

ALLIANCE HOUSE FOUNDATION

Company Number: 372490

Charity Number: 208554

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Myrus Smith

Chartered Accountants

Norman House

8 Burnell Road

Sutton, Surrey

SM1 4BW

ALLIANCE HOUSE FOUNDATION

Company Number: 372490

Charity Number: 208554

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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ALLIANCE HOUSE FOUNDATION
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The Directors of Alliance House Foundation present their annual report and the audited financial statements for the year ended 31 March 2022 which are also prepared to meet the requirements for a Directors' report and accounts for the purposes of the Companies Act 2006.

The financial statements have been prepared in compliance with the Charities Act 2011, Companies Act 2006, UK Generally Accepted Accounting Practice, the Memorandum and Articles of Association and the 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 (FRS 102) (effective 1 January 2019).

Our Objectives and Activities

Objectives

The objectives of the Charity are:

- *to spread the principles of total abstinence from alcoholic drinks*
- *to promote the moral and physical welfare of the community*
- *to promote the scientific study of the properties of alcohol and the effects of its use upon the human system, the social and moral consequences and the distribution of information on the subject*

In pursuing these objectives, the Charity is committed to promoting education on the subject of alcohol use and making information available to encourage a reduction in alcohol related harm to individuals, families and in society in general.

The Charity pursues activities that aim to contribute to the improvement in the quality of life for the general public and to this end the Directors have taken into consideration the Charity Commission's guidance on public benefit, including the guidance "Public Benefit: running a Charity (PB2)".

The activities of the Charity primarily focus on grant making in support of its charitable aims to promote the dissemination of information, education and the offering of advice on alcohol strategies to minimise individual and societal harm arising from alcohol consumption. The Charity seeks to make this information as widely available as possible in order that individuals and decision makers are able to make informed choices.

Activities

The Charity reviews its objectives and activities on an annual basis with reference to an agreed strategic plan developed by the Directors. The activities undertaken by the Charity are considered in relation to the benefit the Charity seeks to bring to the general public.

The Charity seeks to influence relevant bodies at a national, regional and international level identifying where the general public are affected by European legislation or transnational health strategies. In addition, it seeks to provide information on the ways to reduce the harmful use of alcohol and to offer encouragement to those who seek to abstain from the use of alcohol.

The activities of the Alliance House Foundation are conducted through the projects which it finances and supports.

ALLIANCE HOUSE FOUNDATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

/contd...

During 2021/22 this was:

- Institute of Alcohol Studies

Operational activities centre on maintaining a library collection and historical archive covering the subjects of alcohol in society and temperance history as an aid to researchers and members of the public who are interested in the subject. The Alliance House Foundation website continued to be maintained and a presence on the social media platform Twitter continued to promote an alcohol-free lifestyle.

During the year the Charity saw a deficit of £189,244 before investment gains. The net assets of the Charity increased from £16,201,182 to £18,076,402.

Specific Projects and Significant Activities

Grant Making

Alliance House Foundation continues to pursue UK educational and charitable activities primarily through its grant to the work of the Institute of Alcohol Studies (IAS).

In supporting the charitable activities of IAS, AHF follows its grant making policy, satisfied that in doing so it is complying with the AHF legal objects with regard to education and disseminating information distribution on alcohol namely:

to promote the scientific study of the properties of alcohol and the effects of its use upon the human system, the social and moral consequences and the distribution of information on the subject.

The Institute of Alcohol Studies was founded as a project of AHF in 1983 and in 2006 it was constituted as a separate charitable company. AHF makes a grant funding commitment to IAS in order for it to pursue its aforementioned objectives.

Temperance Website/Social Media

The Alliance House Foundation website www.alliancehousefoundation.org.uk continued to be maintained. The website includes pages on all aspects of Temperance activity as an aid to the promotion of an alcohol-free lifestyle. The number of visitors and subscribers to the website continued to increase slowly during the year. The AHF Twitter account @AHFTemperance remained active, again promoting temperance and total abstinence, by regular tweets and engagement with other users interested in the subject. The numbers of followers also showed a small increase during the year.

A Historical Archive

Alliance House Foundation also continued to maintain a historical archive and library with material dating back to early nineteenth century. This is a wide-ranging collection of books, pamphlets and journals on the subject of alcohol in society and its effect on individual health. The collection includes books and journals published by the United Kingdom Alliance and other temperance organisations.

This library archive and information is available for researchers and the general public to consult by appointment. A number of researchers made use of the archive during the year and AHF staff replied to a number of information requests online.

ALLIANCE HOUSE FOUNDATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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Achievements against objectives

The AHF Directors pursue a policy of continually reviewing its activities and how these benefit and make a difference to the public. The Directors receive regular and full reports on the work and activities of the Institute of Alcohol Studies and monitor these activities. Directors are satisfied that the achievements match the aims and objectives of AHF in relation to education.

The Directors are actively considering new projects and activities. It is a condition of our grant making policy that information produced by those in receipt of grant funding is freely available to the general public and widely disseminated. The Directors plan to review the Charity's grant making priorities during the forthcoming financial year.

The activities described above are undertaken to seek to meet the Charity's aims and objectives and it is committed to further its charitable purposes for the public benefit. The nature of these activities makes it difficult to assess the impact of particular publications or projects. Specific measurements are made by the IAS of on-line activity and AHF are satisfied that wide public use is made of IAS material.

Financial Review

The year under review once again proved a financially challenging one as the response to the COVID-19 pandemic continued to have an adverse effect on the London property market and the charity saw a significant fall in income from its investment property. There was a modest unrealised gain on AHF listed investments together with a significant unrealised gain on the value of the Charity's investment property which was reflected in the financial statements and for this financial year, registering a healthy excess of income.

Reserves Policy

AHF follows a policy of continually reviewing its reserves policy. The Directors are conscious that the charity is vulnerable to sharp falls in income resulting from tenants choosing not to renew leases and vacating the property coupled with reductions in demand in the property market, issues addressed in the AHF Reserves Policy. It is clear that a significant sum must be held in reserve to ensure that the charity is able to react to events that may threaten its main source of income. To this end the Directors consider that the level of reserves should normally be above £1.5 million, to see the charity through any period of severely reduced rental income, but not normally more than £2.5m.

The Charity held one restricted fund during the year. This fund represents a legacy from Mrs Ross Phillips for charitable activity in Scotland. The total in this fund at 31 March 2022 was £66,798.

Directors note that significant asset value is locked into the investment property by way of a future refurbishment fund of £450,000, a property and fixed asset fund of £2,089,111 and a revaluation reserve of £12,936,784 at 31 March 2022. This would only be released if and when the property was sold. The directors currently have no plans to sell the property.

At 31 March 2022 the level of free reserves stood at £2,533,709 which includes listed investments. This is just above the target range of £1.5m-£2.5m for the charity's net liquid assets. The Directors have reviewed the level of reserves and are satisfied the target range is appropriate at the present time. The Directors are committed to monitoring the reserves figure relative to the target range throughout the financial year and to maintaining the present level of activity and staffing of the charity's projects.

ALLIANCE HOUSE FOUNDATION
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022
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Going Concern

As previously stated, the Directors undertake an annual risk assessment, which gives careful consideration to factors that may impact upon the charity's ability to move forward as a going concern, including business critical risks. The most recent assessment gave Directors confidence that any risks had been sufficiently mitigated.

The Covid-19 pandemic continued to cause some uncertainty for property management, although it was not necessary to close the AH building during the current financial year. The Trustees continued to monitor closely the situation and were prepared to react quickly to developments to ensure that the premises continue to be open and safe for use.

During the year a new tenant took a new lease in the building and one tenant relocated to another office suite reducing the Charity's vacant space. AHF holds financial Reserves to safeguard its activities in the face of reduced rental income. As predicted in last years' report, reduced rental income and increased expenditure on vacant space in the building had resulted in AHF having to draw on reserves during the financial year.

The Trustees have agreed that AHF will continue to honour all financial commitments made for year ended 31 March 2022 and in particular to continue the grant funding required to sustain the work of the Institute of Alcohol Studies although savings by IAS had enabled the level of grant to be reduced.

The Trustees have noted the current leasing positions with regard to existing tenants and recognise that the pandemic continues to have a widespread impact on demand for office space and on the level of market rents. AHF will act appropriately with the hope of retaining our existing tenants and will seek to achieve full occupancy of the building. The empty spaces are being actively marketed, in consultation with our professional adviser, and all options are being investigated.

In the light of the current challenges to property management, from 1 January 2022 the Trustees agreed to enter into a contract with Matthews and Goodman LLP, Commercial Property Advisers, to manage the day to day building service including all rent and service charge collections and liaising with building contractors.

The Trustees continue to monitor the situation in the short term and also looking at the longer-term future, should the consequences of the pandemic persist. The issues will be reviewed at each board meeting.

Post Balance Sheet Events

AHF Trustees will endeavour, where possible, to maintain the current level of financial support to IAS activities.

Principal Risks and Uncertainties

The Charity has conducted a review of the major risks to which the Charity is exposed using guidance produced by the Charity Commission. This is an ongoing process of assessing the types of risk facing the Charity and identifying the means of mitigating those risks. The Charity maintains a risk register and internal control risks are minimised by the application of agreed internal financial procedures for the Charity.

The risk register was reviewed and updated during the year and the Charity will continue to follow the policy of undertaking regular reviews and assessments of the risks on a periodic basis and when major change requires them to be conducted.

ALLIANCE HOUSE FOUNDATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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Principal risks that the Charity is exposed to centre on the performance and state of the central London property market as the Charity relies on rental income for a significant proportion of its income. Thus, falling rental value, empty offices generating no income and the necessity to cover empty property rates would all have an adverse effect on the Charity's ability to maintain levels of activity. The Charity's reserve policy seeks to provide for such an eventuality, and should such events take place the Charity could continue to fulfil its role. The Directors are also aware that there are reputational risks in their area of activity.

The Directors operate an Internal Audit Committee with responsibility to maintain a continual review of the Charity's financial affairs and procedures.

Principal Funding Sources

The principal source of funding for the Charity is from property income which is treated as investment income. Expenditure during the year was planned and the income was adequate to cover these commitments.

Pension Liability

From 1 April 2010 the Charity joined a defined contribution scheme, the Flexible Retirement Plan, administered by The Pensions Trust.

There is also a discretionary pension arrangement with a number of retired employees. Payments to these discretionary pensioners during the year totalled £16,032.

Investment Policy

Alliance House Foundation raises funds through its investment activities and holds three types of investment.

Firstly, the Charity holds a property at Alliance House, London SW1 which is treated as a long-term investment asset. The property was subject to revaluation at 31 March 2022 and currently appears on the balance sheet at £15,000,000.

The property continued to generate an acceptable return and produced a gross return in the region of 4.25%. (2021: 5%). The reduction is accounted for by the increase in value of the property and reduction in rental income.

The investment property is held to generate the bulk of the income required to fund the Charity's activities. To protect this income the Charity is required to keep the asset in good repair to ensure maintenance of occupancy rates and rental income.

Secondly, the Charity invests in three long term investment funds:

- the CCLA administered, COIF Charities Ethical Investment Fund, which invests in a diverse portfolio and aims to provide a long-term total return comprising capital growth and income. The gross annualised total return performance over the year was 11.6% (2021: 23.9%).
- two funds for Charities administered by Epworth Investment Management – the Corporate Bond Fund and Sterling Sovereign Bond Fund. The gross annualised total return performance over the year was for the two funds were as follows : Corporate Bond Fund -4.7% (2021 : 3.4%) and Sterling Sovereign Bond Fund -5.6% (2021 : -4.2%).

ALLIANCE HOUSE FOUNDATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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These investments are held with the aim of producing a high average real return over a number of years whilst protecting the value of the capital.

Lastly the Charity holds a number of short-term cash investments of working capital which provide easy access to funds not immediately required with an aim of protecting against the effects of inflation.

The Charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims and therefore will not knowingly invest in companies or funds that derive revenues from beverage alcohol.

Structure, Governance and Management

Governance

AHF is a company limited by guarantee, governed by a Memorandum of Association, which sets out the objects and powers of the charitable company as revised in 2014. The Articles of Association allow for a minimum of three Directors with no upper limit. There are currently five Directors. The Directors meet three times per year. The Directors of the company are also Trustees for the purpose of Charity law. New members of the Board are appointed by the Charity and are confirmed at the next annual general meeting. They are elected for a period of three years after which they retire by rotation and may seek re-election.

Recruitment of Board of Directors

New Directors have historically been appointed from contacts made through the Charity's activities or by personal recommendation made by existing Directors. Potential Directors with relevant Charity/professional skills and an interest in alcohol issues have traditionally been targeted and selected for their knowledge and interest in the work of the Charity. The board of Directors remains keen to strengthen the diversity of the Trustee body and continues to address this aim through the Nominations Committee which seeks to identify and recruit new members. The Charity periodically conducts a trustees skill audit with an aim to ensure there is an appropriate mix of skills amongst the Board members. The findings of the audit are taken into account in future Director retirement and recruitment. During the year the Directors continued to make efforts to recruit at least two new additional Trustees.

Director Induction and Training

All Directors are conversant with the day-to-day practical work of the Charity and Directors are kept up to date with developments in the charitable sector.

Upon appointment all Directors attend an induction meeting where their obligations under charity and company law are explained. Directors are supplied with the Charity Commission "Welcome Pack", the guide "The Essential Trustee" and details of the Charity Commission guidance on public benefit. Directors also receive a copy of the Memorandum and Articles of Association and the latest copy of the annual report and financial statements. Trustees are invited to attend a periodic strategic planning event, the most recent of which took place in Cambridge in December 2019. The next event will be held in December 2022.

All Directors give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 12 to the accounts. The Directors have continued to hold a Charity Trustee Indemnity Insurance policy during the year.

ALLIANCE HOUSE FOUNDATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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Organisational Structure

The Finance Director is accountable to the Directors for the efficient day-to-day running of Alliance House Foundation and is responsible for the implementation of policies and strategies that have been agreed by the Directors. When urgent decisions are necessary, these are made by the Finance Director in consultation with the Chair and other senior Officers. The next meeting of the Board is then asked to ratify any decisions that have been taken. Management accounts are received at the Directors meetings and the Officers are regularly updated with financial information between meetings.

The Charity operates three sub-committees, namely a Nominations Committee, a Remuneration Committee and an Internal Audit Committee.

Alliance House Foundation has an agreed range of organisational policies and procedures which reflect its size and the range of activities it pursues. The policies may be consulted at the AHF administrative office.

Remuneration

Three members the Board undertake the duties and responsibilities of a remuneration committee and are not themselves remunerated.

The Board has adopted a pay scale and benchmarks its pay and performance structure against the nationally agreed academic single pay spine. Within this framework AHF mirrors London institutions 'professional services' scales, such as those adopted by Imperial College London. This currently comprises a scale of 52 spine points encompassed within 6 levels. Employees may be considered for progress to the next salary point in their level by receiving a satisfactory annual appraisal.

Every twelve months the Directors will determine whether the salary points should be adjusted to reflect changes in the cost of living with reference to the published rate of inflation for the month of May. The Remuneration Policy establishes a series of criteria that should be used in reaching a decision. In September 2021, a cost of living increase of 2.1% was awarded.

Employees also received pension contributions equivalent to 14.5% of gross salary with employees contributing 7.5%.

There were no staff sickness or absence issues to report.

Plans for the future

The Directors will continue to promote the aims and objects of Alliance House Foundation through its grant funding of the Institute of Alcohol Studies, maintaining its Library/Archive and developing the Charity's social media strategy to promote its aims and objectives. The Charity will review its grant making policy during the year.

During the forthcoming financial year, the Charity will continue to engage in efforts to deal with, and attempt to mitigate, the effects of the COVID-19 crisis on the Charity's activities and in particular address the financial challenges resulting from the effects of the pandemic on the London property market.

ALLIANCE HOUSE FOUNDATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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Reference and Administration Information

Alliance House Foundation is a charitable company, number 372490, limited by guarantee, incorporated on 23 February 1942 and registered with the Charity Commission for England and Wales under number 208554 in 1942.

Directors

Who served during the period 1 April 2021 to date:

Reverend Dr Stephen F. Skuce	Chair (from 2 November 2021), NC
Reverend Professor Stephen C. Orchard	Chair (until 2 November 2021)
Michael D. Carr	IAC, RC & NC.
John G. Ellis	Vice Chair (from 2 November 2021) IAC, RC
Reverend Dr Janet E. Tollington	IAC, RC & NC

IAC = Internal Audit Committee, RC = Remuneration Committee & NC = Nominations Committee

Registered Office

Alliance House, 12 Caxton Street, London, SW1H 0QS

Senior Management

Paul R. Whitaker - Finance Director

Auditors

Myrus Smith, Chartered Accountants, Norman House, 8 Burnell Road, Sutton, Surrey, SM1 4BW

Bankers

National Westminster Bank PLC, 57 Victoria Street, London, SW1H 9NH

Solicitors

Gordons LLP, Edgeborough House, Upper Edgeborough Road, Guildford, Surrey, GU1 2BJ

Property Advisers

Matthews & Goodman LLP, 21 Ironmonger Lane, London EC2V 8EY

Paul T. Richards, Lower Sunnyside Cottage, Grenville Road, Shackleford, Surrey, GU8 6AG

Board of Directors

The following Directors retire by rotation and offer themselves for re-election at the Annual General Meeting :

Mr John G. Ellis and Reverend Dr Janet E. Tollington

ALLIANCE HOUSE FOUNDATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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Directors' Responsibilities

The Directors (who are also Trustees of Alliance House Foundation for the purposes of Charity Law) are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the company for that period. In preparing those Financial Statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in operation.

The Directors are responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Charitable Company, and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- The Directors have taken all steps that they ought to have to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Myrus Smith as Auditors of the Company will be put to the Annual General Meeting.

Exemption Statement

The Directors Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved and signed on behalf of the Board:



Reverend Dr Stephen F. Skuce
Chair

8 November 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

ALLIANCE HOUSE FOUNDATION

Opinion

We have audited the financial statements of Alliance House Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the 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 charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

ALLIANCE HOUSE FOUNDATION

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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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Directors' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

ALLIANCE HOUSE FOUNDATION

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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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.


Stephen Jones FCA (Senior Statutory Auditor)
For and on behalf of Myrus Smith,
Chartered Accountants and Statutory Auditors
Norman House,
8 Burnell Road
Sutton
Surrey, SM1 4BW

8 November 2022

ALLIANCE HOUSE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income					
Investments	2	697,687	-	697,687	824,337
Other income	3	133	-	133	540
Total		<u>697,820</u>	<u>-</u>	<u>697,820</u>	<u>824,877</u>
Expenditure					
Raising funds	4	196,027	-	196,027	330,585
Charitable activities	5	691,037	-	691,037	619,894
Total		<u>887,064</u>	<u>-</u>	<u>887,064</u>	<u>950,479</u>
Net income/(expenditure) before investment gains/(losses)		(189,244)	-	(189,244)	(125,602)
Gains/(losses) on investment assets		2,064,464	-	2,064,464	220,367
Net income/(expenditure)		<u>1,875,220</u>	<u>-</u>	<u>1,875,220</u>	<u>94,765</u>
Transfers	18	-	-	-	-
Net movement in funds		<u>1,875,220</u>	<u>-</u>	<u>1,875,220</u>	<u>94,765</u>
Reconciliation of funds					
Total funds brought forward		16,134,384	66,798	16,201,182	16,106,417
Total funds carried forward		<u>£18,009,604</u>	<u>£66,798</u>	<u>£18,076,402</u>	<u>£16,201,182</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes form part of these Financial Statements.

ALLIANCE HOUSE FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022	2021
		£	£
FIXED ASSETS			
Tangible fixed assets	14	25,895	39,923
Investments	15	17,694,144	15,629,680
		<u>17,720,039</u>	<u>15,669,603</u>
CURRENT ASSETS			
Debtors	16	36,166	97,915
Cash at bank and in hand		348,975	647,938
		<u>385,141</u>	<u>745,853</u>
CREDITORS: Amounts falling due within one year	17	28,778	214,274
NET CURRENT ASSETS		<u>356,363</u>	<u>531,579</u>
NET ASSETS	19	<u>£18,076,402</u>	<u>£16,201,182</u>
FUNDS			
Restricted funds	18	66,798	66,798
Unrestricted funds			
General fund	18	2,533,709	2,640,114
Designated funds	18	15,475,895	13,494,270
		<u>£18,076,402</u>	<u>£16,201,182</u>

The Financial Statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Directors on 8 November 2022



 Reverend Dr Stephen F. Skuce
 Chair
 Signed on behalf of the Board

The notes form part of these Financial Statements

ALLIANCE HOUSE FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net movement in funds per statement of financial activities	1,875,220	94,765
Adjustments for:		
Investment income - Rent and management fee receivable	(638,600)	(765,720)
Investment income - Interest and dividends receivable	(59,087)	(58,617)
Unrealised (gains)/losses on revaluation of investment assets	(2,064,464)	(220,367)
Depreciation charges	16,034	12,611
(Increase) / decrease in debtors	61,749	28,859
Increase / (decrease) in creditors	(185,496)	4,425
Net cash provided by / (used in) operating activities	<u>(994,644)</u>	<u>(904,044)</u>
Cash flows from investing activities		
Investment income - Rent and management fee received	638,600	765,720
Investment income - Interest and dividends received	59,087	58,617
Purchase of tangible fixed assets	(2,006)	(8,264)
Net cash provided by / (used in) investing activities	<u>695,681</u>	<u>816,073</u>
Change in cash and cash equivalents in the year	(298,963)	(87,971)
Cash and cash equivalents brought forward	<u>647,938</u>	<u>735,909</u>
Cash and cash equivalents carried forward	<u><u>£348,975</u></u>	<u><u>£647,938</u></u>
Analysis of cash and cash equivalents	2022	2021
Cash at bank and in hand	<u><u>£348,975</u></u>	<u><u>£647,938</u></u>

ALLIANCE HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Basis of accounting and assessment of Going Concern

Alliance House Foundation is a registered charity (no. 208554) and private company (no. 00372490), limited by guarantee, incorporated in Great Britain and registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member. The registered office is given in the Reference and Administrative Details in the Directors' Report.

The charity constitutes a public benefit entity as defined by FRS 102.

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received (if no prior notification was received).

Investment income is earned through holding assets for investment purposes such as listed investments and property. It includes dividends, bank interest and rent. Income is recognised as charity's right to receive payment is established which in case of rent is based on the terms of the lease.

Expenditure recognition

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

- Costs of raising funds comprise those costs associated with managing the charity's investment assets
- Expenditure on charitable activities which comprises mainly of the costs associated with supporting the work of the Institute of Alcohol Studies and other alcohol research bodies

Expenditure includes those costs of a direct nature which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned to each activity on the basis of staff time.

ALLIANCE HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

/contd...

1. ACCOUNTING POLICIES (Contd)

Fund accounting

Unrestricted general funds are freely available for use in furtherance of the objects of the charity and which have not been designated for specific purposes. Designated funds are unrestricted funds set aside by the directors for particular purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

Tangible fixed assets and depreciation

Tangible assets costing more than £500 are capitalised.

Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following annual rates:

Fixture and fittings	20% straight line
Computer equipment	33% straight line

Investment property

Investment property is initially recognised at cost and subsequently restated at fair value based on market value at the end of each accounting period. Revaluation gains and losses are recognised in the Statement of Financial Activities. Given the cost and time involved in obtaining a full formal valuation, this process is done approximately every five years. Valuations in the interim are based on the directors' opinion.

The charity occupies several offices for its own use at its investment property, Alliance House. The directors are of the view that this represents an insignificant portion of the building and the whole property is therefore accounted for as an investment property.

Investments

Listed investments are initially recognised at cost and subsequently restated at market value based on published stock exchange valuations at the end of each accounting period. Revaluation gains and losses are recognised in the Statement of Financial Activities.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pensions

The charity operates a defined contribution pension scheme. Contributions payable under the scheme are charged to the Statement of Financial Activities in the year to which they relate.

ALLIANCE HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

/contd...

2. INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Rent receivable	622,251	-	622,251	650,327
Contributions to dilapidations	-	-	-	98,821
Service charge management fee	16,349	-	16,349	16,572
Bank interest and dividends	59,087	-	59,087	58,617
	<u>£697,687</u>	<u>£Nil</u>	<u>£697,687</u>	<u>£824,337</u>

All of the £824,337 recognised in 2021 related to unrestricted funds.

3. OTHER INCOME	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Sundry income	<u>£133</u>	<u>£Nil</u>	<u>£133</u>	<u>£540</u>

All of the £540 recognised in 2021 related to unrestricted funds.

4. COST OF RAISING FUNDS	Direct costs	Support costs	Total 2022	Total 2021
Investment management costs	<u>£170,663</u>	<u>£25,364</u>	<u>£196,027</u>	<u>£330,585</u>

All of the £330,585 expenditure recognised in 2021 was charged to unrestricted funds.

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant funding	Direct costs	Support costs	Total 2022	Total 2021
Research and dissemination	<u>£441,259</u>	<u>£217,497</u>	<u>£32,281</u>	<u>£691,037</u>	<u>£619,894</u>

All of the £619,894 expenditure recognised in 2021, was charged to unrestricted funds.

ALLIANCE HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

/contd...

6. ANALYSIS OF GRANTS PAYABLE		2022 £	2021 £	
Grants to institutions				
Institute of Alcohol Studies		441,259	485,521	
Alcohol Change UK		-	15,000	
UCL		-	9,937	
		<u>441,259</u>	<u>510,458</u>	
Other Grants		-	120	
		<u>£441,259</u>	<u>£510,578</u>	
7. ANALYSIS OF DIRECT COSTS				
	Raising funds £	Charitable activities £	Total 2022 £	Total 2021 £
Staff costs	54,945	69,929	124,874	143,627
Building and service charge	104,575	133,096	237,671	220,200
Legal and professional fees	11,143	14,182	25,325	25,088
Other direct costs	-	290	290	721
	<u>£170,663</u>	<u>£217,497</u>	<u>£388,160</u>	<u>£389,636</u>
8. ANALYSIS OF SUPPORT COSTS				
	Raising funds £	Charitable activities £	Total 2022 £	Total 2021 £
Office expenses	11,197	14,250	25,447	21,839
Premises expenses	4,633	5,897	10,530	9,276
Governance costs (note 9)	2,479	3,155	5,634	6,539
Depreciation	7,055	8,979	16,034	12,611
	<u>£25,364</u>	<u>£32,281</u>	<u>£57,645</u>	<u>£50,265</u>
9. GOVERNANCE COSTS				
		2022 £	2021 £	
Audit fees		4,320	5,500	
Directors meetings		332	84	
Insurance		982	955	
		<u>£5,634</u>	<u>£6,539</u>	

ALLIANCE HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

/contd...

10. NET INCOME

	2022	2021
This is stated after charging:		
Auditors remuneration - audit services	£4,320	£5,500
Depreciation	£16,034	£12,611
Foreign exchange loss/(gain)	(£54)	£197
Operating lease rentals	£Nil	£26,323
	<u> </u>	<u> </u>

11. STAFF COSTS AND NUMBERS

	2022	2021
	£	£
Salaries	73,606	92,150
Social security costs	7,594	9,312
Pensions to former employees (see note 22)	16,032	15,841
Pension costs	16,865	19,023
Other staff costs	10,777	7,301
	<u> </u>	<u> </u>
	<u>£124,874</u>	<u>£143,627</u>

During 2022, one employee received employee benefits (excluding employer's national insurance and pension costs) falling in the £70,000 - £80,000 band. In 2021, one employee fell within the £70,000 - £80,000 band.

The average number of employees based on full-time equivalents was 2 (2021 : 2).

The average monthly number of employees was 3 (2021 : 4).

Total employee benefits received by key management personnel amounted to £90,371 (2021 : £90,004). Employee benefits includes salary, employer's national insurance, employer's pension and benefits in kind.

12. DIRECTORS' REMUNERATION AND EXPENSES

The Directors received no remuneration during either year. Expenses of £163 (2021: £Nil) were reimbursed to/paid on behalf of the 5 Directors (2021 : 5).

13. TAXATION

The Company has charitable status and is therefore exempt from Corporation Tax on its charitable activities.

ALLIANCE HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

/contd...

14. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Cost/valuation:			
At 1 April 2021	100,905	23,389	124,294
Additions	149	1,857	2,006
Disposals	-	(4,899)	(4,899)
	<u>101,054</u>	<u>20,347</u>	<u>121,401</u>
At 31 March 2022			
Depreciation:			
At 1 April 2021	63,494	20,877	84,371
Charge for year	13,339	2,695	16,034
Eliminated on disposal	-	(4,899)	(4,899)
	<u>76,833</u>	<u>18,673</u>	<u>95,506</u>
At 31 March 2022			
Net Book Value:			
At 31 March 2022	<u>£24,221</u>	<u>£1,674</u>	<u>£25,895</u>
At 31 March 2021	<u>£37,411</u>	<u>£2,512</u>	<u>£39,923</u>

15. FIXED ASSET INVESTMENTS

	Investment Property £	Listed investments £	Total £
Market value at 1 April 2021	13,000,000	2,629,680	15,629,680
Net unrealised gain on revaluation	<u>2,000,000</u>	<u>64,464</u>	<u>2,064,464</u>
Market value at 31 March 2022	<u>£15,000,000</u>	<u>£2,694,144</u>	<u>£17,694,144</u>
Historic cost at 31 March 2022	<u>£2,063,216</u>	<u>£2,092,491</u>	<u>£4,155,707</u>

ALLIANCE HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

/contd...

16. DEBTORS	2022 £	2021 £
Prepayments	7,636	11,838
Other debtors	28,530	86,077
	<u>£36,166</u>	<u>£97,915</u>

17. CREDITORS: Amounts falling due within one year	2022 £	2021 £
Deferred income	-	117,132
Accruals	-	6,940
Other creditors	28,778	90,202
	<u>£28,778</u>	<u>£214,274</u>

Analysis of deferred income	Balance brought forward	Additions in year	Released to Income	Balance carried forward
Rents received in advance	<u>£117,132</u>	<u>£Nil</u>	<u>£(117,132)</u>	<u>£Nil</u>

Rents invoiced and received in advance for the following accounting period are recognised as deferred income.

ALLIANCE HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

/contd...

18. MOVEMENT IN FUNDS	Balance 1 April 2021 £	Income (incl gains) £	Expenditure £	Transfers £	Balance 31 March 2022 £
2022					
Unrestricted funds					
General funds	2,644,461	762,284	871,030	(2,006)	2,533,709
Designated funds					
Future refurbishment	450,000	-	-	-	450,000
Property and other fixed assets	2,103,139	-	16,034	2,006	2,089,111
Revaluation reserve	10,936,784	2,000,000	-	-	12,936,784
	13,489,923	2,762,284	877,064	-	15,475,895
Restricted funds					
Mrs Janet (Jessie) Ross Phillips' Trust	66,798	-	-	-	66,798
Total funds	£16,201,182	£2,762,284	£887,064	£Nil	£18,076,402

Purpose of funds

Restricted Funds

Mrs. Janet (Jessie) Ross Phillips' Trust is a legacy to be used to fund the Charity's activities in Scotland.

Designated Funds

The future refurbishment fund represents funds set aside towards the cost of maintenance and repairs at Alliance House.

The property and other fixed assets fund represents the level of unrestricted funds which are related to the cost of investment property and fixed assets and which are not therefore freely available to spend.

The revaluation reserve represents the amount by which the market value of the investment property (Alliance House) exceeds cost.

ALLIANCE HOUSE FOUNDATION
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

/contd...

18. MOVEMENT IN FUNDS/contd...

Comparative information for the previous financial year is as follows

	Balance 1 April 2020 £	Income (incl gains) £	Expenditure £	Transfers £	Balance 31 March 2021 £
2021					
Unrestricted funds					
General funds	2,545,349	1,045,244	937,868	(8,264)	2,644,461
Designated funds					
Future refurbishment	450,000	-	-	-	450,000
Property and other fixed assets	2,107,486	-	12,611	8,264	2,103,139
Revaluation reserve	10,936,784	-	-	-	10,936,784
	13,494,270	-	12,611	8,264	13,489,923
Restricted funds					
Mrs Janet (Jessie) Ross Phillips' Trust	66,798	-	-	-	66,798
Total funds	£16,106,417	£1,045,244	£950,479	£Nil	£16,201,182

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Fixed asset investments £	Other net assets/ (liabilities) £	Total 2022 £
2022				
Unrestricted general funds	-	2,694,144	(160,435)	2,533,709
Unrestricted designated funds	25,895	15,000,000	450,000	15,475,895
Restricted funds	-	-	66,798	66,798
As at 31 March 2022	£25,895	£17,694,144	£356,363	£18,076,402

ALLIANCE HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

/contd...

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS/contd...

Comparative information for the previous financial year is as follows

2021	Tangible fixed assets £	Fixed asset investments £	Other net assets/ (liabilities) £	Total 2021 £
Unrestricted general funds	-	2,629,680	14,781	2,644,461
Unrestricted designated funds	39,923	13,000,000	450,000	13,489,923
Restricted funds	-	-	66,798	66,798
As at 31 March 2021	<u>£39,923</u>	<u>£15,629,680</u>	<u>£531,579</u>	<u>£16,201,182</u>

20. RELATED PARTY TRANSACTIONS

Details of related party transactions during the year are as follows:

Name of related Party	Nature of relationship	Transaction details	Amount £	Balance £
2022				
The Institute of Alcohol Studies	Trustees in common	Grant funding	441,259	(8,589)
The Institute of Alcohol Studies	Trustees in common	Rent receivable	54,637	-
2021				
The Institute of Alcohol Studies	Trustees in common	Grant funding	485,521	(10,313)
The Institute of Alcohol Studies	Trustees in common	Rent receivable	51,000	-

The Institute of Alcohol Studies started operating on 1 April 2006 and Alliance House Foundation had initially agreed to fund the charity for 3 years. Funding is now reviewed on an annual basis.

ALLIANCE HOUSE FOUNDATION

(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

/contd...

21. OPERATING LEASE COMMITMENTS

The total future minimum lease payments falling due under non-cancellable operating lease agreements are as follows:

	2022 £	2021 £
Within one year	22,579	22,579
Between one and five years	90,317	90,317
More than five years	52,684	73,382
	<u>£165,580</u>	<u>£186,278</u>

22. CONTINGENT LIABILITIES

Pensions to former employees

The Charity has committed to make annuity payments to former members of staff. These payments are reported as "Pensions to former employees" in the accounts (see note 11). The directors have not been able to obtain a reliable estimate of the Charity's liability in respect of these annuities and therefore no provision has been made in the accounts.