



Trustees' Annual Report

Year Ended 31 March 2021

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 2021

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 2021.

The 2020/21 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

Despite the challenges faced by us all as we navigate the impact of COVID-19, our supporters have shown dedication and togetherness like never before. At a time when families were separated by lockdown, they kept our Alder Hey family close to their hearts. It is because of this commitment that we have been able to achieve extraordinary things, against all the odds.

In 2020/21, supporters from our community, corporate partners, charitable trusts and foundations and individual philanthropists have helped us to raise £4.7m for Alder Hey Children's NHS Foundation Trust. Every donation, challenge sponsorship, virtual event and gift in kind has made a difference to babies, children and young people in our care, as well as supporting the hospital's dedicated team of over 4,000 NHS heroes.

In March 2020, our Charity quickly agreed emergency funding of £1.9 million towards equipment and projects to ensure that our brave young patients continued to receive the best possible treatment and support during the pandemic. Donations enabled the Trust to buy equipment including specialist beds, wheelchairs, portable ultrasound scanners and an x-ray machine. This mobile equipment has allowed our staff to treat patients quickly, safely, and efficiently with additional infection control.

We understand how important it is for children to have the opportunity to play and be creative, even when they are poorly, and restrictions are in place. We provided over £20,000 towards additional toys, craft materials and play equipment and committed £78,000 to help fund staffing costs for the Play Service over the next three years. We also ensured that Christmas was special for children and staff throughout the festive season; £30,000 was granted for gifts for the children and over £25,000 towards Christmas care packs for staff and decorations for all patient areas.

Continued funding towards the Arts for Health programme has allowed Alder Hey to facilitate arts experiences for children, including virtual music and dance sessions for patients and staff. Support from numerous charitable trusts and foundations has been invaluable to the continuation of our renowned Arts for Health offering and the adaptations that were required.

We launched our 7 in 10 Children's Mental Health Appeal with a target to raise £3 million to provide the family-friendly enhancements required for Sunflower House and the Catkin Centre. With referrals to child and adolescent mental health services rising at an alarmingly high rate, there has never been a more crucial time to invest in children's mental and emotional health.

As part of our long-term commitment to mental health and wellbeing, we have continued to fund two posts in Creative Arts Therapies that sit within Clinical Health Psychology, as well as funding remote monitoring service and iPads for young patients with eating disorders. In response to the effects of the pandemic and the lockdown, we have also supported the wellbeing of Trust staff by funding an Employee Support Programme providing 24-hour access to counselling and support, via phone and online.

Alder Hey Children's Charity have also provided vital investment in Research and Innovation. A grant for £300,000 towards research into COVID-19, as part of the CEIDR (Centre of Excellence in Infectious Diseases Research) partnership, is helping to develop greater understanding of the impact of the virus on children and pregnant women.

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A multi-year grant of £340,000 is also supporting 5 senior researchers and enabling 10 clinicians new to research to start their first research projects at Alder Hey.

We are incredibly proud of the way colleagues responded to unprecedented challenges, adapting quickly to new ways of working, testing new and innovative fundraising activity, and supporting each other. We launched our first regional TV adverts recruiting over 1,000 new regular supporters and our emergency Covid-19 Appeal raised over £1 million in the first half of the year. Our first charity retail shop opened in December 2019 and had a challenging first year with several months of closure but adapted to offer online sales and still managed to reach its target income for its first year.

Our fundraising community have raised incredible amounts through a huge range of activities, from kayaking 340 miles to running or walking 5km a day all year, hosting virtual events and even a Christmas tractor convoy! We couldn't be more grateful to every single fundraiser, including the people who signed up for our Alder Hey Million Miles virtual challenge.

2,655 people gave a regular monthly donation to Alder Hey including 1,215 new regular supporters, enabling us to support children now and into the future with their committed support. We are very grateful to the 15 individuals who left a gift in their will to Alder Hey, creating a lasting impact for children and families.

Even through the most difficult times, Alder Hey Children's NHS Foundation Trust continues to innovate, research, save lives and create bright futures for 900 babies, children and young people who need us every day. We stand with our Trust colleagues in our strategic aim of achieving a healthy future for children and young people, by ensuring that they have access to the highest specification equipment and facilities, whilst bringing the added extras for the best possible patient experience to each of our families. Thank you for standing with us to deliver on this commitment.



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.

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.

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. It also ensured 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.

COVID Projects

Following the outbreak of the COVID-19 pandemic early in 2020, the Charity supported the NHS Trust by agreeing funding of £1.9m for projects which would enable the Trust to continue providing a high quality of service during an extremely challenging time. These projects included:

- A Staff Virtual Assistant (SALI) to provide wellbeing and general information as well as links to intranet pages or resources providing Covid-19 guidance. SALI quickly connected hospital staff with 24 hour access to the latest information, policies and guidance relating to COVID-19, from personal protective equipment (PPE) fitting and training to policy and guidance about self-isolation.
- Digital Workers and Bots - it was estimated that 60% of clinical time could be spent on non-clinical tasks. The grant was used to accelerate the RPA Programme, which creates a virtual workforce to automate repetitive administrative tasks.
- AI HQ Command Centre - Funding for Artificial Intelligence Headquarters (AIHQ) has been able to rapidly support the Hospital Command Centre during the pandemic, providing visualisation of operational and clinical data and the overall Covid-19 situation. A series of dashboards were created monitoring key metrics, updated multiple times a day and displayed on a large screen in the Command Centre to support decision making, planning and resource. AIHQ also developed a number of dashboards and apps to track supply levels (including PPE), bed availability and ward capacity, staffing levels, current in-patients, daily sitrep for the region, research and socio-economic mapping. As a result of the dashboards and apps the Trust had well informed operational teams and resource planners who were able to ensure the continued and consistent safe care for patients during the pandemic.
- The provision of equipment for clinical staff to work from home has facilitated continuity of care and improved communication between multidisciplinary teams, allowing staff to continue working even when they were required to isolate.
- Virtual Clinics/Pods - A need was identified for funding to provide private, individual office and clinical consulting space where staff can undertake remote outpatient appointments in the format of digital pods in situ at the hospital. Each digital pod is fully sound proofed and has all the clinical equipment needed to carry out a full remote consultation. The goal of the digital booths was primarily to help reduce transmission of COVID-19 by limiting the number of patients and families needing to travel to the hospital for appointments that could be undertaken remotely. This approach has been particularly beneficial for patients who are clinically very vulnerable.

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- Specialist to Specialist Telemedicine - Provision of high-end precision telemedicine robots and services, enabling extremely specialist expertise to be accessed remotely for complex clinical cases. An example of this being put into practice is the robots purchased for the care and treatment of neonates. The robots enabled clinicians from Alder Hey and Liverpool Women's Hospital to continue to work side by side during Covid-19 taking part in ward rounds, delivering ad hoc emergency medical advice and facilitating urgent reviews for babies that have just been operated on without having to travel to the relevant hospital site.

This year the Charity funded £4.6m of life changing work. In addition to the funding provided as a result of the COVID pandemic, the Charity continued to provide support 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
- Equipment – ensuring that patients have access to the latest innovative medical equipment
- Research & Innovation – finding new & creative solutions; leading the way in international child health

Park Campus

The focus of our fundraising activities during the financial year has been the new 'Clinical Hub' which is currently under construction as part of wider plans to create a unique dedicated children's and young people's healthcare campus. The Hub is expected to open early in 2022 and 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. The Mental Health Foundation tells us that 7 in 10 children who need support 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.

Located right next door to our 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 coordinated 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 continue over the coming months and £2.25m of funds raised within the year have been designated towards this campaign.

Magic

Throughout 2020/21 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:

- 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 grants from Trusts including Transpennine, Children in Need and Pixel. During the first six months of the pandemic, the arts programme shifted to online delivery offering much needed support and distraction to patients who were experiencing isolation and huge challenges through individually live streamed music workshops led by professional musicians, delivered to in-patients and outpatients, as well as a series of online dance performances and music concerts which all patients could access. The service also delivered an innovative online programme for older patients called Pencil Pals with our partners Comics Youth, exploring comics, drawing and creative writing. Since the autumn of 2020, we have been reintroducing our face to face programme in the hospital following strict COVID-secure protocols. Music is delivered on each in-patient ward at least once a week, as well as within the Emergency Department, the Renal Unit and Dewi Jones Unit. The

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dance and movement programme, performing arts programme with the Everyman and Playhouse Theatres and contemporary crafts residencies in partnership with Bluecoat Display Centre have also been reintroduced. Young people in the community have been supported through the Framing or Futures programme, an online and face to face programme enabling patients with mental health difficulties to learn photography and film making skills to support their re-engagement with education and learning.

- Christmas – the Charity has provided funding to ensure that each child in the hospital was given a gift at Christmas. Funding was also provided for ward decorations, Christmas parties and care packs for all the staff.
- iPads, TVs and DVDs were provided for children in Surgical Day Case and Surgical Admissions after additional infection control measures as a result of COVID meant that they did not have enough toys and games to distract them during waiting times.
- £98k was provided from National Lottery funding for a virtual peer support project for children and young people experiencing increased anxiety and mental health issues during the pandemic.
- We have continued to provide funding towards ward chefs and play specialists as part of an agreement to provide £76k for each of these posts over a period of three years.

Equipment

The Charity has continued to support the Trust by providing funding for enhanced medical equipment, including:

- The Biofire Film Array TORCH system was funded from a grant of £290k from Mailforce. This system uses molecular technology to detect a wide range of common viruses and bacteria including COVID-19, helping clinicians make vital decisions regarding admissions, isolating patients, and any further diagnostic testing required. The laboratory originally had four TORCH modules and this funding provided an additional eight modules. During the winter months lots of children get ill with respiratory infections such as Influenza and Respiratory syncytial virus (RSV), and the additional modules enables test results to be obtained far more quickly. The patients can now be treated sooner and if they need to be isolated this can be done very quickly.
- An additional four heated cots, which help to maintain the baby's body at the correct temperature and enable them to be close to their parents and carers.
- Six breast pumps to improve the experience of mothers of babies on the Neonatal unit.
- Four Neonatal Coldlights, to reduce pain and distress during vital blood tests.
- Equipment for training for a home haemodialysis service which will offer patients the option of being treated at home.

Research & Innovation

The Charity has continued with its funding of a number of research posts. These posts were funded by a grant of £340k covering two years, enabling our patients to benefit from advanced medicines and cutting edge therapies and technologies. 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 researchers, 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:

- £23k for a Neonatal research project around nutritional deficiencies in premature babies.
- £18k to support a study using Mobile Health Biometrics to enhance exercise and physical activity adherence in children and young people with obesity.
- £9k for an extension of a study into Neuroblastoma, a paediatric cancer.

The Charity supported the Innovation Hub during the year through a £200,000 grant to develop Innovation at Alder Hey. This has included funding for members of staff that will be crucial in developing innovative health solutions. These 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. A Health Entrepreneur provides support to the innovation team by helping drive, deliver and manage numerous aspects of innovations processes. This ranges from helping members of hospital staff by identifying new needs, searching potential technical solutions and working with partners to support the co-creation of new health technologies. The objectives is to make the impossible of today, the reality of tomorrow.

Health and Well-Being

The health and well-being of both the Trust staff and our own Charity team have been at the forefront of our minds in this difficult year. We've worked with our funders and the Trust to provide support for health and well-being initiatives and have worked hard to find innovative working practices to support remote working.

For the Trust support has included:

- Staff care packs twice in the year, including at Christmas time;
- Ward packs to provide staff with drinks and basic items to help when on long or overnight shifts;
- Funding for an employee assistance programme, including a 24 hour helpline;
- Well-being coach training to provide on-going support to staff on the front line;
- Funding for well-being activities, such as virtual yoga and dance classes; and
- A Staff App to provide enhanced ways of communicating changing information.

Within the Charity we have recognised what an uncertain time this can be for our own staff and how hard everyone has worked to support the Trust through such difficult times. The Charity Board of Trustees pledged their support to staff from the beginning of the pandemic and have continued to support staff throughout, putting our value 'Together' at the heart of our Charity this year. Key activities have included:

- Enabling remote working;
- Reviewing flexible working and allowing staff to flex working hours around the demands of their lives;
- Innovative ways of staying connected, including virtual tea breaks, virtual walks, weekly quizzes, a murder mystery event, and a cook a-long activity;
- Encouraging staff to make sure they take time away from their screen both throughout the day and by creating a no meeting time between 12 and 2pm to allow time for lunch and to go outside;
- Engaging a well-being speaker to remind staff of the different ways to look after themselves;
- Running two Mental Health Awareness Training courses to ensure staff are aware of the signs of when they, their family or their colleagues are struggling;
- The introduction of 'positive post' to enable staff to lift one another with positive feedback; and
- Including Charity staff within some of the activities provided to the Trust, including the care packs, access to the employee assistance programme and the virtual well-being activities.

Looking Forwards

Neonatal Campaign

During 2021/22 we will be launching a new fundraising appeal for a brand new, world leading Surgical Neonatal Intensive Care Unit (NICU) at Alder Hey.

The new Surgical NICU is a joint project between Alder Hey and Liverpool Women's NHS Foundation Trust as the Liverpool Neonatal Partnership.

The new unit is planned to offer a further 22 neonatal cots for Liverpool and will feature 18 individual family rooms where parents can be alongside their poorly new-borns whilst they're receiving expert care.

The unit will address a shared concern between Alder Hey and Liverpool Women's that babies who need specialist surgery currently have to be transferred to Alder Hey to get the specialist surgical care they need and are then transferred back to Liverpool Women's Hospital to continue their specialist neonatal care.

Charity funding will provide 'over and above' enhancements and equipment for both the clinical space and family areas, elevating it from a facility that provides families with a safe and secure environment for them and their new-borns, to a truly world leading facility that wraps-around families with the most vulnerable babies in the region. Specialist neonatal staff from Liverpool Women's Hospital will plan to work alongside Alder Hey at the new NICU ensuring that poorly babies are transferred between the two hospitals as little as possible.

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 financial year about our fundraising activities. Informal complaints were followed up and resolved with lessons learnt being carried forward.

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 Charity lottery and activities of the Alder Hey Promotions Ltd. subsidiary company, which includes our retail shop.

Community

2020/21 was a challenging year for the Community Fundraising Team, particularly with the cancellation of all bespoke, third party and donor led events. School closures and general restrictions on regular fundraising activities and the inability of the lottery canvassers to work during lockdown periods also had a significant impact and meant that the team had to adapt and find alternative methods of fundraising to help fill some of the gaps in income generation.

- Virtual events proved very successful, particularly during the first lockdown with our #run and #cycle solo campaigns and then latterly with the #million miles for mental health.
- Our lottery telephone upgrade campaign was very successful thanks to the fantastic support of our lottery players.
- The Tractor Run event organised by a local farmer proved to be one of the highlights of the year both from an event spectacle and an income generator, raising over £40,000 and will be repeated in 2021.
- COVID restrictions meant that our usual Christmas celebrations within the trust were curtailed. Our virtual Carol Concert proved a success and enabled us to still provide some Christmas magic.

Trusts and Foundations

Throughout 2020/21, we continued to receive generous support from charitable trusts and foundations, particularly in response to the COVID-19 pandemic. £138,000 of emergency funding was received through the support of NHS Charities Together. This helped to provide funding for a range of activities and equipment, including supporting staff well-being and providing funding towards the neonatal telemedicine equipment enabling extremely specialist expertise to be accessed remotely for complex clinical cases. We received £97,888 from the National Lottery Community Fund's Coronavirus Community Support Fund, which distributed funds made available from the government. This was towards an online peer support programme with our CAMHS (Children and Adolescent Mental Health Service) patients.

Funding was also received from funders including The Parry Family Charitable Foundation towards laptops for clinical teams to support remote working and virtual patient consultations. Funders including The Medicash Foundation and The Community Foundation for Merseyside also provided funding towards an Employee Assistance Programme which supported the wellbeing of our NHS colleagues during the pandemic. Pilkington Charities' Fund made a grant of £9,907 to fund a specially designed ICU Multicare Bed which helped protect our young patients from developing pneumonia.

Funding has also been received to support our commitment to enhancing the experience of our young patients at Alder Hey. This included a grant of £5,000 from The Pixel Fund towards a participatory music project with children with complex and enduring mental health conditions.

Corporate Partnerships

Our Corporate partners have shown huge dedication this year, despite the fact that many businesses were forced to close their doors and their staff to work remotely. Our corporate supporters raised over £1,084,000 to help children and their families at Alder Hey, including gifts-in-kind valued at £562,000.

Matalan continued to be our leading corporate partnership, raising over £216,000 towards our 7 in 10 Children's Mental Health Appeal, despite us needing to scale back our pyjama campaign due to COVID restrictions. Our

association with Matalan continues to raise our profile on a national level, reaching a wide audience of their customers.

Our second largest partnership was with Johnson's Baby who supported us for the first time, focussing their support on our Neonatal campaign which launched in 2021. The successful online campaign reached nationwide parent and family audience and we were delighted to see our joint branded products in retail outlets across the UK.

In response to the COVID-19 outbreak we saw an increase in gift-in-kind donations, many resulting in cost savings for the Trust; including £120,000 of robotic process automation support from Blue Prism and a donation of over 70,000 hand sanitiser from Carex.

We responded to the challenge of event cancellations by adapting our corporate engagement calendar to offer several virtual events including a festive Quizmas and virtual networking events.

The partnerships team continued to develop the value of existing partnerships and to attract new relationships. Partnering with Alder Hey Charity has strengthened businesses by helping them to connect with their employees and customers during the pandemic and we are proud to see an increase in new partnerships to support our hospital. We are so grateful to all our loyal corporate partners, and extend our gratitude to everyone who has joined us this year.

Individual Giving & Legacies

We would like to express our sincerest gratitude to all our individual givers who have supported us throughout 2020/21. We are very grateful for their generosity towards the Alder Hey COVID response and our 7in10 fundraising appeal to support the new mental health facility.

Despite COVID, a range of fundraising activities supported the Individual Giving programme again this year, with key campaigns being undertaken around Easter and Christmas. For the first time Alder Hey Children's Charity ran a TV campaign to alert people to the vital work that is done at the Trust and we were overwhelmed by the kindness and support received. Online single donations also exceeded our monthly online giving expectations as people gave to support the NHS. In March 2021 we rolled out the charity's first 'thank-a-thon' whereby staff called supporters to simply thank them for their support. We hope to be able to do this on a larger scale again in the future as we are incredibly grateful for the support we receive.

In addition, to keep our supporters up to date on Alder Hey's response to the pandemic, we hosted a series of webinars throughout the year where we were joined by Professor Calum Semple, Consultant in Paediatric Respiratory Medicine and member of the Government's Scientific Advisory Group for Emergencies (SAGE).

A number of families have chosen to create in Memory and Much Loved Tribute Funds, 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 £62k.

We are so grateful to kind supporters who left gifts in their wills to Alder Hey Children's Charity. These special gifts have the power to create so many brighter futures for children and young people in our care. This year the Charity received £204K from supporters who made this very special gesture. The kindness of our legacy donors is changing the way our young patients learn to communicate. Donations, including those gifts left in supporters' wills, went towards an online communication aid for Speech and Language Therapy patients at Alder Hey. The programme provides support for young patients with varying needs and delivers consistency between the help they receive in school and hospital. This was so important during the lockdown months and our clinician colleagues are really happy with how this new online tool is shaping their work now in supporting children and young people. As Emma Burgess, one of our Speech and Language Therapists, explains: "As so many of our children with communication and learning needs benefit from visuals to support their understanding and use of language, this is an invaluable tool for the Speech and Language team."

Alder Hey Promotions

Alder Hey Promotions is a wholly owned subsidiary of the Charity, which gifts back all profits to the Charity. In turn the Charity is committed to supporting the organisation. Despite a very difficult year with extended periods of shop closures and a reduced campaign with our partner Matalan, the company achieved a turnover of £430k (which included £8k of COVID grant support) and an operating profit of £252k for the financial year. Following the success of our first charity shop in Old Swan which opened in December 2019, there are plans to open a second shop at the start of 2022.

Gift Aid

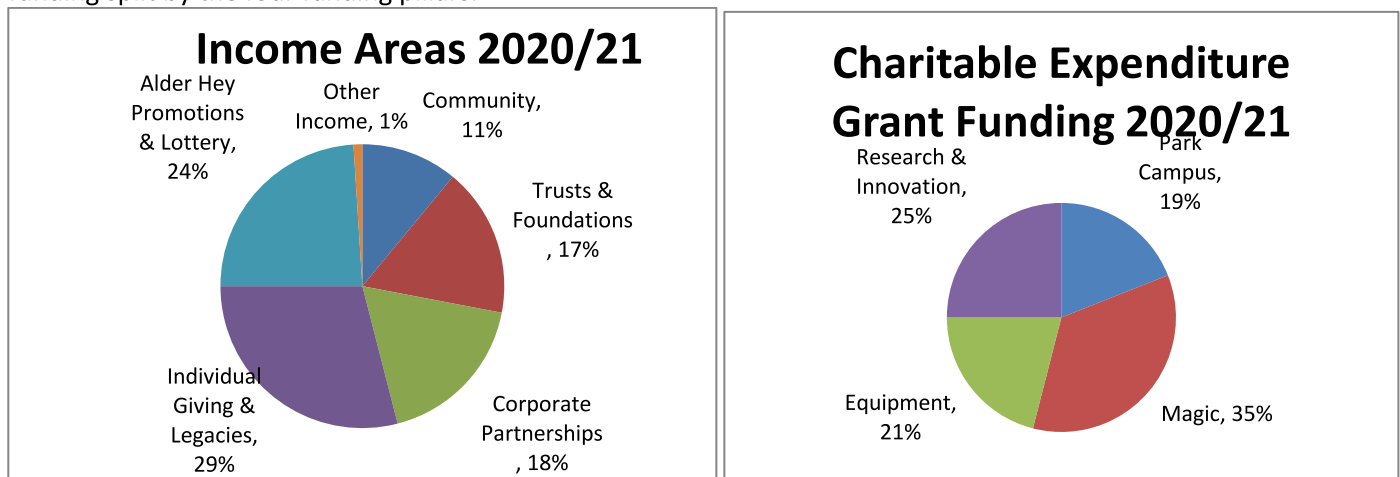


Gift Aid provides a great opportunity for donors to increase the value of their donation to our Charity. Provided the donor is a taxpayer, our Charity can claim the basic rate income tax paid on the gift. This increases donations by approximately 25% so a gift of £10 is worth £12.50 to our Charity. During 20/21 we were able to once again claim a significant amount through the scheme thanks to our donor's generosity.

Financial Review

This has been a difficult year within the Charity due to the impact of COVID. Events income has seen a reduction of 57% as a result of events being cancelled due to COVID restrictions and there has been a 40% reduction in retail income from the closure of our charity shops. Whilst our corporate cash donations understandably saw a reduction in the year, we were touched by the value of the gifts in kind received from corporate partners to compensate for this. In addition, the value of individual donations rose from the previous year, providing us with much needed support at such a difficult time. This increase in gifts, along with the generous support from trusts and foundations has meant that we have managed to maintain overall income at the same level as the previous year. We're incredibly grateful to our supporters for helping us to get through this challenging period. This support has been particularly vital as given the impact of the pandemic, the funding required by the Trust has increased within the year, resulting in a 43% increase in expenditure on charitable activities.

Below is the split of income generated within the year (including gifts in kind) and the charitable expenditure on grant funding split by the four funding pillars.



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. 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 a minimum of six months operating costs and emergency funding, with an aspiration to hold 12 months where this does not impact on immediate funding requirements. Operating costs have been calculated including wages and core running costs (e.g. heating, lighting, insurance). Emergency funding has been calculated using the requirements faced during the COVID-19 pandemic. On this basis, for 2020/21, operating costs and emergency funding amounted to £1.7m for six months and £3.4 for 12 months.

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 31st March 2021 total unrestricted, undesignated free reserves within the Charity were £3.3m.

The total value of the restricted funds at the end of the year was £2.9m. In addition to this, £2.25m has been designated by the Board to support the hospital with additional funding requirements for the Mental Health Campaign. At the year-end, a designated fund had not yet been created for the Neonatal 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 2021/22.

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 1st April 2015 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 2021 the following people served as Trustees:

- Graham Morris OBE (Chair) (appointed 27th March 2019)
- Eileen Jones (Vice Chair, Chair of HR Committee & Acting Chair from 27th September 2018 – 8th April 2019) (reappointed 27th March 2019)
- Nicky Collins (Chair of Spending Committee until February 2021) (reappointed 27th March 2019)
- Glynis Johnston (reappointed 27th March 2019)
- Jeanie France-Hayhurst (reappointed 27th March 2019)
- John Carson (Chair of HR Committee from 10th November 2021) (reappointed 27th March 2019)
- Shalni Arora (Non independent member: Non-Executive Director, Alder Hey Children's Foundation Trust) (reappointed 8th September 2021)
- Dame Jo Williams (Non independent member: Chair & Non-Executive Director, Alder Hey Children's Foundation Trust) (reappointed 8th September 2021)
- David Brown (Chair of HR Committee until 10th November 2021) (appointed 7th February 2019, resigned 10th November 2020)
- Paul Bibby (appointed 6th February 2019)
- Sarah Robinson (appointed 14th February 2019)
- Kirsty Muir (Chair of Finance, Audit & Risk Committee) (appointed 7th February 2019)
- Rick Turnock (Chair of Charitable Spending Committee from February 2021) (appointed 27th January 2021)

At all times the Board of Trustees must remain independent of the Foundation Trust to ensure it remains focused on the Charity's purpose as required under Charity law. This is achieved by ensuring the balance of independent Trustees and those with an NHS link is maintained. The Foundation Trust has 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.

Trustees have adopted the Charity Governance Code to ensure they are following good governance practices and they adhere to the Nolan Seven Principles of Public Life. Each year Trustees review their own performance with the Chair of the Board and each trustee provides anonymous feedback on the performance of the Chair, ensuring all trustees are accountable within their role.

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
- 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, 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 Committee ensures that donations go to fund items that would not be funded by the NHS.

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 Board of Trustees receives the minutes and feedback from the committees at each meeting and an annual report is received by the Board on the work undertaken by the committees.

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.

ALDER HEY CHILDREN'S CHARITY

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
Pier Head
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. Events for 2020/21 were cancelled or postponed and other areas, such as corporate partnerships, have also been affected. However, other virtual income generating activities were undertaken and an appeal was undertaken to generate additional donations to support the Charity and therefore the Trust during such a difficult time.

A further risk linked to COVID-19 has been the requirement for staff to work from home where possible. Risk assessments were 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 increased during COVID-19, advice was sought and followed from the investment manager and the investment portfolio is being carefully managed.

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 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

Over the 12 months to the 31st March 2021, in total return terms the FTSE All Share returned 26.7%, while overseas equities returned 40.4% (in sterling terms). The alternatives area also had a strong period, with the HFRI index up 32.5% over the year. Gilts were down -5.5% on the year.

As per the period ending 31st March 2020, the portfolio continued to retain a lower equity focus than its long-term benchmark would normally warrant given clarity over potential capital requirements. This has meant a lower equity content and a higher alternatives element. However, following recent discussions and with a view to taking advantage of market opportunities 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. In connection with this, the benchmark is currently under review.

Over the 12 months, Alder Hey's portfolio grew 22.3% compared to the long-term composite benchmark which grew 21.8%. The main positive drivers were the underweight fixed interest position and overweight overseas equity position together with outperformance within both these elements of the portfolio.

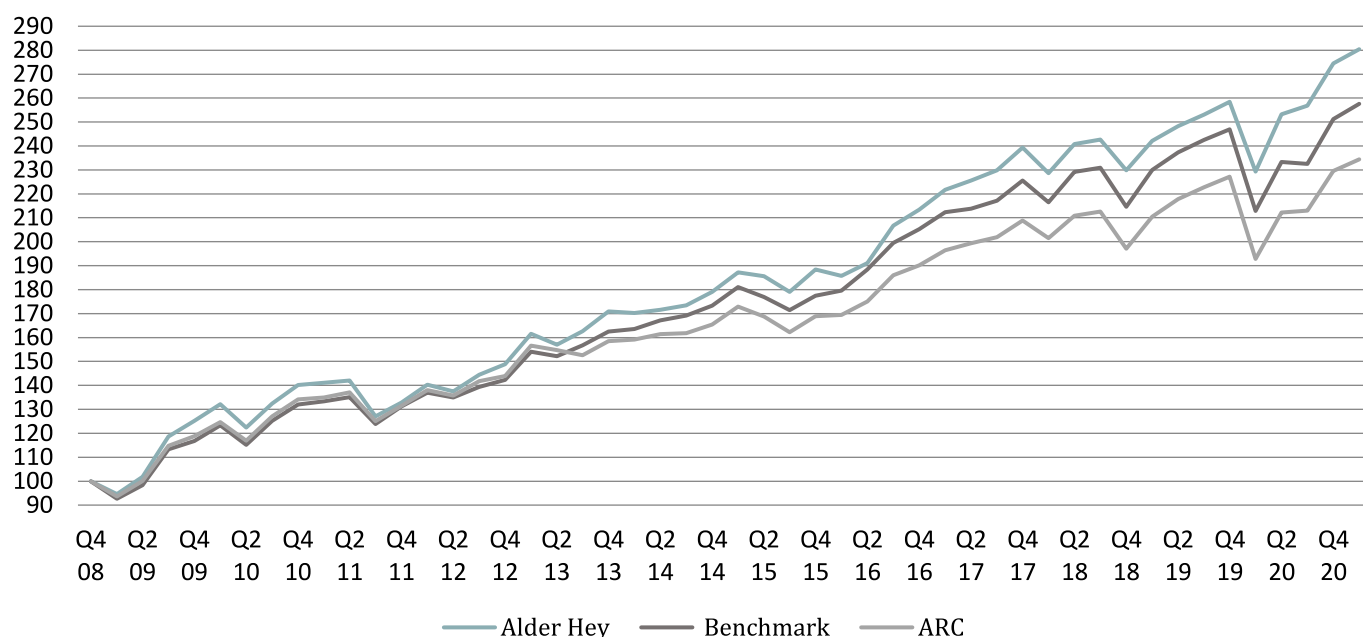
The main negatives were the underweight position in equities (as mentioned above), the cash position and some underperformance within the alternatives element.

Regarding the stock and sector selection, the positive drivers were the overweight technology exposure and underweight positions within the oil and pharmaceuticals sectors, with notable outperformance from S4 Capital, M&G, Accenture, Barclays, Rio Tinto and Alphabet.

The main negative contributors to performance were the underweight position in mining and travel & leisure, together with weak performances from Becton Dickinson, BP, Ericsson and AstraZeneca.

At the time of writing, the investments have started the new financial year on a positive footing both in relative and absolute terms and have recovered following the loss of the previous year.

Performance 31 December 2008 to 31 March 2021



Performance has been benchmarked against both a measure agreed with the investment provided Rathbones and also the ARC (Asset Risk Consultant) Charity Steady Growth Indices peer group comparator data.

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, Data, Grants and Finance teams.
- Head of Philanthropy: responsible for strategy development of Trust & Foundation fundraising and for major donor fundraising and line management of these teams. This role came into place in September 2021 following the resignation of the Director of Philanthropy and realignment of workloads following on from this.
- 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 and the Old Swan Charity Shop. Line manages the Community and Old Swan Charity Shop teams.
- Head of Marketing: responsible for setting the marketing and stewardship strategy for the Charity, with line management responsibility for the Individual Giving and Communications teams.

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, which has been particularly vital in such a difficult year for everyone. On behalf of the patients, their families who benefit so greatly from this support, the Trust and all its employees, and all here at the Charity, we would like to thank you now and in anticipation of your continued support of the Charity during the forthcoming year.

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 (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 Charities Statement of Recommended Practice (FRS 102) ;
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

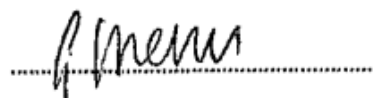
In so far as the Trustees are aware:

- 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.

The confirmation is given and should be interpreted with the provisions of section 418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Signed on behalf of the Trustees



Date: 1 December 2021

Graham Morris
Chair

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

Opinion

We have audited the financial statements of Alder Hey Children's Charity (the 'charitable company' or the "charity") and its subsidiary (the "group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Group and 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, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2021 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 group and 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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting on the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that individually or collectively, may cast significant doubt on the group and charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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.

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 group and 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 by the charitable company; 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.

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 group and 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. This description forms part of our Report of the Independent Auditors.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

Our responsibilities for the audit of the financial statements (continued)

We obtained an understanding of the legal and regulatory frameworks applicable to the group and charitable company, and the sector in which it operates, and determined which of these frameworks may influence the financial statements. Given the nature of its operating activities, the group and parent charitable company is subject to several laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements. Based on our understanding of the group and charitable company and sector, we identified the following laws and regulations are the most significant which are directly relevant to specific assertions in the financial statements:

- Those that relate to reporting frameworks, being FRS102 and the Statement of Recommended Practice (Charities SORP(FRS102)) and the Charities Act 2011 and the Companies Act 2006 and the relevant UK tax compliance legislation and regulations,
- Those that relate to the operational activities of the group and charitable company, including Health and Safety requirements and data protection practices.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase income, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of charitable operations. Audit procedures performed included:

- Enquiry of management around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of charitable operations;
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations; and
- Review of trustee meeting minutes.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. No matters relating to non-compliance with laws and regulations or relating to fraud were identified in relation to the above-mentioned laws and regulations that were identified by us as most significant.

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

Northwich

Date:1 December 2021.....

**Consolidated Statement of Financial Activities for the year ended 31 March 2021
(incorporating an income and expenditure account)**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds Year Ended 31 March 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds Year Ended 31 March 2020 £'000
Income							
Donations and legacies	4	2,207	980	3,187	1,418	1,041	2,459
Income from charitable activities	4	1,026	23	1,049	1,426	32	1,458
Income from other trading activities	4	422	-	422	700	-	700
Investment income	3	71	-	71	103	-	103
Total income		3,726	1,003	4,729	3,647	1,073	4,720
Expenditure							
Cost of raising funds		1,237	-	1,237	1,011	-	1,011
Expenditure on charitable activities	6	3,196	1,434	4,630	1,393	1,844	3,237
Share of loss of joint venture	9	-	-	-	2	-	2
Total expenditure		4,433	1,434	5,867	2,406	1,844	4,250
Realised and unrealised gain/ (loss) on investments	9	666	-	666	(254)	-	(254)
Net income / (expenditure)		(41)	(431)	(472)	987	(771)	216
Net movement on funds		(41)	(431)	(472)	987	(771)	216
Total funds brought forward		5,675	3,330	9,005	4,688	4,101	8,789
Total funds carried forward		5,634	2,899	8,533	5,675	3,330	9,005

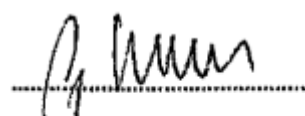
The Statement of Financial Activities includes all gains and losses in the year. All income and expenditure derives from continuing activities.

Consolidated Group and Charity Balance Sheets at 31 March 2021

	Note	Group 2021 £000	Charity 2021 £000	Group 2020 £000	Charity 2020 £000
Fixed Assets					
Tangible Fixed Assets	8	26	-	29	-
Investments	9	7,828	7,828	4,326	4,326
Total Fixed Assets		7,854	7,828	4,355	4,326
Current assets					
Stock	10	34	-	27	-
Debtors	11	273	448	471	46
Cash at bank and in hand	12	2,026	1,906	5,833	5,693
Total current assets		2,333	2,354	6,331	5,739
Liabilities					
Creditors falling due within one year	13	1,654	1,649	1,661	1,661
Net current assets		679	705	4,670	4,078
Total assets less current liabilities		8,533	8,533	9,025	8,404
Creditors: Amounts falling due after more than one year	13	-	-	20	20
Net Assets		8,533	8,533	9,005	8,384
Funds					
Unrestricted income funds	14	5,634	5,634	5,675	5,054
Restricted income funds	14	2,899	2,899	3,330	3,330
Total funds		8,533	8,533	9,005	8,384

These Financial Statements were approved by the Board of Directors on 1 December 2021

Signed on behalf of the Board of Directors:



Graham Morris OBE
Director

Company no. 09389239

Consolidated cash flow statement for the year ended 31 March 2021

	Note	Year Ended 31 March 2021		Year Ended 31 March 2020	
		£000	£000	£000	£000
Cash flows from operating activities:					
Net cash (used in) / provided by operating activities			(1,042)		1,130
Cash flows from investing activities:					
Dividends and interest from investments	3	71		103	
Payments to acquire tangible fixed assets	8	-		(27)	
Payments to acquire investments	9	(3,426)		(267)	
Receipts from sales of investments	9	590		287	
Net cash provided by investing activities			<u>(2,776)</u>		<u>96</u>
(Decrease)/Increase in cash and cash equivalents			(3,807)		1,226
Cash and cash equivalents at the start of the year			5,833		4,607
Cash and cash equivalents at the end of the year			<u>2,026</u>		<u>5,833</u>
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)			(472)		216
Adjustments for:					
Dividends and interest on investments			(71)		(103)
(Gains) / losses on investments			(666)		254
Depreciation			3		-
Decrease / (increase) in stock			(7)		(13)
Decrease / (increase) in debtors			198		393
(Decrease) / increase in creditors			(27)		383
Net cash (used in) / provided by operating activities			<u>(1,042)</u>		<u>1,130</u>
Analysis of cash and cash equivalents					
Bank current accounts			177		428
Bank deposit accounts			1,849		5,405
Total cash and cash equivalents			<u>2,026</u>		<u>5,833</u>

Notes to the Financial Statements for the year ended 31 March 2021

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.

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 on-going 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.
- 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 2021

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.

i. Cash and cash equivalents

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

Notes to the Financial Statements for the year ended 31 March 2021

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.

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.

Notes to the Financial Statements for the year ended 31 March 2021

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.

Notes to the Financial Statements for the year ended 31 March 2021

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 2021	Year ended 31 March 2020
	£'000	£'000
Gross incoming resources	5,172	4,745
Cost of raising funds	(1,059)	(1,348)
Cost of charitable activities	(4,630)	(2,821)
Net (outgoing)/ incoming resources	(517)	576
Realised and unrealised gains / (losses) on investments	666	(704)
Total funds brought forward	8,384	8,512
Total funds carried forward	8,533	8,384
Represented by:		
Restricted income funds	2,899	3,330
Unrestricted income funds	5,634	5,054
	8,533	8,384

Subsidiary

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Turnover	430	701
Operating costs	(178)	(79)
Operating profit	252	622

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 2021	Year Ended 31 March 2020
	£000	£000
Interest	12	26
Dividends	59	77
TOTAL	71	103

Notes to the Financial Statements for the year ended 31 March 2021

4. Analysis of group income

	Unrestricted £000	Restricted £000	Total Year Ended 31 March 2021 £000	Unrestricted £000	Restricted £000	Total Year Ended 31 March 2020 £000
Donations and legacies:						
Donations from individuals	873	239	1,112	629	286	915
Corporate donations	214	92	306	432	258	690
Donations from groups & associations	102	41	143	80	27	107
Donations in memoriam	52	10	62	50	30	80
Grant income	200	598	798	54	360	414
Legacies	204	-	204	173	80	253
Gifts in kind	562	-	562	-	-	-
Total donations and legacies	2,207	980	3,187	1,418	1,041	2,459
Income from charitable activities:						
Fundraising events	336	23	359	806	32	838
Lottery	690	-	690	620	-	620
Total income from charitable activities	1,026	23	1,049	1,426	32	1,458
Income from other trading activities:						
Sale of promotional items	422	-	422	700	-	700
Total income from other trading activities	422	-	422	700	-	700

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 2021 Total £'000	Allocated to Governance £'000	Allocated to Support Costs £'000	Year Ended 31 March 2020 Total £'000	Allocated to Governance £'000	Allocated to support costs £'000
Salaries	370	119	251	301	74	227
Bank and service charges	30	-	30	29	-	29
Investment management costs	22	-	22	26	-	26
Trust services	49	-	49	60	-	60
TOTAL	471	119	352	416	74	342

Notes to the Financial Statements for the year ended 31 March 2021

Apportionment of Support Costs

Area of Expenditure	Support Charges £'000	Governance £'000	Investment Management £'000	Total £'000
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Year Ended 31 March 2021

Patient Welfare	330	119	22	471
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Year Ended 31 March 2020

Patient Welfare	316	74	26	416
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	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Auditors' Remuneration		
Auditors' remuneration for audit	10	10
Fees payable to auditors for non-audit services	1	1
	11	11

6. Analysis of Charitable Expenditure

Area of expenditure:	Grant Funding to Alder Hey Children's NHS Foundation Trust £000	Support Costs £000	Total Year to 31 March 2021 £000	Grant Funding to Alder Hey Children's NHS Foundation Trust £000	Support Costs £000	Total Year to 31 March 2020 £000
Magic (Patient welfare & Other)	1,141	471	1,612	735	416	1,151
Research & Innovation	1,186	-	1,186	335	-	335
Equipment	961	-	961	695	-	695
Park Campus	871	-	871	1,056	-	1,056
Total	4,159	471	4,630	2,821	416	3,237

Notes to the Financial Statements for the year ended 31 March 2021

7. Analysis of Staff Costs

	Fundraising & Publicity £000	Support Costs £000	Governance £000	Total £000
Year Ended 31 March 2021				
Salaries and Wages	505	225	104	834
Social Security Costs	47	18	12	77
Other Pension Costs	22	8	3	33
Total Staff Costs	574	251	119	944
Average Number of Employees	17	8	2	27
Year Ended 31 March 2020				
Salaries and Wages	437	203	64	704
Social Security Costs	38	16	8	62
Other Pension Costs	19	8	2	29
Total Staff Costs	494	227	74	795
Average Number of Employees	14	8	1	23

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

The Charity directly employed 24 staff during the Year Ended 31 March 2021 (2020: 20 staff). 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 £6k were received from Trustees during the year (2020: £9k).

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

	2021	2020
£70,000 to £80,000	1	-

Total emoluments paid to key management personnel in the period were £344k (2020: £294k). 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

Notes to the Financial Statements for the year ended 31 March 2021

8. Tangible Fixed Assets

Group Cost	2021	Total £'000	2020	Total £'000
	Leasehold Improvements £'000		Leasehold Improvements £'000	
At 1 April 2020	30	30	-	-
Additions	-	-	30	30
At 31 March 2021	30	30	30	30
Depreciation				
At 1 April 2020	1	1	-	-
Charge for the year	3	3	1	1
At 31 March 2021	4	4	1	1
Net Book Value				
At 31 March 2021	26	26	29	29
At 31 March 2020	29	29	-	-

9. Investments

	2021 £'000	2020 £'000
Group		
Investment portfolio	<u>7,828</u>	<u>4,326</u>
-	<u>7,828</u>	<u>4,326</u>
Charity		
Investment portfolio	<u>7,828</u>	<u>4,326</u>
	<u>7,828</u>	<u>4,326</u>

Investment portfolio (Charity)

£4.1m of the investment portfolio is managed by Rathbone Investment Management Ltd in accordance with the guidance issued by the Trustees. The rest is held in deposit accounts with either Charity Bank or through the Flagstone investment platform, which allows investment across a number of banking institutions to reduce the risk to the Charity by spreading funds. The movement in the portfolio can be analysed as follows:

	2021 £'000	2020 £'000
Market Value at 31 March 2020	4,326	4,600
Additions at cost	3,426	267
Disposals	(590)	(287)
Net gain/(loss) on revaluation	666	(254)
Market Value carried forward	<u>7,828</u>	<u>4,326</u>
Historic cost at 31 March 2021	<u>6,887</u>	<u>3,034</u>

Notes to the Financial Statements for the year ended 31 March 2021

9. Investments (continued)

The Market Value can be analysed as follows:

	Held in UK £000	Held Outside UK £000	Total at 31 March 2021 £000	Held in UK £000	Held Outside UK £000	Total at 31 March 2020 £000
UK Equities	1,145	-	1,145	696	-	696
Overseas Equities	-	1,449	1,449	-	975	975
Fixed Interest	460	-	460	458	-	458
Cash held as part of investment portfolio	3,774	-	3,774	1,191	-	1,191
Alternatives	1,000	-	1,000	1,006	-	1,006
Total	6,379	1,449	7,828	3,351	975	4,326

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

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 £252k (2020: £622k)

	2021 £	2020 £
Issued share capital	2	2
Turnover	429,503	701,443
Expenditure	177,668	79,338
Total Assets	322,156	629,372
Total Liabilities	321,717	6,828
Shareholders' Funds	439	622,544

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

Notes to the Financial Statements for the year ended 31 March 2021

10. Stock

Stock comprises merchandise for resale. The value of stock held by the group at the balance sheet date was £34k (2020: £27k).

11. Debtors

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

	2021	2021	2020	2020
	£000	£000	£000	£000
	Group	Charity	Group	Charity
Recoverable Tax & Accrued income	256	366	465	40
Other Debtors	17	82	6	6
	273	448	471	46

There were no debtors falling due over one year.

12. Cash at Bank

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

	2021	2021	2020	2020
	Group	Charity	Group	Charity
	£000	£000	£000	£000
Bank current and deposit account balances	2,026	1,906	5,833	5,693
	2,026	1,906	5,833	5,693

13. Creditors

The creditor position can be summarised as follows:

Falling due within one year:	2021	2021	2020	2020
	Group	Charity	Group	Charity
	£000	£000	£000	£000
Amount owed to subsidiary	-	-	-	8
Taxation and social security costs	20	19	16	16
Amount owed to Alder Hey NHS Trust (recharged)	44	44	329	329
Amount owed to Alder Hey NHS Trust (accrued grant)	1,546	1,546	1,229	1,229
Pension contributions due	12	12	9	9
Other creditors and accruals	32	28	78	70
	1,654	1,649	1,661	1,661

Creditors falling due over one year –	2021	2021	2020	2020
	Group	Charity	Group	Charity
	£000	£000	£000	£000
Accruals & Deferred Income	-	-	20	20

Notes to the Financial Statements for the year ended 31 March 2021

14. Analysis of Funds

Year ended 31 March 2021:

Restricted Funds – Charity and Group

	Balance at 31 March 2020 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Balance 31 March 2021 £000
Fund					
John Lennon Research Fund	168	-	-	-	168
Alder Centre Capital Fund	629	2	(631)	-	-
Projects Fund	684	615	(745)	-	554
Alder Centre Fund	51	24	(18)	-	57
Burns Unit Fund	63	-	(2)	-	61
Leukaemia Research Fund	171	1	-	-	172
Intensive Care Fund	111	2	6	-	119
Oncology Fund	131	64	18	-	213
Cancer Patients Fund	71	-	(1)	-	70
Nephrology Fund	95	3	(1)	-	97
Neonatal Fund	91	1	(40)	-	52
Tier 4 Mental Health	105	145	-	-	250
Others (55)	960	146	(20)	-	1,086
Total	3,330	1,003	(1,434)	-	2,899

Unrestricted Funds - Group

	Balance at 31 March 2020 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Transfers £000	Balance 31 March 2021 £000
Fund						
Alder Hey General Purpose Fund	3,860	3,726	(2,618)	666	(2,250)	3,384
COVID-19 Designated Fund	1,815	-	(1,815)	-	-	-
Mental Health Designated Fund	-	-	-	-	2,250	2,250
Total	5,675	3,726	(4,433)	666	-	5,634

Notes to the Financial Statements for the year ended 31 March 2021

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

	Balance at 31 March 2020 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Transfers £000	Balance at 31 March 2021 £000
Alder Hey General Purpose Fund	3,239	4,169	(2,440)	666	(2,250)	3,384
COVID-19 Designated Fund	1,815	-	(1,815)	-	-	-
Mental Health Designated Fund	-	-	-	-	2,250	2,250
Total	5,054	4,169	(4,255)	666	-	5,634

Year Ended 31 March 2020:
Restricted Funds – Charity and Group

Restricted Funds	Balance at 31 March 2019 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Balance at 31 March 2020 £000
Fund					
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
Oncology Fund	121	38	(28)	-	131
Intensive Care Fund	180	30	(99)	-	111
Cancer Patients 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
	4,101	1,073	(1,844)	-	3,330

ALDER HEY CHILDREN'S CHARITY

Notes to the Financial Statements for the year ended 31 March 2021

Year ended 31 March 2020	Balance at	Incoming	Resources	Gains &	Transfers	Balance at
Unrestricted funds- Group	31 March	Resources	Expended	Losses		March 2020
	2019	£000	£000	£000	£000	£000
	£000					
Alder Hey General Purpose Fund	4,688	3,647	(2,406)	(254)	(1,815)	3,860
COVID-19 Designated Fund	-	-	-	-	1,815	1,815
Total	4,688	3,647	(2,406)	(254)	-	5,675
Unrestricted Funds - Charity						
Alder Hey General Purpose Fund	4,411	3,672	(2,325)	(704)	(1,815)	3,239
COVID-19 Designated Fund	-	-	-		1,815	1,815
Total	4,411	3,672	(2,325)	(704)	-	5,054

15. Net Assets

As at 31 March 2021	Fixed Assets	Current Assets	Current Liabilities	Long Term Liabilities	Net Assets
	£000	£000	£000	£000	£000
Charity:					
Unrestricted	5,959	448	773	-	5,634
Restricted	1,869	1,906	876	-	2,899
Total	7,828	2,354	1,649	-	8,533
Group:					
Unrestricted	5,964	448	778	-	5,634
Restricted	1,890	1,885	876	-	2,899
Total	7,854	2,333	1,654	-	8,533
As at 31 March 2020	Fixed Assets	Current Assets	Current Liabilities	Long Term Liabilities	Net Assets
	£000	£000	£000	£000	£000
Charity:					
Unrestricted	4,326	1,573	845	-	5,054
Restricted	-	4,166	816	-	3,330
Total	4,326	5,739	1,661	-	8,384
Group:					
Unrestricted	4,355	2,165	845	-	5,675
Restricted	-	4,166	816	-	3,330
Total	4,355	6,331	1,661	-	9,005

Notes to the Financial Statements for the year ended 31 March 2021

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 £4,159k (2020: £2,821k). The NHS Trust receives the grants after it has incurred the expenditure. At 31 March 2021 the Charity owed the Trust £44k in relation to these transactions (2020: £329k).

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 £251,835 for the year ended 31 March 2021 and net assets of £439 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 2021 to support the appeal to raise funds for the new mental health facility being built at Alder Hey. 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 Mental Health designated fund has been ring fenced to support the Trust, 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.

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

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/Neuro-disability 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 current or prior year end.