specific schools fundraiser.

Lottery membership continues to grow steadily and is particularly successful where canvassers work from within the hospital. Attrition rate has fallen and membership is now over 18,000.

Our corporate fundraising continues to make significant impact at Alder Hey not only through financial donations but also through the sharing of expertise and knowledge. Our partnership with Matalan continues to offer significant support not only financially but in raising awareness about Alder Hey through the annual campaign on social media. Matalan unveiled this year's exciting Christmas campaign for the fourth year running. The highly anticipated 'Get Spotted' campaign built on the retailer's previous Christmas fundraising appeals, Alphabet Scarves, Beanie vs Bobble and Get Your Stripes and these campaigns have now raised more than £2m.

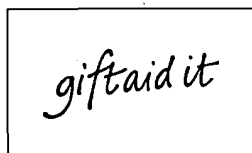
Liverpool John Lennon airport continues to support the development of the Alder Play app and this partnership was significant in our major fundraising event which took place the summer of 2018.

During 2017/18 income from legacies rose significantly, with several substantial gifts bringing our legacy income in the year to over £2 million. This is an area which the Charity will continue to promote during the upcoming year.

Looking to 2018/19 the environment continues to be challenging with changes to legislation through the introduction of GDPR meaning that some of the more traditional ways of funding are now dying out. During the year the Charity has reviewed its process, policies and practice to ensure it is GDPR compliant.

The Charity will continue to innovate in both fundraising and partnership activity to raise much needed funds for Alder Hey Children's NHS Foundation Trust. Toward the end of 2018 the charity will be launching its next appeal which will focus on working more strategically with the hospital to establish a national footprint to facilitate further growth.

### Gift Aid



Gift Aid provides a great opportunity for donors to increase the value of their donation to our Charity. Provided the donor is a taxpayer, our Charity can claim the basic rate income tax paid on the gift. This increases donations by approximately 25% so a gift of £10 is worth £12.50 to our Charity.

### Governance Costs

The FRS102 requires that governance costs are allocated to the individual fund rather than being reported as a single figure within the accounts. The governance cost has been analysed in terms of the type of work done into transaction processing and governance. The trustees have agreed that the amount charged to each fund would be dependent on the amount of income received.

Governance costs totalled £112k.



**TRUSTEES REPORT (continued)**

**Fund Balances**

The total value of the restricted funds at the end of the year was £5,048K and the value of the unrestricted funds including the designated funds was £4,271K.

**Investments**

The investments are managed by Rathbones Investment Management Ltd within the policy and guidelines laid down by the Trustees. All investments are held for an investment return. The Trustees have taken a decision not to invest in tobacco or alcohol related companies. The Trustees are satisfied with the fund's performance during difficult economic conditions and performance against appropriate relevant benchmarks is shown below.

Over the 12 months to 31<sup>st</sup> March 2018, risk assets had mixed fortunes with the early part of the period seeing strong returns, but weakness in the early part of 2018 gave some of these back.

Gilts returned 0.5% over the year, underperforming equities with the FTSE AllShare returning +1.3% while overseas equities, in sterling terms, delivered a return of +2.6%, with Japan the standout performer. The return of market volatility provided an opportunity for Alternatives to prove their worth in portfolios by providing risk diversification as well as return. This area produced a return of +4.3% during the period.

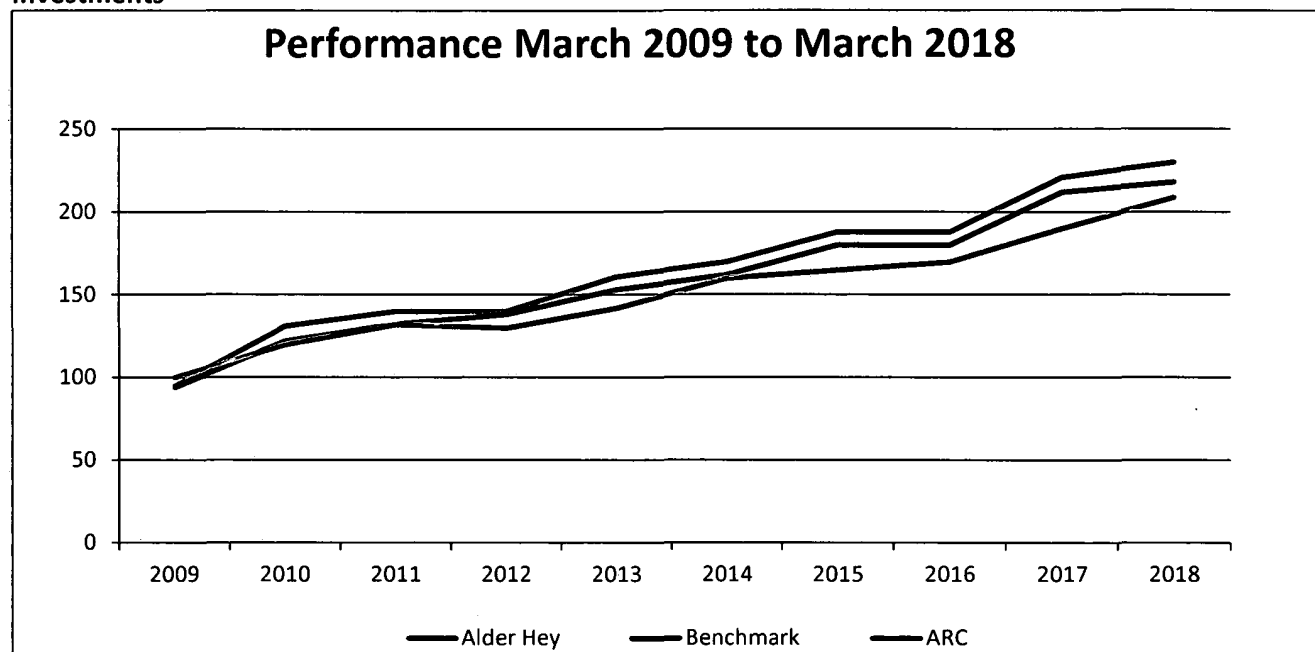
During the period, the portfolio asset allocation was refined, taking account of the building programme the charity is undertaking, such that risk was reduced by lowering the equity content of the portfolio and increasing the alternatives element.

Alder Hey's portfolio rose 3.2%, compared to the composite benchmark return of 2.0%. The main positive performance drivers were the strong returns from the UK equity element, with the overseas equity also robust, with the Japanese and Technology exposure notable performers. Conversely, the USA was weaker over the period, primarily in the final quarter as already noted. Fixed income returns were slim, with the portfolio exposure marginally underperforming the benchmark for this element. Alternatives delivered a positive return, but the infrastructure exposure was impacted by political concerns.

Regarding the stock and sector selection, the UK equity element outperformed with positive stock selection. The main positive drivers were the commodity (oil and mining) exposures and underweight positions in Utilities, with notable individual performances from HSBC, Henderson Global Technology and the UK Mid Cap funds. The main negative contributors to performance were being underweight in the insurance sector as well as the media exposure, together with weak performances from ITV, Shire and the Infrastructure funds. The 31<sup>st</sup> March 2018 year end occurred near the recent low in markets, which have seen a strong recovery since.

TRUSTEES' REPORT (continued)

Investments



**Fund changes during the year**

The Committee adopts the practice of rationalising the range of separate funds to maintain efficient administration. As a result funds will close or merge with other funds as and when the opportunity presents itself.

**Charity Personnel**

During 2017/18 the Charity employees were awarded a 1% cost of living increase.

Key management personnel for the Charity are:

- Chief Executive: responsible for setting the Charity's business plan and fundraising strategy and day to day running of the Charity. Overall line management responsibility. Reports to Board of Trustees.
- Director of Philanthropy: responsible for strategy development of Trust & Foundation fundraising and for major donor fundraising and line management of the Trust & Foundations Relationship Manager and committed giving team.
- Head of Charity Operations: responsible for the HR, finance and Governance operations of the Charity. Line manages the Operations and Finance teams.
- Head of Corporate Partnerships: responsible for the identification and development of key strategic corporate partners. Line manages the Corporate team.
- Head of Community Fundraising: responsible for the strategic development of community fundraising. Line manages the community team.
- Head of Marketing: responsible for setting the marketing and stewardship strategy for the charity.

**TRUSTEES' REPORT (continued)**

**Looking forward**

Looking forward to 2018/19 the Charity is aiming to work with Alder Hey Children's NHS Foundation Trust to develop a campaign strategy which is framed around supporting significant improvements in child health rather than on funding specific items or capital appeal.

This will be developed during the latter part of 2018 and launched in first half of 2019. The aim of this approach is to build the Alder Hey brand (both Charity and Trust) nationally; highlighting the impact it together makes on new medicines and treatments for childhood diseases. This should provide the opportunity for the charity to widen its geographical reach and subsequently increase its unrestricted donations.

**A Big Thank You**

The success of the charity cannot be achieved without the continuing support and very generous financial contributions received from the public. The Trustees and staff of the Charity are acutely aware of this; are extremely grateful and would like to thank each and every one who has donated their time, money or other services to the Charity. On behalf of the patients and their families who benefit so greatly from this support, thank you. And thank you in anticipation of your continued support of the Charity during the forthcoming year.

TRUSTEES' REPORT (continued)

**Statement of Trustees' Responsibilities**

The Trustees (who are also the directors of Alder Hey Children's Charity for the purposes of company law) are responsible for preparing the Report of the Trustees 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 period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed on behalf of the Trustees

 Date: 11<sup>th</sup> December 2018

Eileen Jones

## **THE ALDER HEY CHILDREN'S CHARITY**

### **Report of the Independent Auditors to the Members of Alder Hey Children's Charity**

#### **Opinion**

We have audited the group and parent charitable company financial statements of Alder Hey Children's Charity (the 'charitable company') for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Charity Balance sheet, the Consolidated Cash Flow Statement and notes to the consolidated 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 (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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 Auditors 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

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

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## THE ALDER HEY CHILDREN'S CHARITY

### Report of the Independent Auditors to the Members of Alder Hey Children's Charity

#### 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

#### 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 purposes 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.

#### Our 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 a Report of the Independent Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

#### 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.



Jason Leach FCA (Senior Statutory Auditor)  
for and on behalf of Bennett Brooks & Co Limited  
Chartered Accountants  
& Statutory Auditors  
St George's Court  
Winnington Avenue  
Northwich  
Cheshire  
CW8 4EE

Date: 11/12/2018

**THE ALDER HEY CHILDREN'S CHARITY**

**Consolidated Statement of Financial Activities for the year ended 31 March 2018  
(incorporating an income and expenditure account)**

	<b>Note</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total Funds Year Ended 31 March 2018 £000</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total Funds Year Ended 31 March 2017 £000</b>
<b>Income</b>							
Donations and legacies	4	2,238	3,706	5,944	1,861	1,851	3,712
Income from charitable activities	4	1,157	65	1,222	596	10	606
Income from other trading activities	4	466	-	466	522	-	522
Investment income	3	77	-	77	97	-	97
<b>Total income</b>		<b>3,938</b>	<b>3,771</b>	<b>7,709</b>	<b>3,076</b>	<b>1,861</b>	<b>4,937</b>
<b>Expenditure</b>							
Cost of raising funds		799	-	799	871	-	871
Expenditure on charitable activities	6	3,055	2,386	5,441	681	2,097	2,778
Share of loss of joint venture	8	424	-	424	-	-	-
<b>Total expenditure</b>		<b>4,278</b>	<b>2,386</b>	<b>6,664</b>	<b>1,552</b>	<b>2,097</b>	<b>3,649</b>
Realised and unrealised gain/ (loss) on investments	8	39	-	39	505	-	505
<b>Net income / (expenditure)</b>		<b>(301)</b>	<b>1,385</b>	<b>1,084</b>	<b>2,029</b>	<b>(236)</b>	<b>1,793</b>
Transfers between funds	13	(466)	466	-	(691)	691	-
<b>Net movement on funds</b>		<b>(767)</b>	<b>1,851</b>	<b>1,084</b>	<b>1,338</b>	<b>455</b>	<b>1,793</b>
<b>Total funds brought forward</b>		<b>5,038</b>	<b>3,197</b>	<b>8,235</b>	<b>3,700</b>	<b>2,742</b>	<b>6,442</b>
<b>Total funds carried forward</b>		<b>4,271</b>	<b>5,048</b>	<b>9,319</b>	<b>5,038</b>	<b>3,197</b>	<b>8,235</b>

The Statement of Financial Activities includes all gains and losses in the year. All income and expenditure derives from continuing activities.

**THE ALDER HEY CHILDREN'S CHARITY**

**Consolidated Group and Charity Balance Sheets at 31 March 2018**

	Note	Group 2018 £000	Charity 2018 £000	Group 2017 £000	Charity 2017 £000
<b>Fixed Assets</b>					
Investments	8	4,524	4,948	3,483	3,483
<b>Total Fixed Assets</b>		<b>4,524</b>	<b>4,948</b>	<b>3,483</b>	<b>3,483</b>
<b>Current assets</b>					
Stock	9	12	-	12	-
Debtors	10	617	289	730	325
Cash at bank and in hand	11	5,887	5,797	6,358	6,304
<b>Total current assets</b>		<b>6,516</b>	<b>6,086</b>	<b>7,100</b>	<b>6,629</b>
<b>Liabilities</b>					
Creditors falling due within one year	12	1,682	1,680	2,190	2,186
<b>Net current assets</b>		<b>4,834</b>	<b>4,406</b>	<b>4,910</b>	<b>4,443</b>
<b>Total assets less current liabilities</b>		<b>9,358</b>	<b>9,354</b>	<b>8,393</b>	<b>7,926</b>
Creditors: Amounts falling due after more than one year	12	39	39	158	158
<b>Net Assets</b>		<b>9,319</b>	<b>9,315</b>	<b>8,235</b>	<b>7,768</b>
<b>Funds</b>					
Unrestricted income funds	13	4,271	4,267	5,038	4,571
Restricted income funds	13	5,048	5,048	3,197	3,197
<b>Total funds</b>		<b>9,319</b>	<b>9,315</b>	<b>8,235</b>	<b>7,768</b>

These Financial Statements were approved by the Board of Directors on

11<sup>th</sup> December 2018

Signed on behalf of the Board of Directors:

*Eileen Jones*

**Eileen Jones**  
Director

**Company no. 09389239**



**THE ALDER HEY CHILDREN'S CHARITY**

**Consolidated cash flow statement for the year ended 31 March 2018**

	Note	Year Ended 31 March 2018 £000      £000		Year Ended 31 March 2017 £000      £000	
<b>Cash flows from operating activities:</b>					
Net cash (used in) / provided by operating activities			454		(8)
<b>Cash flows from investing activities:</b>					
Dividends and interest from investments	3	77			97
<b>Cash flows from financing activities:</b>					
Payments to acquire investments	8	(2,021)		(314)	
Receipts from sales of investments	8	1,019		337	
Net cash provided by / (used in) financing activities			(925)		23
(Decrease)/Increase in cash and cash equivalents			(471)		112
Cash and cash equivalents at the start of the year			6,358		6,246
Cash and cash equivalents at the end of the year			5,887		6,358

**Reconciliation of net income to net cash flow from operating activities**

Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	1,084	1,793
Adjustments for:		
Dividends and interest on investments	(77)	(97)
(Gains) / losses on investments	(39)	(505)
Decrease / (increase) in stock	-	5
Decrease / (increase) in debtors	113	134
(Decrease) / increase in creditors	(627)	(1,338)
	<hr/>	<hr/>
Net cash (used in) / provided by operating activities	<u>454</u>	<u>(8)</u>

**Analysis of cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Bank current accounts	125	87
Bank deposit accounts	5,762	6,271
	<hr/>	<hr/>
<b>Total cash and cash equivalents</b>	<u>5,887</u>	<u>6,358</u>

## **THE ALDER HEY CHILDREN'S CHARITY**

### **Notes to the Financial Statements for the year ended 31 March 2018**

#### **1. Accounting Policies**

##### **a. Accounts preparation**

The Charity is a public benefit entity and the financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)) and the Companies Act 2006.

Alder Hey Children's Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note. The financial statements have been prepared in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

##### **b. Group financial statements**

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Alder Hey Promotions Limited, on a line by line basis. Alder Hey Promotions Limited is registered in England and Wales and its registered company number is 08019977. All intra-group transactions, balances, income and expenditure are eliminated on consolidation. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. During the year a 50% interest was acquired in Alder Hey Living Hospital Limited. This investment has been accounted for using the Equity method. The investment is included in the Balance Sheet of the Charity at cost and there is not considered to be any impairment to the value at the balance sheet date. In the consolidated accounts, the Charity's share of the net income or expenditure has been shown as a single item in the Statement of Financial Activities and the Charity's share of the net assets is recognised in the balance sheet.

##### **c. Funds structure**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Unrestricted funds are those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives. Unrestricted funds include designated funds, where the donor has made known their non-binding wishes or where the Trustees, at their discretion, have created a fund earmarked for a specific purpose.

##### **d. Going concern**

After making enquiries the Trustees have a reasonable expectation that Alder Hey Children's Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustees have adopted the going concern basis in preparing the accounts.

## **THE ALDER HEY CHILDREN'S CHARITY**

### **Notes to the Financial Statements for the year ended 31 March 2018**

#### **e. Income**

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

- i) General donations, donations from fundraising events, corporate and philanthropy income and direct marketing income are recognised in full in the Statement of Financial Activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy. Income received in advance is deferred where appropriate. Gift Aid receivable is included when claimable.
- ii) Income from legacies is recognised when receipt is considered probable, which is when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.
- iii) Income from Government and other grants, whether "capital" grants or "revenue" grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.
- iv) Goods and services donated to the Charity are recognised as both income and expenditure in the Statement of Financial Activities at their estimated market value.
- v) Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy, the investment income is reported net of these costs. It is included when the net amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the Charity's right to receive payment is established.
- vi) Sales of goods are recognised when the significant risks and rewards of the goods have transferred to the buyer and the amount of income can be measured reliably. Income is recorded net of returns, discounts and value added taxes.

#### **f. Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- i) The costs of raising funds are the costs associated with generating income for the charity, including the costs of managing the investments.
- ii) Expenditure on charitable activities is expenditure incurred on the provision of services or goods. A grant is any payment which is made voluntarily to any institution or to an individual in order to further the Charity's objectives, without receiving goods or services in return.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### **g. Tangible fixed assets**

The Charity does not hold any tangible fixed assets.

**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

**h. Investment fixed assets**

Stocks and shares are included in the balance sheet at market value. Listed investments are included in the Balance Sheet at fair value, which is their market closing price on the current or previous trading day.

**i. Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

**j. Debtors**

Trade and other debtors are recognised at the settlement amount net of any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

**k. Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

**l. Financial instruments**

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, with the exception of investments, are initially recognised at transaction value and subsequently measured at their settlement value.

**m. Foreign currency transactions**

All expenditure and income arising from transactions denominated in a foreign currency are translated into sterling at the exchange rate in operation on the date on which the transactions occurred.

**n. Allocation of overhead and support costs**

Overhead and support costs have been allocated as a direct cost or apportioned on an appropriate basis between charitable activities and governance costs. The support costs relating to charitable activities and the governance costs have been apportioned to individual funds.

**o. Tax**

The company is a registered charity and as such is exempt in respect of certain types of income from income tax, corporation tax, and capital gains tax under the provisions of the Income and Corporation Taxes Act 1988 and the Taxation of Chargeable Gains Act 1992.

## **THE ALDER HEY CHILDREN'S CHARITY**

### **Notes to the Financial Statements for the year ended 31 March 2018**

#### **p. Pensions**

All Charity employees are eligible to join the Charity's People's Pension scheme, which is a defined contribution arrangement. The Charity's contribution is 3% and the employee has to make at least an equal contribution. The cost of this is charged to the profit and loss account.

NHS employees working on behalf of the Charity are entitled to join the NHS Pensions Scheme which is a multi-employer defined benefit scheme administered for the benefit of NHS employees, General Practices and other bodies allowed under the direction of the Secretary of State. Past and present employees are covered by the provision of the NHS Pension Scheme, details of which are available from the NHS Pension Agency at [www.nhs.pa.gov.uk](http://www.nhs.pa.gov.uk).

The cost of employer pension contributions to the NHS Pension Scheme is charged to the Statement of Financial Activities. The Charity has no liability under the NHS defined benefit pension scheme.

#### **q. Stock**

Stock is valued at the lower of purchase cost and net realisable value.

#### **r. Presentation**

The figures in the accounts are rounded to the nearest one thousand pounds.

#### **s. Joint venture**

Joint ventures are accounted for under the equity method of accounting, whereby the Charity's share of the net income or net expenditure of the joint venture are disclosed as a single item in the Statement of Financial Activities and the Charity's share of the net assets is recognised in the balance sheet.

#### **t. Judgements and estimates**

In applying the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities, which are based on the best and most reliable evidence available at the time when the decisions are made and on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision only affects that period, or in the period of revision and future periods if the revision affects both current and future periods. In assessing whether there have been any indicators of impairment in relation to assets, the Trustees have considered both external and internal sources of information and there have been no indicators of impairment identified during the current financial period. The items in the financial statements where judgements and estimates would be required include gifts in kind, where an estimate of the value of a gift to the Charity is made by reference to current market values, and investments, where judgement is required in deciding whether there is any impairment in value.

**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

**2. Financial activities of the Charity**

The financial activities shown in the consolidated statement include those of the Charity's wholly owned subsidiary, Alder Hey Promotions Limited. A summary of the financial activities undertaken by the Charity and its subsidiary is set out below.

	Year Ended 31 March 2018 £000	Year Ended 31 March 2017 £000
Gross incoming resources	7,712	5,101
Cost of raising funds	763	818
Cost of charitable activities	5,441	2,775
<b>Net incoming resources</b>	<b>1,508</b>	<b>1,508</b>
Realised and unrealised gains / (losses) on investments	39	505
Total funds brought forward	7,768	5,755
<b>Total funds carried forward</b>	<b>9,315</b>	<b>7,768</b>

**Represented by:**

A summary of the financial activities undertaken by the subsidiary is set out below

	Year Ended 31 March 2018 £000	Year Ended 31 March 2017 £000
Turnover	462	523
Operating costs	(35)	(57)
Operating profit	427	466

**3. Investment income**

Dividends are received for all stocks and shares in beneficial ownership of the Charity and are shown after recovery of tax. Interest is recorded for all bank accounts and short term deposits made by the Charity.

	Year Ended 31 March 2018 £000	Year Ended 31 March 2017 £000
Interest	5	26
Dividends	72	71
<b>TOTAL</b>	<b>77</b>	<b>97</b>

**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

**4. Analysis of group income**

	<b>Unrestricted £000</b>	<b>Restricted £000</b>	<b>Total Year Ended 31 March 2018 £000</b>	<b>Total Year Ended 31 March 2017 £000</b>
<b>Donations and legacies</b>				
Donations from Individuals	502	529	1,031	1,337
Corporate Donations	482	56	538	855
Donations from Groups / Associations/Foundation	123	37	160	284
Donations in Memoriam	66	38	104	141
Grant income	34	1,954	1,988	672
Legacies	1,031	1,092	2,123	423
<b>Total donations and legacies</b>	<b>2,238</b>	<b>3,706</b>	<b>5,944</b>	<b>3,712</b>
<b>Income from charitable activities</b>				
Fundraising events	690	65	755	255
Lottery	467	-	467	351
<b>Total income from charitable activities</b>	<b>1,157</b>	<b>65</b>	<b>1,222</b>	<b>606</b>
<b>Income from other trading activities</b>				
Sale of promotional items	466	-	466	522
<b>Total income from other trading activities</b>	<b>466</b>	<b>-</b>	<b>466</b>	<b>522</b>

**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

**5. Allocation of Management and Overhead Costs**

The costs of administering the Charity have been identified and apportioned between governance costs and support costs. The figures have been apportioned to the General Purpose Fund. The governance costs are shown as part of the charitable activities expenditure.

	Year Ended 31 March 2018 Total £000	Allocated to Governance £000	Allocated to Support Costs £000	Year Ended 31 March 2017 Total £000	Allocated to Governance £000	Allocated to support costs £000
Salaries	370	96	274	373	95	278
Auditor's remuneration	-	-	-	19	19	-
Bank and service charges	52	-	52	58	-	58
Investment management costs	26	-	26	23	-	23
Trust services	60	-	60	60	-	60
Professional fees	16	16	-	-	-	-
<b>TOTAL</b>	<b>524</b>	<b>112</b>	<b>412</b>	<b>533</b>	<b>114</b>	<b>419</b>

**Apportionment of Support Costs**

Area of Expenditure	Support Charges £000	Governance £000	Investment Management £000	Total Year Ended 31 March 2018 £000	Total Year Ended 31 March 2017 £000
Patient Welfare	386	112	26	524	533

**Auditors' Remuneration**

	Year Ended 31 March 2018 £000	Year Ended 31 March 2017 £000
Auditors' remuneration for audit	8	15
Fees payable to auditors for non-audit services	1	4
	<b>9</b>	<b>19</b>



**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

**6. Analysis of Charitable Expenditure**

	Grant Funding to Alder Hey Children's NHS Foundation Trust	Support Costs	Total Year to 31 March 2018	Total Year to 31 March 2017
	£000	£000	£000	£000
<b>Area of Expenditure</b>				
Patient Welfare	3,061	524	3,585	1,221
Research	1,536	-	1,536	969
Other	320	-	320	588
<b>Total</b>	<b>4,917</b>	<b>524</b>	<b>5,441</b>	<b>2,778</b>

**7. Analysis of Staff Costs**

	Fundraising & Publicity £000	Support Costs £000	Governance £000	Total Year Ended 31 March 2018 £000	Total Year Ended 31 March 2017 £000
Salaries and Wages	345	244	84	673	645
Social Security Costs	36	21	10	67	66
Other Pension Costs	16	9	2	27	28
<b>Total Staff Costs</b>	<b>397</b>	<b>274</b>	<b>96</b>	<b>767</b>	<b>739</b>
Average Number of Employees	10	10	1	21	20

The Charity makes a contribution to the Pension Scheme of 3% of gross salary in respect of all employees.

The Charity directly employed eighteen staff during the Year Ended 31 March 2018. In addition the Charity made a contribution to Alder Hey Children's NHS Foundation Trust for administrative support received from the Foundation Trust.

No Trustees received emoluments or reimbursed expenses during the period. Charitable donations of £1k were received from Trustees during the year (2017: £3k).

**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

**7. Analysis of Staff Costs (continued)**

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the period was as follows:

	2018	2017
£80,000 to £90,000	1	1

Total emoluments paid to key management personnel in the period were £316k (2017: £313k). The roles of the key personnel were as follows:

Chief Executive	Head of Corporate Partnerships
Director of Philanthropy	Head of Community Fundraising
Head of Operations	Head of Marketing

**8. Investments**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Group</b>		
Investment portfolio (8a)	4,498	3,483
Investment in joint venture	<u>26</u>	<u>-</u>
	<u><b>4,524</b></u>	<u><b>3,483</b></u>
<b>Charity</b>		
Investment portfolio (8a)	4,498	3,483
Investment in joint venture (8b)	<u>450</u>	<u>-</u>
	<u><b>4,948</b></u>	<u><b>3,483</b></u>

**8a: Investment portfolio**

The investment portfolio is managed by Rathbone Investment Management Ltd in accordance with the guidance issued by the Trustees. The movement in the portfolio can be analysed as follows:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Market Value at 31 March 2017	3,483	3,001
Additions at cost	1,995	314
Disposals	(1,019)	(337)
Net gain / (Loss) on revaluation	<u>39</u>	<u>505</u>
<b>Market Value carried forward</b>	<u><b>4,498</b></u>	<u><b>3,483</b></u>
Historic Cost at 31 March 2018	<u><b>3,803</b></u>	<u><b>2,486</b></u>

Notes to the Financial Statements for the year ended 31 March 2018

8. Investments (continued)

The Market Value can be analysed as follows:

	Held in UK	Held outside UK	Total 2018
	£000	£000	£000
UK Equities	761	-	761
Overseas Equities	-	999	999
Fixed Interest	458	69	527
Cash held as part of investment portfolio	1,136	-	1,136
Alternatives	1,075	-	1,075
<b>Total</b>	<b>3,430</b>	<b>1,068</b>	<b>4,498</b>

No individual holding exceeded 5% of the value of the portfolio.

8b: Investments in group companies

Alder Hey Promotions Limited

Alder Hey Children's Charity owns 100% of the share capital of Alder Hey Promotions Ltd, a company incorporated in England & Wales, company registration number 08019977.

The company had a profit after tax of £427k (2017: £466k)

	2018 £	2017 £
Issued share capital	2	2
Turnover	462,630	522,675
Expenditure	35,396	56,883
Total Assets	446,195	483,794
Total Liabilities	18,522	17,563
Shareholders' Funds	427,673	466,231

As part of a joint venture, Alder Hey Promotions Limited has a holding of 490 A Ordinary Shares in The Hardleys Limited, a company incorporated in England, company number 9856586. This represents a 49% shareholding in the company. The aggregate share capital and reserves of The Hardleys Limited was £1,000. The Hardleys Limited has not traded since incorporation.

**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

**8. Investments (continued)**

**Alder Hey Living Hospital Limited**

During the year the Charity subscribed for 50% of the issued share capital of Alder Hey Living Hospital Limited, a company incorporated in England on 24 April 2017, company number 10735638. The investment has been included at the cost of £450,000 in the Charity's balance Sheet. The company made a net loss of £847,315 during the period and the Charity's share of the loss is included in the consolidated Statement of Financial Activities. The company had net assets of £52,685 at the balance sheet date. The Charity's share of the net assets has been recognised in investments in the consolidated Balance Sheet.

**9. Stock**

Stock comprises merchandise for resale. The value of stock held by the group at the balance sheet date was £12k (2017: £12k).

**10. Debtors**

Debtors in respect of the following are represented in the accounts:

	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
Recoverable Tax & Accrued income	617	273	723	305
Other Debtors	-	-	7	7
Amounts due from Subsidiary	-	16	-	13
	<b>617</b>	<b>289</b>	<b>730</b>	<b>325</b>

There were no debtors falling due over one year.

**11. Cash at Bank**

Cash held by the Group / Charity can be summarised as:

	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank current and deposit account balances	5,887	5,797	6,358	6,304
	<b>5,887</b>	<b>5,797</b>	<b>6,358</b>	<b>6,304</b>

**12. Creditors**

The creditor position can be summarised as follows:

Falling due within one year –

	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	-	-	-	-
Taxation and social security costs	16	16	15	15
Amount owed to Alder Hey NHS Trust	13	13	75	75
Pension contributions due	7	7	3	3
Other creditors and accruals	1,646	1,644	2,097	2,093
	<b>1,682</b>	<b>1,680</b>	<b>2,190</b>	<b>2,186</b>

**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

**12. Creditors (continued)**

Creditors falling due over one year –	2018 Group £000	2018 Charity £000	2017 Group £000	2017 Charity £000
Accruals & Deferred Income	<u>39</u>	<u>39</u>	<u>158</u>	<u>158</u>

Included in accruals and deferred income is the following:

Deferred income comprises fees received in advance of a fundraising event

	Group Income in advance £000	Charity Income in Advance £000
Amount brought forward	7	9
Amount deferred in the year	(7)	(2)
At 31 March 2018	<u>-</u>	<u>7</u>

**13. Analysis of Funds  
Group Funds**

	Balance at 31 March 2017 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains & Losses £000	Balance 31 March 2018 £000
<b>Restricted Funds</b>						
<b>Fund</b>						
John Lennon Research Fund	1,264	1,505	1,689	466	-	1,546
Alder Centre Capital Fund	-	1,426	1	-	-	1,425
Projects Fund	496	428	457	-	-	467
Alder Centre Fund	87	59	49	-	-	97
Burns Unit Fund	76	1	(11)	-	-	88
Leukaemia Research Fund	120	10	(35)	-	-	165
Intensive Care Fund	163	5	18	-	-	150
Oncology Fund	113	64	61	-	-	116
Cancer Ward Fund	73	3	3	-	-	73
Nephrology Fund	96	-	(4)	-	-	100
Neonatal Fund	93	7	2	-	-	98
Others (62)	616	263	156	-	-	723
<b>Total</b>	<u>3,197</u>	<u>3,771</u>	<u>2,386</u>	<u>466</u>	<u>-</u>	<u>5,048</u>

**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

**13. Analysis of Funds (continued)**  
**Group Funds**

	Balance at 31 March 2017 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains & Losses £000	Balance 31 March 2018 £000
<b>Unrestricted Funds</b>						
<b>Fund</b>						
Alder Hey General Purpose Fund	3,983	3,195	3,712	-	39	3,505
Others (13)	1,055	743	566	(466)	-	766
<b>Total</b>	<b>5,038</b>	<b>3,938</b>	<b>4,278</b>	<b>(466)</b>	<b>39</b>	<b>4,271</b>

Transfers between funds represent a consolidation adjustment regarding income from the subsidiary company to the Research Fund in the Charity affecting funds classification.

**Charity Funds**

	Balance at 31 March 2017 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains & Losses £000	Balance at 31 March 2018 £000
<b>Restricted Funds</b>						
<b>Fund</b>						
John Lennon Research Fund	1,264	1,971	1,689	-	-	1,546
Alder Centre Capital Fund	-	1,426	1	-	-	1,425
Projects Fund	496	428	457	-	-	467
Alder Centre Fund	87	59	49	-	-	97
Burns Unit Fund	76	1	(11)	-	-	88
Leukaemia Research Fund	120	10	(35)	-	-	165
Oncology Fund	113	64	61	-	-	116
Intensive Care Fund	163	5	18	-	-	150
Cancer Ward Fund	73	3	3	-	-	73
Nephrology Fund	96	-	(4)	-	-	100
Neonatal Fund	93	7	2	-	-	98
Others (64)	616	263	156	-	-	723
	<b>3,197</b>	<b>4,237</b>	<b>2,386</b>	<b>-</b>	<b>-</b>	<b>5,048</b>

**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

<b>Unrestricted funds</b>	<b>Balance at 31 March 2017 £000</b>	<b>Incoming Resources £000</b>	<b>Resources Expended £000</b>	<b>Transfers £000</b>	<b>Gains &amp; Losses £000</b>	<b>Balance at 31 March 2018 £000</b>
Alder Hey General Purpose Fund	3,983	3,195	3,712	-	39	3,505
Others (13)	588	280	106	-	-	762
<b>Total</b>	<b>4,571</b>	<b>3,475</b>	<b>3,818</b>	<b>-</b>	<b>39</b>	<b>4,267</b>

**14. Net Assets**

	<b>Fixed Assets £000</b>	<b>Current Assets £000</b>	<b>Current Liabilities £000</b>	<b>Long Term Liabilities £000</b>	<b>Net Assets £000</b>
<b>Charity:</b>					
Unrestricted	4,948	(262)	419	-	4,267
Restricted	-	6,348	1,261	39	5,048
<b>Total</b>	<b>4,948</b>	<b>6,086</b>	<b>1,680</b>	<b>39</b>	<b>9,315</b>
<b>Group:</b>					
Unrestricted	4,524	168	421	-	4,271
Restricted	-	6,348	1,261	39	5,048
<b>Total</b>	<b>4,524</b>	<b>6,516</b>	<b>1,682</b>	<b>39</b>	<b>9,319</b>

**15. Related Party Transactions**

Alder Hey Children's NHS Foundation Trust Staff provide administrative support to the Charity.

During the year no Trustees or parties related to them have undertaken any transactions with Alder Hey Children's Charity.

The Charity delivers its charitable objectives by making grants to the Alder Hey Children's NHS Foundation Trust. The total grants made in the year amounted to £4,917k (2017: £2,245k). The NHS Trust receives the grants after it has incurred the expenditure. At 31 March 2018 the Charity owed the Trust £13k in relation to these transactions (2017: £75k).

**16. Subsidiary Company**

A subsidiary company, Alder Hey Promotions Limited, company number 08019977, became a fully owned subsidiary of the Charity on 1 April 2015. Its principal activity is to carry out fundraising on behalf of the Alder Hey Children's Charity. This company is active and had a profit of £427k for the year ended 31 March 2018 and net assets of £428k which have been consolidated into the financial statements of the group. The address of the principal place of business of Alder Hey Promotions Ltd is Alder Hey Children's Charity, Eaton Road, Liverpool, L12 2AP.

**THE ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2018**

**17. Post Balance Sheet Event**

There have been no significant events requiring disclosure since the Balance Sheet date.

**18. Unrestricted Funds**

Unrestricted funds comprise the Alder Hey General Purpose Fund plus additional funds set up to record the activities of specific fundraising events carried out by the Charity. The income of these funds can be used for the furtherance of any of the Charity's objectives and does not carry any additional restrictions.

**19. Restricted Funds**

The Charity has a specific number of restricted funds which hold donations for the benefit of patients with specific conditions or for specific projects being undertaken by the hospital. The largest of these funds are:

Projects Fund:

This fund is used for specific projects requested by the Alder Hey Children's NHS Trust Foundation and directly funded by external donors.

John Lennon Research Fund:

This fund is used for research projects, including the funding to support the building of Phase II of the Institute in the Park.

The following funds are used to provide funding to individual departments and specialties within the hospital for equipment, training, research and other charitable purposes:

Intensive Care Fund (PICU)  
Oncology Fund  
Nephrology Fund  
Neonatal Fund  
Leukaemia Research Fund  
Alder Centre Fund  
Burns Unit Fund  
Teenage Cancer Fund  
Alder Centre Capital Fund

The above funds all held balances of over £75,000 at the year end.