



***Trustees' Annual Report***

***Year Ended 31 March 2020***

***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 2020**

## **Trustees' Report**

It is a pleasure to present the Annual Report for Alder Hey Children's Charity, together with the audited financial statements for the year ended 31 March 2020.

The 2019/20 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.

### **Update from the Chair and Chief Executive**

When we joined Alder Hey Children's Charity last summer as a new leadership team, no one could have predicted the global challenges we would all be facing a year later. However, it has shown us more than anything just how dedicated and loyal Alder Hey Children's Charity's supporters are, always going the extra mile for our patients and their families. Our supporters helped us to raise £4.7m in 2019/20, with every penny making a difference to our brave young patients. Our donors money allows the hospital to go above and beyond what standard funding from the NHS can do.

The charity continues to support ambitious plans by the hospital to create a world-leading campus as a global leader in children's health and has had notable successes over the past year, documented herein. Our donors in the community, corporate partners, Trusts and Foundations and philanthropists from all walks of life have joined us in ensuring that Alder Hey Children's Hospital delivers the highest level of care, healthcare innovation, paediatric research and an environment built around our children's needs.

The money funds research into treatments to either find cures or to prevent children needing to come into hospital in the first place. We want to make the impossible of today, the normal of tomorrow.

We have invested in procuring the most advanced equipment for diagnostics and treatments for departments across Alder Hey Children's NHS Foundation Trust, saving lives and caring for over 330,000 babies, children and young people who need us every year.

We have facilitated studies into childhood diseases including cancer research and recently, a grant of over £0.3m to help to understand the effect of COVID-19 on children and pregnant women. Through strong partnerships with universities and our campus's Speakman Building, a home for paediatric research funded with our support, we have the tools, facilities and knowledge to support the next generation.

We are also delighted to see the completion of our purpose-built bereavement centre on campus, due to be officially opened in 2021. The new Alder Centre has been entirely funded by a grant for £1.7m from our charity, and it will provide a space for parents and families who have been affected by the death of a child to receive the support and care they deserve, in peaceful bespoke surroundings.

We have always been committed to delivering the most child-friendly patient experience, from distraction technology to our Arts for Health programme; at Alder Hey we are proud to take a holistic approach to supporting the wellbeing of the child and their family network. This means ward entertainers, to take the fear and stress from our children's stay.

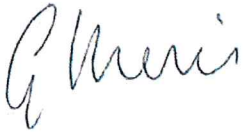
In spring we launched our 7 in 10 Children's Mental Health Appeal, with hopes to raise £3million to enhance inpatient and Community mental health services at Alder Hey Children's NHS Foundation Trust. This will enable more children to access the treatment they need at the time they need it. It is apparent that the pandemic has resulted in an increased demand for these services so there could not be a more important time to make a difference.

So far, we have granted £1.9 million to Alder Hey Children's Hospital to help specifically with the demands of COVID-19. This has included a wide range of equipment, research, innovative technology, and an Employee Support

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Programme for frontline NHS workers. Internally our efforts have focused on continuity and wellbeing for staff – creating COVID safe areas and ways of working on site, as well as facilitating and adapting to a new way of working from home. An upgrade to our online systems for staff included implementation of Office 365, Teams for virtual connections, and a transition to a cloud based CRM, as well as providing technology and IT support. These changes have reshaped the working week for many of the team. The senior team has been careful to implement several initiatives to ensure supportive virtual connections between colleagues and managers as the remote working model has become the norm. The fundraisers ensured that our events were quickly repurposed as virtual events and sold via social media, radio news, the website and through our online retail space. These virtual options cleverly tapped into the lockdown rules regarding exercising - for physical and mental wellbeing - and were tailored to match the restrictions at the time. Our supporters love physical challenges and so these virtual options turned out to be extremely popular, raising funds via tickets sales as well as through sponsorship. Virtual fundraising will continue to be part of our slate of fundraising events. The retail team managed to safely re-opened our shop in Old Swan, ensuring the continued success of the store development plan.

As we continue to navigate the COVID-19 pandemic, we will work closely with our Trust colleagues to adapt and thrive through the most difficult circumstances. With our donors at our side, we believe that there is a bright future ahead.



Graham Morris OBE  
Chair of Trustees



Fiona Ashcroft  
Chief Executive Officer

## **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 the Foundation Trust or the purposes of the 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).

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.

### **Activities, Achievements and Performance**

Alder Hey Children's Charity raises vital funds to help make Alder Hey Children's NHS Foundation Trust a truly world-class, patient-friendly hospital for the 330,000 patients and families we care for every year.

Since April 2013, the Charity has raised over £56m. This money helps us to fund life-saving equipment, vital research and healthcare innovation. It also ensures that every child and young person experiences Alder Hey 'magic' – the little added extras that make the hospital experience the best it can be for patients and their families.

This year, £4.7m has been raised for a range of life-saving medical equipment and facilities that are making a real difference to families every day.

Funding is provided to the Hospital across four areas:

- Park Campus – making a vision for a unique children's healthcare campus a reality
- Magic – helping to make hospital life brighter for our brave, young patients
- Research & Innovation – finding new & creative solutions; leading the way in international child health
- Equipment – ensuring that patients have access to the latest innovative medical equipment

This year the Charity funded £3.2m of life changing work across these areas, including:

#### Park Campus

The Charity has funded the building of the Alder Centre, a new bereavement centre, providing £1.1m in funding this financial year. This included fitting it out with warm, welcoming furniture and state-of-the-art equipment. The centre is designed with a central "heart" space which will act as a meeting space for families where they can form their own support systems. There are also private counselling rooms, following a similar theme of creating a welcoming and peaceful space for grieving families. The building also includes offices for the counsellors and privacy pods for Child Death Helpline volunteers.

#### Magic

Throughout 2019/20 the Charity has continued to support many projects designed to enhance the experience of the children and young people at Alder Hey and to bring an element of "magic" to their time here, including:

- Art Therapist – this role has been funded following a successful bid to the Teapot Trust. The role is based within the Health Psychology team. The therapist provides emotional support for the children, young people and their families to help them navigate the challenges that arise from living with a medical condition. In

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particular, art has provided a means of communication with children who are unable to communicate verbally.

- Music Therapist – the Charity has continued to support this role which has been in place for many years. Working as part of the Clinical Psychology team, the therapist has helped children and young people express their feelings and work through difficulties in a creative, accessible way. Some of the children are unable to articulate exactly what they are feeling and music can provide a window to the inner world of the patient. Many of the patients have used music and images to articulate feelings that have never been externalised.
- Arts for Health - the Charity has continued to support Arts for Health through music, dance performance and art, with help from a grant from Children in Need. The projects include regular music sessions which are child led; meaning that each weekly session has a sense of adventure. There are both group and individual sessions, in which children are helped to develop their social skills. The sessions can help mental health patients by enabling them to feel trusted and valued in a non-judgmental environment.
- Asthma music project – with the help of the Felicity Wilde Trust, this year we provided funding towards a music project for asthma patients. Focusing on breath control and coordination, the aim of the project is to help build self-confidence, allowing children to feel less isolated and give them something to look forward to.
- Children's Entertainer – once again the Charity has funded the provision of Alder Hey's resident children's entertainer, Barrington Powell, throughout 2019/20. Barrington's magic tricks, balloon modelling and chirpy personality help to make a potentially stressful hospital visit into a happy event. The entertainment is provided across different areas of the hospital, including wards, waiting areas and the main Atrium. In the words of the Patient Experience team, Barrington "keeps the magic alive throughout the Trust each time he visits".
- Outings, camps and other family events – the Charity has provided funding for a number of events for patients and families, including therapeutic breaks, Christmas parties, camps and outings. One such event was the Diabetes Family Fun Day, held at KAPOW. The event was attended by 14 patients, 28 family members and 7 staff and included an inflatable obstacle course and Superhero goody bags. According to the feedback it was a "cool event" with "positive vibes" and amazing goody bags.

### Equipment

The Charity granted £695k to purchase the following equipment during the year:

- Echo Ultrasound machine, which enables clinicians to obtain and store multiple images of a patient's heart through a non-invasive procedure, thus minimising or eliminating discomfort for the patient during the procedure. Images obtained using the machine enable clinicians to work quickly and effectively, including planning cardiac surgery if necessary.
- "Bilibeds" to enable babies with jaundice to be treated in their own homes with the support of our Community Nursing Team. Treatment is through phototherapy, using a bed which emits blue light and can be carried out by the patient's family at home. The hospital sees around 500 babies each year with jaundice and previously a baby would have to spend two or three days in hospital to receive phototherapy treatment. The acquisition of the equipment has made a real difference to the families of new born babies as they can now be treated at home with regular contact from outreach nurses.
- Purchase of an ECMO machine, a heart and lung bypass machine. The machine helped to save the life of a small baby who required complicated heart surgery and was also diagnosed with COVID 19. The ECMO machine was used to keep the baby alive until he had stabilised and was strong enough to undergo the life-saving surgery.
- Purchase of three exercise bikes for Oncology patients. The bikes have been used to encourage the young patients to exercise during their time in hospital. Ward staff have plans to create patient-designed challenges to promote physical activity on the ward, encourage the young people to work as a team and help build their confidence during their stay in the hospital.
- Purchase of two Meerkat Stenders. These are new standing frames used to help physiotherapy patients with their rehabilitation. The frame has a unique design which allows the patient to provide dynamic movement in all directions and the amount of support can be tailored to each child. The frames provide a fun and exciting element to treatments and the physiotherapy staff have found them to be an invaluable addition to their sessions.
- Purchase of a MALDI-TOF – a very sophisticated piece of microbiology equipment which enables laboratory scientists to quickly and efficiently identify bacteria and fungi in patient samples. The equipment can produce results in hours which used to take days, enabling the patients to be treated more quickly. It can also identify a far wider range of organisms, including more unusual ones found in Oncology and Cystic

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Fibrosis patients, a particular advantage as previously those samples had to be sent to a specialist reference laboratory which could result in lengthy delays.

- The Charity has continued to provide funds for heated cots through our supporters including The Ursula Keys Trust, The Green Hall Foundation, Peter & Debbie Moore and The Parry Family Foundation. The cots are being used throughout the hospital by some of the most unwell neonatal patients. These are babies in the first 28 days of life and are extremely vulnerable. The cots, costing £6,851 each, enable the baby's body to be kept at a constant temperature. The design of the cots also allows clinicians easy access to carry out tests and treatments. It also allows parents close contact with the baby, helping with bonding and with the transition between hospital and home.
- Sadly, some of the children treated at Alder Hey eventually require end of life care. The Charity provided funds during the year to purchase some palliative care pumps. This equipment makes it possible for the children to be at home surrounded by their loved ones by providing them with vital medication outside of the hospital environment. The equipment has been provided thanks to a grant from the Bain Charitable Trust.

### **Research & Innovation**

Following on from our support for the "Institute in The Park", the research and education facility completed in 2018/19 for which we raised £7.8m over three years, the Charity has continued to support vital research activities undertaken by Alder Hey.

Alder Hey is a leading light in children's research and aims to be a world-leader, thereby enabling our patients to benefit from advanced medicines and cutting edge therapies and technologies. To support this, in 2019/20, we provided a grant of £340,000 to fund research posts over a period of two years. This money is helping to grow the number of people actively involved in research across the hospital, thereby improving the access patients have to participate in research to deliver direct impact to children. The funding supports weekly research sessions for a number of NHS Honorary Professors/ Associate Professors and also NHS Healthcare Professionals. As an integral part of our vision for the future, it also supports tomorrow's clinicians, funding clinicians and health care professionals who are new to research and therefore struggle to get initial support, but who will be the researchers of the future.

Additional research projects funded during the year include research around brain tumours in children, a study into Hirschsprungs Disease - an area of specialism at Alder Hey – and funding towards Endocrinology research including an Obesity study.

The Innovation Hub is dedicated to finding new and creative solutions that will help our patients and their families as well as our world-leading clinicians in their work at Alder Hey. To enable the development of this pioneering way of working, during 2019/20 the Charity agreed a grant of £200,000 to support the cost of staff who will be crucial in developing innovative health solutions. The posts include a Senior Innovation Consultant, an Innovation Consultant, a Clinical Innovator and two Health Entrepreneurs who make up part of the team driving forward new ideas and technologies for the future of children's healthcare. Researching ways in which new innovations can be utilised to help improve the quality of life for children and their families is one of the biggest driving factors for the team.

### **Looking Forwards**

#### **COVID-19 Emergency Funding**

Following the outbreak of COVID-19, in March 2020 the Charity designated emergency funding to help support the Trust through the challenging circumstances arising from the virus. £125k was allocated immediately in March for equipment and small projects. A further £1.8m was transferred into a designated pot to respond to the needs of the Trust as they developed.

#### **Mental Health Campaign**

The Mental Health Foundation tells us that 7 in 10 children do not access the support they need early enough. We know that by developing the facilities and services needed, Alder Hey can change the future of children's mental health. We can provide the listening ear that is urgently needed in child-friendly surroundings where we can hold these conversations. Together we can help to build a brighter future for children and young people.

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As part of wider plans to create a unique dedicated children's and young people's healthcare campus, Alder Hey is set to soon begin building a new 'Clinical Hub' which will include new mental health outpatient facilities and a brand new twelve bed specialist inpatient mental health Unit, alongside other cross dependent community health services.

Located right next door to its state-of-the art specialist hospital and within a modern, child-friendly building, the enhanced provision of mental health services will increase current available inpatient bed capacity and enable more children and young people to be seen and treated quickly by experienced, specialist clinicians.

Patients and their families will be able to receive rapid and early access to co-ordinated multi-disciplinary care, benefitting from the most up to date assessment and diagnosis facilities. The Hub will also enable Alder Hey's community services to link more closely with its specialist hospital services, enhancing care for children with long term conditions such as neurology, cardiology and infectious diseases.

Fundraising will be undertaken over the next two years to support this project. In addition, general unrestricted reserves have been built up to help provide the significant amount of funding this project will require.

### **Fundraising Activities**

The Charity follows the Code of Fundraising Practice when undertaking fundraising activities, with particular focus being given to how to identify and protect vulnerable donors. The Charity pays a levy to the Fundraising Regulator each year and is registered with the Fundraising Preference Service. The Charity received no formal complaints in the year about our fundraising activities. Informal complaints were followed up and resolved with lessons learnt being carried forward. One person requested through the Fundraising Preference Service to have their details removed from the Charity database and this was actioned immediately.

Funds are raised by the Charity to support the hospital and our charitable objectives in a variety of ways. Activities are undertaken within the community; by applying to Trusts & Foundations for grant funding; by engaging with corporate partners; through individual donations and legacy donations; and through the activities of the Alder Hey Promotions Ltd. subsidiary company.

### **Community**

The Charity continues to increase its strong community fundraising base, particularly throughout the North West. 2019/20 was a bumper year for our bespoke events, generating income over £468K. The majority of income is generated through sponsorship of challenges and running events. Key events this year were:

- Oli's Safari Walk took place in May 2019, with families enjoying a sponsored walk around Knowsley Safari Park;
- Alternative Ascot, an amazing afternoon of racing, entertainment and food in June 2019, was sold out;
- A record number of teams entered the Coniston Challenge in July 2019, our team triathlon in the beautiful Lake District; and
- In October 2019, a record group of 35 participated in our 6<sup>th</sup> overseas challenge to conquer the Inca Trail in Peru.

In addition income was generated by many of our wonderful supporters taking part in running events, including the Great North Run in September 2019, and participating in skydiving challenges.

### **Trusts and Foundations**

We have continued to receive generous support from Charitable Trusts and Foundations. Support for our capital projects included £100,000 from Thomas Cook Children's Charity to support the provision of a sensory room as part of our Mental Health Appeal and £40,000 from the John Laing Charitable Trust to provide a holistic therapy room and gardens for the Alder Centre, the new bereavement centre due to open in Autumn 2020. The Diversity Project Charity provided the Charity with a grant of £25,000 to support equipment to undertake Endoscopic Ear Surgery.

Funding has also been received to support our commitment to enhance the experience of young patients at Alder Hey. The Teapot Trust continues to support the Art Therapy Service work, providing £19,760. BBC Children in Need provided £29,600 over three years to support Sound, a music based Arts for Health project over a period of three years, and we received a grant of £12,000 from the Bain Charitable Trust to purchase 10 Palliative Care Pumps which will enable terminally ill children to be treated in their own homes.

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### **Corporate Partnerships**

Our corporate fundraising has grown significantly during this year, with Matalan continuing to be one of our largest partnerships. Liverpool John Lennon Airport also continue to be a longstanding supporter of the charity and raise money through their currency globes within the terminal as well as organising unique events.

The 2019 Matalan #TogetherForAlderHey campaign was a huge success raising £559,000. The achievements of the Alder Hey and Matalan campaign were highlighted when shortlisted in categories at The Charity Times Awards, North West Charity Awards and Drapers Awards. In 2020, the Matalan campaign will see the return of the #TogetherForAlderHey theme and will focus on supporting the '7 in 10 Children's Mental Health Appeal'.

In November 2019, the Charity and Wongs Jewellers launched an Oli themed jewellery line successfully in the week leading up to their annual winter charity ball. The jewellery continues to be sold online through the charity website and through Wongs Jewellers.

The corporate team organised the first Alder Hey Children's Charity Corporate Dragon Boat Festival which took place at Liverpool Watersports Centre, with 11 teams taking part and raising over £22,000.

Through our partnership with the Institute of Travel and Tourism, Alder Hey Children's Charity was again chosen as their Charity of the Year. At their annual conference, a raffle was held to support Alder Hey Children's Charity, with prizes donated by a number of organisations including from MSC Cruises and WEX. A-Rosa Cruises once again supported the entertainment at the Gala Dinner, and did this in Alder Hey's name. At the conference discussions were progressed in regards to a number of corporate partnerships, including a charity of the year partnership with Specialist Leisure Group. During the conference A-Rosa Cruises also generously agreed to provide a number of holidays each year for our young patients and their families.

### **Individual Giving & Legacies**

Individual Giving campaigns are run throughout the year to raise vital funds, with key campaigns being undertaken around Easter and Christmas. In 2019/20 we received £629k of unrestricted donations from individuals and £286k of restricted donations towards specific projects.

A number of families have chosen to create an Alder Hey Angels tribute fund, where family and friends can donate in memory of a loved one while helping to make a real difference to the 330,000 remarkable children cared for at Alder Hey Hospital every year. Donations being received this year into tribute funds amounted to £80k.

With the generosity of our supporters choosing to leave us a gift in their will, we're able to transform so many young lives forever - meaning our supporters can have a lasting impact long into the future. This year we received £253k in legacy income.

### **Alder Hey Promotions**

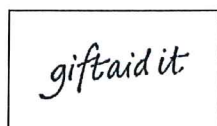
A lottery continues to be operated through our Alder Hey Promotions subsidiary company, in partnership with Lottery Fundraising Services. The number of members increased to 21,700 this year, with a high proportion of members being signed up within the hospital.

We are also delighted to say that we opened our first Charity Shop in Old Swan in December 2019. Many staff and volunteers came together to enable the doors to open in time for Christmas. The shop had a hugely encouraging and successful opening four months, generating income of £71k, and we are looking to expand the number of shops we have in the next few years.



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### Gift Aid

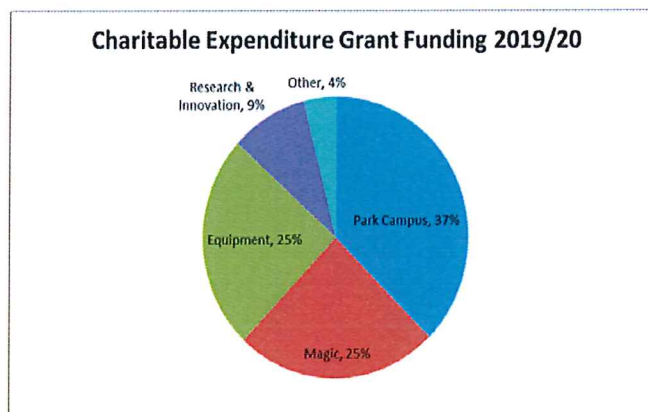
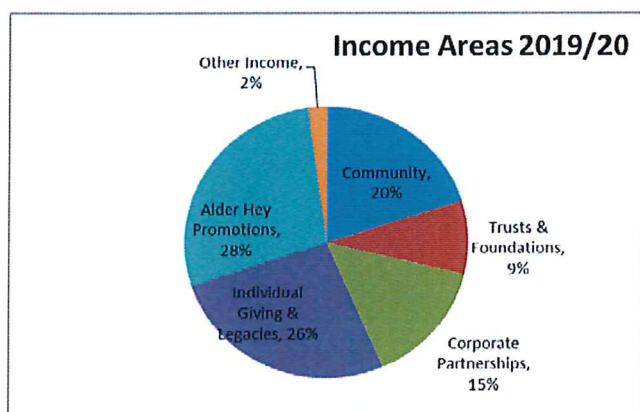


Gift Aid provides a great opportunity for donors to increase the value of their donation to our Charity. Provided the donor is a taxpayer, our Charity can claim the basic rate income tax paid on the gift. This increases donations by approximately 25% so a gift of £10 is worth £12.50 to our Charity. During 19/20 we were able to once again claim a significant amount through the scheme thanks to our donor's generosity.

### Financial Review

As a key area of support the Charity provides to the hospital is funding for enhancements to the Park Campus, charitable income and expenditure can fluctuate from year to year depending on whether there is a large campaign and associated fundraising events in relation to this. This year the income has seen a drop of 19% from the previous year as a large ball was held in 2018/19 which raised nearly £1m. A similar ball was not held in 2019/20, but was planned for the Mental Health Campaign in 2020/21. Unfortunately, due to the situation with COVID-19, this has been postponed and alternative fundraising ideas are being explored.

Income generated and charitable expenditure on grant funding this year split across key areas:



Given the charitable expenditure requirements of the hospital this year and with future Park Campus plans in mind, expenditure was focused across the main areas of support this year and a 4% surplus was realised. Unrestricted reserves have been held at higher levels in anticipation of the support needed for the Mental Health campaign.

### 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 £1.7m. 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 2020 total unrestricted, undesignated free reserves within the Charity were £3.2m.

The total value of the restricted funds at the end of the year was £3.3m. £1.8m has been designated by the Board to support the hospital with additional funding requirements due to COVID-19. At the year end, a designated fund had not yet been created for the Mental Health campaign, as the full funding requirements are being agreed with the hospital; however, the Trustees have maintained higher general unrestricted, undesignated reserves with the knowledge that the funding requirement for the Campaign will be significant and may require more funding than can be raised through income generation within the time available. A designated fund will be set aside for this in 2020/21.

### Governance Structure and Management

Alder Hey Children's Charity was originally established in July 1995 by a Trust Deed and two further supplemental Deeds, the first reflecting the change of status from Corporate Trustee in May 2011 to appointment of individual Independent Trustees and the second in June 2012 reflecting the change of name of the Charity. On 1<sup>st</sup> April 2015

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Alder Hey Children's Charity became an independent charity (registration number 1160661) and company limited by guarantee (company no 09389239).

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 on its Board.

In the year ended 31 March 2020 the following people served as Trustees:

- |   |  |
|---|--|
| • Graham Morris OBE (Chair)   | (appointed 8 <sup>th</sup> April 2019)     |
| • Eileen Jones (Vice Chair, Chair of HR Committee & Acting Chair from 27 <sup>th</sup> September 2018 – 8 <sup>th</sup> April 2019) | (reappointed 27 <sup>th</sup> March 2019)  |
| • Nicky Collins (Chair of Spending Committee)   | (reappointed 27 <sup>th</sup> March 2019)  |
| • Glynis Johnston   | (reappointed 27 <sup>th</sup> March 2019)  |
| • Jeanie France-Hayhurst  | (reappointed 27 <sup>th</sup> March 2019)  |
| • John Carson   | (reappointed 27 <sup>th</sup> March 2019)  |
| • Shalni Arora (Non independent member: Non-Executive Director, Alder Hey Children's Foundation Trust)                              | (appointed 7 <sup>th</sup> December 2016)  |
| • Dame Jo Williams (Non independent member: Non-Executive Director, Alder Hey Children's Foundation Trust)                          | (appointed 9 <sup>th</sup> November 2017)  |
| • David Brown   | (appointed 21 <sup>st</sup> February 2019) |
| • Paul Bibby  | (appointed 19 <sup>th</sup> February 2019) |
| • Sarah Robinson  | (appointed 19 <sup>th</sup> February 2019) |
| • Kirsty Muir (Chair of Finance, Audit & Risk Committee)  | (appointed 20 <sup>th</sup> February 2019) |

The Acting Chief Executive (CEO) was Lynn Hitchen from 19<sup>th</sup> October 2018 until Fiona Ashcroft was appointed from the 5<sup>th</sup> August 2019.

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 an 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

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.

To aid decision making the Trustees established three sub-committees to the main Board as follows:

- Finance, Audit & Risk Committee (previously the Audit Committee)
- Charitable Spending Committee
- HR Committee

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:

The purpose of the **Finance, Audit & Risk 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,

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

reporting and management, risk management policy setting and effective governance procedures are in place. The name of the Committee was changed in year to better reflect its remit.

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 Committee is provided with a breakdown of 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.

The purpose of the **HR Committee** is to oversee the processes that have been put in place to ensure continued staff wellbeing and development, to encourage staff retention and ensure that fair and equitable remuneration policies and practices are in place.

There is also an additional ad-hoc **Ethics Panel**, the purpose of which 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.

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 16 for related party transactions.

### **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

### **Principal Professional Advisors**

**Bankers**  
NatWest  
Liverpool City Office  
2-8 Church Street  
Liverpool  
L1 3BG

**Auditors**  
Bennett Brooks & Co Ltd  
St. George's Court  
Winnington Avenue  
Northwich  
Cheshire  
CW8 4EE

**Investment Fund Managers**  
Rathbones Investment Management Ltd.  
Port of Liverpool Building  
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Liverpool  
L3 1NW

## **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 Finance, Audit & Risk Committee and this was reported back as part of the reports from the Committee to the Trustee Board meetings. One of the most significant risks to the Charity is the impact of COVID-19 on income generation activities. Whilst this did not significantly affect the 2019/20 financial year, reduced funding is anticipated for 2020/21. Events for 2020/21 have been cancelled or postponed and other areas, such as corporate partnerships, have also been affected. However, other virtual income generating activities have been undertaken and an appeal has been launched to generate additional donations to support the Charity and therefore the Trust at this difficult time.

A further risk linked to COVID-19 has been the requirement for staff to work from home where possible. Risk assessments have been undertaken and support mechanisms put in place to enable work to continue safely. In addition, 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 Alder Hey Children's NHS Foundation Trust. Whilst this risk has increased during COVID-19, advice has been sought and followed from the investment manager and the investment portfolio is being carefully managed through this period.

Any grants distributed to the Trust were approved by Trustees whilst maintaining reserves at the approved level for the year.

## **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 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. Services are provided free to patients in accordance with the objects of the Charity and there are no unreasonable restrictions. The trustees have had due regard to the guidance published by the Charity Commission on public benefit.

## **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 directly 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 the 31<sup>st</sup> March 2020, equity markets had a mixed fortune with the early part of the period seeing steady healthy returns, followed by a very challenged market environment in Q1 2020. Markets sold off sharply mid-March as the human and economic impacts of Coronavirus came into force. It is important to note, that since the lows of mid-March the global equity market (in sterling terms) has risen more than 30% and is now (Aug 2020) just below its all-time high reached in January this year.



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

Over the 12 months to the 31<sup>st</sup> March 2020, gilts returned 9.9%, outperforming equities with the FTSE All Share down 18.5%, while overseas equities, were down 5.3% (in sterling terms). The alternatives area also had a challenging period, with the HFRI index down 9% over the period.

As per the period ending 31<sup>st</sup> March 2019, the portfolio continued to retain a lower equity focus than its long term benchmark would normally warrant given reduced clarity over potential capital requirements. This has meant a lower equity content and a higher alternatives element. However, following discussions in March/April and with a view to taking advantage of weak markets and with more clarity on capital projects (notwithstanding Covid related uncertainties) we have raised our equity weighting, albeit such that it is still below the longer term benchmark.

Over the 12 months, Alder Hey's portfolio fell 5.2%, compared to the long term composite benchmark which fell 8.5%. The main positive drivers, were the underweight equity position overall, an overweight overseas position and the stock picking within the overseas equity and alternatives elements, with both outperforming their underlying respective benchmarks and producing positives returns.

The main negatives were the stock picking within the fixed interest and UK equity elements, although the latter was offset by being underweight the UK.

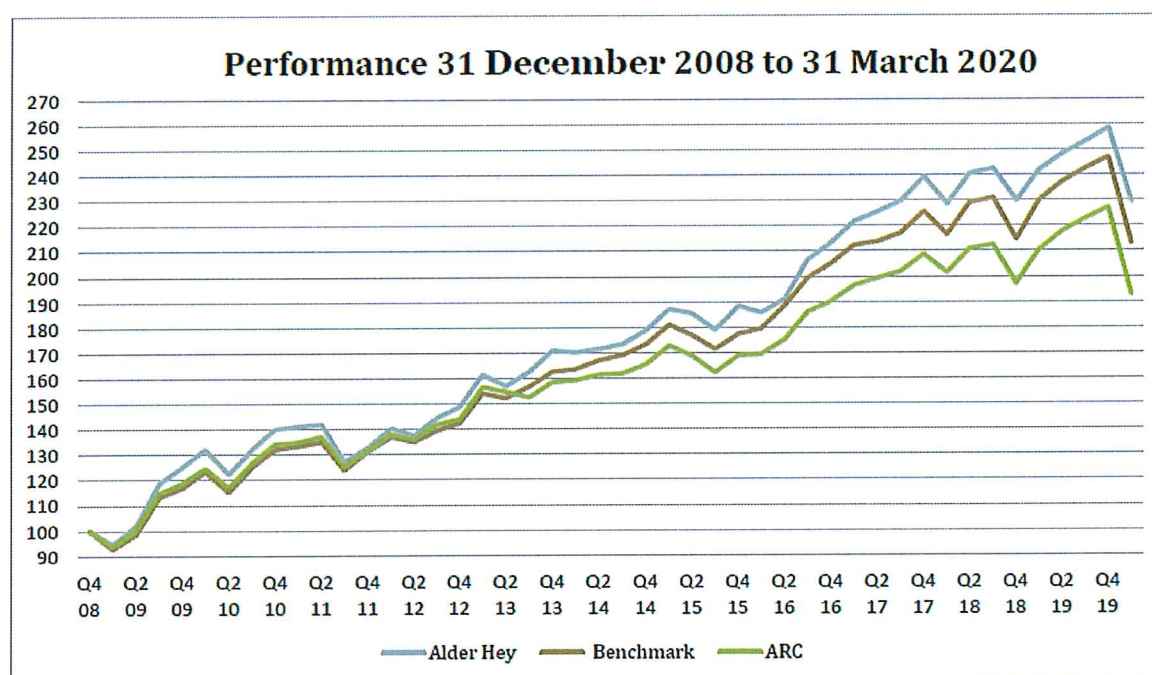
Within the alternatives element, the infrastructure funds and actively managed strategies performed well, however this was partially offset by a weak period from the equity long/short funds.

Regarding the stock and sector selection, the positive drivers were the overweight technology exposure and being underweight financials, with notable out performance from Alphabet, S4 Capital, Reckitt Benckiser and Rio Tinto.

The main negative contributors to performance were the underweight position in Pharmaceuticals and the UK mid cap exposure, together with weak performances from ITV, Prudential and M&G.

In summary the last financial period started on a positive footing and ended the session in one of the most challenging environments ever faced from an economic perspective. However, the new financial year has seen a rebound in equity markets which have been supported by unprecedented global Government and central bank stimulus.

However many uncertainties still remain in terms of the human and economic impacts of Covid-19. This is also against a challenging backdrop of geopolitical headwinds, as BREXIT negotiations continue and with US elections later this year. It perhaps goes without saying that volatility levels are likely to remain elevated, however, we still remain constructive on markets on a 12-24 month view.



### **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**

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 Finance and Operations: responsible for the HR, Finance and Governance operations of the Charity. Line manages the Operations and Finance teams.
- 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 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.

### **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 person 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 now and in anticipation of your continued support of the Charity during the forthcoming year.

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

### **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



**Graham Morris**  
**Chair**

23 November 2020

**Report of the Independent Auditors to the Trustees 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 2020 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 group and parent charitable company's affairs as at 31 March 2020 and of the group's 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.



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

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

#### **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 which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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

#### **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.

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

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

#### **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: 23 November 2010

**ALDER HEY CHILDREN'S CHARITY**

**Consolidated Statement of Financial Activities for the year ended 31 March 2020  
(incorporating an income and expenditure account)**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds Year Ended 31 March 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds Year Ended 31 March 2019 £'000
<b>Income</b>							
Donations and legacies	4	1,418	1,041	2,459	1,620	2,016	3,636
Income from charitable activities	4	1,426	32	1,458	1,245	90	1,335
Income from other trading activities	4	700	-	700	769	-	769
Investment income	3	103	-	103	97	-	97
<b>Total income</b>		<b>3,647</b>	<b>1,073</b>	<b>4,720</b>	<b>3,731</b>	<b>2,106</b>	<b>5,837</b>
<b>Expenditure</b>							
Cost of raising funds		1,011	-	1,011	984	-	984
Expenditure on charitable activities	6	1,393	1,844	3,237	2,426	3,053	5,479
Share of loss of joint venture	9	2	-	2	24	-	24
<b>Total expenditure</b>		<b>2,406</b>	<b>1,844</b>	<b>4,250</b>	<b>3,434</b>	<b>3,053</b>	<b>6,487</b>
Realised and unrealised gain/ (loss) on investments	9	(254)	-	(254)	120	-	120
<b>Net income / (expenditure)</b>		<b>987</b>	<b>(771)</b>	<b>216</b>	<b>417</b>	<b>(947)</b>	<b>(530)</b>
<b>Net movement on funds</b>		<b>987</b>	<b>(771)</b>	<b>216</b>	<b>417</b>	<b>(947)</b>	<b>(530)</b>
<b>Total funds brought forward</b>		<b>4,688</b>	<b>4,101</b>	<b>8,789</b>	<b>4,271</b>	<b>5,048</b>	<b>9,319</b>
<b>Total funds carried forward</b>		<b>5,675</b>	<b>3,330</b>	<b>9,005</b>	<b>4,688</b>	<b>4,101</b>	<b>8,789</b>

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


**ALDER HEY CHILDREN'S CHARITY**

**Consolidated Group and Charity Balance Sheets at 31 March 2020**

	Note	Group 2020 £000	Charity 2020 £000	Group 2019 £000	Charity 2019 £000
<b>Fixed Assets</b>					
Tangible Fixed Assets	8	29	-	-	-
Investments	9	4,326	4,326	4,602	5,050
<b>Total Fixed Assets</b>		<b>4,355</b>	<b>4,326</b>	<b>4,602</b>	<b>5,050</b>
<b>Current assets</b>					
Stock	10	27	-	14	-
Debtors	11	471	46	864	302
Cash at bank and in hand	12	5,833	5,693	4,607	4,469
<b>Total current assets</b>		<b>6,331</b>	<b>5,739</b>	<b>5,485</b>	<b>4,771</b>
<b>Liabilities</b>					
Creditors falling due within one year	13	1,661	1,661	1,265	1,276
<b>Net current assets</b>		<b>4,670</b>	<b>4,078</b>	<b>4,220</b>	<b>3,495</b>
<b>Total assets less current liabilities</b>		<b>9,025</b>	<b>8,404</b>	<b>8,822</b>	<b>8,545</b>
Creditors: Amounts falling due after more than one year	13	20	20	33	33
<b>Net Assets</b>		<b>9,005</b>	<b>8,384</b>	<b>8,789</b>	<b>8,512</b>
<b>Funds</b>					
Unrestricted income funds	14	5,675	5,054	4,688	4,411
Restricted income funds	14	3,330	3,330	4,101	4,101
<b>Total funds</b>		<b>9,005</b>	<b>8,384</b>	<b>8,789</b>	<b>8,512</b>

These Financial Statements were approved by the Board of Directors on 23 November 2020.

Signed on behalf of the Board of Directors:



**Graham Morris OBE**  
Director

Company no. 09389239

**ALDER HEY CHILDREN'S CHARITY**

**Consolidated cash flow statement for the year ended 31 March 2020**

	Note	Year Ended 31 March 2020		Year Ended 31 March 2019	
		£000	£000	£000	£000
<b>Cash flows from operating activities:</b>					
Net cash (used in) / provided by operating activities			1,130		(1,419)
<b>Cash flows from investing activities:</b>					
Dividends and interest from investments	3	103		97	
Payments to acquire tangible fixed assets	8	(27)		-	
Payments to acquire investments	9	(267)		(587)	
Receipts from sales of investments	9	287		629	
Net cash provided by investing activities			96		139
(Decrease)/Increase in cash and cash equivalents			1,226		(1,280)
Cash and cash equivalents at the start of the year			4,607		5,887
Cash and cash equivalents at the end of the year			5,833		4,607

**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)	216	(530)
Adjustments for:		
Dividends and interest on investments	(103)	(97)
(Gains) / losses on investments	254	(120)
Decrease / (increase) in stock	(13)	(2)
Decrease / (increase) in debtors	393	(247)
(Decrease) / increase in creditors	383	(423)
Net cash (used in) / provided by operating activities	<u>1,130</u>	<u>(1,419)</u>

**Analysis of cash and cash equivalents**

Bank current accounts	428	170
Bank deposit accounts	5,405	4,437
<b>Total cash and cash equivalents</b>	<u>5,833</u>	<u>4,607</u>

**Notes to the Financial Statements for the year ended 31 March 2020**

**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 2019) – (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. The consolidated accounts included the charity's share of the profit or loss of Alder Hey Living Hospital Limited up until the transfer of its shareholdings to the Trust in February 2020.

**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 and considering any potential adverse impact as a result of the COVID pandemic, 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.

**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.

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

- 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

### **Notes to the Financial Statements for the year ended 31 March 2020**

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**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write down the cost less estimated residual value of all tangible assets using the straight line method.

The rates applicable are:

Leasehold Improvements -	Over the period of the lease
Fixtures and fittings-	25% per annum

#### **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.

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

### **i. Cash and cash equivalents**

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

## **Notes to the Financial Statements for the year ended 31 March 2020**

### **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.

### **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.



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

### **Notes to the Financial Statements for the year ended 31 March 2020**

**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. On disposal of the charity's shareholding in Alder Hey Living Hospital Limited, the charity's share of the net assets were transferred to the Statements of Financial Activities.

**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.

# ALDER HEY CHILDREN'S CHARITY

## Notes to the Financial Statements for the year ended 31 March 2020

### 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.

#### Charity

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
<b>Gross incoming resources</b>	<b>4,745</b>	<b>5,518</b>
Cost of raising funds	(1,348)	(962)
Cost of charitable activities	(2,821)	(5,479)
<b>Net outgoing resources</b>	<b>576</b>	<b>(923)</b>
Realised and unrealised gains / (losses) on investments	(704)	120
Total funds brought forward	8,512	9,315
<b>Total funds carried forward</b>	<b>8,384</b>	<b>8,512</b>
<b>Represented by:</b>		
Restricted income funds	3,330	4,101
Unrestricted income funds	5,054	4,411
	<b>8,384</b>	<b>8,512</b>

#### Subsidiary

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Turnover	701	746
Operating costs	(79)	(22)
<b>Operating profit</b>	<b>622</b>	<b>724</b>

### 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 2020 £000	Year Ended 31 March 2019 £000
Interest	26	21
Dividends	77	76
<b>TOTAL</b>	<b>103</b>	<b>97</b>

**ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2020**

**4. Analysis of group income**

	Unrestricted £000	Restricted £000	Total Year Ended 31 March 2020 £000	Unrestricted £000	Restricted £000	Total Year Ended 31 March 2019 £000
<b>Donations and legacies:</b>						
Donations from individuals	629	286	915	736	1,004	1,704
Corporate donations	432	258	690	342	243	585
Donations from groups & associations	80	27	107	119	93	212
Donations in memoriam	50	30	80	87	52	139
Grant income	54	360	414	4	538	542
Legacies	173	80	253	332	86	418
<b>Total donations and legacies</b>	<b>1,418</b>	<b>1,041</b>	<b>2,459</b>	<b>1,620</b>	<b>2,016</b>	<b>3,636</b>
<b>Income from charitable activities:</b>						
Fundraising events	806	32	838	683	90	773
Lottery	620	-	620	562	-	562
<b>Total income from charitable activities</b>	<b>1,426</b>	<b>32</b>	<b>1,458</b>	<b>1,245</b>	<b>90</b>	<b>1,335</b>
<b>Income from other trading activities:</b>						
Sale of promotional items	700	-	700	769	-	769
<b>Total income from other trading activities</b>	<b>700</b>	<b>-</b>	<b>700</b>	<b>769</b>	<b>-</b>	<b>769</b>

**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 2020 Total £'000	Allocated to Governance £'000	Allocated to Support Costs £'000	Year Ended 31 March 2019 Total £'000	Allocated to Governance £'000	Allocated to support costs £'000
Salaries	301	74	227	375	107	268
Bank and service charges	29	-	29	40	-	40
Investment management costs	26	-	26	26	-	26
Trust services	60	-	60	59	-	59
Professional fees	-	-	-	7	-	7
<b>TOTAL</b>	<b>416</b>	<b>74</b>	<b>342</b>	<b>507</b>	<b>107</b>	<b>400</b>

**ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2020**

**Apportionment of Support Costs**

Area of Expenditure	Support Charges £'000	Governance £'000	Investment Management £'000	Total £'000
<b>Year Ended 31 March 2020</b>				
Patient Welfare	316	74	26	416
<b>Year Ended 31 March 2019</b>				
Patient Welfare	374	107	26	507

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
<b>Auditors' Remuneration</b>		
Auditors' remuneration for audit	10	10
Fees payable to auditors for non-audit services	1	1
	<u>11</u>	<u>11</u>

**6. Analysis of Charitable Expenditure**

	Grant Funding to Alder Hey Children's NHS Foundation Trust £000	Support Costs £000	Total Year to 31 March 2020 £000	Grant Funding to Alder Hey Children's NHS Foundation Trust £000	Support Costs £000	Total Year to 31 March 2019 £000
<b>Area of expenditure:</b>						
Patient welfare	695	416	1,111	2,283	507	2,790
Research	223	-	223	1,802	-	1,802
Equipment	695	-	695	733	-	733
Other	1,208	-	1,208	154	-	154
<b>Total</b>	<b>2,821</b>	<b>416</b>	<b>3,237</b>	<b>4,972</b>	<b>507</b>	<b>5,479</b>

# ALDER HEY CHILDREN'S CHARITY

## Notes to the Financial Statements for the year ended 31 March 2020

### 7. Analysis of Staff Costs

	Fundraising & Publicity £000	Support Costs £000	Governance £000	Total £000
<b>Year Ended 31 March 2020</b>				
Salaries and Wages	437	203	64	704
Social Security Costs	38	16	8	62
Other Pension Costs	19	8	2	29
<b>Total Staff Costs</b>	<b>494</b>	<b>227</b>	<b>74</b>	<b>795</b>
Average Number of Employees	14	8	1	23
<b>Year Ended 31 March 2019</b>				
Salaries and Wages	357	238	97	692
Social Security Costs	37	21	8	66
Other Pension Costs	16	9	2	27
<b>Total Staff Costs</b>	<b>410</b>	<b>268</b>	<b>107</b>	<b>785</b>
Average Number of Employees	12	9	1	22

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

The Charity directly employed 20 staff during the Year Ended 31 March 2020 (2019: 19 staff). In addition, three members of staff were employed to work within Alder Hey Promotions Ltd. The Charity also made a contribution to Alder Hey Children's NHS Foundation Trust for administrative support received from the Foundation Trust, including for the secondment of three members of staff. In August 2020 the Charity implemented a banding structure to enhance transparency with regard to employee remuneration.

No Trustees received emoluments or reimbursed expenses during the period. Charitable donations of £9k were received from Trustees during the year (2019: £1k).

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

	2020	2019
£90,000 to £100,000	-	1

Total emoluments paid to key management personnel in the period were £294k (2019: £324k). The roles of the key personnel were as follows:

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

For four months of the year the Director of Finance & Operations was Acting Chief Executive until the appointment of the new Chief Executive on 5<sup>th</sup> August 2020. This resulted in a temporary drop in key personnel emoluments within the year.

**ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2020**

**8. Tangible Fixed Assets**

Group	2020		2019	
	Leasehold Improvements	Total	Leasehold Improvements	Total
Cost	£'000	£'000	£'000	£'000
Additions	30	30	-	-
<b>At 31 March 2020</b>	<b>30</b>	<b>30</b>	<b>-</b>	<b>-</b>
<b>Depreciation</b>				
Charge for the year	1	1	-	-
<b>At 31 March 2020</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>	<b>29</b>	<b>29</b>	<b>-</b>	<b>-</b>

**9. Investments**

	2020 £'000	2019 £'000
<b>Group</b>		
Investment portfolio (8a)	4,326	4,600
Investment in joint venture	-	2
	<u><b>4,326</b></u>	<u><b>4,602</b></u>
<b>Charity</b>		
Investment portfolio (8a)	4,326	4,600
Investment in joint venture (8b)	-	450
	<u><b>4,326</b></u>	<u><b>5,050</b></u>

**9a: 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:

	2020 £'000	2019 £'000
Market Value at 31 March 2019	4,600	4,498
Additions at cost	267	611
Disposals	(287)	(629)
Net gain/(loss) on revaluation	(254)	120
Market Value carried forward	<u>4,326</u>	<u>4,600</u>
Historic cost at 31 March 2020	<u>3,034</u>	<u>4,007</u>

**ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2020**

**9. Investments (continued)**

The Market Value can be analysed as follows:

	Held in UK £000	Held Outside UK £000	Total at 31 March 2020 £000	Held in UK £000	Held Outside UK £000	Total at 31 March 2019 £000
UK Equities	696	-	696	866	-	866
Overseas Equities	-	975	975	-	1,040	1,040
Fixed Interest	458	-	458	535	-	535
Cash held as part of investment portfolio	1,191	-	1,191	1,079	-	1,079
Alternatives	1,006	-	1,006	1,080	-	1,080
<b>Total</b>	<b>3,351</b>	<b>975</b>	<b>4,326</b>	<b>3,560</b>	<b>1,040</b>	<b>4,600</b>

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

**9b: 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 £622k (2019: £724k)

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Issued share capital	2	2
Turnover	701,443	746,160
Expenditure	79,338	22,191
Total Assets	629,372	730,451
Total Liabilities	6,828	6,043
Shareholders' Funds	622,544	724,408

As part of a joint venture, Alder Hey Promotions Limited has a holding of 490 A Ordinary Shares in The Hardlees 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 Hardlees Limited was £1,000. The Hardlees Limited has not traded since incorporation.

**Alder Hey Living Hospital Limited**

At the beginning of the year the Charity held 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 was included at the cost of £450,000 in the Charity's Balance Sheet. Following a review of the value of the investment, an impairment was carried out in view of the planned transfer to the Trust and the value of the investment was reduced to £1. The shares held by the Charity were transferred to Alder Hey Children's NHS Foundation Trust on 29<sup>th</sup> February 2020 for a consideration of £1.

**ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2020**

**10. Stock**

Stock comprises merchandise for resale. The value of stock held by the group at the balance sheet date was £27k (2019: £14k).

**11. Debtors**

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

	2020	2020	2019	2019
	£000	£000	£000	£000
	Group	Charity	Group	Charity
Recoverable Tax & Accrued income	465	40	863	301
Other Debtors	6	6	1	1
	<u>471</u>	<u>46</u>	<u>864</u>	<u>302</u>

There were no debtors falling due over one year.

**12. Cash at Bank**

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

	2020	2020	2019	2019
	Group	Charity	Group	Charity
	£000	£000	£000	£000
Bank current and deposit account balances	5,833	5,693	4,607	4,469
	<u>5,833</u>	<u>5,693</u>	<u>4,607</u>	<u>4,469</u>

**13. Creditors**

The creditor position can be summarised as follows:

Falling due within one year:	2020	2020	2019	2019
	Group	Charity	Group	Charity
	£000	£000	£000	£000
Amount owed to subsidiary	-	8	-	15
Taxation and social security costs	16	16	13	13
Amount owed to Alder Hey NHS Trust (recharged)	329	329	18	18
Amount owed to Alder Hey NHS Trust (accrued grant)	1,229	1,229	1,195	1,195
Pension contributions due	9	9	6	6
Other creditors and accruals	78	70	33	29
	<u>1,661</u>	<u>1,661</u>	<u>1,265</u>	<u>1,276</u>

Creditors falling due over one year –

	2020	2020	2019	2019
	Group	Charity	Group	Charity
	£000	£000	£000	£000
Grant Accruals & Deferred Income	<u>20</u>	<u>20</u>	<u>33</u>	<u>33</u>



**ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2020**

**14. Analysis of Funds**

Year ended 31 March 2020:

**Restricted Funds – Charity and Group**

<b>Fund</b>	<b>Balance at 31 March 2019 £000</b>	<b>Incoming Resources £000</b>	<b>Resources Expended £000</b>	<b>Gains &amp; Losses £000</b>	<b>Balance 31 March 2020 £000</b>
John Lennon Research Fund	258	12	(102)	-	168
Alder Centre Capital Fund	1,608	77	(1,056)	-	629
Projects Fund	469	429	(214)	-	684
Alder Centre Fund	55	30	(34)	-	51
Burns Unit Fund	78	1	(16)	-	63
Leukaemia Research Fund	171	1	(1)	-	171
Intensive Care Fund	180	30	(99)	-	111
Oncology Fund	121	38	(28)	-	131
Cancer Ward Fund	75	26	(30)	-	71
Nephrology Fund	99	1	(5)	-	95
Neonatal Fund	91	1	(1)	-	91
Tier 4 Mental Health	-	105	-	-	105
Others (55)	896	322	(258)	-	960
<b>Total</b>	<b>4,101</b>	<b>1,073</b>	<b>(1,844)</b>	<b>-</b>	<b>3,330</b>

**Unrestricted Funds - Group**

<b>Fund</b>	<b>Balance at 31 March 2019 £000</b>	<b>Incoming Resources £000</b>	<b>Resources Expended £000</b>	<b>Gains &amp; Losses £000</b>	<b>Transfers £000</b>	<b>Balance 31 March 2020 £000</b>
Alder Hey General Purpose Fund	4,688	3,647	(2,406)	(254)	(1,815)	3,860
COVID-19 Designated Fund	-	-	-	-	1,815	1,815
<b>Total</b>	<b>4,688</b>	<b>3,647</b>	<b>(2,406)</b>	<b>(254)</b>	<b>-</b>	<b>5,675</b>

**ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2020**

**14. Analysis of Funds (continued)**  
**Unrestricted Funds - Charity**

	Balance at 31 March 2019 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Transfers £000	Balance at 31 March 2020 £000
Alder Hey General Purpose Fund	4,411	3,672	(2,325)	(704)	(1,815)	3,239
COVID-19 Designated Fund	-	-	-	-	1,815	1,815
<b>Total</b>	<b>4,411</b>	<b>3,672</b>	<b>(2,325)</b>	<b>(704)</b>	<b>-</b>	<b>5,054</b>

**Year Ended 31 March 2019:**

**Restricted Funds – Charity and Group**

Restricted Funds	Balance at 31 March 2018 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Balance at 31 March 2019 £000
<b>Fund</b>					
John Lennon Research Fund	1,546	335	(1,623)	-	258
Alder Centre Capital Fund	1,425	182	(1)	-	1,608
Projects Fund	467	418	(416)	-	469
Alder Centre Fund	97	(4)	(34)	-	55
Burns Unit Fund	88	1	(11)	-	78
Leukaemia Research Fund	165	8	(2)	-	171
Oncology Fund	116	84	(79)	-	121
Intensive Care Fund	150	35	(5)	-	180
Cancer Patients Fund	73	3	(1)	-	75
Nephrology Fund	100	-	(1)	-	99
Neonatal Fund	98	1	(8)	-	91
Others (55)	723	1,043	(870)	-	896
	<b>5,048</b>	<b>2,106</b>	<b>(3,053)</b>	<b>-</b>	<b>4,101</b>

**ALDER HEY CHILDREN'S CHARITY**

**Notes to the Financial Statements for the year ended 31 March 2020**

<b>Year ended 31 March 2019</b>	<b>Balance at</b>	<b>Incoming</b>	<b>Resources</b>	<b>Gains &amp;</b>	<b>Balance at</b>
<b>Unrestricted funds- Charity</b>	<b>31 March</b>	<b>Resources</b>	<b>Expended</b>	<b>Losses</b>	<b>31 March 2019</b>
	<b>2018</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>£000</b>				
Alder Hey General Purpose Fund	3,505	2,916	3,084	120	3,457
Others	762	496	304	-	954
<b>Total</b>	<b>4,267</b>	<b>3,412</b>	<b>3,388</b>	<b>120</b>	<b>4,411</b>
<b>Unrestricted Funds - Group</b>					
Alder Hey General Purpose Fund	3,505	2,916	3,084	120	3,457
Others	766	815	350	-	1,231
<b>Total</b>	<b>4,271</b>	<b>3,731</b>	<b>3,434</b>	<b>120</b>	<b>4,688</b>

**15. Net Assets**

	<b>Fixed Assets</b>	<b>Current Assets</b>	<b>Current Liabilities</b>	<b>Long Term Liabilities</b>	<b>Net Assets</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Charity:</b>					
Unrestricted	4,326	1,573	845	-	5,054
Restricted	-	4,166	816	20	3,330
<b>Total</b>	<b>4,326</b>	<b>5,739</b>	<b>1,661</b>	<b>20</b>	<b>8,384</b>
<b>Group:</b>					
Unrestricted	4,355	2,165	845	-	5,675
Restricted	-	4,166	816	20	3,330
<b>Total</b>	<b>4,355</b>	<b>6,331</b>	<b>1,661</b>	<b>20</b>	<b>9,005</b>

**16. 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 £2,821k (2019: £4,972k). The NHS Trust receives the grants after it has incurred the expenditure. At 31 March 2020 the Charity owed the Trust £329k in relation to these transactions (2019: £18k).

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

### **Notes to the Financial Statements for the year ended 31 March 2020**

#### **17. 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 Alder Hey Children's Charity. This company is active and had a profit of £622,105 for the year ended 31 March 2020 and net assets of £622,544 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.

#### **18. Post Balance Sheet Event**

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

#### **19. Unrestricted Funds**

Unrestricted funds comprise the Alder Hey General Purpose Fund plus a designated fund that was established in March 2020 to support the Trust during through the COVID-19 epidemic. The income of the General Purpose Fund can be used for the furtherance of any of the Charity's objectives and does not carry any additional restrictions. Whilst the COVID-19 designated fund has been ring fenced to support the Trust through the epidemic, these funds can be released back into the General Purpose Fund if they are not required by the Trust or the expenditure does not meet the Charity's objectives.

#### **20. 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:

- Alder Hey Projects Fund
- Intensive Care Fund (PICU)
- Oncology Fund
- Nephrology Fund
- Neonatal Fund
- Leukaemia Research Fund
- Alder Centre Fund
- Burns Unit Fund
- Cancer Patients Fund
- Alder Centre Capital Fund
- Cardiac Fund
- Neurology/Neurodisability Fund
- Cardiac Surgery Fund
- John Lennon Research Fund
- Tier 4 Mental Health Fund

The above funds all held balances of over £50,000 at the year end.