



Trustees' Annual Report

Year Ended 31 March 2023

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 2023

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 2023.

The 2022/23 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.

A welcome message from our Chair and Chief Executive

As the Chair and CEO of Alder Hey Children's Charity, we are delighted to update you on the amazing achievements and initiatives that your generous support has made possible over the past year. Your commitment is the catalyst that helps Alder Hey to continue its transformative work through cutting-edge healthcare and what we fondly call the 'Alder Hey Magic', those little touches that can make a huge difference to a child's experience of hospital.

As we move into a new three year strategic period, we can look back at the incredible successes we had as we focused on recovery and sustainable growth. We managed the challenges that the COVID years presented and responded to the opportunities created by it with a focus on our investment in long term growth. The next three years still look challenging, this time due to the cost of living crisis, increasing demand for services, pressure on funders at all levels and a new NHS structure and funding pressures. There remains political uncertainty and a likely election in the next 18 months.

Despite the economic situation, in the 2022/23 financial year your support helped us raise an astounding £8.3 million. Every penny helps us to make a huge difference to the 330,000 brave young patients we see every year at the hospital campus, as well as throughout our community. In this period, we allocated £6.2 million towards a range of charitable activities that touched countless lives and pushed the boundaries of health care.

This year we continue to raise funds to enhance our ground-breaking Surgical Neonatal Unit which is set to open in 2025. This unit will pioneer a unique model of care in the UK in collaboration with Liverpool Women's Hospital, reducing stressful transfers for critically ill newborn babies and ensuring our families can stay together at this critical time. By creating first of their kind parent rooms, we will also enable parents to play a key role in their baby's care and to leave the hospital with their newborn, feeling empowered and confident.

Last year saw the completion of Sunflower House and the Catkin Building. Thanks to our 7in10 Appeal, we secured £3 million in funding, ensuring that these spaces are not just functional, but nurturing and comfortable environments for our young patients. As mental health referrals increase, it is clear there has never been a more urgent time to help our young people as early as possible, and this unit is doing that work now.

You also helped to launch innovative research studies that can truly change the future. These included funding for research into sclerosis, childhood cancers, epilepsy and a significant grant into studies into Hirschsprung's Disease.

Your donations also supported many smaller, but equally vital, projects. These range from buying play kitchens for our wards to creating outdoor garden spaces, to providing elf suits for our volunteers to bring Christmas spirit to Alder Hey! Every project we fund, no matter how large or small, has a direct impact on our children.

As we move into the next fiscal year, we are realigning our strategic focus, ensuring these link to the Trust's new 2030 strategy, into five core pillars: Specialist Equipment, Research, Innovation & Education, Campus and Community, Alder Hey Magic, and Advocacy. These pillars will guide our efforts to continually improve and innovate in paediatric care and align us with Alder Hey Children's NHS Foundation Trust's 2030 strategy. Our funding priorities are our purpose for being as a charity and always ensure charitable funds are spent in the best possible way, have the largest strategic impact and make the biggest difference to children and families now and in the future.

Staff and volunteers are an immensely important to achieving everything we do here at Alder Hey. Through supporting at our events, helping in our shops or contributing their skills to our fundraising, their commitment amplifies the impact of every pound donated. A heartfelt thank you to them all for their time and dedication.

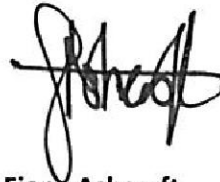
ALDER HEY CHILDREN'S CHARITY

Of course, we couldn't do what we do without our supporters. We are very grateful to all of those who have been able to support the charity and the hospital over the last year, despite the cost-of-living crisis, which is affecting everyone. We are ever thankful to our community of regular donors, philanthropic trusts, corporate partners, community champions and social media supporters who have enabled us to make a tangible impact, even during trying economic times.

Thanks to your ongoing support Alder Hey Children's Charity is fit to tackle any new challenges coming our way. Thank you for being part of our incredible journey and for your continued support in building brighter futures for our children and young people.



Graham Morris OBE
Chair of Trustees
6 December 2023



Fiona Ashcroft
Chief Executive Officer
6 December 2023

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).

We support the Trust with a joint vision for a healthier, fairer and happier future for every child and young person.

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 £8.3m 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.

This year the charity funded £6.2m of life changing work. The charity provided support to the hospital across four areas:

- 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; and
- Research & Innovation – finding new and creative solutions.

Campus

At the end of 2021/22 we granted to the Trust £3m raised from our 7in10 Appeal for the new mental health unit which opened in the spring of 2023.

During 2022/23 we turned our fundraising efforts towards the Surgical Neonatal Appeal and by the end of the financial year we had secured just over £2m in funding. The funds raised from this will enhance the new Surgical Neonatal Intensive Care Unit, ensuring families can stay together during critical times. This exciting new care model will benefit many babies and families and the project is set to greatly impact the well-being of patients and their loved ones.

The charity additionally agreed £100k of funding during the year for a CAMHS Social Prescribing Basecamp. This is an extension of our support for projects which promote wellbeing through nature and outdoor experiences and will extend these activities into the winter.

Magic

Throughout 2022/23 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:

- Support for the Youth Voice project working with children and young volunteers from three youth participation groups. The aim is to develop transferable skills and life experiences, enabling them to thrive in the future. The project arose from the participation group members expressing concerns about the transition into adulthood and will provide a programme of vocational training and skill development opportunities.
- NHS Charities Together partnered with the Department for Digital, Culture, Media, and Sport (DCMS) for the Volunteering Futures Fund (VFF). Our charity was a proud beneficiary of a grant for £49,869 that enabled us to create Volun'teens, an innovative programme that offered volunteering opportunities for young people with additional support needs. The initiative aimed to improve outcomes and population health across the

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Liverpool City Region, introducing young people to volunteering at the hospital, building their skills, confidence, and connections.

- The Arts for Health Programme at Alder Hey relies on donations from our generous supporters. Above and beyond the NHS's core delivery, our unique and highly regarded programme provides the opportunity for children and their families to participate in arts-based activities and to experience the therapeutic benefits of creative expression. Our charity funds a wide range of projects within the programme, as well as the salaries of two highly experienced members of staff to manage programme delivery.
- A generous grant from one of our loyal supporters facilitated regular participatory music workshops, guided by professional cellist Georgina Aasgaard on our Oncology Unit. Children and young people engage in music-making, song writing and learning to play instruments such as the keyboard and ukulele. The therapeutic power of music aids in stress reduction and relaxation.
- The charity also funded the Lullaby Project, a ground-breaking initiative benefitting our Neonatal families. The project empowered families to create personal lullabies, fostering parent-child bonding during complex treatment journeys.
- BBC Children In Need's three-year music project, Sound, concluded in 2022, benefiting over 800 inpatients with one-to-one sessions led by professional musicians. The project supported children's mental well-being and helped them cope during their hospital stays.
- The Creative Pathways project, offering an innovative arts program to children and young patients in our care. Thanks to a generous grant of £49,716, we will collaborate with three esteemed arts organisations—Tate Liverpool, National Museums Liverpool and DadaFest—to introduce arts residencies on the wards and personalised arts packages for long-term individual patients.
- On-going support for our Play Therapy Team, enabling them to have the sensory toys and arts and crafts needed to support our brave patients at some of their most anxious moments.
- The charity provided support for the Alder Centre and our palliative care team to help families who are going through the hardest moments of their lives.

The charity has continued to support its own staff and Alder Hey NHS staff throughout the year, including providing care packs for staff, supporting a "pay it forward" scheme for staff meals and funding specialist training for staff to enhance the core training provided by the NHS.

Equipment

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

- £23k for Neopuff ventilators to support neonatal care. The equipment offers gentle and controlled ventilation, reducing the risk of lung injury. The Neopuff's user-friendly design allows for quick setup and adjustments, ensuring efficient respiratory support for premature and newborn babies. It also facilitates resuscitation during emergencies, saving precious lives;
- Thanks to your support we successfully funded a brand-new haemodialysis machine, allowing us to care for more children each day. With an increasing number of children requiring haemodialysis, the machine's capacity of around 54 weekly sessions at Alder Hey is crucial;
- The charity funded £8k to provide Lento chairs – specialist adjustable, supportive and pressure relieving seating. The funding provided two fully-fitted versions which will accommodate patients of various ages and sizes; and
- A £45k NeoNatal Ultrasound machine was funded ahead of the new NeoNatal unit being built.

Research & Innovation

The charity has also continued to provide vital investment in Research and Innovation. We have continued our support of five senior researchers and also to support the Innovation team with £200,000 of funding for several posts that enable the development of pioneering solutions to respond to the current challenges faced within child healthcare.

Additional research and innovation projects funded during the year include:

- Funding of £196k agreed towards the development of a national centre for nursing and AHP research.
- £25k towards the Lab to Life project to help solve real world healthcare problems.
- £50k to support research into the treatment of sclerosis.
- £9k towards a study of the quality of life in children on the epilepsy surgery pathway.

- £64k to support oncology research.
- £27k towards studies into Hirschsprung's Disease.
- £26k to support a clinical research pilot in the Emergency Department.
- £232k was set aside for the next two years to support the development of a Clinical Translation Eye Research Unit at Alder Hey.

Staff Charter

Our staff charter was introduced to cement our commitment to our people and to promote positive relationships and good employment practice to achieve the organisation's vision and goals. It helps clarify what success for us *is* and what success *is not* in plain English.

As the charity we...

- Recognise that in order to do great work, we need to be well rested, healthy and enjoy our life outside of work.
- Know it's OK to work from home, in the office, or a mixture of the two as long as this works within our role.
- Flex our working hours around nursery/school/life as long as that works for our role and our manager.
- Take regular breaks away from our screen and desk.
- Send emails late at night if that works for us, but don't expect a response out of hours as we are doing this for our own flexibility.
- Protect time to do exercise or go for a walk during the day.
- Recognise the importance of one-to-ones and prioritise them.
- Hold each other accountable and take responsibility for our own actions.
- Know it's OK to say our plate is full and we need more time, more support, or just to reach out to a colleague.
- Respond to requests in a reasonable amount of time and recognise that this does not need to be immediately.
- Think about the purpose of a meeting before we book it and know it's OK to say no to a meeting, we're invited to that we don't believe we need to attend.
- Know it's OK to discuss flexible working with our line manager.
- Talk about our mental health.
- Know it's OK to ask questions or ask for information from the senior management team.
- Know it's OK to feel however we're feeling, even if it's not OK.

NHS Charities Together

We continued to administer a £1.2m stage 2 multi-year grant within the Cheshire & Merseyside region in partnership with NHS Charities Together for a second year, enabling several community partners to work with NHS providers, including Alder Hey, on new projects supporting patients in the region.

Looking Forward

Alder Hey Children's NHS Foundation Trust has big ambitions and Alder Hey Children's Charity is committed to supporting the Trust to achieve these and provide the best possible support to help care for children and families both now and in the future. The Trust has been developing their 2030 strategy and alongside this we have developed our own new three year strategy.

As part of this, we have looked at our four pillars to ensure they fit the strategic needs of the hospital and allow us to get the funding to the children and young people who need it most. As a result, we have made some changes to the areas we cover, including adding one:

Campus and Community

Our charity is helping to create the best possible environment to ensure bright futures for children across our health care campus and via outreach across our communities. We work with organisations to focus on prevention and early intervention and to reduce the impact of health inequalities on families.

Alder Hey Magic

Alder Hey Children's Charity is committed to going above and beyond what is available on our hard-working NHS. From ward musicians and arts workshops to the latest distraction technology in clinical areas, we strive to provide the best patient experience possible for all our children. We call it the 'Alder Hey Magic'.

Equipment

We are proud to fund lifesaving and advanced specification equipment, cutting edge tech and distraction innovations to help Alder Hey clinicians do the very best for our patients.

Research, Innovation and Education

We build strong partnerships and work with leading innovators to constantly push the boundaries of what is possible. We invest to drive research excellence. Donations can support patients at Alder Hey and help to make the future brighter for children around the world through our support of today's innovators and the education of tomorrow's leaders.

Advocacy

We are committed to making change and amplifying voices that have the potential to create brighter futures for all children. Utilising the vital research, innovative work and projects we fund, along with the partners we work with, Alder Hey Children's Charity drives to influence positive change for the next generations to come.

Fundraising Activities

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.

Having launched our Surgical Neonatal Appeal, we will be working hard to complete the fundraising successfully to ensure that the building and service can be everything it needs to be to support families across the region and beyond.

Community

2022/3 was a strong year for community fundraising, in particular in the areas of events and community business. In addition, our lottery returned to pre Covid levels of member recruitment whilst attrition rates remained steady, resulting in a 14% increase in ticket sales.

Bespoke, third party and supporter led events all went ahead as scheduled with established events returning to pre-Covid levels of participation. In line with our Community Strategy we invested in a number of new running and challenge events, including a couple of events in partnership with other charity partners.

A bespoke London to Paris Bike Ride was our first joint event with five other Children's Hospital Charities in the UK. The event was a success and we are now recruiting for a bespoke London – Amsterdam bike ride for June 2014.

Similarly, our bespoke Skydive Day in partnership with a local charity proved to be very popular and we have booked in for a second year.

Investment in a new 'running' Oli mascot bore fruit this year with him completing a 5K, 10K, half marathon and the London Marathon in April where he was interviewed live by the BBC.

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The annual Christmas Tractor Run went ahead for its third year with 100 illuminated tractors parading through Liverpool, raising a record £73K despite the cost-of-living crisis.

Our more 'traditional' elements of community fundraising have also seen post pandemic recovery with schools and other community groups raising money through a variety of events .

Philanthropy

In 2022/23 we received over £1.3 million in philanthropic donations from individuals, charitable trusts, foundations and grant makers, supporting the development of our hospital campus, innovation and research, purchasing much needed state of the art equipment and creating magic for our brave young patients.

We have received incredible support towards our Surgical Neonatal Appeal, with over £2 million secured in pledges and income towards the £3 million target. Grant funding will enable our Children and Adolescent Mental Health Services (CAMHS) team to purchase an outside Dome known as Basecamp. This will enable young people to access alternative therapies, outdoors, in a natural and informal environment with an emphasis on play, creativity and problem solving as a model of therapy. Philanthropic funding has also continued to make possible our nationally recognised Arts for Health programme, including a new project called Creative Pathways which will provide varied and innovative arts activities for the children and young people in our care.

These projects continue to have significant positive impact for children, young people and their families and we are extremely grateful for the continued generosity of our donors and funders.

During the financial year we received the following restricted funding from Trusts and Foundations:

- The Moulding Foundation: We were awarded £140,650 to fund a fully fitted parent room, including an incubator, in our new Surgical Neonatal Intensive Care Unit.
- Youth Music: £23,992 was received for the Minds Matter project.
- BBC Children in Need: £32,230 was received for the Framing Our Futures project.
- NHS Charities Together/DCMS (Volunteering Futures Fund): £49,869 was received to support volunteer development in both the Charity and the Trust.
- NHS Charities Together: £29,978 was awarded as a Charity Development Grant.
- NHS Charities Together Stage 2 Grant: £86,958 was granted to Cheshire, Halton & Warrington Race Equality Centre for an extension to their project and also to support work on evaluating the impact of the overall stage 2 grant.
- National Lottery Community Fund - RC North West Region: £49,885.50 was received for the Calm & Connected post-Covid recovery programme.
- Arts Council England: We were awarded £49,716 for our Creative Pathways project, of which £24,858 was received in the year.
- Southampton Hospitals Charity: We were awarded £97,000 for our Basecamp mental health project.
- Garfield Weston Foundation: £300,000 was granted towards our new Surgical Neonatal Intensive Care Unit.
- Vision4Children: £52,640.85 was granted towards the new Eye Department Clinical Translational Research Unit.
- The Parry Family Charitable Foundation: £16,044.38 given towards the garden spaces in Sunflower House.

Corporate Partnerships

After a challenging few years for corporate fundraising, the team were delighted to have raised £1.3 million through donations, gifts in kind and through our annual pyjama campaign sales.

We started the year off with a fantastic opportunity with the RHS Chelsea Flower Show. The Alder Hey Garden was designed by brothers Hugh and Howard Miller and fully funded by Project Giving Back. This gift was a fantastic way for

us to engage with corporate partners from across the whole of the UK through a business breakfast and after-hours event whilst also raising the profile of the charity.

In Spring 2022, we were proud to launch our second partnership campaign with Johnson's Baby which raised over £80,000 to fund a room within the new surgical neonatal unit. The unique joint branded bottles were sold in major retailers across the UK including Tesco, Asda and Sainsbury's with 5p from every bottle donated to Alder Hey as well as a social media campaign which ran alongside the product sales.

In June 2022, we saw the launch of a new partnership with Proctor & Gamble (P&G) and B&M who shared the story of incredible ambassador family Jess and Frankie; and promoted our partnership in over 600 B&M stores across the UK. The three-way partnership raised £55,000 in June, and a second activation in January 2023 also raised £55,000.

Supporting Alder Hey with their annual CRM campaign, Matalan created the 'Let's be Happy Together' PJ design based on the winning drawing from their design competition for our 9th year together. PJs, pet outfits and mugs were sold raising £332,000.

In November 2022, the International Parking Community (IPC) supported us through their annual gala dinner with proceeds split between two charities with Alder Hey receiving more than £15,000.

Towards the end of the year, partner Bean Coffee, who created a Christmas Coffee blend exclusive for Alder Hey launched their second Alder Hey blend to continue to raise money for the hospital, with a fresh branded pack. The coffee is on sale through their website and in stores where the team are also collecting towards their fundraising target.

We were delighted to be supported by Max20 and Home Bargains at Christmas 2022, with Max20 donating £5,000 towards Christmas decorations and Home Bargains selling their annual Christmas cards and raising £10,245.

We are very grateful for the generous help from The Braithwaite Group who continue to support both the corporate Dragon Boat Festival and Annual Golf Day through sponsorship. In 22/23 the corporate team successfully held their Golf Day and Bag Ladies events which raised £31,000 and £14,000 respectively.

Longstanding supporter Liverpool John Lennon Airport committed to taking on a new fundraising challenge in 2022, with 13 staff members signing up to the Machu Picchu Trek in Peru which will be completed in October 2023.

Through the generosity of customers who shop at The Entertainer, the company donated an incredible £89,385 last year.

Individual Giving & Legacies

We are immensely grateful to all our supporters who, despite the rising cost of living, continue to champion us. Our primary focus lies on our Surgical Neonatal Intensive Care Unit (NICU) Appeal, which aims to fund the construction and improvement of a cutting-edge surgical family focussed NICU facility. This facility will cater to the needs of babies and their families from all corners of the region. We are well on our way to hitting our target of £3 million. Behind the scenes, we have neonatal nurses working across Alder Hey and Liverpool Women's Hospital to prepare for the new Unit and improved ways of working.

As part of our Individual Giving programme, we delivered a Christmas campaign online and through the post. The campaign featured the story of Matthew. Matthew was born extremely prematurely when his mum was only 23 weeks pregnant. Matthew received intensive care, a hernia operation and treatment for chronic lung disease and Retinopathy of Prematurity at Alder Hey. Despite the challenges, he now thrives at the Royal School for the Blind, where he excels as a talented pianist. Our supporters really rose to the challenge and allowed us to reach the aim of purchasing a new state of the art Giraffe Incubator for our NICU appeal.

Despite a drop in general donations due to the impact of the cost of living, which has been felt across the charity sector, our monthly regular giving donations performed well and have been a focus of our work. The attention on stewardship and retention through activities like our thank-a-thon, along with a new face-to-face recruitment

campaign, has grown our numbers by 853 this year. This rise results in not only an increase in income for this year, but it also allows us to forward plan to ensure our work can fund projects today, tomorrow and into future years.

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 remarkable children cared for at Alder Hey every year. Donations being received this year into tribute funds amounted to £192K a large increase on previous years.

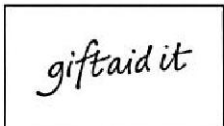
In 2022/23 some of our most committed supporters left Gifts in their Wills totalling £1.3m, a phenomenal amount, for which we are truly grateful. This amazing amount was made up from donations of varying sizes. These gifts enabled us to support the Alder Centre's Candle Service at the Cathedral, buy a new Cardio 4D Machine, fund research and enhance well-being at Alder Hey by providing an Arts Co-ordinator, ensuring that our patients' time at Alder Hey is as comfortable as possible. Our work to encourage Gifts in Wills in the future has focused on separate campaigns including an advert on local TV, a free Will writing offer advert online and an insert in the Radio Times. These campaigns have resulted in over 50 indications of a Gift left in a Wills which is a good sign for the future.

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. In the year to 31st March 2023, the company achieved a turnover of £805k and an operating profit of £456k for the financial year.

The Alder Hey Charity Shop in Old Swan had a very successful year and a second shop opened in Huyton during the year. We have continued to forge partnerships through retail including local businesses and suppliers who support with donations of goods and volunteers, community groups such as the women's refuge and NCS and we have a strong relationship with our recycling partner.

Gift Aid



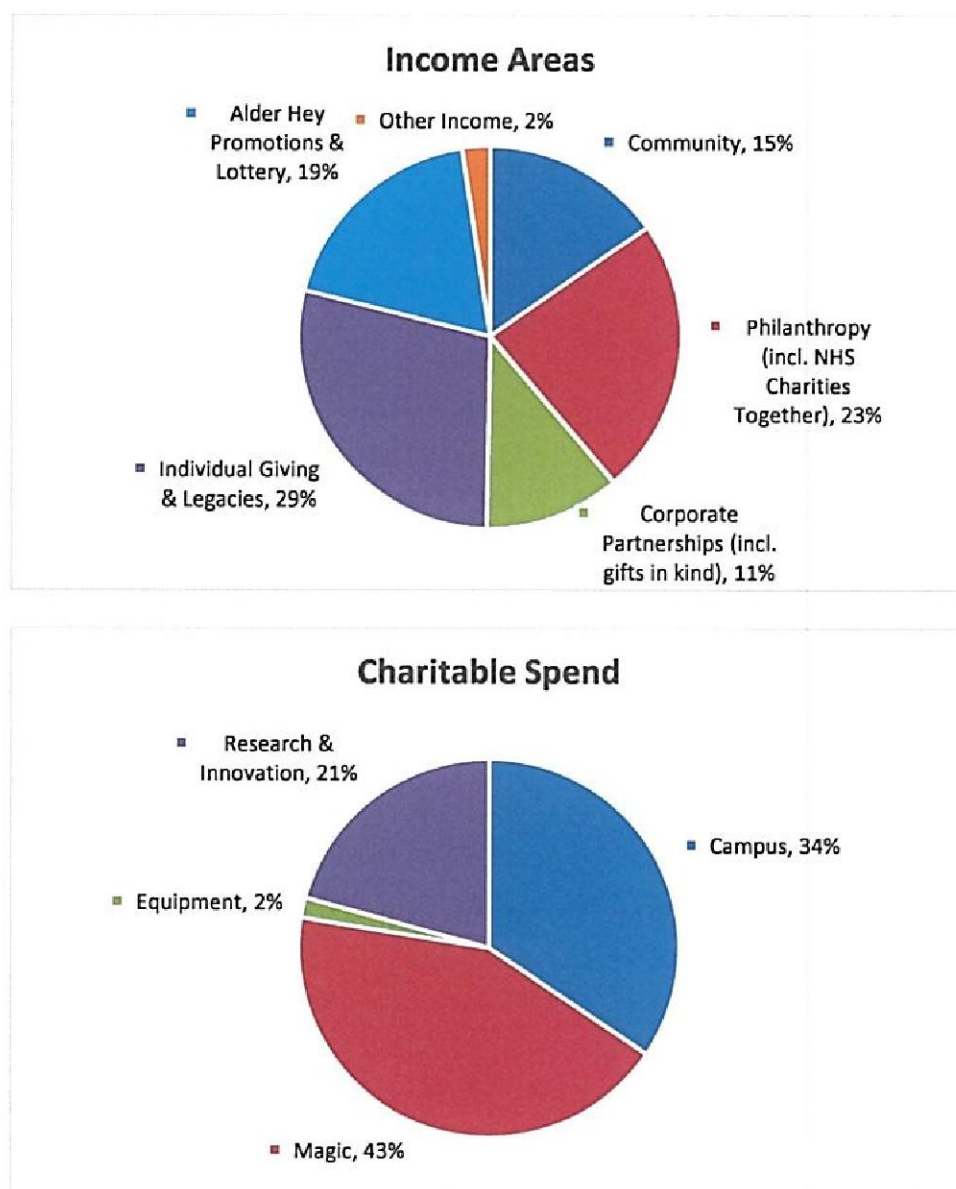
Gift Aid provides a great opportunity for donors to increase the value of their donation to our Charity. Provided the donor is a taxpayer, our Charity can claim the basic rate income tax paid on the gift. This increases donations by approximately 25% so a gift of £10 is worth £12.50 to our Charity. During 22/23 we were able to, once again, claim a significant amount through the scheme thanks to our donor's generosity.

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 five complaints in the financial year about our fundraising activities which were followed up and resolved with lessons learnt being carried forward.

Financial Review

Thanks to our supporters an amazing £8.3m of income has been raised during the year. We are hugely grateful to the individuals who have given £4.1m collectively, to our corporate supporters who have provided over £1m, to the Trusts and Foundations, including NHS Charities Together, who have provided £1.5m in grant funding, and to everyone who has supported us through playing the lottery or purchasing items from our shops, including as part of our Matalan pyjama campaign, to provide a further £1.6m. This has resulted in the Charity being able to provide £6.2m in funding, with around £2m of the £3m target for the Neonatal Surgical Unit being achieved.

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



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 beginning of the COVID-19 pandemic. On this basis, for 2022/23, operating costs and emergency funding amounted to £1.9m for six months and £3.8m 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 2023 total unrestricted, undesignated free reserves within the charity were £4.3m.

The total value of the restricted funds at the end of the year was £3.4m.

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,

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

Alder Hey Children's Charity has a Board of independent Trustees; it is governed by its Standing Orders and can have up to thirteen Trustees on its Board. In the year ended 31 March 2023 the following people served as Trustees:

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| • Graham Morris OBE (Chair) | (appointed 27 th March 2019) |
| • Eileen Jones (Vice Chair) | (reappointed 27 th March 2019) |
| • Nicky Collins | (resigned 31 st May 2022) |
| • Glynis Johnston | (reappointed 27 th March 2019) |
| • John Carson (Chair of HR Committee) | (reappointed 27 th March 2019) |
| • Jeanie France-Hayhurst | (resigned 26 th July 2022) |
| • Shalni Arora (Non independent member: Non-Executive Director, Alder Hey Children's Foundation Trust) | (resigned 1 st June 2023) |
| • Dame Jo Williams (Non independent member: Chair & Non-Executive Director, Alder Hey Children's Foundation Trust) | (reappointed 8 th September 2021) |
| • Paul Bibby | (appointed 6 th February 2019) |
| • Sarah Robinson | (appointed 14 th February 2019) |
| • Kirsty Muir (Chair of Finance, Audit & Risk Committee) | (appointed 7 th February 2019) |
| • Rick Turnock (Chair of Charitable Spending Committee) | (appointed 27 th 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 four sub-committees to the main Board as follows:

- Finance, Audit and Risk Committee
- Charitable Spending Committee
- HR Committee
- Nominations Committee

ALDER HEY CHILDREN'S CHARITY

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 and Risk Committee** is to support the Board of Trustees in ensuring that the strategic objectives of the charity are met, particularly with reference to effective operational and financial planning, reporting and management, risk management policy setting, and implementation of effective governance procedures. 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 charitable 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.

The purpose of the **Nominations Committee** is to lead on ensuring formal, rigorous, and transparent procedure are in place to appoint new Trustees to the board, which includes advertising vacancies widely; and to evaluate the appropriateness of new Celebrity Charity Champions escalated by the CEO where required in-line with the Terms of Reference. This Committee was established in July 2022 to enhance the governance arrangements in place within the charity.

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, or donation in question could be detrimental to the charity's mission, the charity's and/or the 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 have the same obligation. Conflicts of interest may arise where an individual's or a related party's business, personal or family interests and/or loyalties conflict with those of the charity. All Trustees and senior management of the charity declare their interests in writing within four weeks of taking up any position. Trustees and staff are asked to confirm annually that the information held continues to be relevant. In addition, all Trustees are asked to declare any conflicts of interest prior to the commencement of each Board. See note 16 for related party transactions.

Registered Office

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

Principal Professional Advisors

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

Auditors

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

Investment Fund Managers

Rathbones Investment Management Ltd.
Port of Liverpool Building
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 and Risk Committee and this was included as part of the reports from the Committee to the Trustee Board meetings.

Currently the charity faces significant risks related to the cost of living rises, which can make it more challenging for our donors to support us and impacts our team. This could lead to a high level of turnover within the team where employers outside of the charity sector can offer greater remuneration. The charity continues to support the health and wellbeing of the team, focusing on how we can support staff with flexible working, helping to balance their lives and work. In addition, inflation also increases the costs for both ourselves as a charity and for the hospital.

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 consider 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. Advice continues to be sought and followed from the Investment Manager and the investment portfolio is being carefully managed.

Any grants distributed to the Trust were approved in line with the charity's grant awarding process 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 clear identifiable public benefits, which meet the objectives of the charity in 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 its public benefit requirements 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

Alder Hey Annual Investment Report 2023

Over the 12 months to the 31st March 2023, in total return terms the FTSE All Share returned 2.9%, while overseas equities fell 1.2% (in sterling terms). For Alternatives, the HFRI index was down 3.1% over the year, while gilts were down 16.3% over the same period.

Over the same period, Alder Hey's portfolio was down 2.4%, outperforming on a relative basis compared to the tailored benchmark which fell 3.2%. The portfolio continues to also outperform over the longer term and is ahead of benchmark over 3 and 5 years.

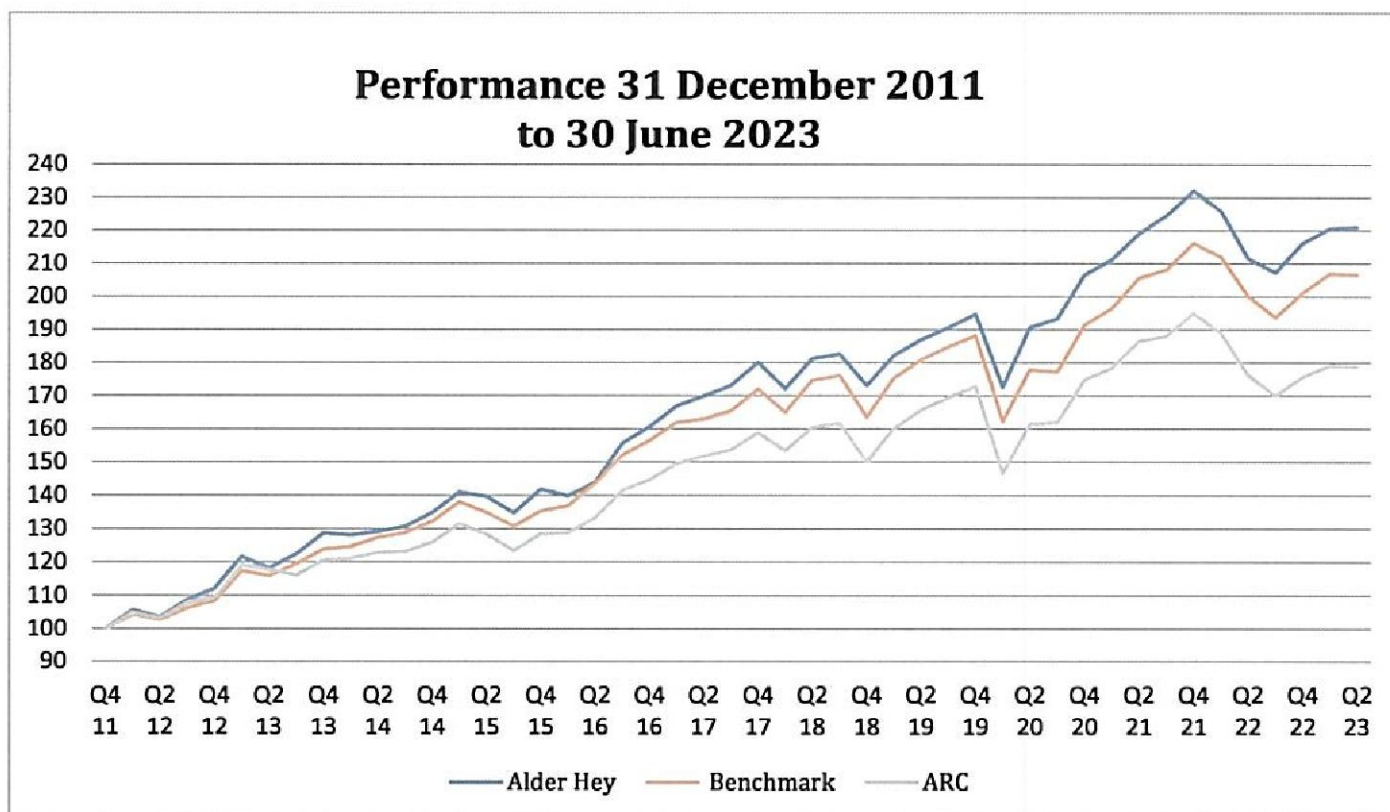
From an asset allocation perspective, the main positive drivers were an outperformance in the fixed interest element and an overweight allocation to overseas equities.

The main negatives were the underweight position in UK equities and some underperformance within the underlying equity allocations.

Regarding the stock and sector selection, the positive drivers were the overweight oil and gas positions and the strong performance in Automobiles, Industrials and Chemicals, together with stocks such as BP, Melrose, Mercedes-Benz, Yum China, Astrazeneca and Linde.

The main negative contributors to performance were the underweight position in consumer discretionary goods, the mix in mining and media stocks and weak performance in the technology sector, together with individual stocks including Anglo American, S4 Capital, Alphabet, Londonmetric and Bank of America.

At the time of writing the portfolio is ahead of benchmark since 31st March.



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.

ALDER HEY CHILDREN'S CHARITY

- **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 strategic development of Trust & Foundation fundraising and for major donor fundraising and line management of these teams.
- **Head of Corporate Partnerships:** responsible for the strategic development of corporate fundraising and identification and development of key strategic corporate partners. Line manages the Corporate team.
- **Head of Community Fundraising:** responsible for the strategic development of community and events fundraising and the Charity Retail Shops. Line manages the Community and Charity Retail Shop teams.
- **Head of Marketing and Communications:** responsible for setting the marketing and stewardship strategy for the Charity, with line management responsibility for the Individual Giving and Legacy and marketing 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 and 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 laws and regulations.

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 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, the group, 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.

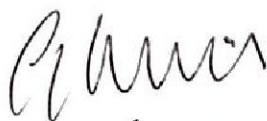
As far as the Trustees are aware:

- 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: 6.12.2023

Graham Morris OBE
Chair of Trustees

Company no. 09389239
Charity no. 1160661

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 2023 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 2023 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
St George's Court, Winnington Avenue, Northwich, CW8 4EE

Date: 7 December 2023

Consolidated Statement of Financial Activities for the year ended 31 March 2023
(incorporating an income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds Year Ended 31 March 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds Year Ended 31 March 2022 £'000
Income							
Donations and legacies	4	2,685	2,772	5,457	2,128	2,264	4,392
Income from charitable activities	4	1,680	157	1,837	1,326	90	1,416
Income from other trading activities	4	792	-	792	722	-	722
Investment income	3	198	-	198	103	-	103
Total income		5,355	2,929	8,284	4,279	2,354	6,633
Expenditure							
Cost of raising funds		1,873	-	1,873	1,722	-	1,722
Expenditure on charitable activities	6	3,667	2,507	6,174	3,749	2,199	5,948
Total expenditure		5,540	2,507	8,047	5,471	2,199	7,670
Realised and unrealised gain/ (loss) on investments	9	(235)	-	(235)	252	-	252
Net income / (expenditure)		(420)	422	2	(940)	155	(785)
Net movement on funds		(420)	422	2	(940)	155	(785)
Total funds brought forward		4,694	3,054	7,748	5,634	2,899	8,533
Total funds carried forward		4,274	3,476	7,750	4,694	3,054	7,748

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 2023

	Note	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Fixed Assets					
Tangible fixed assets	8	38	-	43	-
Investments	9	9,945	9,945	8,852	8,852
Total fixed assets		9,983	9,945	8,895	8,852
Current assets					
Stock	10	36	-	36	-
Debtors	11	942	1,118	621	849
Cash at bank and in hand	12	1,470	1,296	2,959	2,779
Total current assets		2,448	2,414	3,616	3,628
Liabilities					
Creditors falling due within one year	13	(4,681)	(4,609)	(4,763)	(4,732)
Net current assets / (liabilities)		(2,233)	(2,195)	(1,147)	(1,104)
Total assets less current liabilities		7,750	7,750	7,748	7,748
Creditors: Amounts falling due after more than one year	13	-	-	-	-
Net assets		7,750	7,750	7,748	7,748
Funds					
Unrestricted income funds	14	4,274	4,274	4,694	4,694
Restricted income funds	14	3,476	3,476	3,054	3,054
Total funds		7,750	7,750	7,748	7,748

These Financial Statements were approved by the Board of Directors on 6 December 2023.

Signed on behalf of the Board of Directors:



Graham Morris OBE
Chair of Trustees

ALDER HEY CHILDREN'S CHARITY

Consolidated cash flow statement for the year ended 31 March 2023

	Note	Year Ended 31 March 2023 £000 £000		Year Ended 31 March 2022 £000 £000	
Cash flows from operating activities:					
Net cash (used in) / provided by operating activities			(359)		1,622
Cash flows from investing activities:					
Dividends and interest from investments	3	198		103	
Payments to acquire tangible fixed assets	8	-		(20)	
Payments to acquire investments / deposits	9	(3,233)		(1,454)	
Receipts from sales of investments / withdrawals	9	1,905		682	
Net cash provided by investing activities			(1,130)		(689)
Increase/(Decrease) in cash and cash equivalents			(1,489)		933
Cash and cash equivalents at the start of the year			2,959		2,026
Cash and cash equivalents at the end of the year			1,470		2,959
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)			2		(785)
Adjustments for:					
Dividends and interest on investments			(198)		(103)
(Gains) / losses on investments			235		(252)
Depreciation			5		3
(Increase)/decrease in stock			-		(2)
(Increase)/decrease in debtors			(321)		(348)
Increase/(decrease) in creditors			(82)		3,109
Net cash provided/ (used in) by operating activities			(359)		1,622
Analysis of cash and cash equivalents					
Bank current accounts			232		227
Bank deposit accounts			1,238		2,732
Total cash and cash equivalents			1,470		2,959

Notes to the Financial Statements for the year ended 31 March 2023

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 current risks, 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 2023

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

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 2023

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 2023

q. Stock

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

r. Presentation

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

s. Joint venture

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

t. Judgements and estimates

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

Notes to the Financial Statements for the year ended 31 March 2023

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 2023 £'000	Year ended 31 March 2022 £'000
Gross incoming resources	7,936	6,287
Cost of raising funds	(1,524)	(1,376)
Cost of charitable activities	(6,175)	(5,948)
Net (outgoing)/ incoming resources	237	(1,037)
 Realised and unrealised gains / (losses) on investments	 (235)	 252
Total funds brought forward	7,748	8,533
Total funds carried forward	7,750	7,748
 Represented by:		
Restricted income funds	3,476	3,054
Unrestricted income funds	4,274	4,694
	7,750	7,748

Subsidiary

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Turnover	805	764
Operating costs	(349)	(346)
Operating profit	456	418

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 2023 £000	Year Ended 31 March 2022 £000
Interest	93	28
Dividends	105	75
TOTAL	198	103

Notes to the Financial Statements for the year ended 31 March 2023

4. Analysis of group income

	Unrestricted £000	Restricted £000	Total Year Ended 31 March 2023 £000	Unrestricted £000	Restricted £000	Total Year Ended 31 March 2022 £000
Donations and legacies:						
Donations from individuals	513	775	1,288	867	513	1,380
Corporate donations	224	334	558	312	373	685
Donations from groups & associations	145	45	190	50	9	59
Donations in memoriam	102	45	147	82	46	128
Grant income	38	1,452	1,490	77	1,322	1,399
Legacies	1,270	121	1,391	543	1	544
Gifts in kind	393	-	393	197	-	197
Total donations and legacies	2,685	2,772	5,457	2,128	2,264	4,392
Income from charitable activities:						
Fundraising events	920	157	1,077	659	90	749
Lottery	760	-	760	667	-	667
Total income from charitable activities	1,680	157	1,837	1,326	90	1,416
Income from other trading activities:						
Sale of promotional items	792	-	792	722	-	722
Total income from other trading activities	792	-	792	722	-	722

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 2023 Total £'000	Allocated to Governance £'000	Allocated to Support Costs £'000	Year Ended 31 March 2022 Total £'000	Allocated to Governance £'000	Allocated to support costs £'000
Salaries	532	(138)	394	407	(128)	279
Bank and service charges	41	-	41	45	-	45
Investment management costs	42	-	42	36	-	36
Trust services	54	-	54	54	-	54
TOTAL	669	(138)	531	542	(128)	414

Notes to the Financial Statements for the year ended 31 March 2023

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 2023

Patient Welfare	489	138	42	669
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Year Ended 31 March 2022

Patient Welfare	378	128	36	542
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	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'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 2023 £000	Grant Funding to Alder Hey Children's NHS Foundation Trust £000	Support Costs £000	Total Year to 31 March 2022 £000
Magic (Patient welfare & Other)	1,996	669	2,665	1,696	542	2,238
Research & Innovation	1,279	-	1,279	370	-	370
Equipment	105	-	105	340	-	340
Campus & Community	2,125	-	2,125	3,000	-	3,000
Total	5,505	669	6,174	5,406	542	5,948

Notes to the Financial Statements for the year ended 31 March 2023

7. Analysis of Staff Costs

	Fundraising & Publicity £000	Support Costs £000	Governance £000	Total £000
Year Ended 31 March 2023				
Salaries and Wages	784	331	119	1,234
Social Security Costs	69	29	15	113
Other Pension Costs	19	9	4	32
Total Staff Costs	872	369	138	1,379
Average Number of Employees	26	8	2	36
Year Ended 31 March 2022				
Salaries and Wages	585	251	111	947
Social Security Costs	54	21	13	88
Other Pension Costs	12	7	3	22
Total Staff Costs	651	279	127	1,057
Average Number of Employees	20	8	2	30

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

The Charity directly employed 35 staff during the Year Ended 31 March 2023 (2022: 27 staff). Seven 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 two 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 £3k were received from Trustees during the year (2022: £12k).

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

	2023	2022
£80,000 to £90,000	1	-
£70,000 to £80,000	1	1
£60,000 to £70,000	-	1

Total emoluments paid to key management personnel in the period were £406k (2022: £322k). The roles of the key personnel were as follows:

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

Notes to the Financial Statements for the year ended 31 March 2023

8. Tangible Fixed Assets

Group Cost	2023	Total £'000	2022	Total £'000
	Leasehold Improvements £'000		Leasehold Improvements £'000	
At 1 April 2022	50	50	30	30
Additions	-	-	20	20
At 31 March 2023	50	50	50	50
Depreciation				
At 1 April 2022	7	7	4	4
Charge for the year	5	5	3	3
At 31 March 2023	12	12	7	7
Net Book Value				
At 31 March 2023	38	38	43	43
At 31 March 2022	43	43	26	26

9. Investments

	2023 £'000	2022 £'000
Group		
Investment portfolio	<u>9,945</u>	<u>8,852</u>
	<u>9,945</u>	<u>8,852</u>
Charity		
Investment portfolio	<u>9,945</u>	<u>8,852</u>
	<u>9,945</u>	<u>8,852</u>

Investment portfolio (Charity)

£4.9m 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:

	2023 £'000	2022 £'000
Market Value at 31 March 2022	8,852	7,828
Additions at cost/deposits	3,233	1,454
Disposals/withdrawals	(1,905)	(682)
Net (loss)/gain on revaluation	(235)	252
Market Value carried forward	<u>9,945</u>	<u>8,852</u>
Historic cost at 31 March 2023	<u>9,113</u>	<u>7,683</u>

Notes to the Financial Statements for the year ended 31 March 2023

9. Investments (continued)

The Market Value can be analysed as follows:

	Held in UK £000	Held Outside UK £000	Total at 31 March 2023 £000	Held in UK £000	Held Outside UK £000	Total at 31 March 2022 £000
UK Equities	1,317	-	1,317	1,443	-	1,443
Overseas Equities	-	1,666	1,666	-	1,873	1,873
Fixed Interest	772	-	772	527	53	580
Cash held as part of investment portfolio	5,255	-	5,255	3,942	-	3,942
Alternatives	935	-	935	1,014	-	1,014
Total	8,279	1,666	9,945	6,926	1,926	8,852

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 £456k (2022: £418k)

	2023 £	2022 £
Issued share capital	2	2
Turnover and other operating income	805,382	764,387
Expenditure	348,517	346,245
Total Assets	606,810	468,854
Total Liabilities	606,372	468,415
Shareholders' Funds	438	439

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 2023

10. Stock

Stock comprises merchandise for resale. The value of stock held by the group at the balance sheet date was £36k (2022: £36k).

11. Debtors

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

	2023	2023	2022	2022
	£000	£000	£000	£000
	Group	Charity	Group	Charity
Recoverable Tax & Accrued income	454	972	587	678
Other Debtors	488	146	34	171
	942	1,118	621	849

There were no debtors falling due over one year.

12. Cash at Bank

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

	2023	2023	2022	2022
	Group	Charity	Group	Charity
	£000	£000	£000	£000
Bank current and deposit account balances	1,470	1,296	2,959	2,779
	1,470	1,296	2,959	2,779

13. Creditors

The creditor position can be summarised as follows:

Falling due within one year:	2023	2023	2022	2022
	Group	Charity	Group	Charity
	£000	£000	£000	£000
Amount owed to subsidiary	-	-	-	-
Taxation and social security costs	77	27	21	21
Amount owed to Alder Hey NHS Trust (recharged)	124	124	82	82
Amount owed to Alder Hey NHS Trust (accrued grant)	4,354	4,354	4,474	4,474
Pension contributions due	9	9	12	12
Other creditors and accruals	117	95	174	143
	4,681	4,609	4,763	4,732

Notes to the Financial Statements for the year ended 31 March 2023

14. Analysis of Funds

Year ended 31 March 2023:

Restricted Funds – Charity and Group

Fund	Balance at 1 April 2022 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Balance 31 March 2023 £000
John Lennon Research Fund	168	-	(12)	-	156
Neonatal Capital Fund	382	901	(978)	-	305
Projects Fund	808	1,067	(350)	-	1,525
Alder Centre Fund	59	10	(22)	-	47
Burns Unit Fund	61	5	(5)	-	61
Leukaemia Research Fund	172	5	-	-	177
Intensive Care Fund	121	2	(6)	-	117
Oncology Fund	166	34	(137)	-	63
Cancer Patients Fund	71	117	-	-	188
Neonatal Fund	81	63	(4)	-	140
Neurology/ Neurodisability	113	48	(50)	-	111
Cardiac Surgery Fund	178	-	-	-	178
Others	674	677	(943)	-	408
Total	3,054	2,929	(2,507)	-	3,476

Notes to the Financial Statements for the year ended 31 March 2023

14. Analysis of Funds (continued)

Unrestricted Funds - Group

	Balance at 31 March 2022 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Transfers £000	Balance 31 March 2023 £000
Alder Hey General Purpose Fund	3,694	5,355	(4,540)	(235)	-	4,274
Neonatal Capital Designated Fund	1,000	-	(1,000)	-	-	-
Total	4,694	5,355	(5,540)	(235)	-	4,274

Unrestricted Funds - Charity

	Balance at 31 March 2022 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Transfers £000	Balance at 31 March 2023 £000
Alder Hey General Purpose Fund	3,694	5,007	(4,192)	(235)	-	4,274
Neonatal Capital Designated Fund	1,000	-	(1,000)	-	-	-
Total	4,694	5,007	(5,192)	(235)	-	4,274

Notes to the Financial Statements for the year ended 31 March 2023

14. Analysis of Funds (continued)

Year Ended 31 March 2022:

Restricted Funds – Charity and Group

Restricted Funds	Balance at 31 March 2021 £000	Incoming Resources £000	Resources Expensed £000	Gains & Losses £000	Balance at 31 March 2022 £000
Fund					
John Lennon Research Fund	168	-	-	-	168
Neonatal Capital Fund		382		-	382
Projects Fund	554	1,105	(851)	-	808
Alder Centre Fund	57	52	(50)	-	59
Burns Unit Fund	61	2	(2)	-	61
Leukaemia Research Fund	172	-	-	-	172
Oncology Fund	213	43	(90)	-	166
Intensive Care Fund	119	5	(3)	-	121
Cancer Patients Fund	70	1	-	-	71
Nephrology Fund	97	-	(73)	-	24
Neonatal Fund	52	29	-	-	81
Tier 4 Mental Health	250	547	(797)	-	-
Cardiac Fund	129	22	(133)	-	18
Cardiac Surgery Fund	226	2	(50)	-	178
Others (55)	731	164	(150)	-	745
	2,899	2,354	(2,199)	-	3,054

Notes to the Financial Statements for the year ended 31 March 2023

14. Analysis of Funds (continued)

Unrestricted funds- Group

	Balance at 31 March 2021 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Transfers £000	Balance at March 2022 £000
Alder Hey General Purpose Fund	3,384	4,279	(3,268)	252	(953)	3,694
Neonatal Capital Designated Fund	-	-	-	-	1,000	1,000
Mental Health Designated Fund	2,250	-	(2,203)	-	(47)	-
Total	5,634	4,279	(5,471)	252	-	4,694

Unrestricted Funds - Charity

	Balance at 31 March 2021 £000	Incoming Resources £000	Resources Expended £000	Gains & Losses £000	Transfers £000	Balance at March 2022 £000
Alder Hey General Purpose Fund	3,384	3,933	(2,922)	252	(953)	3,694
Neonatal Capital Designated Fund	-	-	-	-	1,000	1,000
Mental Health Designated Fund	2,250	-	(2,203)	-	(47)	-
Total	5,634	3,933	(5,125)	252	-	4,694

Notes to the Financial Statements for the year ended 31 March 2023

15. Net assets

As at 31 March 2023	Fixed Assets	Current Assets	Current Liabilities	Long Term Liabilities	Net Assets
	£000	£000	£000	£000	£000
Charity:					
Unrestricted	4,449	2,414	(2,589)	-	4,274
Restricted	5,496	-	(2,020)	-	3,476
Total	9,945	2,414	(4,609)	-	7,750
Group:					
Unrestricted	4,487	2,448	(2,661)	-	4,274
Restricted	5,496	-	(2,020)	-	3,476
Total	9,983	2,448	(4,681)	-	7,750

15. Net assets (continued)

As at 31 March 2022	Fixed Assets	Current Assets	Current Liabilities	Long Term Liabilities	Net Assets
	£000	£000	£000	£000	£000
Charity:					
Unrestricted	4,076	3,628	(3,010)	-	4,694
Restricted	4,776	-	(1,722)	-	3,054
Total	8,852	3,628	(4,732)	-	7,748
Group:					
Unrestricted	4,119	3,616	(3,041)	-	4,694
Restricted	4,776	-	(1,722)	-	3,054
Total	8,895	3,616	(4,763)	-	7,748

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 £5,506k (2022: £5,406k). The NHS Trust receives the grants after it has incurred the expenditure. At 31 March 2023 the Charity owed the Trust £124k in relation to these transactions (2022: £82k).

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 £456,865 for the year ended 31 March 2023 and net assets of £438 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.

Notes to the Financial Statements for the year ended 31 March 2023

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. 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 and Neonatal Capital designated funds have 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

Neonatal Fund

Leukaemia Research Fund

Alder Centre Fund

Burns Unit Fund

Cancer Patients Fund

Neurology/Neuro-disability Fund

Cardiac Surgery Fund

John Lennon Research Fund

Neonatal Capital Fund

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