

# RONALD MCDONALD HOUSE UK

England & Wales · Charity number 802047

## Details

---

Other names	RONALD MCDONALD CHILDREN'S CHARITIES LIMITED, RONALD MCDONALD HOUSE CHARITIES (UK), RMHC
Status	Registered
Legal form	Charitable company
Company number	<a href="#">02252337</a>
Registered	1989-09-07
Register	<a href="#">View on the Charity Commission register</a>

## Contact

---

**Address** Ronald Mcdonald House Charities  
11-59 High Road  
East Finchley  
London  
N2 8AW

**Phone** 03000111113

**Email** [rmhc.supportercare@uk.mcd.com](mailto:rmhc.supportercare@uk.mcd.com)

**Website** [www.rmhc.org.uk](http://www.rmhc.org.uk)

## Activities

---

**Objects:** TO PROVIDE ACCOMMODATION AND OTHER ASSISTANCE FOR CHILDREN BEING TREATED IN HOSPITAL AND THEIR FAMILIES DURING PERIODS OF TREATMENT AND TO RAISE FUNDS FOR CHILDREN'S CHARITIES GENERALLY. (FOR DETAILS SEE CLAUSE 3 OF MEMORANDUM OF ASSOCIATION)

**Activities:** Support for families with children in hospital by the provision of home away from home accommodation.

## Classification

---

- **How:** Provides Buildings/facilities/open Space
- **What:** The Advancement Of Health Or Saving Of Lives, Accommodation/housing
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies

## Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£15,922,000	£16,352,000	£70,904,000	225
2023-12-31	£16,222,000	£16,372,000	£71,326,000	224
2022-12-31	£14,251,000	£12,795,000	£71,464,000	196
2021-12-31	£11,666,000	£9,645,000	£66,039,000	178
2020-12-31	£11,581,000	£9,686,000	£64,018,000	166

## Trustees

Name	Role	Appointed
<b>MR JEFF FERGUS</b>	Chair	
Andrew Moys		2022-10-27
Anne Wainwright		2022-04-28
Anne Ward		2023-07-27
Claire Rowney		2025-12-12
Dr ANU OHRLING		2011-09-15
Henry William Trickey		2014-12-31
Marc Shenken		2025-09-12
Michael Morgan		2015-01-01
Simon Robert Kirk		
Smita Edwards		2018-11-29

**RONALD MCDONALD HOUSE UK**

England & Wales - Charity number 802047

---

# Accounts

---

Ronald McDonald House Charities (UK)

# Annual Report and Financial Statements 31 December 2024



Ronald McDonald  
House Charities™  
United Kingdom

Registered Company No: 2252337  
Registered Charity No. 802047  
Scottish Registered Charity No. SC040717

# Contents



## Report of the Trustees

Chair's Report	<u>4</u>
<b>Strategic Report</b>	<u>6</u>
- Our Impact	<u>6</u>
- Our ambition for the next five years	<u>9</u>
- Our Partnerships	<u>10</u>
- Thank You	<u>13</u>
- Principal Risks and Uncertainties	<u>14</u>
- Financial Review	<u>15</u>
<b>Objectives &amp; Activities</b>	<u>16</u>
<b>Structure, Governance and Management</b>	<u>17</u>
<b>Reference &amp; Administrative Details</b>	<u>18</u>
<b>Statement of Trustees' Responsibilities</b>	<u>19</u>
<b>Independent Auditor's Report</b>	<u>20</u>

## Financial Statements

Statement of Financial Activities	<u>25</u>
Balance Sheet	<u>25</u>
Statement of Cash Flows	<u>26</u>
Notes to the Financial Statements	<u>26</u>

# Report of the Trustees



Ronald McDonald House Charities (UK) is an independent charity registered in England and Wales (802047) and in Scotland (SC040717), and is a company limited by guarantee (2252337), registered in England.

The Trustees of Ronald McDonald House Charities (UK) (who are also the Directors for the purposes of Companies Act 2006) are pleased to present this, their report and accounts for the period ended 31 December 2024, which incorporates the Strategic Report and the Directors' Report required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

# Chair's Report

At Ronald McDonald House Charities (UK), we understand the practical and emotional challenges families face when they have a child in hospital far from home, and our purpose is to help those families cope. We are the leading provider of free 'home away from home' accommodation and support for families with children in hospital, providing a 'haven' just moments away from their child's hospital ward.

In every one of our 14 UK Houses, families find solace and unwavering support, not only from our incredible frontline House teams, but also among other families experiencing similar journeys. This is the true essence of a Ronald McDonald House.

Since we opened our doors in 1989, families have stayed in our Ronald McDonald Houses more than 100,000 times. Our families come from all walks of life, from all over the UK and beyond, and have wide-ranging needs. That's why we listen to families' inspirational stories of hope, recovery, and sometimes heartbreak, and we are motivated to do more.

In 2024, the trustees of Ronald McDonald House Charities (UK) worked with the Executive Team to develop a new five-year organisational Impact Strategy – charting a course for how we want to 'serve more families and serve them better.'

By enhancing our programmes and facilities, we will enable families to focus on what truly matters – the health and wellbeing of their child in hospital.

To support our ambitions for impact in communities, we know we need to grow and diversify our income. Alongside our organisational strategy, in 2024 we successfully appointed a new Director of Engagement, Louise Firth, who quickly set to work on developing a strategy for transforming our income.

The backbone of support we are privileged to receive is from our founding and forever partner, McDonald's. In 2024, McDonald's Franchisees, McDonald's staff, restaurants and customers collectively raised an outstanding £9 million for Ronald McDonald House Charities (UK). Some of the fundraising campaigns coincided with the company's milestone 50th birthday celebrations, as well as our charity's 35th anniversary.

The extraordinary support we receive from McDonald's extends to its supply chain. There is a plethora of businesses within the system that demonstrate unwavering commitment to our cause, be that through donations, volunteering, or awareness-raising initiatives.

A shining example of one such supplier is McCain, which has worked strategically with us to provide both financial and practical support for families.

Building awareness and trust in our brand continues to be a priority and in 2024, our 'Mighty Little Moments' Brand campaign boosted awareness, trust, and understanding of the role we play, while also driving up people's consideration to donate.

Towards the end of 2024, we completed long-term maintenance work at our Birmingham House, with families now able to enjoy a freshly decorated home with new flooring in communal areas, new carpets in bedrooms, freshly painted walls, and updated bathrooms. We were delighted that a partnership with Together for Cinema meant we could also open a new cinema room for young patients, who are able to come to the House on a Medical Pass as well as the families staying with us.

Families have stayed in our Houses more than

**100,000**  
times since 1989.



**continued...**

# Chair's Report

(continued)

I'm proud of our achievements over the past year set out in this annual report, and look forward to building on these to do more to meet the needs of the communities we serve.

I extend my heartfelt gratitude, on behalf of the 8,288 families we accommodated in 2024, to our supporters, partners, volunteers and dedicated staff, who make our mission possible. Together, we will continue to build on our legacy of compassion and excellence, creating lasting positive change for families in need across the UK.



**Jeff Fergus**  
Chair  
Ronald McDonald House Charities (UK)

**Signature:**

DocuSigned by:  
*Jeff Fergus*  
FC816919357F4C8...

**Date: 17 July 2025**



# Strategic Report

## Our Impact

Lifesaving medical care for babies and children often takes place at specialised regional centres, far from families' homes. On average, in 2024 our families lived 93 miles away from the hospital where their child needed to be admitted and stayed for an average of 16 nights, but this could extend to months or even years.

The challenges faced by families are immense and parents and carers are often left exhausted. In addition to the emotional strain of worrying about their child in hospital, they are burdened with intense stress over extended periods.

We've expanded our capacity considerably over the years, to make sure we are supporting as many families as we can. We now have 529 bedrooms available for families and are the leading provider of family accommodation in hospitals in the UK.

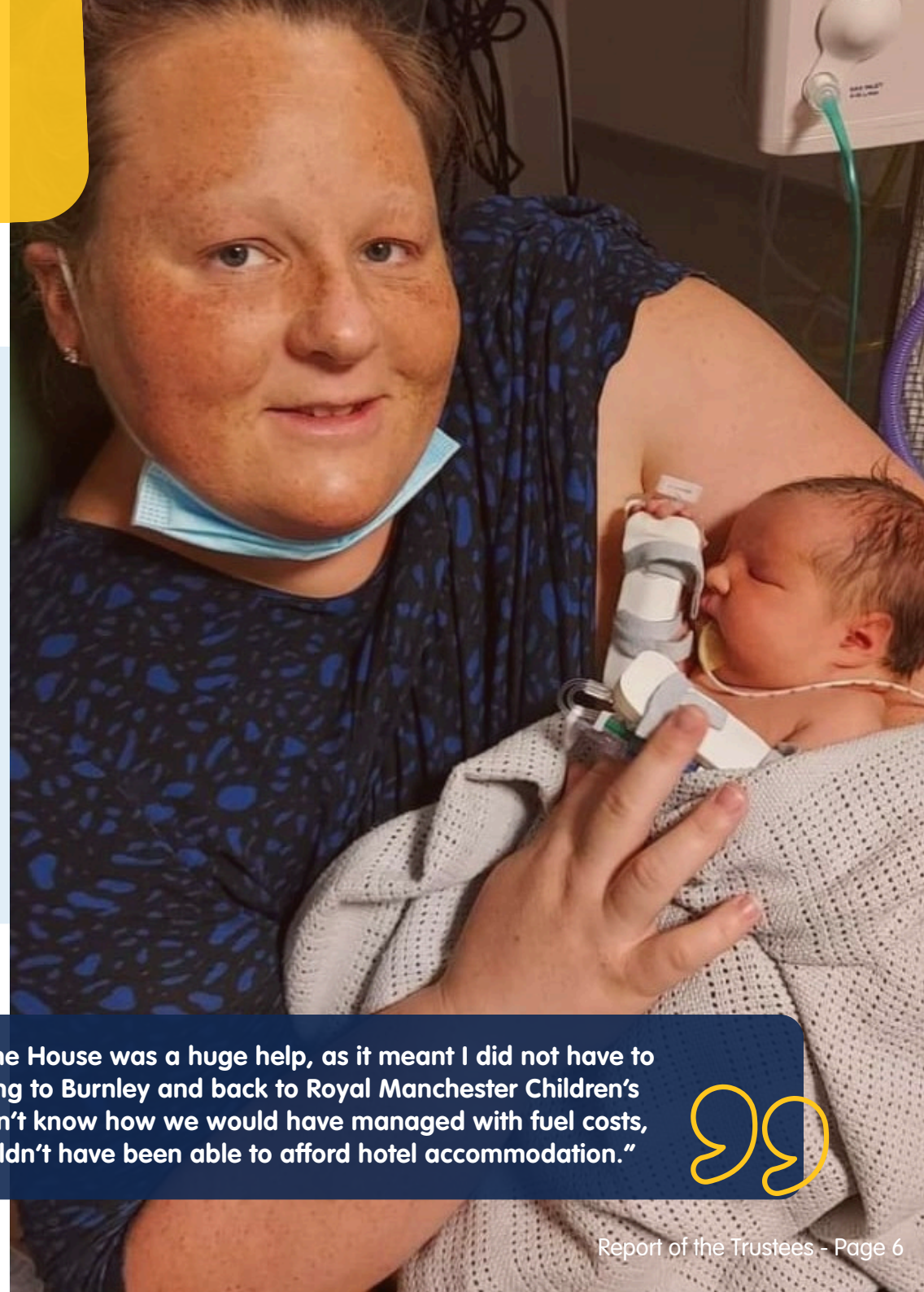
### **Practical and financial pressures:**

Without free accommodation, parents can end up sleeping in their cars or on uncomfortable hospital chairs, or, where available, pull-down beds on the ward. Otherwise, staying near the hospital for extended periods can cost families an average of over £1,800 in hotel expenses, based on 2024 off-peak prices of hotels near Ronald McDonald Houses.

**Ashleigh and her family stayed in Ronald McDonald House Manchester when baby Georgia was born with serious medical issues.**



**"Financially, the House was a huge help, as it meant I did not have to keep travelling to Burnley and back to Royal Manchester Children's Hospital. I don't know how we would have managed with fuel costs, and we wouldn't have been able to afford hotel accommodation."**



### Emotional pressures:

For families to be involved in medical discussions and to provide emotional support for their child, maintaining their own wellbeing is essential. But when a child is in hospital away from home, parents and carers struggle with getting enough rest, eating properly and generally looking after their own wellbeing. The stress families face is worsened by hospital-related anxiety and uncertainty, and is often compounded by parents feeling distant from their own support networks, family and friends.

Ronald McDonald Houses keep families close to their children in hospital. Houses are in or near hospitals, alleviating the need to travel long distances from home, giving families as much time as they need to be with their children whilst they are being treated in hospital.

Our Houses are also designed to support the wellbeing of families. We enable families to maintain routines, such as having a meal together – we know how important this is when lives are in flux and parents and carers are dealing with the stress and anxiety of their child being very ill or injured. Cultivating a sense of community and belonging for families in our Houses is also so important, ensuring they feel supported and connected during their stay.

The impact of Ronald McDonald Houses on families is significant. Giving families time with their child and supporting their wellbeing not only helps them cope with challenges that come their way but also means their child in hospital gets the family support they need.



**97%** of families surveyed strongly agreed or agreed that “the services and support I received at the Ronald McDonald House helped me cope during my child’s hospital stay.”

### Helping families cope:

The support system provided by staying in a Ronald McDonald House, along with efforts to help reduce practical burdens, helps families cope with the stresses of life on the children’s ward. We know that helping parents and carers build their own resilience, for example by enabling them to exercise and support their mental health, can have a significant positive impact. Resilient family members report fewer symptoms of anxiety, depression and stress – even when they are coping with a child in intensive care settings.

### Essential emotional support for children in hospital:

Being close by ensures that parents can provide the comfort and reassurance their child in hospital needs. For babies, early bonding with caregivers is crucial and it affects long-term mental health and resilience.

Families staying in Ronald McDonald Houses report more positive hospital experiences and greater participation in their child’s care. This could include being actively involved in medical discussions and decisions.

**97%** of families staying with us strongly agreed that they “would have found it difficult to stay close to my child either financially or otherwise without a Ronald McDonald House.”



## Our achievements in 2024



**8,288**

Our Ronald McDonald Houses provided free accommodation to 8,288 families.



**11 million**

In total, we saved families from travelling 11 million miles from home to hospital and back.



**2,904**

We provided 2,904 Day Passes to families not staying overnight in a House, so they could use our facilities and services during the daytime.



**6,159**

We facilitated 6,159 visits from children in hospital to spend time with their families in our Houses, via our Medical Pass programme.



**15,000**

Volunteers donated over 15,000 hours of their time, from gardening to cleaning and event support.



**626**

We continued to roll out 'Grab & Go' snacks free of charge. In 2024, we were grateful for the support of businesses who kindly donated a total of 626 deliveries of 'Grab & Go' packs worth more than £51k.



We invested in our facilities for families by completing a refurbishment of our Birmingham House, including painting, new flooring, and a brand-new cinema room.

## Our 14 Houses





## Our ambition for the next five years

We know that there is a lot of unmet need from families with a child in hospital. Our ambition for the next five years is to serve more families and serve them better. Our new five-year impact strategy can be found on our website, and we are excited to work with our stakeholders on bringing this vision to life across the UK.

To serve more families, we know we want to expand our footprint as well as bring more families through our doors with our Day Pass programme. To serve families better, we want to respond to the feedback we get from families about the support they need during this hugely distressing period in their lives.

To deliver this strategy, we need to grow and diversify our income as well as continue to build our strategic partnerships with supporters, as well as with the NHS, our key delivery partner.

Alongside this, we will nurture our talent and foster a culture of belonging, championing Equity, Diversity, and Inclusion (EDI) to ensure everyone feels valued and respected in all that we do.

In 2024 these efforts were recognised by Inclusive Employers, and Ronald McDonald House Charities (UK) was credited with a 'committed' status. We will also work to strengthen our environmental, social and governance (ESG) foundations, continue to invest in technology, and use data to better understand the needs of our families and tailor our services accordingly.

**Click to view our new five-year impact strategy**



# Our Partnerships

The wide-ranging impact the charity has on thousands of families across the UK would not be possible without the generosity of our many supporters.

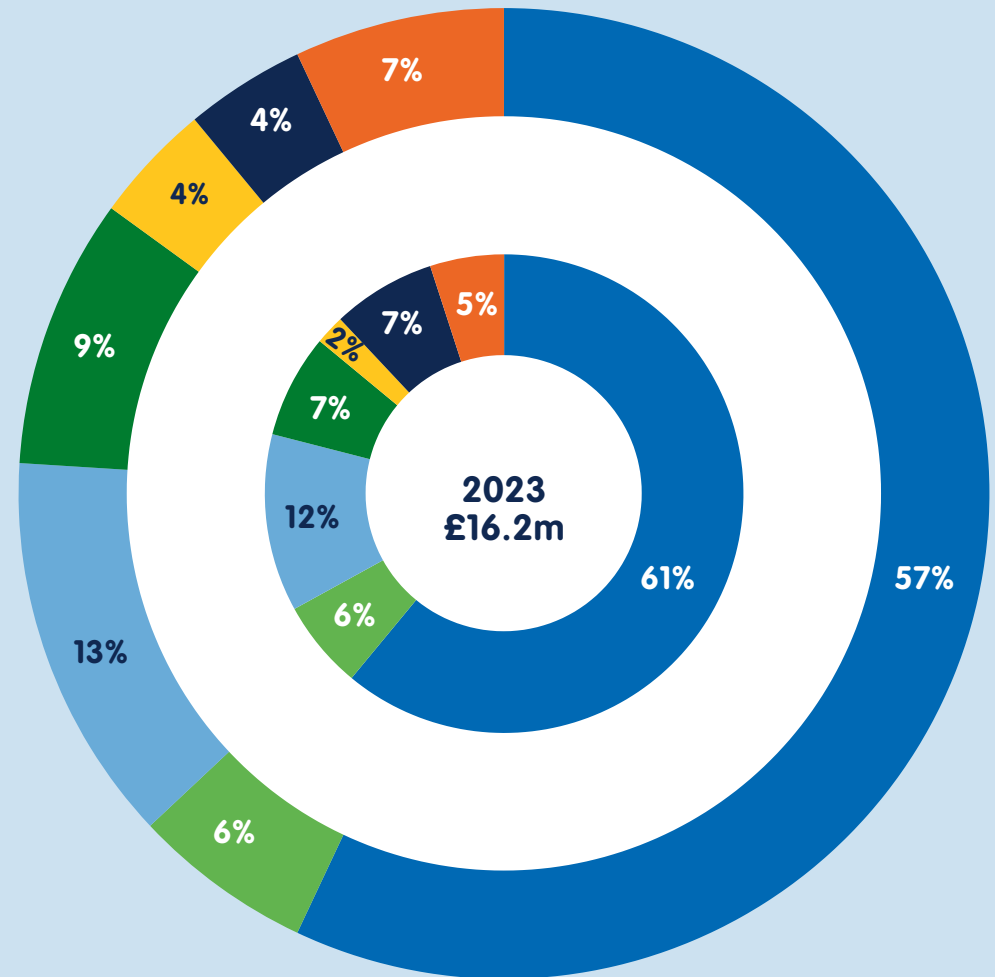
Income achieved budget in 2024, thanks to our broad range of supporters and income streams.

- McDonald's and its customers
- Other Corporate Partners
- Special Events
- Supporter-led Fundraising
- Trusts and Grants
- Individual Giving
- Other Income



## Income

2024 - £15.9m



We would like to say a special thank you to our founding and forever partner, McDonald's, for its continued generous support. Donations from McDonald's customers remain our largest source of income, and the entire McDonald's family of Franchisees, restaurant teams, McDonald's employees and McDonald's suppliers continue to support Ronald McDonald House Charities (UK) generously in many ways. This includes taking part in fundraising activities, supporting our events, volunteering at our Houses, providing Gifts in Kind, and making generous donations to the charity.

McDonald's also facilitated two campaigns for the charity in 2024, helping to drive both awareness and income. In total, McDonald's, its customers and Franchisees donated more than £9 million to the charity in 2024.



McDonald's, its customers and Franchisees donated more than **£9 million** to the charity in 2024.



We are delighted to highlight the remarkable support we have fostered and expanded with our other corporate partners. Through a dedicated focus on cultivating strategic, mutually beneficial relationships, we have successfully secured financial contributions, Gift in Kind donations, and pro bono services. As a result, our overall income from corporate partnerships has surpassed our budget expectations for 2024.

Income from special events, such as gala dinners, and challenge events remains strong, thanks to a strategy that helps us connect with supporters and increase awareness. The dedication and unwavering commitment of both our long-term supporters and new ones, has been instrumental in achieving these results.

We are forever thankful to the individuals who continue to support the charity with generous contributions. Despite the challenging economic climate in the UK in 2024, individual donations remained stable, reflecting the consistent commitment of our donors to our mission. We were also overwhelmed by the support we received from the public, who went out of their way to raise funds within their communities or by taking on challenges, such as the very popular 5km inflatable obstacle courses around the country.



## Our commitment to fundraising:

We put families and supporters at the heart of everything we do to ensure we build sustainable income sources. Ronald McDonald House Charities (UK) is signed up to the Fundraising Regulator's Code of Fundraising Practice. We are committed to legal, open, honest, and respectful fundraising and do not cause undue pressure or intrusion on donors.

In 2024, no professional fundraisers or commercial participators were engaged to carry out fundraising activities on behalf of the charity. All fundraising was conducted either by our internal team or by volunteers and supporters acting in alignment with our values and policies.

We are pleased to report that in 2024, no complaints were referred to the Fundraising Regulator. This reflects our ongoing commitment to high standards and respectful engagement with the public.

We maintain robust monitoring processes for all fundraising activities, including those carried out by third parties. This includes regular communication, review of fundraising materials, and adherence to our internal fundraising policies. We also have clear procedures in place to refuse income raised through unethical sources.

To protect vulnerable people and the wider public, we ensure that all fundraising activities are conducted with sensitivity and care





# Thank You

Ronald McDonald House Charities (UK) could not operate without the support of our wonderful and dedicated donors. We would like to thank everyone who supported us in 2024, as well as those who wish to remain anonymous.



- Adyen
- AEW
- American Women's Club London
- Andrew Woodrow
- Arla
- Avison Young
- Bloomberg
- BNY
- Cambion Electrics
- Cargill Protein Europe
- CBRE
- CDW
- Celestra
- Centrica
- Chris Shaul
- Citi
- Coca Cola Europe
- Coca Cola GB
- Cornerstone
- Corr Recruitment
- Donhead Preparatory School
- Edison Media
- Emma Rogers
- Essity
- Eversheds Sutherland
- Griffith Food
- Guenther Bakeries
- HMP Hindley
- Hugh James
- Impala Group
- InConnection
- Insider Media
- Jackie Daniel and family
- Jeremy Gold
- Jim McAlpine
- Jim Wright
- Kate Grubb
- Kids Planet
- Kingsley and Confidence Egbuonu, supported by Managing IP
- Laindon Park Primary School
- Lamb Weston
- Lauren Bergin
- Lee and Samantha Martin
- Liverpool Celebrates
- Martin Brower
- Mattel
- McCain
- McCormick
- McDonald's UK and Ireland, their Franchisees, and employees, and their customers
- Medtronic
- Miele
- Morningstar Parish
- Norton Rose Fulbright
- Peter Fraser
- Places For People Procurement Hub
- Portmarnock Group
- Ramcrete
- Royal Bank of Canada
- Sealy
- SEDA
- Signature Flatbreads
- Smith Anderson
- Sports Argus Darts
- Squarepoint
- Staffsafe
- Team 1C
- The Ambassadors Group
- The Proud Family
- The Rengers Family
- The Walker Family
- Time Investments
- Tindall Riley
- UCC Coffee
- Veolia
- Vertex
- West & West Electrical Engineering

# Principal Risks and Uncertainties

Ronald McDonald House Charities (UK) adopts a risk management strategy which includes a quarterly review and update of the risk register by the Executive Team and the Board.

The charity has established a comprehensive Risk Management framework to ensure that every effort is made to identify and manage risks and opportunities to ensure strategic objectives are successfully achieved. These include a comprehensive review of the risk register to consider the key risks and uncertainties and implement appropriate mitigations.

The following are the principal risks and uncertainties facing the charity and the approach being taken to mitigate these risks:

## **Income Generation:**

The growth of the charity (the number of bedrooms available for families grew by 25% in 2022 due to the mergers with the charities that provided accommodation at Alder Hey Children's Hospital and Bristol Royal Hospital for Children) and its operational costs have put additional pressure on fundraising, thus increasing the risk of generating insufficient income. The approach implemented includes:

- Continuous development of our long-term strategy to broaden income streams and demonstrate impact to funders.
- Regular review and monitoring of the financial and income performance by the Executive Team and Board.
- Work with key funding partners (including McDonald's) on exploring new opportunities to grow our charitable income.

## **Condition of Estates and Building Services:**

To continue providing high-quality service delivery to families, the charity must invest in its estate to ensure our Houses do not deteriorate and remain in good condition. The approach implemented includes:

- Planned Preventive Maintenance programmes for our Houses.
- Ongoing maintenance and repair of our estate to limit damage.
- Strategic Asset Plans are being developed for all our Houses to map out estates' needs over a longer timeframe, so that the charity can plan effectively and invest efficiently.

## **Health & Safety (H&S) and Safeguarding:**

As a provider of services to families, the safety and security of families as well as staff is paramount and we strive to negate the likelihood of any H&S and safeguarding incident, or related non-compliance. The approach implemented includes:

- Service Delivery Team is provided with key training to prevent and deal with incidents.
- Houses are staffed during the day and have security outside work hours with an incident management team on call at all times.

- Regular monitoring and consultation with industry experts on health and safety matters and assessments.
- Regular review and monitoring of our policies and practices, including the safeguards and preventative measures in place.
- Families are inducted and provided with information on expectations during their time staying with the charity.

As part of the regular review of risks, the charity actively monitors and mitigates risks that could impact on income and charitable activities. For example, the use of data and technology (where the charity wants to continue to develop its use of data for impact reporting to all supporters). The charity reviews and monitors its policies and procedures when dealing with personal information, and our GDPR principles ensure we do not risk the trust placed in the charity, protecting our supporters from possible misuse, whether it be accidental or deliberate.

# Financial Review

The charity received income of £15.9m during the year for its ongoing charitable activities (2023: £16.2m), enabling us to maintain our existing commitment to family accommodation across the UK. The main source of income was voluntary (income given freely, not in return for goods and services). The largest source of voluntary income is donations from the public via collection boxes and Kiosk donations located primarily in McDonald's restaurants all over the UK. This income amounted to £4.6m (2023: £5.7m). McDonald's and its franchisees pay all the card transaction fees associated with the kiosk donations, which meant 100% of the donations were received by the charity. The charity was once again grateful to McDonald's Restaurants Limited and its Franchisees, who donated just over £4.4m (2023: £4.1m) towards the work of the charity, as well as office facilities and other in-kind support.

The operational costs of the charity were £16.4m (2023: £16.4m), of which £11.8m (2023: £12.1m) related to the costs of delivering our charitable activities within our Houses and represent 72% of our total expenditure. The decrease in costs against the prior year is due to lower facilities management-related costs in 2024. The costs of fundraising were £4.6m (2023: £4.3m) and represent 28% (2023: 26%) of our total costs. The Trustees have reviewed expenditure and are satisfied that it is reasonable and supports the charity's stated objectives.

## Reserves

As at the year end, the charity held total reserves (funds) of £70.9m, of which £0.7m was held within restricted funds, £64.8m within unrestricted designated funds and £5.4m within unrestricted general funds. The restricted funds are mainly made up of donations that are restricted to cover the running costs of our Houses within specific geographic locations.

## Designated funds & tangible fixed assets

The charity has a portfolio of residential properties offered free of charge to families with seriously ill children in hospital, currently with a net book value of £54.1m (2023 £54.5m).

The value of these properties has been classified as designated funds, as these are fixed assets which cannot easily be converted into general funds for day-to-day use. The assets are being depreciated over 25 to 40 years to reflect the fact that ownership of the Houses will ultimately revert to the respective hospitals, as part of our contractual agreements with them.

The Trustees have designated £9.3m for the refurbishment of the Alder Hey House, which is expected to start in 2027. £1m received through Scottish bag tax income until 2024 has been designated towards costs that will be incurred in Scotland and is expected to be spent in 2026 and 2027.

## Reserves policy

The Trustees assess the risks facing the charity on a quarterly basis and consequently review the level of free reserves (general unrestricted funds) required annually in line with Charity Commission guidance.

Trustees recognise that reserves held must safeguard the charity against unexpected loss of income, to enable the charity to continue meeting the ongoing commitments and obligations for the foreseeable future in relation to its charitable objectives.

As such, the Trustees agreed that holding minimum free reserves to cover four months' operational running costs is prudent in this financial climate. The balance of free reserves as at 31 December 2024 was £5.4m and was in line with the policy.

The Trustees currently maintain £16.1m within cash deposits to ensure sufficient liquidity to meet the charity's obligations and ongoing commitments. A further £0.8m is held within a mixed investment portfolio containing bonds and equities.

# Financial Review

(continued)

## Going Concern

As required by the Charities Statement of Recommended Practice (FRS 102), the Trustees assess whether there are any uncertainties that may cast doubt over our ability to continue as a going concern. For this purpose, the Trustees focus on the period from the date of approval of the Annual report and accounts to 31 July 2026.

After making reasonable enquiries and having considered the matters described in note 1.2 to the financial statements, the Trustees believe that the Charity will be able to continue to fulfil its charitable purpose; will be able to meet its liabilities as they fall due; and will have adequate resources to continue in operational existence until the end of the going concern period (31 July 2026). Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.



# Objectives and Activities

Ronald McDonald House Charities (UK) was established in 1989 to provide accommodation and other assistance for children being treated in hospital and their families; also, to raise funds for children's charities generally.

Historically this was achieved through the funding and building of Ronald McDonald Houses and Family Rooms in, or close to, hospitals and children's hospices. However, since 2007, the charity has focused exclusively on the charitable objective of providing and operating Ronald McDonald Houses to support families who have an ill or injured child in hospital.

## Public Benefit Statement

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit under section 17 of the Charities Act 2011.

The Trustees continue to ensure that the activities provided by the Charity meet the overall objectives of the charity and the provision of services to support families who have a child in hospital is carried out for the benefit of the public.

# Structure, Governance and Management

The charity is governed by a memorandum and articles of association, which were last amended materially in 2010 to reflect both the charity's right to borrow money where appropriate and the registration of Ronald McDonald House Charities (UK) in Scotland as per OSCR requirements.

Governance and strategic leadership are provided to the charity by the Board of Trustees, headed by an elected Chair. Potential Trustees are chosen for their skills and experience and, following interview and due process, are elected to the Board of Trustees by formal vote. They serve for an initial period of three years, after which they may offer themselves for re-election.

Trustees are inducted through an orientation programme involving visits to the Houses, training around the charity's objectives and strategic goals, and communication of their legal responsibilities to the charity.

The full Board of Trustees meets quarterly. In addition, Trustees can serve on subcommittees according to their area of expertise and experience. These groups report to the full Board for ratification and approval of any suggested activities. The Trustees and senior staff also meet to discuss specific issues as needed. Expenditure must be approved by the Trustees through set budgets, and this and other financial matters are monitored by the Finance and Governance subcommittee.

The liability of Trustees is limited. Every member of the company undertakes to contribute a maximum amount of £1 to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member.



Responsibility for the day-to-day management of Ronald McDonald House Charities (UK) is delegated to the Chief Executive and her Executive Team consisting of the Director of Fundraising, Marketing and Communications, Director of Strategic Partnerships, Director of People & UK Operations, Director of Finance & Technology, and the Head of Strategy and Impact. The rest of the charity's staff team works across Operations, Fundraising, Marketing and Communications, and Support Services, split between our offices in London, Sutton Coldfield and within our Ronald McDonald Houses. We also have a passionate and dedicated team of staff working within each of our 14 Ronald McDonald Houses.

The Trustees, the Chief Executive, and the Executive Team are considered to comprise the key management personnel in charge of directing and controlling, running, and operating the charity on a day-to-day basis.

All Trustees give their time freely. The pay of staff is reviewed annually and linked to individual performance throughout the period. Staff pay is benchmarked against pay levels in other charities of a similar size whilst using pay grade ranges for all roles. A remuneration committee provides support and reports into the Board.

Ronald McDonald House Charities (UK) is a licensed chapter of a global network of charities. It works towards similar charitable aims and objectives but operates independently of this network.

## Statement as to disclosure of information to auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Auditors

In accordance with S485 of the Companies Act 2006, the auditor, Ernst & Young LLP, is deemed to be reappointed.

# Reference and Administrative Details



## Trustees (Directors)

**J Fergus** (Chair)  
**S Edwards**  
**Dr S Fradd** (resigned 9 May 2024)  
**S Hunsdale**  
**S Kirk**  
**M Morgan**  
**R Mounsey**  
**A Moys**  
**Dr A Ohrling**  
**G Pearson** (resigned 7 November 2024)  
**D Ralph** (appointed 11 July 2024)  
**H Trickey**  
**A Wainwright**  
**A Ward**

## Key management personnel

**E Joseph** Chief Executive  
**S Winfield** Company Secretary (until 5 March 2024)  
**S Joy** Company Secretary (from 5 March 2024)  
**T Morton** Director of Strategic Partnerships  
**L Firth** Director of Fundraising, Marketing and Communications  
**S Winfield** Director of People & UK Operations  
**S Joy** Director of Finance & Technology

## Registered Office

11-59 High Road  
East Finchley  
London N2 8AW  
United Kingdom  
03000 111 113  
[www.rmhc.org.uk](http://www.rmhc.org.uk)

## Auditor

**Ernst & Young LLP**  
1 More London Place  
London SE1 2AF

# Statements of Trustees' Responsibilities

The Charity's financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Report of the Trustees, which incorporates the requirements of the Directors' Report as set out in the Companies Act 2006 and the Strategic Report, was approved by the Board, in their capacity as Trustees and Company Directors, and signed on its behalf on 17 July 2025 by:

DocuSigned by:  
*Jeff Fergus*  
FC816919357F4C8...

**Jeff Fergus**  
Chair

# Independent Auditor's Report

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RONALD MCDONALD HOUSE CHARITIES (UK)

### Opinion

We have audited the financial statements of Ronald McDonald House Charities (UK) for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 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;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 below. 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in 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 charitable company's ability to continue as a going concern for a period from the date of approval of the Annual Report and Financial Statements to 31 July 2026.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

# Independent Auditor's Report

## (continued)

### Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matter 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, which includes the directors' report and the strategic report prepared for the purpose 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 trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# Independent Auditor's Report

## (continued)

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 19, 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 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 management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act and regulation 8 of the Charities Accounts (Scotland) Regulations 2008.

# Independent Auditor's Report

## (continued)

- We understood how Ronald McDonald House Charities (UK) is complying with those frameworks by making enquiries of management, through our review of minutes of board meetings and through consideration of our other audit procedures.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by meeting with management and trustees to understand where they consider there was susceptibility to fraud and by reviewing documentation of Ronald McDonald House Charities (UK)'s policies and procedures and making enquiries of management in relation to Ronald McDonald House Charities (UK)'s policies and procedures.
- Based on this understanding, we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of the minutes of board meetings and review of the financial statements to determine if they comply with the requirements or relevant frameworks. Our procedures also involved assessing any whistleblowing incidences for those with a potential financial reporting impact, understanding the processes and controls which the company has established to prevent and detect fraud, analytical procedures over income and journal entry testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our 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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ernst & Young LLP

DC7FBD4F58084CE...

**Judith Smith (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP,  
Statutory Auditor  
London**

**Date:** 17 July 2025



# Financial Statements

# Statement of Financial Activities

(Incorporating the income and expenditure account)  
for the year ended 31 December 2024

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
<b>Income from:</b>					
Donations and legacies	2	12,255	677	12,932	13,492
Other trading activities	3	2,390	-	2,390	2,223
Investments	4	600	-	600	507
<b>Total income</b>		<b>15,245</b>	<b>677</b>	<b>15,922</b>	<b>16,222</b>
<b>Expenditure on:</b>					
Raising funds	5	(4,589)	-	(4,589)	(4,292)
Charitable activities	6	(10,960)	(803)	(11,763)	(12,080)
<b>Total expenditure</b>		<b>(15,549)</b>	<b>(803)</b>	<b>(16,352)</b>	<b>(16,372)</b>
Net gains on investments	16	8	-	8	12
<b>Net expenditure</b>		<b>(296)</b>	<b>(126)</b>	<b>(422)</b>	<b>(138)</b>
Transfer between funds	17	831	(831)	-	-
<b>Net movement in funds</b>	17	<b>535</b>	<b>(957)</b>	<b>(422)</b>	<b>(138)</b>
Reconciliation of funds:					
Total funds brought forward		69,643	1,683	71,326	71,464
<b>Total funds carried forward</b>	18	<b>70,178</b>	<b>726</b>	<b>70,904</b>	<b>71,326</b>

Notes 1 to 22 form an integral part of these Financial Statements. The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# Balance Sheet

As at 31 December 2024

Registered Company No: 2252337

	Note	2024 £'000	2023 £'000
<b>Fixed Assets</b>			
Intangible assets	12	354	679
Tangible assets	13	54,087	54,512
Investments	16	763	755
<b>Total Fixed Assets</b>		<b>55,204</b>	<b>55,946</b>
<b>Current Assets</b>			
Debtors	14	1,638	1,487
Cash at bank and in hand	20	16,170	15,957
<b>Total Current Assets</b>		<b>17,808</b>	<b>17,444</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	15	(2,108)	(2,064)
<b>Total Net Assets</b>		<b>70,904</b>	<b>71,326</b>
<b>The funds of the charity:</b>			
<b>Restricted funds</b>	17	726	1,683
<b>Unrestricted funds</b>	17		
Designated Funds		64,766	65,056
General Funds		5,412	4,587
<b>Total funds</b>		<b>70,904</b>	<b>71,326</b>

The Financial Statements were approved by the Trustees and authorised for issue on 17 July 2025 and were signed on its behalf by:

DocuSigned by:  
  
 FC816919357F4C8...  
**Jeff Fergus**  
 Chair

# Statement of Cash Flows

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	19	1,443	2,611
<b>Cash flows from investing activities:</b>			
Interest received		600	507
Purchase of property, plant and equipment		(1,829)	(1,359)
Purchase of software		(1)	(436)
<b>Net cash used in investing activities</b>		<b>(1,230)</b>	<b>(1,288)</b>
Change in cash and cash equivalents in the reporting period		213	1,323
Cash and cash equivalents at 1 January		15,957	14,634
<b>Cash and cash equivalents at 31 December</b>	20	<b>16,170</b>	<b>15,957</b>

# Notes to the Financial Statements

for the year ended 31 December 2024

## 1. Accounting Policies

### 1.1 Basis of preparation

Ronald McDonald House Charities (UK) is a charity registered in England and Wales (802047) and in Scotland (SC040717), and is a company limited by guarantee (2252337), registered in England. The Charity is a public benefit entity, and its registered address is 11-59 High Road, East Finchley, London N2 8AW.

The financial statements and accompanying notes have been prepared in accordance with UK Generally Accepted Accounting Practice, comprising Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102') and the Charities SORP (FRS 102) second edition issued in October 2019, together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006.

The Charity has adapted the Companies Act formats to reflect the SORP and the special nature of the charity's activities.

### 1.2 Preparation of the accounts on a going concern basis

As required by the Charities Statement of Recommended Practice (FRS 102), the Trustees assess whether there are any uncertainties that may cast doubt over the charity's ability to continue as a going concern. For this purpose, the Trustees focus on the period from the approval of the annual report and accounts to 31 July 2026.

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 1. Accounting Policies (continued)

### 1.2 Preparation of the accounts on a going concern basis (continued)

The Charity has prepared cashflow forecasts for the period through to 31 July 2026 which reflect the expected impact of the macro-economic environment on income and expenditure. The assessment of the charity's ability to continue as a going concern has included performing a reverse stress test on those forecasts. The reverse stress test assumes the same level of expenses as management's best estimate ("the base case") but income is decreased to the point at which all cash is utilised by the end of the going concern assessment period (positive cash position until July 2026 decreasing to negative cash position in August 2026). A nil cash position is only achieved if income falls by 85% of the best estimate cash flow forecasts through the going concern period which the Trustees consider to be an implausible scenario.

Having reviewed this information, the trustees have a reasonable expectation that the charity has adequate resources and cash reserves to continue in operational existence for the going concern period to 31 July 2026.

After making reasonable enquiries and having considered the matters described above, the Trustees believe that the charity will be able to continue to fulfil its charitable purpose, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence until the end of the going concern period, being the period from the approval of the annual report and financial statements to 31 July 2026. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

### 1.3 Income

Income from non-exchange transactions (presented within 'Income from Donations and Legacies' in the SOFA) includes donations of money, goods, facilities, or services freely given to the charity by donors. Income is recorded in the SOFA when the charity is legally entitled to it, the amount can be measured reliably, and it is probable that the income will be received.

General donations and Gift Aid are recognised on receipt or accrued for when the recognition criteria are met in advance.

Legacies are accounted for as income when there is evidence of entitlement, receipt is probable, and the amount can be measured reliably, in accordance with FRS102 and the Charity SORP.

Entitlement is the earlier of the date on which cash is received, or the date when the charity is notified by the executor(s) that the final estate accounts are approved.

Grant income is recognised when the charity is entitled to receipt. Grants related to specific deliverables are accounted for as the charity earns the right to consideration through its performance. Income received in advance of performance is deferred and included in creditors.

Ticket, auction, and sponsorship income from fundraising events are disclosed under 'Income from other trading activities' and recognised when the fundraising event takes place.

Income from Investments is recognised when receivable and allocated to restricted funds where applicable.

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 1. Accounting Policies (continued)

### 1.4 Donated goods, services, and facilities (gifts in kind)

Donated goods, services, and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of the economic benefit from the use by the charity of the item is probable, and the economic benefit can be measured reliably. Gifts in kind and donated services have been included at the lower of their value to the charity and their estimated open market value.

In accordance with the Charities SORP (FRS 102), the general volunteer time received by the charity is not recognised. More information about their contribution is referred to in the Report of the Trustees.

### 1.5 Resources expended

Where costs cannot be directly attributed to Raising Funds and Charitable activities, the two categories of expenditure presented on the face of the Statement of Financial Activities, they have been allocated by proportion to activities based on the estimated staff time spent carrying out the function.

Expenditure on raising funds are those costs incurred in seeking voluntary donations; support costs are those costs incurred directly in support of the charity's aims and include project management of new and existing projects; administration costs are those incurred in connection with administration of the charity and compliance with legal and statutory requirements. Governance costs include salaries payable to administration staff, general office expenses, auditors' remuneration and bank and legal charges.

### 1.6 Intangible fixed assets

Intangible fixed assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of three years. The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The impairment loss is recognised in the SOFA. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

### 1.7 Tangible fixed assets

Leasehold improvements and fixtures and fittings are stated at cost less depreciation. The assets relate to Ronald McDonald Houses that are managed and run by the charity. Depreciation is provided on all fixed assets. The depreciation rates used are calculated to write off the cost of each asset by equal annual instalments over its expected useful life as follows:

**Leasehold improvement -** the lower of the unexpired portion of the lease or 40 years

**Fixtures and fittings -** ten years

**Office equipment -** three years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 1. Accounting Policies (continued)

### 1.7 Tangible fixed assets (continued)

The impairment loss is recognised in the SOFA. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

### 1.8 Financial instruments

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes

a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the SOFA. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed.

The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value which is their market closing price on the current or previous trading day and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Investments in equity instruments are classified as fixed asset investments when they are held with the overall intention of retaining the investments long term for the continuing benefit of the charity in the form of income and capital gains.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 1. Accounting Policies (continued)

### 1.8 Financial instruments (continued)

Basic financial liabilities, including trade and other payables, bank loans that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Basic financial liabilities are subsequently measured at their amortised cost.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

### 1.9 Cash and cash equivalents

Cash and cash equivalents includes cash at bank, cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

### 1.10 Funds

Unrestricted funds are funds given freely to the organisation that can be applied at the discretion of the trustees in accordance with the charity's charitable objects.

Designated funds include unrestricted funds set aside to cover the net book value of fixed assets and any monies the charity Trustees have set aside against specific board approved projects that are on site or subject to contract.

Restricted funds are funds received for undertaking an activity specified by the donor when making the gift or may result from the terms of an appeal for funds.

### 1.11 Critical accounting estimates and judgements

In the application of the charity's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates.

The apportionment of Expenditure, where it relates to more than one cost category, is based on the estimated staff time as detailed within the accounting policy for 'Resources expended' (Note 1.5). The estimates and underlying assumptions are regularly reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 2. Income from donations and legacies

	2024	2023
	£'000	£'000
<b>Donations</b>		
McDonald's Restaurants' contributions	2,416	2,414
McDonald's collection boxes	1,421	1,584
McDonald's cashless donations	3,197	4,110
McDonald's campaign	284	130
McDonald's restaurant fundraising	797	862
Welsh carrier bag income	365	430
Scottish carrier bag income	517	291
General donations	566	1,012
Gift Aid	289	130
Operational income	117	104
Grant income	594	371
Corporate income	861	963
Community income	998	913
Gifts in Kind	510	178
<b>Total income from donations</b>	<b>12,932</b>	<b>13,492</b>

The income from donations was £12,932k (2023: £13,492k) of which £12,255k was unrestricted (2023: £12,640k) and £677k restricted (2023: £852k).

Total income from donations includes income from Gifts in kind (donated goods and services) of £510k (2023: £178k). This includes consultancy, professional services, and goods that support the provision of our services in our Houses.

## 3. Income from other trading activities

	2024	2023
	£'000	£'000
National gala dinner	503	496
Regional gala dinners	442	472
Regional golf tournaments	252	128
Regional events	219	248
Overseas golf tournament	648	579
Overseas apartment	-	16
Challenge events	320	228
Other	6	56
<b>Total income from other trading activities</b>	<b>2,390</b>	<b>2,223</b>

The income from other trading activities includes £106k of gifts in kind.

## 4. Investment Income

	2024	2023
	£'000	£'000
<b>Interest Receivable</b>	<b>600</b>	<b>507</b>

Interest receivable relates to interest earned on fixed asset investments £18k and interest earned on cash at bank £582k.

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 5. Analysis of Expenditure – Raising Funds

	Directly incurred			Support costs		
	2024	2024	2024	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies	1,794	1,018	2,812	1,672	876	2,548
Other trading activities	1,133	644	1,777	1,144	600	1,744
	<b>2,927</b>	<b>1,662</b>	<b>4,589</b>	<b>2,816</b>	<b>1,476</b>	<b>4,292</b>

For the basis of the allocation of support costs (which include governance costs), please refer to note 1.5 and note 7.

## 6. Analysis of Expenditure – Charitable Activities

2024	Activities undertaken	Depreciation	Total
	directly		
	£'000	£'000	£'000
Alder Hey	525	143	668
Arrowe Park	181	36	217
Birmingham	521	189	710
Brighton	336	36	372
Bristol	364	6	370
Camberwell	387	116	503
Cardiff	392	177	569
Edinburgh	326	106	432
Eveline London	655	357	1,012
Manchester	491	239	730
Moorfields	86	41	127
Oxford	461	410	871
Southampton	499	199	698
Tooting	270	21	291
Family Experience	-	-	-
Operations Team	625	-	625
Facilities Management of Houses	1,713	109	1,822
	<b>7,832</b>	<b>2,185</b>	<b>10,017</b>
Share of Support Costs (Note 7)	1,230	-	1,230
Share of Governance Costs (Note 7)	516	-	516
	<b>1,746</b>	<b>-</b>	<b>1,746</b>
<b>Total expenditure on charitable activities</b>	<b>9,578</b>	<b>2,185</b>	<b>11,763</b>

For the basis of the allocation of governance and support costs, please refer to note 1.5 and note 7.

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 6. Analysis of Expenditure - Charitable Activities (continued)

2023	Activities undertaken	Depreciation £'000	Total £'000
	directly £'000		
Alder Hey	516	139	655
Arrowe Park	165	38	203
Birmingham	468	215	683
Brighton	295	35	330
Bristol	223	1	224
Camberwell	356	109	465
Cardiff	332	170	502
Edinburgh	363	106	469
Eveline London	586	355	941
Manchester	441	221	662
Moorfields	79	3	82
Oxford	426	414	840
Southampton	496	199	695
Tooting	266	18	284
Family Experience	32	-	32
Operations Team	501	-	501
Facilities Management of Houses	2,136	404	2,540
	<b>7,681</b>	<b>2,427</b>	<b>10,108</b>
Share of Support Costs (Note 7)	1,524	-	1,524
Share of Governance Costs (Note 7)	448	-	448
	<b>1,972</b>	<b>-</b>	<b>1,972</b>
<b>Total expenditure on charitable activities</b>	<b>9,653</b>	<b>2,427</b>	<b>12,080</b>

For the basis of the allocation of governance and support costs, please refer to note 1.5 and note 7.

## 7. Analysis of Support Costs

The Trustees initially identify the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned across the charity. Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

	General support £'000	Governance function £'000	Total £'000	Basis of apportionment
<b>2024</b>				
Salaries, wages and related costs	1,363	584	1,947	70:30 split
Administration	912	4	916	Specific Cost
Depreciation	396	-	396	Specific Cost
Bank and legal fees	-	149	149	Governance
<b>Total Support Costs</b>	<b>2,671</b>	<b>737</b>	<b>3,408</b>	
<b>Analysed between</b>				
Raising Funds (Note 5)	1,441	221	1,662	Staff Time
Charitable activities (Note 6)	1,230	516	1,746	Staff Time
	<b>2,671</b>	<b>737</b>	<b>3,408</b>	
<b>2023</b>				
Salaries, wages and related costs	1,343	576	1,919	70:30 split
Administration	1,149	5	1,154	Specific Cost
Depreciation	316	-	316	Specific Cost
Bank and legal fees	-	59	59	Governance
<b>Total Support Costs</b>	<b>2,808</b>	<b>640</b>	<b>3,448</b>	
<b>Analysed between</b>				
Raising Funds (Note 5)	1,284	192	1,476	Staff Time
Charitable activities (Note 6)	1,524	448	1,972	Staff Time
	<b>2,808</b>	<b>640</b>	<b>3,448</b>	

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 8. Auditor's remuneration

	2024 £'000	2023 £'000
<b>Statutory audit</b>	<b>86</b>	<b>71</b>

In 2024 and 2023, the audit fee has been borne by McDonald's Restaurants Limited.

## 9. Staff costs and Trustees' remuneration and expenses

	2024 £'000	2023 £'000
Salaries and wages	6,628	6,220
Social security costs	683	630
Defined Contribution pension costs	536	491
	<b>7,847</b>	<b>7,341</b>

The number of staff whose emoluments fell within each of the following bands was:

	2024 No.	2023 No.
£60,000 to £69,999	7	7
£70,000 to £79,000	2	1
£80,000 to £89,999	1	1
£90,000 to £99,999	-	2
£110,000 to £119,999	1	-
£120,000 to £129,999	1	-
£140,000 to £149,999	-	1
£150,000 to £159,999	1	-

## 9. Staff costs and Trustees' remuneration and expenses (continued)

The Trustees, the Chief Executive, and the Executive Team are considered to comprise the key management personnel of the charity. The Trustees were not paid nor received any other benefit from employment with the charity in the year (2023: £nil). They were reimbursed expenses during the year of £nil (2023: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2023: £nil).

The Chief Executive and the Executive Team received total employee benefits of £707,574 (2023: £781,937).

During the year the charity made an ex-gratia payment to one employee totalling £3,000 (2023: £61,111).

## 10. Staff Numbers

The average head count during the year was 225 staff (2023: 224) and was made up as follows:

	2024 No.	2023 No.
Support staff	24	24
Fundraising staff	44	43
Operational staff	157	157
	<b>225</b>	<b>224</b>

## 11. Corporate Taxation

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. As such no tax charges have arisen.

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 12. Intangible Fixed Assets

	Software £'000	Total £'000
<b>Cost:</b>		
At 1 January 2024	1,073	1,073
Additions	1	1
<b>At 31 December 2024</b>	<b>1,074</b>	<b>1,074</b>
<b>Amortisation:</b>		
At 1 January 2024	394	394
Provided in the year	326	326
<b>At 31 December 2024</b>	<b>720</b>	<b>720</b>
<b>Net book value:</b>		
<b>At 31 December 2024</b>	<b>354</b>	<b>354</b>
At 1 January 2024	679	679

## 13. Tangible Fixed Assets

	Leasehold improvements £'000	Fixtures and fittings £'000	IT office equipment £'000	Total £'000
<b>Cost:</b>				
At 1 January 2024	67,067	4,013	385	71,465
Additions	1,496	299	34	1,829
<b>At 31 December 2024</b>	<b>68,563</b>	<b>4,312</b>	<b>419</b>	<b>73,294</b>
<b>Depreciation:</b>				
At 1 January 2024	14,709	1,998	246	16,953
Provided in the year	1,846	338	70	2,254
<b>At 31 December 2024</b>	<b>16,555</b>	<b>2,336</b>	<b>316</b>	<b>19,207</b>
<b>Net book value:</b>				
<b>At 31 December 2024</b>	<b>52,008</b>	<b>1,976</b>	<b>103</b>	<b>54,087</b>
At 1 January 2024	52,358	2,015	139	54,512

Leasehold improvements include £888,000 (2023: £798,000) of assets under construction in relation to ongoing projects for asset not yet ready for their intended use

## 14. Debtors

	2024 £'000	2023 £'000
Trade debtors	168	153
Prepayments	249	179
Accrued income	886	951
Other debtors	335	204
	<b>1,638</b>	<b>1,487</b>

## 15. Creditors

	2024 £'000	2023 £'000
Trade creditors	251	74
Accruals	1,145	1,216
Deferred income	18	40
Other creditors	694	734
	<b>2,108</b>	<b>2,064</b>

The deferred income balance relates to income received for events that will take place in 2025. Out of the deferred income balance of £40,000 brought forward into 2024, £40,000 was released in 2024. A further £18,000 of income was deferred from 2024 relating to events that will take place in 2025. Other creditors includes £672,000 (2023: £712,000) relating to payroll costs.

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 16. Fixed Asset Investments

	2024 Listed investments	2024 Total	2023 Listed investments	2023 Total
Cost or valuation	£'000	£'000	£'000	£'000
At 1 January	755	755	743	743
Net gains/(losses) in investments	8	8	12	12
<b>At 31 December</b>	<b>763</b>	<b>763</b>	<b>755</b>	<b>755</b>

The historical cost of the shares at 31 December 2024 is £620,000 (2023: 620,000).

## 17. Analysis of Charitable Funds

	Restricted funds £'000	Designated funds fixed assets £'000	Designated funds Alder Hey refurb- -ishment £'000	Designated Scottish funds £'000	General unrestricted funds £'000	Total £'000
<b>Funds</b>						
At 1 January 2024	1,683	56,056	9,000	-	4,587	71,326
Incoming resources	677	-	-	517	14,728	15,922
Resources expended	(803)	-	-	(326)	(12,643)	(13,772)
Fixed asset investments	-	(755)	-	-	763	8
Additions and Disposals	-	1,720	-	-	(1,720)	-
Amortisation	-	(326)	-	-	-	(326)
Depreciation	-	(2,254)	-	-	-	(2,254)
Transfer between Funds	(831)	-	303	831	(303)	-
<b>At 31 December 2024</b>	<b>726</b>	<b>54,441</b>	<b>9,303</b>	<b>1,022</b>	<b>5,412</b>	<b>70,904</b>

It is the charity's policy to ensure that funds are sufficient to cover at least four months of operating costs. £5.4m remains undesignated to provide appropriate resources to cover the charity's day-to-day running costs for four months in the event of a sudden unexpected change in the charity's income levels. The Trustees have felt it prudent to ensure a balance of £15.7m remains unrestricted, of which £9.3m is designated to the refurbishment of the Alder Hey House.

In previous years, it was assumed that the Scottish carrier bag levy could only be used for the operating expenses of the Ronald McDonald House in Edinburgh. However, in 2024, we received clarification from the donor that there were no restrictions placed on this fund. Consequently, we have reclassified this fund within designated funds. The expenditure from this fund amounted to £326,000 in 2024 (2023: £363,000).

The Welsh carrier bag levy is restricted to cover the costs of the charity within Wales, and therefore, this is restricted towards the costs of running the Ronald McDonald House in Cardiff, which were £392,000 in 2024 (2023: £332,000). Additionally, there were restricted donations of £283,000 made towards the Alder Hey Appeal during the year.

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 17. Analysis of Charitable Funds (continued)

Funds	Restricted funds £'000	Designated funds fixed assets £'000	Designated funds Alder Hey refurbishment £'000	General unrestricted funds £'000	Total £'000
At 1 January 2023	2,616	56,990	9,000	2,858	71,464
Incoming resources	852	-	-	15,370	16,222
Resources expended	(1,545)	-	-	(12,086)	(13,631)
Fixed asset investments	-	12	-	-	12
Additions	(240)	1,795	-	(1,555)	-
Amortisation	-	(263)	-	-	(263)
Depreciation	-	(2,478)	-	-	(2,478)
<b>At 31 December 2023</b>	<b>1,683</b>	<b>56,056</b>	<b>9,000</b>	<b>4,587</b>	<b>71,326</b>

## 18. Analysis of net assets between funds

	Unrestricted General Funds £'000	Unrestricted Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
Tangible Fixed Assets	-	54,087	-	54,087
Intangible Assets	-	354	-	354
Fixed Asset Investments	-	763	-	763
Current assets and liabilities	5,412	9,562	726	15,700
<b>Total Net assets at the end of 2024</b>	<b>5,412</b>	<b>64,766</b>	<b>726</b>	<b>70,904</b>

## 19. Reconciliation of net (expenditure) / income to net cash flow from operating activities

	2024 £'000	2023 £'000
<b>Net income/(expenditure) for the reporting period</b>	(422)	(138)
Depreciation charges	2,254	2,478
Amortisation charges	326	263
Loss/(Gain) on investments	(8)	(12)
Loss on the scale of fixed assets	-	110
Interest on investments	(600)	(507)
(Increase)/Decrease in debtors	(151)	46
Increase in creditors	44	371
<b>Net cash provided by/(used in) operating activities</b>	<b>1,443</b>	<b>2,611</b>

# Notes to the Financial Statements

for the year ended 31 December 2024 (continued)

## 20. Analysis of Cash and Cash Equivalents

	2024	2023
	£'000	£'000
Cash at bank and in hand	16,170	15,957
<b>Total cash and cash equivalents</b>	<b>16,170</b>	<b>15,957</b>

## 21. Transactions with McDonald's and Related Parties

McDonald's Restaurants Limited is the charity's main fundraising partner. Transactions entered into during the year, and trading balances outstanding at 31 December 2024, are as listed below.

The charity received charitable donations from McDonald's Restaurants Limited of £303,418 (2023: £371,943). Additionally, McDonald's Restaurants Limited made donations of £881,480 (2023: £721,421) in respect of the Welsh and Scottish carrier bag levies. McDonald's Restaurants Limited also donates office space to the charity on an ex-gratia basis.

McDonald's Restaurants Limited incurs costs on behalf of the Charity, which are then recharged at cost to the charity. During the year, McDonald's Restaurants Limited invoiced £6,032,169 (2023: £7,180,451) in recharges for costs incurred. At the balance sheet date, the net amount due to McDonald's Restaurants Limited was £447,222 (2023: £327,797).

There were no related party transactions that required disclosure (2023: None).

## 22. Limitation by Guarantee

The Charity is limited by guarantee and as a consequence does not have share capital. The Directors of the charity comprise Independent Trustees, Trustee representatives of McDonald's Restaurants Limited, and its franchisees. The liability of every member is limited to £1 each.



Together, we can help families with children in hospital cope with the practical, emotional and financial challenges they face.



[www.rmhc.org.uk](http://www.rmhc.org.uk)



@RMHCUK



Ronald McDonald House Charities (UK) is an independent charity registered in England and Wales (802047) and in Scotland (SC040717). A company limited by guarantee no. 2252337, registered in England.

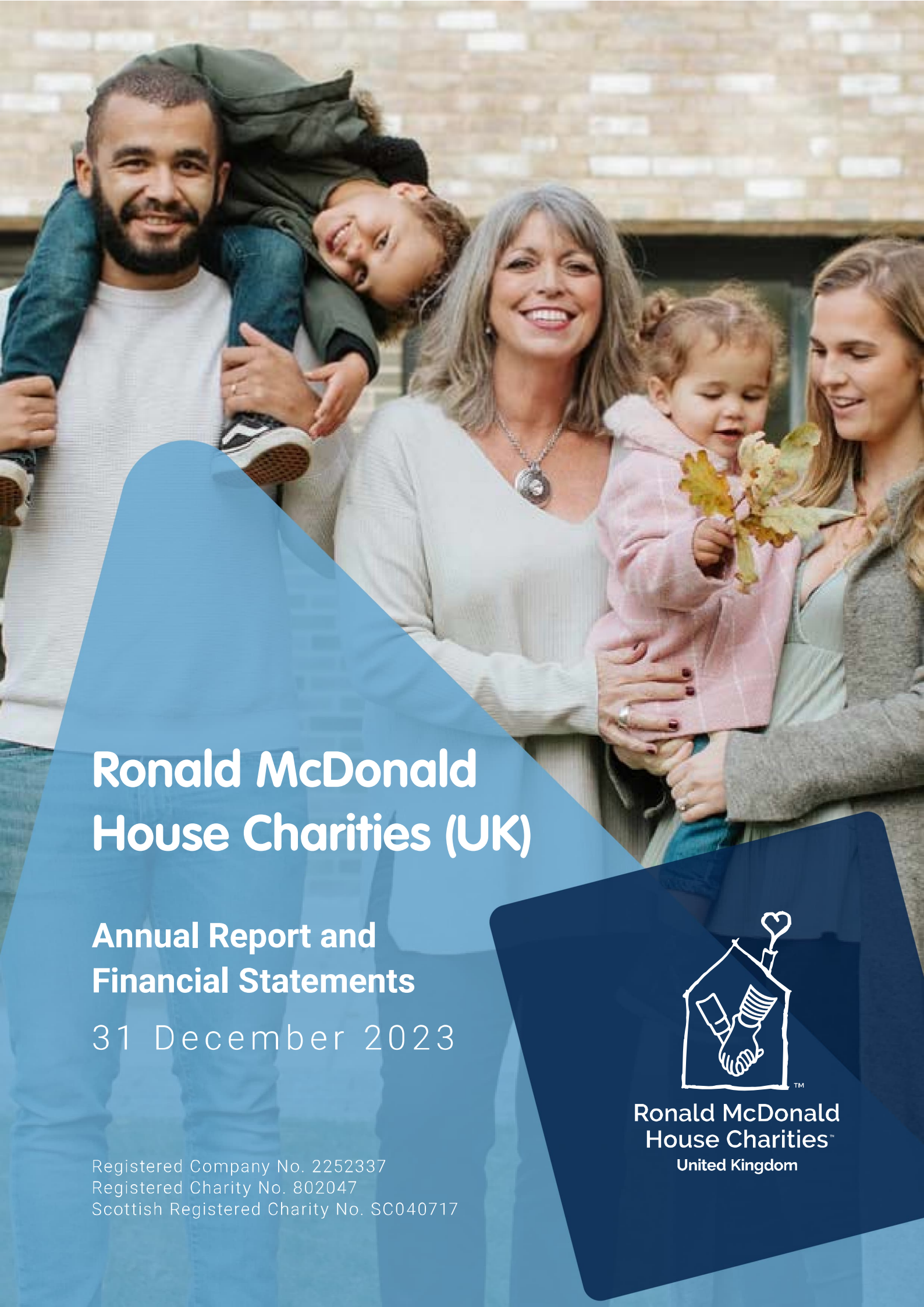
**RONALD MCDONALD HOUSE UK**

England & Wales - Charity number 802047

---

# Accounts

---



# Ronald McDonald House Charities (UK)

Annual Report and  
Financial Statements

31 December 2023

Registered Company No. 2252337  
Registered Charity No. 802047  
Scottish Registered Charity No. SC040717



Ronald McDonald  
House Charities™  
United Kingdom

# Contents

## Trustees' Report

Chairman's Report	4
Strategic Report	6
- Our Impact	6
- Our Partnerships	14
- Thank You	18
- Principal Risks and Uncertainties	19
- Financial Review	20
Objectives & Activities	22
Structure, Governance and Management	23
Reference & Administrative Details	24
Statement of Trustees' Responsibilities	25
Independent Auditor's Report	26

## Financial Statements

Statement of Financial Activities	31
Balance Sheet	32
Statement of Cash Flows	33
Notes to the Financial Statements	34

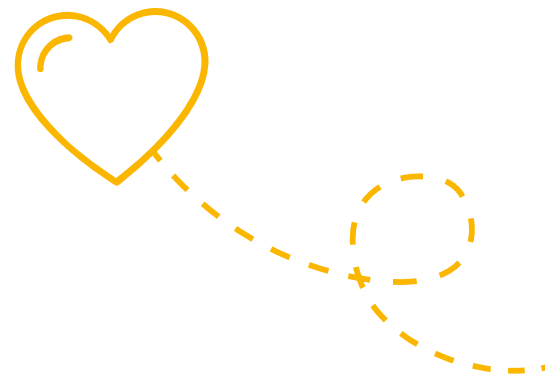


# Trustees' Report

Ronald McDonald House Charities (UK) is an independent charity registered in England and Wales (802047) and in Scotland (SC040717), and is a company limited by guarantee (2252337), registered in England.

The Trustees of Ronald McDonald House Charities (UK) (who are also the Directors for the purposes of Companies Act 2006) are pleased to present this, their report and accounts for the period ended 31 December 2023, which incorporates the Strategic Report and the Director's Report required under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013.

# Chairman's Report



## Dear Supporters,

I am delighted to showcase the huge amount that has happened over the past year at Ronald McDonald House Charities (UK). The Board of Trustees is incredibly proud of everything we have achieved in partnership with NHS hospitals and our supporters across the country.

In 2023 we helped more families than ever before, following the successful mergers with our Alder Hey and Bristol Houses in 2022. We thank supporters for being at the heart of everything we do and for making it possible to provide free 'home away from home' accommodation and support to more than 8,400 families with a child in hospital – an increase of 26% on the previous year.

A large focus for our spending in 2023 was to significantly invest in our estate as part of our overarching reinvestment and long-term maintenance plans, ensuring that our Houses are equipped to deliver high-quality services and best meet the needs of the families we look after. Notable projects included opening a newly knocked-through and refurbished Day Room in our House based next to Royal Manchester Children's Hospital. This created a beautiful space, including a fully fitted kitchen and carefully designed zones for different family groups and interests. This renovation supported the growth of our Day Pass Programme and led to an increase of 13% in the number of families accessing our Manchester House for the day to get respite from the hospital ward.

We also concluded a £600,000 refurbishment project of our Camberwell House, serving families at King's College Hospital London, which included redecoration of all 24 bedrooms, along with much-needed long-term maintenance

works. This project was also a great success and families praised us for our 'beautiful renovations and amazing facilities'.

We shared our plans for a multi-million-pound refurbishment of our House at Alder Hey Children's Hospital in Liverpool. This major improvement project is designed to ensure the 30-year-old building, which requires major modernisation, can continue to meet the needs of families for many years to come.

At the start of the year, we conducted research to better understand how the families we look after had been affected by increased pressure on the cost of living. We knew they were struggling and wanted to raise awareness of this issue. Our research report painted a bleak picture.



**7/10**  
**parents and carers reported their finances were negatively impacted by having a child in hospital.**

Seven in ten parents and carers reported their finances were negatively impacted by having a child in hospital. More than two in three said the cost-of-living crisis was causing their mental health to suffer, and almost a quarter of parents told us they had skipped meals to help make ends meet.

**continued...**



# Chairman's Report (continued)

Our results generated significant coverage that is featured nationally on the BBC's Morning Live programme and across a range of local and regional media outlets. We were also able to share this research and collaborate with a wide network of other children's health charities.

Working with partners in 2023, we were able to do more to respond to the increasing needs of the families we look after. We are proud of the support we have been able to provide following the rollout across all our Houses of our 'Grab & Go' programme, providing free snacks and drinks for families, ensuring they can access healthy and convenient food whilst they are with their children on hospital wards. Similarly, the myHappyMind programme has been introduced, providing much-needed support for families' mental health and wellbeing. We would not have been able to achieve so much without our wonderful supporters.

**In 2023 we raised over £16m. This is a record amount for our Charity and an increase of 14% from 2022.**

Our mission partner McDonald's, their Franchisees, employees, customers, and suppliers continued to demonstrate their unwavering support to raise awareness of our cause and vital funds. In 2023 the McDonald's family donated over £10.3m to the Charity. A joint campaign with Coca-Cola saw key facts about Ronald McDonald House Charities (UK) on over 30 million cold drink cups used in McDonald's restaurants across the UK. We also saw success across our events programme, and a return to pre-Covid-19 levels of financial success, raising over £2m.

We've been hugely grateful for our partners and supporters' donations, gifts in kind and pro-bono assistance despite the pressures of the cost of living and rising business costs. Our community of supporters is truly inspiring and covers an incredible cross-section of businesses and communities around the UK. Businesses like Sealy UK & Ireland have provided bespoke beds to enable families to rest and sleep. Bloomberg has provided 4,400 'Grab & Go' snack packs for families, and global supporters like Martin Brower have expanded their fundraising and gift-in-kind donations.

2023 was a year of growth for our Charity. Growth in the number of families we looked after, the type of support we were able to offer, and of course, growth in income to allow us to achieve all of this. On behalf of the Charity, I would like to thank every supporter who made this possible. I look forward to continuing this work in 2024, supporting thousands of families through the hardest of times.

DocuSigned by:  
*Jeff Fergus*  
FC816019357F4C8...  
**Jeff Fergus**  
**Chair**  
**Ronald McDonald House Charities (UK)**  
31 July 2024

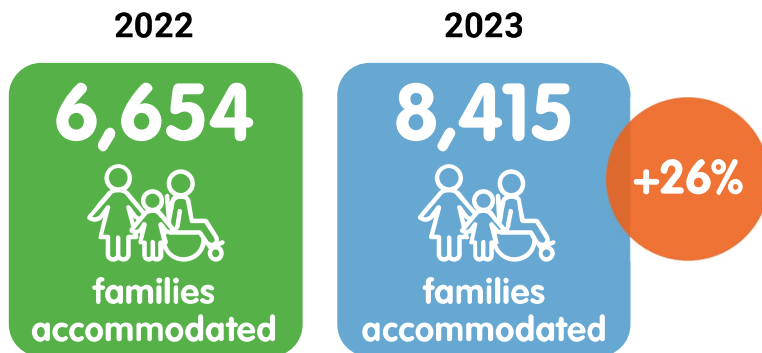


# Strategic Report



Ronald McDonald House Charities (UK) provides free accommodation and support for families who have a child in hospital. This is desperately needed, and for many families is the only way to avoid lengthy commutes, unmanageable hotel bills, sleeping on chairs or even in cars. Our Houses also provide a community of support, where families are surrounded by others going through a similar situation and staff who understand how stressful it can be to have a child in hospital. Our Houses are a 'home away from home' where family members can live, relax, and eat together. All of this helps families cope practically and emotionally with having a child in hospital.

## Our Impact



In 2023, we accommodated more families than ever before in our 14 Houses across the UK. 8,415 families stayed with us, up from 6,654 in 2022, an increase of 26%. This is primarily as a result of our expansion in 2022 but is also because in 2023 our occupancy rates rose again to 83%, from 80% in 2022. This is a measure of the percentage of time that all our rooms were occupied by families.

These increases are a testament to our Housekeepers, who were able to turn rooms around quickly and minimise the time it takes to get a new family settled in when others check out; and the Estates team who work hard to respond to any minor maintenance issues and keep all our rooms open.

[View our 2023 stats](#)



### Did you know?

Following feedback from our House teams who were reporting a perceived increase in shorter-stay families, we started a piece of work looking into the details of the average length of stays. Our research shows that 48% of stays were for more than eight nights and 28% of stays were for three nights or less. This project will continue in 2024 to help us understand how best to meet the needs of our different family groups, for example through the facilities and activities we offer.



**99% of  
families  
agreed**



**“The services and support I received at the Ronald McDonald House helped me cope during my child’s hospital stay,”**

## Life costs more for families with a sick child in hospital

**28%**  
said they'd gone  
cold to avoid using  
heating at home

More than  
**40%**  
have asked  
families or friends  
to borrow money

**58%**  
have cut back on  
non-essential  
spending

## Our Impact

### Financial challenges facing our families

In January we undertook an eight-week cost-of-living survey of families who had stayed in a Ronald McDonald House within the previous six months. The survey found that 7 in 10 people, who'd stayed in a House, reported their finances were negatively impacted by having a child in hospital. More than two in three people shared that the cost-of-living crisis is causing their mental health to suffer.

Jodie Cameron, Somerset, whose baby Ewan needed heart surgery says: "My partner is a farmer and couldn't always get time off, so he had to travel back and forth to the hospital, which is a 172-mile round-trip. My maternity leave ended in December, but I couldn't go back to work because Ewan was still in hospital.

"Tom's wage just about covers the bills, but it's been a struggle to keep up with mortgage repayments and we've worried about the possibility of losing our house. Without Ronald McDonald House Bristol, I don't know how we would've coped."

**Ella Joseph, Chief Executive  
of Ronald McDonald House  
Charities (UK), said:**

**"We know that life costs more  
if your child is being treated  
in hospital, particularly when  
that treatment isn't close to  
home. This financial challenge  
is compounded by significant  
increases in the cost of living'.**

**91%**



**of survey respondents to the survey agreed  
that staying in a Ronald McDonald House  
helped to ease the financial burden of  
having a child in hospital.**

## Grab & Go

To ease the financial burden of buying food in hospital, Grab & Go stations were set up across all our Houses to provide free packaged food for families to take to the hospital with them. All 8,415 accommodated families, and 7,840 visitors using a Day or Medical Pass, were able to benefit from fresh fruit, snacks and hot drinks.

Our corporate partners provided over 6,500 snack packs to support our Grab & Go stations. Special recognition must be given to Bloomberg who provided 4,400 snack packs with contents totalling £21,900, and Cisco who provided 2,170 packs. These have been hugely appreciated by families across our Houses and have even been used to celebrate birthdays, such as a young girl who has been in our House for all three of her birthdays and was delighted to be given “sweets” on her 3rd birthday, which were actually healthy fruit-based snacks.

## Family Wellbeing

Last year we worked with more than 80 different organisations to deliver more than 120 different activities to support our families. These included free food, access to bereavement support, counselling sessions, wellbeing events and celebrations such as pantomime experiences and pampering sessions.

We were also able to announce our partnership with global fitness and wellbeing community app, TRUCONNECT. The brand has given free, lifelong access to the app to families staying at all 14 of our Houses, extending to all Ronald McDonald House Charities (UK) employees. This access includes more than 1,000 mental and physical health programmes, such as NHS-approved wellbeing courses, and over 400 nutritious recipes.

Across the year, we have promoted family and staff wellbeing and celebrated events and milestones that allow us to profile our commitment to equality, diversity and inclusion, such as International Women’s Day, National Inclusion Week and Disability Pride.

**We’re pleased  
to be recognised as a  
Disability Confident Employer.**



## MyHappyMind

Being away from home in an unfamiliar place can be difficult for both parents, children, and wider family members staying in our Ronald McDonald Houses. There are many pressures families face when they have a child in hospital, that's why, in January, we were proud to launch a partnership with myHappyMind – an NHS-backed, award-winning programme which uses scientifically-proven strategies to help develop resilience and self-esteem. The team at myHappyMind created a bespoke programme just for families in our Houses, to support them in developing coping strategies.

Key milestones and achievements:

- More than 200 family sign-ups for the programme and more than 700 page visits.
- 28 new activities were created and added to the online programme with ideas coming from our staff, specifically catering to the needs of our families.

Throughout the year, our Houses have used myHappyMind to engage with our families and share educational resources. We celebrated Children's Mental Health Day, putting together activities using the conversation cards developed by myHappyMind to help families have conversations about their mental wellbeing. We also used the resource from myHappyMind to celebrate International Day of Friendship to create an interactive session on gratitude and friendship.

**"One morning in the Bristol House, a mum and her five-year-old son came to sign out. I asked who they were going to see in the hospital, mum replied 'Matilda she is only three years old.' I gave the little boy a myHappyMind toy for him and one for his sister. I also gave him a myHappyMind storybook for his mum to read to them both. Some hours later a very tearful Mum came back from the ward, and she told me, 'You don't know what you have done,' and 'we will never forget you.' As she fought back her tears, she explained in the morning her son had not wanted to go to the hospital, however as I had given him the myHappyMind book and toys, he had willingly gone to visit his sister. Mum explained it was his last chance to see her. Matilda passed away the next day."**

**Rachel Tween, House Manager, Tooting**

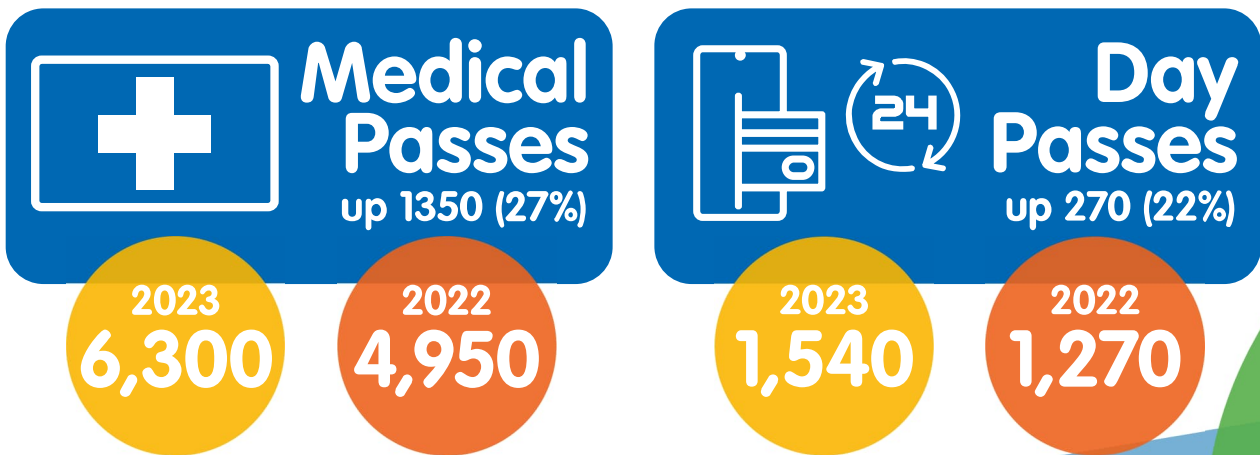
# Our Impact

## Day Pass and Medical Pass Programmes

We work hard to ensure that our Houses can be used by as many families as possible, including those who we may not be able to accommodate as our Houses are often full. To do this, we open our doors for families to use our communal facilities during the day. These include our day rooms to relax, kitchens to prepare meals and eat in and access to shower or laundry facilities to freshen up. Families using our Houses in this way are on our 'Day Pass' programme.

We also want as many children as possible to have respite from being inpatients on the ward and visit our Houses through our 'Medical Pass' programme.

Throughout 2023 our ambition was to increase take up of these programmes. With increasing interactions with our hospital partners and raising awareness of both Medical and Day Pass programmes through Patient Experience Groups, awareness stands, involvement in NHS staff inductions, invitations to ward staff to visit the Houses, and family drop-in sessions, we have seen an increase of 27% in our Medical Passes and 22% in our Day Passes compared to the previous year.



In our Ronald McDonald House next to Royal Manchester Children's Hospital, we saw a 13% increase from 2022 to 2023, in the number of families using our 'Day Pass' programme. Which continues to rise significantly in 2024. This increase in usage was following the complete refurbishment of the day room. The new space includes ovens, a spacious fridge freezer and a larder of free provisions for families. This has allowed families who are not staying overnight to prepare and cook healthy meals to enjoy together. One of the current families said: "It's such a lovely room. You come in and just forget about everything that is happening over at the hospital for a moment and simply relax."

# Our Impact

## Investing in our Houses

Our Estates and Facilities team has worked tirelessly throughout the year to ensure that our accommodation is maintained to a high standard. £1.6m was spent on general upkeep, including minor repairs and decorating, and maintaining equipment in line with statutory requirements. In addition to the remodelling of the Manchester Day Room, a major project we completed this year was a £600,000 refurbishment of our 24-bed Camberwell House, consisting of a complete redecoration and replacement of equipment in line with equipment and maintenance life cycles.



**“During our stay, we felt the room provided was invaluable to us as a family. Keeping us supplied and safe! The chance to remain close to the hospital was very reassuring and the staff were so kind, cheerful and nothing was too much bother. The House is immaculately clean, every piece of equipment thought of. The playroom and the dining room are fantastic. This all helped reduce the stress, as well as being able to have our other little grandson stay with us as a family reduced the worry and anxiety for us all. Thank you so much.”**

## Sustainability

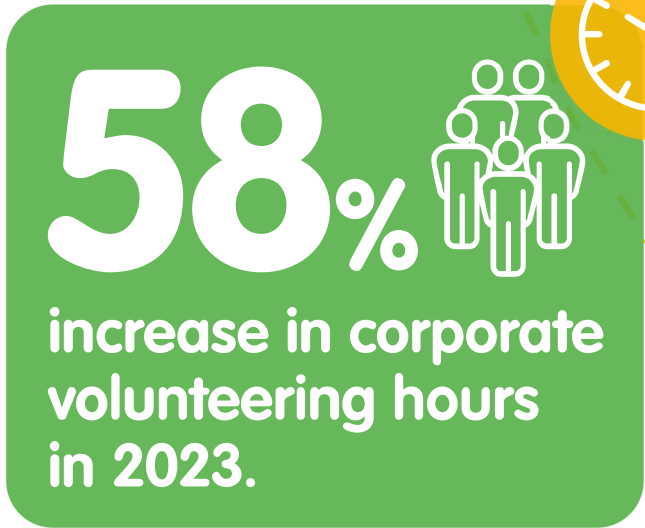
In total, Ronald McDonald House Charities (UK) saved families from travelling 10.7 million miles to and from hospital in 2023.

In partnership with Veolia, an efficient new sustainable waste management system was launched across our Houses. We achieved a recycling rate of 17%, which was an uplift of 52% from 2022. The new system has standardised methodology across all Houses and increased recycling engagement and confidence.

# Our Impact

## Volunteering

Corporate volunteers help us improve the experience we provide our families. Volunteering opportunities also give local organisations meaningful corporate activities for staff and stakeholders. We were delighted to see a 29% increase in the number of volunteers from 2,700 in 2022 to 3,470 in 2023. This meant 58% more hours of volunteering from 9,590 to 15,200.



However, over this year we also saw the number of regular individual volunteers decrease by 23% from 1,050 to 810, and the hours donated by these volunteers went down 30% from 3,540 to 2,490. During 2024 we will undertake a project to explore what is needed to implement an effective volunteering programme across the Charity.



# Our Partnerships

It is thanks to our many partners that we can provide a high level of service and care for our families.

## Gifts in kind and pro bono support

In 2023 we had several partners who provided gifted items or services with the aim to improve the experience of families accessing our services. Some examples include brand new beds from Sealy UK & Ireland, access to a wellbeing and fitness app via TRUCONNECT; access to emergency financial and support services from Hugh James; as well as snack packs and food items to support our 'Grab and Go' stations.

For World Sleep Day on 17 March 2023, we celebrated our exciting partnership with Sealy UK, who donated beds, custom designed for our Ronald McDonald Houses. The bespoke single beds have pull-out trundles, so a family of four can sleep comfortably, just a stone's throw away from their child in hospital.

Through our partnership with law firm, Hugh James, we were hugely grateful to be able to extend financial and practical support to our families via their Emergency Fund and Major Trauma Service. Access to this service enabled both immediate support and longer-term assistance to families, providing a lifeline at a time of huge emotional and financial strain.

We are grateful to Veolia for their support with waste and recycling. Longstanding supporters Essity increased the amount of toilet rolls and blue rolls they provide us, and we have worked with many other partners supporting in this way or through gift in kind donations directly for the benefit of families. We are appreciative of our supporters who offer discounts on products and services including Big Bathroom Shop and Tarkett Group.

We hope that gifts in kind will continue to grow in 2024, particularly for those businesses who are struggling to support our Charity with financial donations.

120



120 beds were donated in 2023 by Sealy UK & Ireland



## The McDonald's Family

We must recognise the unwavering generosity of McDonald's, its Franchisees, employees and suppliers, as well as customers who donate in restaurants. We were hugely grateful and extremely proud to have received over £10.3m from the McDonald's family in 2023, an increase of 9% from 2022. Key drivers for this success were:

- As well as facilitating donations from customers through collection boxes, Kiosks and the McDonald's App, McDonald's also provides the facility for customers to donate their App reward points to charity. Digital donations to the Charity (via Kiosks and the App) exceeded £4m in 2023.
- In May, we were thrilled to be part of a national awareness and fundraising campaign at McDonald's. Featuring digital takeovers focused on building awareness in restaurants, the campaign also saw McDonald's staff raise much-needed funds through face painting in restaurant dining areas across the UK. Over the summer, we were proud to come together with McDonald's and Coca-Cola GB to raise awareness for the Charity through a national cold cup takeover – the first of its kind in the UK. Our logo, and key facts about the Charity were displayed on over 30 million cold drinks cups, helping to increase awareness for the Charity

As well as providing customers more opportunities to engage with the Charity and more choice in how they donate to us, we also remain grateful to the McDonald's family - the company, Franchisees, Restaurant Teams and Suppliers - for the direct support they generously provide. In 2023 this included significant donations to the Charity, sponsoring and attending our events, organising and participating in a huge number of fundraising activities and challenge events, volunteering at our Houses, and so much more. In addition, all Franchisee and company restaurants in Wales, and some in Scotland, continue to donate proceeds from the bag tax levy - a very generous gift which is hugely appreciated.

We remain proud and grateful to be McDonald's' Charity of Choice, their "forever partner". The support we receive from across the McDonald's family makes a huge difference to the Charity. Thank you for all your support in 2023. We look forward to continued success from our partnership in 2024 and beyond.

**The support we receive from across the McDonald's family makes a huge difference to the Charity**

## Corporate Partnerships

Alongside McDonald's our support from other companies in 2023 grew by 32%. Some notable contributors to this growth were partnerships that grew from 2022, such as more than £31,000 raised by Bank of Montreal and £25,000 donated by Norton Rose Fulbright. We were grateful to receive significant support from new partners including more than £104,000 donated by Attwater Jameson Hill, as well as sizeable donations from The Original Fit Factory. In total we have secured 18 new corporate partners in 2023, many of whom made us their 'charity of the year', including the Birmingham office of Eversheds Sutherlands.

Through strong stewardship and engagement, we have benefitted from repeat gifts from E3P who raised more than £20,000 with £10,000 of match funding, as well as RMHC Global supporters such as Alexion Charitable Foundation and Vertex who have supported our work in the UK and across global Chapters. Alongside their support with the Grab & Go programme, Bloomberg increased their support in 2023 through volunteering within our Houses, as well as from their offices.

## Fundraising

2023 was a year of growth for the majority of our income streams. This resulted in the Charity benefiting from an income of more than £16.2 million, a 14% increase on last year.

### Events

We are delighted with the achievement that this year, our event income returned to pre-Covid levels, raising more than £2 million across both Challenge and Special Events. This is fantastic for our Charity and our supporters tell us how much they enjoy participating - from great team bonding experiences to excellent corporate networking opportunities.



The Inflatable 5k series was a huge success after a strong online campaign at the beginning of the year, with 561 participants and £74,300 raised in total, up from £26,425 in 2022. The TCS London Marathon was our next biggest event with 22 supporters and £48,500 raised. There were also many regional events close to Houses that yielded some great results such as the Cardiff Half Marathon which raised £10,700 and Edinburgh Marathon Festival that generated donations of £7,600. Collectively this saw a total of 759 participants taking part with strong opportunities for future engagement and further support.

The Ladies Lunch, organised by Trustee and McDonald's Franchisee, Anne Wainwright, was a great success raising £30,000, along with the Summer of Golf seeing 142 teams raise £189,000. Our Leisure Classic event, two regional Gala dinners in Birmingham and Manchester as well as Edinburgh carols together raised over £1 million.

### Community

We maintained our support from individuals and groups raising funds from within their communities, with a small 2% increase in last year's income. Our supporters got creative with their fundraising in 2023, and as some of the highlights below reveal, they went above and beyond to raise funds for Ronald McDonald House Charities (UK).

Our annual skydive raised £45,000 with 72 participants taking to the skies across the UK over a weekend in July.



**Dad Ryan Gosling, who stayed at our Bristol House when his newborn daughter Indie was being treated for hyperglycaemia, ran 240 miles in four days from his home in Barnstaple, Devon, to Bristol raising more than £10,000 . His story was picked up by the BBC News website, reaching more than 588 million readers.**

**We were delighted to be selected as 'charity of choice' for Sherborne Car Show, which raised £18,000 at their annual Classic Car Show.**

## Fundraising (continued)

36

**The Richards family raised more than £10,000 via their Ray of Light Cycle ride along the Scotland Coast2Coast route from Annan, in Dumfries and Galloway, to St Andrews, in NE Fife.**

We were grateful to be the recipients of a £11,000 donation following the Avison Young Memorial Football match in Scotland, in memory of Avison Young's late employee, Duncan Wright.

We launched a new Community product, Jumble Jamboree – encouraging our supporters all year round to recycle and sell their second-hand goods for our Charity.

We also held our first annual thanking week in September, which covered all donor groups. It was a brilliant way to connect and personally thank our many supporters. Following positive feedback, we will be looking to grow this initiative in 2024.

**In a different type of run, Ramsay and Jackson, agricultural engineers, once again held a Christmas Tractor Run, raising an impressive £8,760. The event saw a record-breaking 240 vehicles enter and they didn't let the poor weather stop them. Tractors and trucks of all sizes entered and were decorated with Christmas lights and decorations.**



### Trusts and Grants

We continue to be supported by several repeat donors, receiving significant donations in support of our work. Donors include Birmingham Children's Hospital Charity, Guy's and St Thomas' Charity, The Steel Charitable Trust, The Fairy Water Trust, Eric Wright Charitable Trust, and GJW Turner.

Once again, we remain grateful to the support we received from the Steve Burne Charitable Trust who, along with other partners helped to transform the Day Room within the Manchester House, creating an open plan, calming space for families to have some respite away from the ward.

### Our Commitment to Supporters

We put our families and supporters at the heart of everything we do to ensure we build sustainable income sources. Ronald McDonald House Charities (UK) is signed up to the Fundraising Regulator's Code of Fundraising Practice. We are committed to legal, open, honest and respectful fundraising and do not cause undue pressure or intrusion on donors. We maintain robust fundraising policies, which promote the adoption and improvement of responsible fundraising practices within the UK. We are pleased that once again, in 2023 we received no complaints which were referred to the Fundraising Regulator.

# Thank You

Ronald McDonald House Charities (UK) could not operate without the support of our wonderful and dedicated donors. We would like to thank everyone who supported us in 2023, as well as those who wish to remain anonymous.



**Alexion Charitable Foundation**

**Antony Hornby Charitable Trust**

**Attwater James Hill**

**Avison Young**

**Baron Davenport's Charity**

**Best Bathroom Shop**

**Best Heating**

**Bloomberg**

**BNY Mellon**

**Cargill Protein Europe**

**CBRE**

**CDW**

**Celestra**

**Centrica**

**CMF Charitable Settlement**

**Coca Cola Europe**

**Coca Cola GB**

**Cornerstone**

**Dandara**

**Essity**

**Ethel and Gwynne Morgan Charitable Trust**

**Griffith Foods**

**Guenther Bakeries**

**Hugh James**

**Ian Sherry c/o Glenbrook Properties**

**Kieran Masterson c/o Galamast**

**Limitless Digital Group**

**London Stock Exchange**

**Martin Brower**

**Matt Jarrett**

**Mattel**

**McCain**

**McCormick**

**McDonald's UK and Ireland, their Franchisees and employees, and their customers**

**Medtronic**

**Mercer Family Foundation**

**Milly's Smile**

**Mrs MA Black's Trust**

**Mudano**

**Nicholas Jones Charitable Trust**

**Norton Rose Fulbright**

**Philip Artemiey & family**

**Phillips 2012 Charitable Trust**

**Ramcrete**

**Ramsay and Jackson**

**Royal Bank of Canada**

**Ryan Gosling**

**Sally Cancer Foundation**

**Sam and Amber Turner**

**Sealy**

**EDA**

**Sherborne Classic Car Show**

**Signature Flatbreads**

**Spielman Charitable Trust**

**Steinberg Family Charitable Trust**

**Steve Burne Charitable Trust**

**Stourgarden**

**Tarket Flooring**

**The Original Fit Factory Ltd**

**The Ray of Light cycle ride team**

**Tindall Riley**

**Tony Poole c/o CVSL**

**Tristan Baddeley & Jean-Marc Spanghero c/o Moy Park**

**Veolia**

**Vertex**

# Principal Risks and Uncertainties

Ronald McDonald House Charities (UK) adopts a risk management strategy which includes a quarterly review and update of the risk register by the Executive Team and the Board.

During the year, we implemented the following:

- Updated the process for risk assessment so that Trustees and management have a better framework to consider the key risks and uncertainties and implement appropriate mitigations.
- Improved reporting on the risk indicators and the mitigation strategies including timescales for implementation.

The following are the principal risks and uncertainties facing the charity and the approach being taken to mitigate these risks:

**Income Generation:** The recent growth of the Charity and its operational costs have put additional pressure on fundraising. The approach implemented includes:

- Continuous development of our long-term strategy to broaden income streams.
- Regular review and monitoring of the financial and income performance by the Executive Team and Board.
- Recruitment of a new Director of Fundraising and Marketing & Communications to enhance the diversification of our income.
- Work with key funding partners (including McDonald's) on exploring new opportunities to grow our charitable income.

**Condition of Estates and Building services:** In order to provide high quality service delivery to families, the Charity must invest in its estate. The approach implemented includes:

- Planned Preventative Maintenance programmes for our Houses.
- Ongoing maintenance and repair of our estates to limit damage.
- Strategic Asset Plans being developed for all our Houses to map out estates needs over a longer timeframe.

**Health & Safety and safeguarding:** As a provider of services to families, the safety and security of families as well as staff is paramount. The approach implemented includes:

- Service Delivery Team are provided with key training to deal with incidents.
- Houses are staffed during the day and have security outside work hours. Incident management team on call at all times.
- Regular monitoring and consultation with industry experts on health and safety matters and assessments.
- Regular review and monitoring of our policies and practices including the safeguards and preventative measures in place.
- Families are inducted and provided with information on expectations during their time with the Charity.

As part of the regular review of risks, the Charity actively monitors and mitigates risks that could impact on income and impact. For example, in relation to brand (where awareness and trust in the brand is key to donor engagement); use of data and technology (where the Charity wants to continue to develop its use of data for impact reporting to all supporters). The Charity reviews and monitors its policies and procedures when dealing with personal information and our GDPR principles ensure we do not risk the trust placed in the Charity, protecting our supporters from possible misuse, whether it be accidental or deliberate.

# Financial Review

The financial statements and accompanying notes have been prepared in accordance with the Statement of Recommended Practice – Charities SORP second edition (FRS 102) issued by the Charities Commission in October 2019, applicable Accounting Standards in the United Kingdom, requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland).

The Charity received income of £16.2m during the year for its ongoing charitable activities (2022: £14.3m), enabling us to maintain our existing commitments to family accommodation across the UK. The main source of income was voluntary (income given freely, not in return for goods and services). The largest source of voluntary income is donations from the public via collection boxes and Kiosk donations located primarily in McDonald's restaurants all over the UK. This income amounted to £5.7m (2022: £5.5m). McDonald's and its franchisees pay all the card transaction fees associated with the kiosk donations, which meant 100% of the donations were received by the Charity. The Charity was once again indebted to McDonald's Restaurants Limited and its franchisees who donated just over £4.1m (2022: £4.0m) towards the work of the Charity, as well as office facilities and other in-kind support.

The operational costs of the Charity were £16.4m (2022: £12.8m), of which £12.1m (2022: £8.1m) related to the costs of delivering our charitable activities within our Houses and represents 74% of our total expenditure. The increase in costs is mainly related to the full year operation of two Houses in Alder Hey and Bristol which joined the Charity in 2022. The costs of fundraising were £4.3m and represents 26% of our total costs. Trustees have reviewed expenditure and are satisfied that it is reasonable and supports the Charity's stated objectives.

## Reserves

As at the year end, the Charity held total funds of £71.3m of which £1.7m was held within restricted funds, £65m within designated funds and £4.6m within unrestricted general funds. The restricted funds are mainly made up of donations that are restricted to cover the running costs of our Houses within specific geographic locations.

## Designated funds and tangible fixed assets

The Charity has a portfolio of residential properties offered free of charge to families with seriously ill children at hospital, currently with a net book value of £54.5m (2022 £55.7m). The value of these properties has been classified as designated funds as these are fixed assets which cannot easily be converted into general funds for day-to-day use. The assets are being depreciated over 25 to 40 years to reflect the fact that ownership of the Houses will ultimately revert to the respective hospitals, as part of our contractual agreements with them. In 2022, the Charity merged with the Alder Hey Family House Trust. The Trustees have designated £9m for the refurbishment of this House.

# Financial Review (continued)

## Reserves policy

The Trustees assess the risks facing the Charity on a quarterly basis and consequently review the level of free reserves (general unrestricted funds) required annually in line with Charity Commission guidance. Trustees recognise that reserves held must safeguard the Charity against unexpected loss of income, to enable the Charity to continue meeting the ongoing commitments and obligations for the foreseeable future in relation to its charitable objectives.

As such, the Trustees agreed that holding minimum free reserves to cover four months' operational running costs are prudent in this financial climate. The balance of free reserves as at 31 December 2023 was £4.6m and was in line with the policy.

The Trustees currently maintain £16m of funds within cash deposits to ensure sufficient liquidity to meet the Charity's obligations and ongoing commitments. The remaining £0.8m are held within a mixed investment portfolio containing bonds and equities.

## Going Concern

The Charity has prepared cashflow forecasts for the period through to 31 July 2025 which reflect the expected impact of the macro-economic environment on income and expenditure. The assessment of the Charity's ability to continue as a going concern has included performing a reverse stress test on those forecasts.

The reverse stress test assumes the same level of expenses as management's best estimate ("the base case") but income is decreased to the point at which all cash is utilised before the end of the going concern assessment period (positive cash position until July 2025 decreasing to negative cash position in August 2025).

A negative cash position is only achieved if income falls below 25% of the best estimate cash flow forecasts through the going concern period which the Trustees consider to be an implausible scenario.

Having reviewed this information the Trustees have a reasonable expectation that the Charity has adequate resources and cash reserves to continue in operational existence for the going concern period to 31 July 2025.

After making reasonable enquiries and having considered the matters described above, the Trustees believe that the Charity will be able to continue to fulfil its charitable purpose, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

# Objectives and Activities

Ronald McDonald House Charities (UK) was established in 1989 to provide accommodation and other assistance for children being treated in hospital and their families; also, to raise funds for children's charities generally.

Historically this was achieved through the funding and building of Ronald McDonald Houses and Family Rooms in, or close to, hospitals and children's hospices. However, since 2007, the Charity has focused exclusively on the charitable objective of providing and operating Ronald McDonald Houses to support families who have a sick child in hospital.

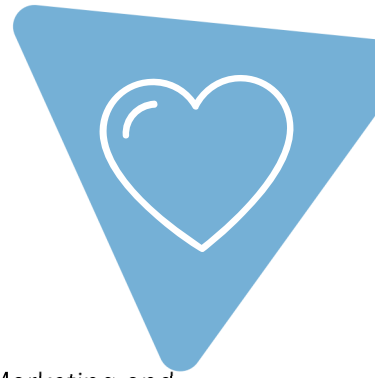


## Public Benefit Statement

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit under section 17 of the Charities Act 2011.

The Trustees continue to ensure that the activities provided by the Charity meet the overall objectives of the Charity and the provision of services to support families who have a sick child in hospital is carried out for the benefit of the public.

# Structure, Governance and Management



The Charity is governed by a memorandum and articles of association, which were last amended materially in 2010 to reflect both the Charity's right to borrow money where appropriate, and the registration of Ronald McDonald House Charities (UK) in Scotland as per OSCR requirements.

Governance and strategic leadership is provided to the Charity by the Board of Trustees, headed by an elected Chair. Potential Trustees are chosen for their skills and experience and, following interview and due process, are elected to the Board of Trustees by formal vote. They serve for an initial period of three years after which they may offer themselves for re-election.

Trustees are inducted through an orientation programme involving visits to the Houses, training around the Charity's objectives and strategic goals, and communication of their legal responsibilities to the Charity.

The full Board of Trustees meets quarterly. In addition, Trustees can serve on subcommittees according to their area of expertise and experience. These groups report to the full Board for ratification and approval of any suggested activities. The Trustees and senior staff also meet to discuss specific issues as needed. Expenditure must be approved by the Trustees through set budgets, and this and other financial matters are monitored by the Finance and Governance subcommittee.

The liability of Trustees is limited. Every member of the company undertakes to contribute a maximum amount of £1 to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member.

Responsibility for the day-to-day management of Ronald McDonald House Charities (UK) is delegated to the Chief Executive and her Executive Team consisting of the Director of Income Generation, Director of People and UK Operations, Director of Finance and

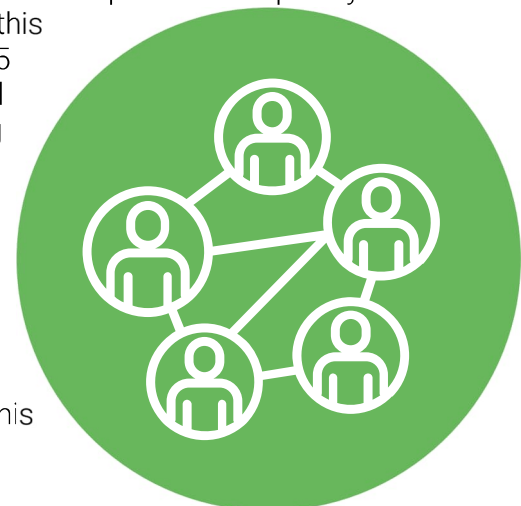
Technology, and the Head of Marketing and Communications. Along with the Executive Team, we have an incredible team of staff across Operations, Development, Fundraising, Marketing and Communications, and Support Services, split between our offices in London, Sutton Coldfield and within our Ronald McDonald Houses.

We also have a passionate and dedicated team of staff working within each of our 14 Ronald McDonald Houses who carry out the Charity's objectives of providing accommodation to families with seriously ill children in hospital.

The Trustees, the Company Secretary, Chief Executive and the Executive Team are considered to comprise the key management personnel in charge of directing and controlling, running, and operating the Charity on a day-to-day basis.

All Trustees give their time freely. The pay of staff is reviewed annually and linked to individual performance throughout the period. Staff pay is benchmarked against pay levels in other charities of a similar size whilst using pay grade ranges for all roles. A remuneration committee provides support and reports into the board.

Ronald McDonald House Charities (UK) is a licensed chapter of a global network of charities. It works towards similar charitable aims and objectives but operates completely independently of this network. Of the 15 Ronald McDonald Houses operating in the UK at the end of 2022, one in Glasgow, continues to be established as an independent charity and does not form part of this Annual Report.



# Reference & Administrative Details



## Trustees (Directors)

**J Fergus** (Chairman)  
**K Boyce** (resigned 27 July 2023)  
**S Edwards**  
**Dr S Fradd** (resigned 9 May 2024)  
**S Hunsdale**  
**S Kirk**  
**M Morgan**  
**R Mounsey**  
**A Moys**  
**Dr A Ohrling**  
**G Pearson**  
**D Ralph** (appointed 11 July 2024)  
**H Trickey**  
**A Wainwright**  
**A Ward** (appointed 27 July 2023)

## Key management personnel

Chief Executive	<b>E Joseph</b>
Company Secretary	<b>I Dart</b> (until 13 September 2023)
Company Secretary	<b>S Winfield</b> (13 September 2023 to 5 March 2024)
Company Secretary	<b>S Joy</b> (from 5 March 2024)
Director of Strategic Partnerships	<b>A Ward</b> (retired 28 April 2023)
Director of Income Generation	<b>T Morton</b>
Director of People and UK Operations	<b>S Winfield</b>
Director of Finance and Technology	<b>I Dart</b> (until 13 September 2023)
Director of Finance and Technology	<b>S Joy</b> (from 12 February 2024)
Director of Estates	<b>R Farish</b> (until 13 November 2023)

## Registered Office

11-59 High Road  
East Finchley  
London N2 8AW  
  
United Kingdom  
03000 111 113  
[www.rmhc.org.uk](http://www.rmhc.org.uk)

## Auditor

**Ernst & Young LLP**  
1 More London Place  
London SE1 2AF

# Statement of Trustees' Responsibilities

The Charity's financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


## Statement as to disclosure of information to auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Auditors

In accordance with S485 of the Companies Act 2006, the auditor, Ernst & Young LLP, is deemed to be reappointed.

The Report of the Trustees, which incorporates the requirements of the Directors' Report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Strategic Report were approved by the Board, in their capacity as Trustees and company directors, and signed on its behalf on 31 July 2024 by:

DocuSigned by:  
  
FC816919357F4C8...  
**Jeff Fergus**  
Chairman

# Independent Auditor's Report

## Independent auditor's report to the members of Ronald McDonald House Charities (UK)

### Opinion

We have audited the financial statements of Ronald McDonald House Charities UK for the year ended 31 December 2023 which comprise the Statement of financial activities, Statement of total recognised gains and losses, Balance sheet, Statement of cash flows and related notes 1 to 22 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 below. 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in 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 charitable company's ability to continue as a going concern for the period to 31 July 2025.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

# Independent Auditor's Report

## Independent auditor's report to the members of Ronald McDonald House Charities (UK) (continued)

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matter 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, which includes the directors' report and the strategic report prepared for the purpose 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 Trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report included within the Trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# Independent Auditor's Report

## Independent auditor's report to the members of Ronald McDonald House Charities (UK) (continued)

### **Responsibilities of Trustees**

As explained more fully in the statement of trustees' responsibilities set out on page 25, 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 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 management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Explanation as to what extent the audit was capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

# Independent Auditor's Report

## Independent auditor's report to the members of Ronald McDonald House Charities (UK) (continued)

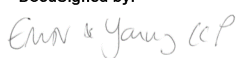
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Charities and Trustee Investment (Scotland) Act, regulation 8 of the Charities Accounts (Scotland) Regulations 2008, relevant Employee and Health & Safety legislation, Modern Slavery Act, Bribery Act, Proceeds of Crime Act 2002, Money Laundering Regulations and General Data Protection Regulation ("GDPR").
- We understood how the charity is complying with this framework by making enquiries of management to understand how the company maintains and communicates its policies and procedures in such areas.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: inquiries of management (and where applicable those charged with governance); review of Board minutes; and obtaining written representations.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue recognition to be a fraud risk. We performed the following procedures to support our understanding: meeting with management to understand their assessment of fraud risks, including balances with a susceptibility to fraud; determining which account balances include judgements and estimates and therefore have a higher inherent risk of being fraudulently misstated; understanding the company's key performance indicators and considering the processes and controls which the company has established to prevent and detect fraud, and how those controls are monitored.
- Where the risk was considered higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. We tested journals identified by specific risk criteria back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.

### 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, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



FF88D30C2359461...

### **Rebecca Turner (Senior statutory auditor)**

for and on behalf of Ernst & Young LLP

Statutory Auditor

1 More London Place

London SE1 2AF

Date: 31 July 2024

# Financial Statements



# Statement of Financial Activities

(incorporating the income and expenditure account)

for the year ended 31 December 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income from:					
Donations and legacies	2	12,640	852	13,492	12,469
Other trading activities	3	2,223	-	2,223	1,626
Investments and bank balances	4	507	-	507	156
<b>Total income</b>		<b>15,370</b>	<b>852</b>	<b>16,222</b>	<b>14,251</b>
Expenditure on:					
Raising funds	5	(4,292)	-	(4,292)	(4,606)
Charitable activities	6	(10,535)	(1,545)	(12,080)	(8,188)
<b>Total Expenditure</b>		<b>(14,827)</b>	<b>(1,545)</b>	<b>(16,372)</b>	<b>(12,795)</b>
Net gains on investments	20	12	-	12	-
<b>Net (expenditure) / income</b>		<b>555</b>	<b>(693)</b>	<b>(138)</b>	<b>1,457</b>
Transfer between funds	19	240	(240)	-	-
Other recognised gains					
Other income	8	-	-	-	3,968
<b>Net movement in funds</b>	19	<b>795</b>	<b>(933)</b>	<b>(138)</b>	<b>5,425</b>
Reconciliation of funds:					
Total funds brought forward		68,848	2,616	71,464	66,039
<b>Total funds carried forward</b>	19	<b>69,643</b>	<b>1,683</b>	<b>71,326</b>	<b>71,464</b>

Notes 1 to 22 form an integral part of these financial statements

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# Balance Sheet

As at 31 December 2023

Registered Company No: 2252337

	Note	2023 £'000	2022 £'000
<b>Fixed Assets</b>			
Intangible assets	15	679	506
Tangible assets	16	54,512	55,741
Investments	20	755	743
<b>Total Fixed Assets</b>		<u>55,946</u>	<u>56,990</u>
<b>Current Assets</b>			
Debtors	17	1,487	1,533
Cash at bank and in hand		15,957	14,634
<b>Total Current Assets</b>		<u>17,444</u>	<u>16,167</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	18	(2,064)	(1,693)
<b>Total Net Assets</b>		<u><u>71,326</u></u>	<u><u>71,464</u></u>
<b>The funds of the charity:</b>			
<b>Restricted funds</b>	19	1,683	2,616
<b>Unrestricted funds</b>	19		
Designated Funds		65,056	65,990
General Funds		4,587	2,858
<b>Total Funds</b>		<u><u>71,326</u></u>	<u><u>71,464</u></u>

The Financial statements were approved by the Trustees and authorised for issue on 31 July 2024, and were signed on its behalf by.

DocuSigned by:

Jeff Fergus

FC816919357F4C8...

**Jeff Fergus**

Chairman

# Statement of Cash Flows

for the year ended 31 December 2023

	2023	2022
	£'000	£'000
<b>Cash flows from operating activities:</b>		
Net cash provided by operating activities	21 2,611	4,277
<b>Cash flows from investing activities:</b>		
Investment income	507	156
Cash inflow from business combinations	-	168
Purchase of property, plant and equipment	(1,359)	(1,072)
Purchase of software	(436)	(318)
<b>Net cash used in by investing activities</b>	<u>(1,288)</u>	<u>(1,066)</u>
Change in cash and cash equivalents in the reporting period	1,323	3,211
Cash and cash equivalents at the beginning of the reporting period	14,634	11,423
<b>Cash and cash equivalents at the end of the reporting period</b>	22 <u><u>15,957</u></u>	<u><u>14,634</u></u>



# Notes to the Financial Statements

for the year ended 31 December 2023



## 1. Accounting policies

### 1.1 Basis of preparation

These accounts have been prepared in accordance with UK Generally Accepted Accounting Practice, comprising Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (‘FRS 102’) and the Charities SORP second edition (FRS 102) issued by the Charities Commission in October 2019, together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. The Charity has adapted the Companies Act formats to reflect the SORP and the special nature of the Charity’s activities. The Charity is a public benefit entity.

### 1.2 Preparation of the accounts on a going concern basis

The Charity is in a net current asset position at the balance sheet date. Given the Charity’s continued strong performance, the Trustees consider it reasonable that the company will continue in operational existence until at least the end of the going concern assessment period on 31 July 2025. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

### 1.3 Income

Income is received by way of donations, special grants and interest on deposits. Income resources are included in the statement of financial activities when the Charity is entitled to the income and it can be quantified with reasonable certainty.

### 1.4 Taxation

As a charity, the company is exempt from tax on income and gains. As such, no tax charges have arisen.

### 1.5 Cash Donations

Cash donations are included in the income and expenditure account when received.

### 1.6 Donated services and facilities

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of the economic benefit from the user by the charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time received within the Ronald McDonald Houses is not recognised. More information about their contribution is referred to in the Trustees Annual Report.

# Notes to the Financial Statements

for the year ended 31 December 2023

## 1. Accounting policies (continued)

### 1.7 Tangible fixed assets

Leasehold improvements and fixtures and fittings are stated at cost less depreciation. The assets relate to Ronald McDonald Houses that are managed and run by the Charity. Depreciation is provided on all fixed assets. The depreciation rates used are calculated to write off the cost of each asset by equal annual instalments over its expected useful life as follows:

Leasehold improvement	- the lower of unexpired portion of the lease or 40 years
Fixtures and fittings	- ten years
Office equipment	- three years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

### 1.8 Intangible fixed assets

Intangible fixed assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of three years. The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

### 1.9 Fixed instruments

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value which is their market closing price on the current or previous trading day and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.



# Notes to the Financial Statements

for the year ended 31 December 2023

## 1. Accounting policies (continued)

### 1.9 Fixed instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions. Investments in equity instruments are classified as fixed asset investments when they are held with the overall intention of retaining the investments long term for the continuing benefit of the Charity in the form of income and capital gains.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.10 Governance costs

Included within governance costs are salaries payable to administration staff, general office expenses, auditors' remuneration and bank and legal charges.

### 1.11 Resources expended

Where costs cannot be directly attributed to Raising Funds and Charitable activities; the two categories of expenditure presented on the face of the Statement of Financial Activities, they have been allocated by proportion to activities based on the staff time spent carrying out the function. Fundraising costs are those incurred in seeking voluntary donations; support costs are those costs incurred directly in support of the Charity's aims and include project management of new and existing projects; management and administration costs are those incurred in connection with administration of the Charity and compliance with legal and statutory requirements.

In 2022, general support and governance costs ("support costs") relating to salaries, administration, and bank fees, of £1,990k were included within Expenditure on Raising funds of £4,606k as presented on the face of the Statement of Financial Activities. In 2023, of the total support costs of £3,448k, £1,476k has been allocated to Expenditure on Raising funds and £1,972k is allocated to Expenditure on Charitable activities of as shown in the Statement of Financial Activities. This reallocation of expenses between the two categories of expenditure has been made in order to provide a better presentation of the nature of the expense. This reallocation is a disclosure item only and does not impact total expenditure as reported in either the current year or the prior period ended 31 December 2022. This reclassification is made for the current year with no adjustment to the amounts presented in the Statement of Financial Activities and in notes 5, 6 and 7 in the prior period.

# Notes to the Financial Statements



for the year ended 31 December 2023

## 1. Accounting policies (continued)

### 1.12 Business combinations

Business combinations are accounted for using the purchase method in accordance with Section 19 Business Combinations and Goodwill and Section 34 Specialised Activities. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value.

The Charity determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Charity acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Business combinations at nil or nominal considerations which are in substance a gift are accounted in accordance with Section 19 Business Combinations and Goodwill except that:

- any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in income and expenditure. This gain represents the gift of the value of one entity to another and recognised as income.
- any excess of the fair value of the liabilities assumed over the fair value of the assets received is recognised as a loss in income and expenditure. This loss represents the net obligations assumed, for which the receiving entity has not received a financial reward and recognised as an expense.

### 1.13 Funds

*Unrestricted funds* are funds given freely to the organisation that can be applied at the discretion of the trustees in accordance with the Society's charitable objects.

*Designated funds* include funds set aside to cover the net book value of fixed assets and any monies the Charity Trustees have set aside against board approved projects that are on site or subject to contract.

*Restricted funds* are funds received for undertaking an activity specified by the donor when making the gift or may result from the terms of an appeal for funds.

# Notes to the Financial Statements

for the year ended 31 December 2023



## 1. Accounting policies (continued)

### 1.14 Going Concern

The Charity has prepared cashflow forecasts for the period through to 31 July 2025 which reflect the expected impact of the macro-economic environment on income and expenditure. The assessment of the Charity's ability to continue as a going concern has included performing a reverse stress test on those forecasts.

Having reviewed this information the Trustees have a reasonable expectation that the Charity has adequate resources and cash reserves to continue in operational existence throughout the going concern period to 31 July 2025. The Trustees believe that the Charity will be able to continue to fulfil its charitable purpose, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

### 1.15 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates, along with their underlying assumptions, are continually reviewed.

The following critical judgements have been made in the process of applying the Charity's accounting policies and that has the most significant effect on the amounts recognised in the financial statements:

- *Intangible assets*: The Charity establishes an estimate of the useful life of intangible assets based on the expected useful life of the asset and the use by the charity. The amortisation charge may increase if the useful life is less than the previously estimated useful life.
- *Expenditure allocations*: Expenditure is apportioned where it relates to more than one cost category as detailed within the accounting policy for 'Resources expended' (Note 1.11).

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 affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# Notes to the Financial Statements

for the year ended 31 December 2023



## 2. Income from donations and legacies

<b>Donations</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
McDonald's Restaurants contributions	2,414	2,235
McDonald's collection boxes	1,584	1,758
McDonald's Cashless donations	4,110	3,709
McDonald's campaign	130	427
McDonald's restaurant fundraising	862	598
Welsh carrier bag income	430	435
Scottish carrier bag income	291	318
General donations	1,012	608
Gift Aid	130	98
Operational income	104	101
Grant income	371	520
Corporate income	963	766
Community income	913	896
Gifts in Kind	178	-
<b>Total income from donations</b>	<b>13,492</b>	<b>12,469</b>

The income from donations was £13,492k (2022: £12,469k) of which £12,640k was unrestricted (2022: £11,196k) and £852k restricted (2022: £1,273k).

Within the Total income from donations is £178k of income from donated goods and services. These have been difficult to quantify in 2022 and have therefore not been recognised in 2022.

The Charity benefits from the involvement and enthusiastic support of its volunteers, details of which are given in the Trustee Report. In accordance with FRS 102 and the Charities SORP (FRS102), the economic contribution of general volunteers is not recognised in the accounts.

# Notes to the Financial Statements

for the year ended 31 December 2023



## 3. Income earned from other activities

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
National gala dinner	496	41
Regional gala dinners	472	544
Regional golf tournaments	128	151
Regional events	248	54
Overseas golf tournament	579	524
Overseas apartment	16	13
Challenge events	228	284
Other	56	15
<b>Total income earned from other activities</b>	<b>2,223</b>	<b>1,626</b>

## 4. Investment income

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
<b>Interest receivable</b>	<b>507</b>	<b>156</b>

Interest receivable relates to interest earned on fixed asset investments (£18,000) and interest earned on cash at bank (£489,000).

## 5. Analysis of Expenditure – Raising Funds

	Directly incurred	Support costs	<b>Total</b>	Directly incurred	Support costs	<b>Total</b>
	2023	2023	<b>2023</b>	2022	2022	<b>2022</b>
	£'000	£'000	<b>£'000</b>	£'000	£'000	<b>£'000</b>
Donations and legacies	1,672	876	<b>2,548</b>	657	1,503	<b>2,160</b>
Other trading activities	1,144	600	<b>1,744</b>	456	1,990	<b>2,466</b>
	<u>2,816</u>	<u>1,476</u>	<b>4,292</b>	<u>1,113</u>	<u>3,493</u>	<b>4,606</b>

For the basis of the allocation of governance and support costs, please refer to note 1.11 and note 7.

# Notes to the Financial Statement

for the year ended 31 December 2023

## 6. Analysis of Expenditure – Charitable Activities

2023	Activities undertaken directly £'000	Depreciation £'000	Total £'000
Alder Hey	516	139	<b>655</b>
Arrowe Park	165	38	<b>203</b>
Birmingham	468	215	<b>683</b>
Brighton	295	35	<b>330</b>
Bristol	223	1	<b>224</b>
Camberwell	356	109	<b>465</b>
Cardiff	332	170	<b>502</b>
Edinburgh	363	106	<b>469</b>
Evelina London	586	355	<b>941</b>
Manchester	441	221	<b>662</b>
Moorfields	79	3	<b>82</b>
Oxford	426	414	<b>840</b>
Southampton	496	199	<b>695</b>
Tooting	266	18	<b>284</b>
Family Experience	32	-	<b>32</b>
Operations Team	501	-	<b>501</b>
Facilities management of Houses	2,136	404	<b>2,540</b>
	<b>7,681</b>	<b>2,427</b>	<b>10,108</b>
Share of Support Costs (Note 7)	1,524	-	<b>1,524</b>
Share of Governance Costs (Note 7)	448	-	<b>448</b>
	<b>1,972</b>	-	<b>1,972</b>
<b>Total expenditure on charitable activities</b>	<b>9,653</b>	<b>2,427</b>	<b>12,080</b>

For the basis of the allocation of governance and support costs, please refer to note 1.11 and note 7.

# Notes to the Financial Statements

for the year ended 31 December 2023



## 6. Analysis of Expenditure – Charitable Activities (continued)

2022	Activities undertaken directly £'000	Depreciation £'000	Total £'000
Alder Hey	329	100	429
Arrowe Park	138	38	176
Birmingham	405	218	623
Brighton	209	33	242
Bristol	58	0	58
Camberwell	320	86	406
Cardiff	301	179	480
Edinburgh	256	108	364
Evelina London	524	367	891
Manchester	431	212	643
Moorfields	62	2	64
Oxford	365	434	799
Southampton	399	199	598
Tooting	231	19	250
Family Experience	157	-	157
Operations Team	437	4	441
Facilities management of Houses	1,458	109	1,567
<b>Total expenditure on charitable activities</b>	<b>6,080</b>	<b>2,108</b>	<b>8,188</b>

For the basis of the allocation of governance and support costs, please refer to note 1.11 and note 7.

# Notes to the Financial Statements



for the year ended 31 December 2023

## 7. Analysis of governance and support costs

The Trustees initially identify the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned across the charity. Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

2023	General support £'000	Governance function £'000	Total £'000	Basis of apportionment
Salaries, wages, and related costs	1,343	576	1,919	70:30 split
Administration	1,149	5	1,154	Specific Cost
Depreciation	316	-	316	Specific Cost
Bank and legal fees	-	59	59	Governance
<b>Total governance and support costs</b>	<b>2,808</b>	<b>640</b>	<b>3,448</b>	

### Allocated between

Raising Funds (Note 5)	1,284	192	1,476	Time and resources
Charitable activities (Note 6)	1,524	448	1,972	Time and resources
	<b>2,808</b>	<b>640</b>	<b>3,448</b>	

2022	General support £'000	Governance function £'000	Total £'000	Basis of apportionment
Salaries, wages, and related costs	1,082	464	1,546	70:30 split
Administration	-	360	360	Governance
Bank and legal fees	-	84	84	Governance
<b>Total governance and support costs</b>	<b>1,082</b>	<b>908</b>	<b>1,990</b>	

# Notes to the Financial Statements

for the year ended 31 December 2023

## 8. Business combinations

### Alder Hey Family House Trust Limited

On 26 April 2022, Alder Hey Family House Trust Limited transferred certain assets and liabilities to the Charity for a consideration of £1. Alder Hey Family House Trust Limited's principal activity was providing free accommodation and assistance for the parents and families of children undergoing treatment at Alder Hey Children's Hospital. Alder Hey Family House Trust Limited was dissolved on 7 February 2023.

The fair values of the identifiable assets and liabilities of the Alder Hey Family House Trust Limited as at the date of acquisition were:

### Fair value recognised on acquisition (£'000)

	Unrestricted Funds	Restricted Funds	Total
<b>Assets</b>			
Tangible assets	2,818	-	2,818
Investments	-	773	773
Stock	1	-	1
Debtors	91	-	91
Cash at bank	-	92	92
<b>Liabilities</b>			
Creditors	95	-	95
<b>Net assets</b>	<b>2,815</b>	<b>865</b>	<b>3,680</b>
Gain recognised in income	2,815	865	3,680
<b>Purchase consideration</b>	-	-	-

Tangible assets acquired consists of leasehold improvements and fixtures, fittings and equipment amounting to £2,569,000 and £249,000, respectively. Since the leasehold improvements held for its service potential to beneficiaries, the depreciated replacement cost was used as proxy for the fair value measurement. Acquisition expenses of £117,000 were incurred in respect of this acquisition and expensed to the statement of financial activities.

The expenditure relating to the Alder Hey House for the year had the Charity been acquired on 1 January 2022 was £439,000. Income from donations and other activities is not split by individual House and therefore cannot be specifically attributed to the Alder Hey House for the year to 31 December 2022.

# Notes to the Financial Statements

for the year ended 31 December 2023

## 8. Business combinations (continued)

### Ronald McDonald House Bristol

On 23 November 2022, Ronald McDonald House Bristol transferred certain assets and liabilities to the Charity for a consideration of £1. Ronald McDonald House Bristol's principal activity was providing free accommodation and assistance for the parents and families of children undergoing treatment.

The fair values of the identifiable assets and liabilities of the Ronald McDonald House Bristol as at the date of acquisition were:

### Fair value recognised on acquisition (£'000)

	Unrestricted Funds	Restricted Funds	Total
<b>Assets</b>			
Tangible assets	215	-	215
Cash at bank	-	76	76
<b>Liabilities</b>			
Creditors	3	-	3
<b>Net asset</b>	<b>212</b>	<b>76</b>	<b>288</b>
Gain recognised in income	212	76	288
<b>Purchase consideration</b>	-	-	-

Tangible assets acquired consists of leasehold improvements and fixtures, fittings and equipment amounting to £216,000. Since the leasehold improvements held for its service potential to beneficiaries, the depreciated replacement cost was used as proxy for the fair value measurement. Acquisition expenses of £58,000 were incurred in respect of this acquisition and expensed to the statement of financial activities.

The expenditure relating to Ronald McDonald House Bristol for the year had the Charity been acquired on 1 January was £345,531. Income from donations and other activities is not split by individual House and therefore cannot be specifically attributed to Ronald McDonald House Bristol for the year to 31 December 2022.

# Notes to the Financial Statements

for the year ended 31 December 2023

## 9. Auditor's remuneration

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
<b>Auditor's remuneration</b>	<b>71</b>	<b>85</b>

In 2023 and 2022, the audit fee has been borne by McDonald's Restaurants Limited.

## 10. Staff costs and Trustees' remuneration and expenses

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Salaries and wages	6,220	5,430
Social security costs	630	613
Pension costs	491	474
	<b>7,341</b>	<b>6,517</b>

The number of staff whose emoluments fell within each of the following bands was:

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
£60,000 to £69,999	7	2
£70,000 to £79,999	1	2
£80,000 to £89,999	1	3
£90,000 to £99,999	2	2
£130,000 to £139,999	-	2
£140,000 to £149,999	1	-
£260,000 to £270,000	-	1

The Charity's Trustees were not paid nor received any other benefit from employment with the Charity in the year (2022: £nil). There were no reimbursed expenses during the year (2022: £394). No Trustee of the Charity received payment for professional or other services supplied to the Charity (2022:£nil).

The key management personnel of the charity comprise of the Chief Executive and the Senior Leadership Team. For a short period of time, two Chief Executives were in post to allow for a handover. The total employee benefits of the key management personnel of the Charity were £781,937 (2022: £812,816).

During the year the charity made ex gratia payments totalling £61,111 (2022: £1,000).

# Notes to the Financial Statements

for the year ended 31 December 2023



## 11. Staff numbers

The average head count during the year was 224 staff (2022: 201) and was made up as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Support staff	24	20
Fundraising staff	43	32
Operational staff	157	149
	<u><b>224</b></u>	<u><b>201</b></u>

---

## 12. Corporation Taxation

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

---

## 13. Limitation by Guarantee

The Charity is limited by guarantee and as a consequence does not have share capital. The Directors of the Charity comprise of Independent Trustees, and Trustee representatives of McDonald's Restaurants Limited and its franchisees. The liability of every member is limited to £1 each.

# Notes to the Financial Statements

for the year ended 31 December 2023

## 14. Related Party transactions

During the year, the company entered into transactions, in the ordinary course of business, with related parties as listed below.

McDonald's Restaurants Limited is defined as related party of the charity; it is the charity's main fundraising partner and the Charity and McDonald's Restaurants Limited share certain members of key management. McDonald's Restaurants Limited lease office space to the charity on an ex-gratia basis. The Charity's received charitable donations from McDonald's Restaurants Limited of £371,943 (2022: £279,606). Additionally, McDonald's Restaurants Limited made donations of £721,421 (2022: £459,553) in respect of the Welsh and Scottish carrier bag levies.

McDonald's Restaurants incur costs on behalf of the charity which are then recharged at cost to RMHC. During the year McDonald's Restaurants Limited invoiced £7,180,451 (2022: £6,532,441) in recharges for costs incurred. As at 31 December 2023 the amount due from the Charity to McDonald's Restaurants was £327,797 (2022: £513,988).

Forsters LLP is a related party of the Charity by virtue of a Trustee of the company also being a partner of Forsters LLP. The Charity engaged Forsters LLP for advice on various estates related projects. Legal costs incurred during the year were £20,580 and at the balance sheet date the amount of £9,780 was due by the Charity to Forsters LLP.

## 15. Intangible Fixed Assets

	<b>Software £'000</b>	<b>Total £'000</b>
<b>Cost:</b>		
At 1 January 2023	637	637
Additions	436	436
At 31 December 2023	<u>1,073</u>	<u>1,073</u>
<b>Amortisation:</b>		
At 1 January 2023	131	131
Provided in the year	263	263
At 31 December 2023	<u>394</u>	<u>394</u>
<b>Net book value:</b>		
At 31 December 2023	<u><u>679</u></u>	<u><u>679</u></u>
At 1 January 2023	<u><u>506</u></u>	<u><u>506</u></u>

# Notes to the Financial Statements

for the year ended 31 December 2023

## 16. Tangible Fixed Assets

	Leasehold improvements £'000	Fixtures and fittings £'000	Office equipment £'000	Total £'000
<b>Cost:</b>				
At 1 January 2023	66,589	3,324	342	70,255
Additions	627	689	43	1,359
Disposals	(149)	-	-	(149)
At 31 December 2023	<u>67,067</u>	<u>4,013</u>	<u>385</u>	<u>71,465</u>
<b>Depreciation:</b>				
At 1 January 2023	12,625	1,696	193	14,514
Provided in the year	2,123	302	53	2,478
Disposals	(39)	-	-	(39)
At 31 December 2023	<u>14,709</u>	<u>1,998</u>	<u>246</u>	<u>16,953</u>
<b>Net book value:</b>				
At 31 December 2023	<u>52,358</u>	<u>2,015</u>	<u>139</u>	<u>54,512</u>
At 1 January 2023	<u>53,964</u>	<u>1,628</u>	<u>149</u>	<u>55,741</u>

The net book value of leasehold improvements consists of:

	2023 £'000	2022 £'000
Long leasehold	51,702	53,308
Short leasehold	656	656
	<u>52,358</u>	<u>53,964</u>

## 17. Debtors

	2023 £'000	2022 £'000
Other debtors and prepayments	536	1,165
Accrued income	951	368
	<u>1,487</u>	<u>1,533</u>

# Notes to the Financial Statements

for the year ended 31 December 2023

## 18. Creditors

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Accruals	1,216	693
Other creditors	808	883
Deferred income	40	117
	<b><u>2,064</u></b>	<b><u>1,693</u></b>

The deferred income balance relates to income received for events that will take place in 2024. Out of the 2022 deferred income balance £117,000 was released in 2023 and £40,000 is included in the year end balance relating to events that will take place in 2024.

## 19. Analysis of Charitable Funds

	<b>Restricted funds</b> <b>£'000</b>	<b>Designated Funds Fixed assets</b> <b>£'000</b>	<b>Designated Funds Alder Hey Refurbishment</b> <b>£'000</b>	<b>General Unrestricted funds</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
<b>Funds</b>					
At 1 January 2023	2,616	56,990	9,000	2,858	71,464
Incoming resources	852	-	-	15,370	16,222
Resources expended	(1,545)	-	-	(12,086)	(13,631)
Fixed asset investments	-	12	-	-	12
Additions	(240)	1,795	-	(1,555)	-
Amortisation	-	(263)	-	-	(263)
Depreciation	-	(2,478)	-	-	(2,478)
<b>At 31 December 2023</b>	<b><u>1,683</u></b>	<b><u>56,056</u></b>	<b><u>9,000</u></b>	<b><u>4,587</u></b>	<b><u>71,326</u></b>

It is the Charity's policy to ensure that funds are sufficient to cover at least four months of operating costs. £4.6m remains undesignated to provide appropriate resources to cover the charity's day to day running costs in the event of a sudden unexpected change in the Charity's income levels. The Trustees have felt it prudent to ensure a balance of £13.6m of which £9m is designated to the refurbishment of the Alder Hey House.

# Notes to the Financial Statements

for the year ended 31 December 2023

## 19. Analysis of Charitable Funds (continued)

The Scottish carrier bag levy that is received is restricted to expenditure of the operating of the Ronald McDonald House Edinburgh. The expenditure in the year was £363,000 (2022: £256,000). Equally the Welsh carrier bag levy is restricted to expenditure of the operating costs of the Ronald McDonald House Cardiff which was £332,000 (2022: £301,000)

	Restricted funds £'000	Designated Funds Fixed assets £'000	Designated Funds Alder Hey Refurbishment £'000	General Unrestricted funds £'000	Total £'000
<b>Funds</b>					
At 1 January 2022	1,356	54,037	-	10,645	66,039
Incoming resources	1,273	-	-	12,978	14,251
Resources expended	(954)	-	-	(9,626)	(10,580)
Fixed asset investments	-	30	-	(30)	-
Assets acquired through business combinations	941	3,747	-	(719)	3,969
Additions	-	1,390	-	(1,390)	-
Amortisation	-	(106)	-	-	(106)
Depreciation	-	(2,108)	-	-	(2,108)
Transfer between Funds	-	-	9,000	(9,000)	-
<b>At 31 December 2022</b>	<b>2,616</b>	<b>56,990</b>	<b>9,000</b>	<b>2,858</b>	<b>71,464</b>

## 20. Fixed asset investments

Cost or valuation	2023 Listed investments £'000	2023 Total £'000	2022 Listed investments £'000	2022 Total £'000
At 1 January	743	743	-	-
Additions	-	-	773	773
Net gains/(losses) in investments	12	12	(30)	(30)
At 31 December	<b>755</b>	<b>755</b>	<b>743</b>	<b>743</b>

The historical cost of the shares at 31 December 2023 is £620,000 (2022: 620,000).

# Notes to the Financial Statements

for the year ended 31 December 2023

## 21. Reconciliation of net (expenditure) / income to net cash flow from operating activities

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
<b>Net (expenditure) / income for the reporting period</b>	(138)	1,457
Depreciation charges	2,478	2,108
Amortisation charges	263	106
(Gain) / Loss on investments	(12)	30
Loss on the sale of fixed assets	110	-
Interest on investments	(507)	(156)
Decrease in debtors	46	126
Increase in creditors	371	606
<b>Net cash provided by operating activities</b>	<b><u>2,611</u></b>	<b><u>4,277</u></b>

## 22. Analysis of cash and cash equivalents

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Cash in hand	15,957	14,634
<b>Total cash and cash equivalents</b>	<b><u>15,957</u></b>	<b><u>14,634</u></b>

**RONALD MCDONALD HOUSE UK**

England & Wales - Charity number 802047

---

# Accounts

---



# Ronald McDonald House Charities (UK)

## Annual report and financial statements

31 December 2022



Ronald McDonald  
House Charities™  
United Kingdom

Registered Company No: 2252337  
Registered Charity No. 802047  
Scottish Registered Charity No. SC040717

# What makes a house a home?



Name: JASPER

Age: 5

Ronald McDonald House Charities (UK) is an independent charity registered in England and Wales (202097) and in Scotland (SC204713)

# Contents

---

## Strategic Report

Chairman's Report	5
Our Services	8
2022 outcomes	10
Help More Families	13
Prepare for the Future	19
Generate Support	23
Principal Risks and Uncertainties	29
Financial Review	30
Structure, Governance and Management	31

## Financial Statements

Report of the Trustees	35
Independent auditor's report	38
Statement of financial activities	42
Statement of total recognised gains and losses	42
Balance sheet	43
Statement of cash flows	44
Notes to the financial statements	45

# Strategic Report



# Chairman's Report

## Dear Supporters,

As set out in this report, 2022 was a very busy year for Ronald McDonald House Charities (UK), and the Board of Trustees is immensely proud of what we have achieved in partnership with NHS hospitals and our supporters across the country.

As the pandemic restrictions eased, all our Houses returned to operating at full capacity for the first time since March 2020. This allowed us to provide free 'home away from home' accommodation to 6,654 families with a child in hospital. We could also ramp up our 'Day Pass' scheme, to give even more families access to the much-needed facilities in our Houses.

We reinstated our in-house events that enable families to enjoy key celebrations throughout the year. Our corporate partners such as McDonald's, Royal Bank of Canada, Coca-Cola, and Martin Brower made these events even more memorable.

We were privileged to be able to extend support to families from Ukraine by providing Day Passes, Reception and Assessment services, as well as accommodation.

Over the course of 2022, we were delighted to merge with two independent charities to expand the number of rooms we could offer families by 25% (to 531 rooms in total).

In April, the Ronald McDonald House at Alder Hey Children's Hospital in Liverpool, with 84 bedrooms, joined the Ronald McDonald House Charities UK family. This House is the largest of its kind in Europe and has the capacity to accommodate over 900 families annually.

In November, we merged with the independent Ronald McDonald House Bristol, welcoming them to the Charity as our 14th House. The Bristol House supports the Bristol Royal Hospital for Children with 21 en-suite bedrooms.

These mergers have allowed us to extend our reach across the UK, providing support to an additional **105** families each night.

Continued...



# Chairman's Report



There was also sad news and plenty of challenges over the course of the year.

In September, Ronald McDonald House Charities Global co-founder, Dr. Audrey Evans, died aged 97. Dr Evans was a visionary in oncology and provided the inspiration and energy behind the first Ronald McDonald House in Philadelphia in 1974. We were proud to have had the opportunity to work with Dr Evans and celebrated her life with a wealth of charity-wide tributes.

We saw financial challenges throughout the year, with gala dinners in Oxford and London cancelled, due to remaining Covid-19 restrictions. The war in Ukraine, along with the economic downturn, put further pressure on other income streams.

We are hugely grateful to our supporters for their unwavering commitment to our cause, which enabled us to weather these difficult times and continue our important work. As ever, we are focused on making every pound donated to the Charity work hard for the families who need us and on making a positive impact in the communities we serve.

We are immensely proud to have benefited from record levels of donations totalling £14.3 million, an increase of 22% from 2021.

Income from the McDonald's family in 2022 saw a significant increase on previous years. On behalf of the families we support, I would like to extend my thanks to McDonald's, its Franchisees, and their customers, who, to this day, continue to provide a bedrock of support to the Charity, through donations, inclusion in the MyMcDonald's Rewards Scheme, fundraising, event support, and much more.

In November, we bid a fond farewell to Jon Haward, who retired as CEO of our Charity after 15 years of devoted service. In the same month, we welcomed our new Chief Executive, Ella Joseph, who joined us from a national mental health charity that she co-founded in 2014.

Overall, 2022 was a year of recovery in terms of returning to operational and financial normality. On behalf of the Charity, I would like to express my deepest gratitude to each and every one of our supporters, who made this possible.

Thank you,

Jeff Fergus

**Signature:**

**Date:**

Wednesday 25 October 2023



**We look forward to building on this momentum and achieving even greater things in the year ahead.**





What makes a house a home?



Name: CAT  
Age: 3

Who  
hou



Name: ANT  
Age: 5

What mak  
house a h



Name:



Name: Ann  
Age: 8

What makes a house a home?



my S.

akes a home?



NAME: C

What makes  
house a home?



What makes a house a home?



Name: Hannah  
Age: 9

# Our Services



## Our Core Services:

### Overnight Accommodation

Providing free, high-quality accommodation via our Ronald McDonald Houses, to families who have children in hospital far from home.

### Day Pass Scheme

Allowing non-resident families to use the facilities in our Ronald McDonald Houses during the day.

### Children's Medical Pass Scheme

Enabling hospitalised children to get respite away from the ward, in our safe and comfortable Ronald McDonald Houses.

# Our Services (continued)



## Support Beyond Our Core Services:

During 2022 we developed services for families to enhance the experience they would have staying at one of our Houses

### Healthy Lifestyle

Improving the physical and mental wellbeing of families with seriously ill children and young people in hospital, during and beyond their initial stay.

*Examples:*

*Grab & Go (national), MyHappyMind (national), Parental Teaching Sessions led by Wirral University Teaching Hospital (Arrowe Park), Involve North West Financial Support; Hope Hospice End of Life Support; Cardiac Support Group; Neobabies Support Group, Birth Trauma Counselling (Brighton), Reflexology Massage Sessions (Brighton), Wishing Well Music Therapy (Brighton).*

### Community Engagement

Facilitating support networks for families via signposting and enabling friendships, so that families are engaged and supported during and beyond their stay. Supports sustainability of Houses through local awareness and engagement, ultimately leading to greater funding opportunities at both local and national levels.

*Examples:*

*Teenage Cancer Trust (wig fitting for child cancer patients), drop-in sessions: Bliss Neomates Professional Advice, support and signposting for families with premature babies, Patient Experience Committee, St George's Students Union.*

# 2022 Outcomes

In 2022 we wanted to return all of our Houses to full capacity and service offering, following two years of Covid-19 restrictions.

Due to the impact of the pandemic, we extended our 2020-2022 Impact Strategy, which set out three main ambitions to Help more Families, Prepare for the Future, and Generate Support.

This is what we were able to achieve last year thanks to our supporters:



**4,948**

children's Medical  
Passes issued in 2022

**1,267**

Day Passes  
issued in  
2022



**6,654**

individual families  
accommodated in  
2022



We saved  
families from  
travelling



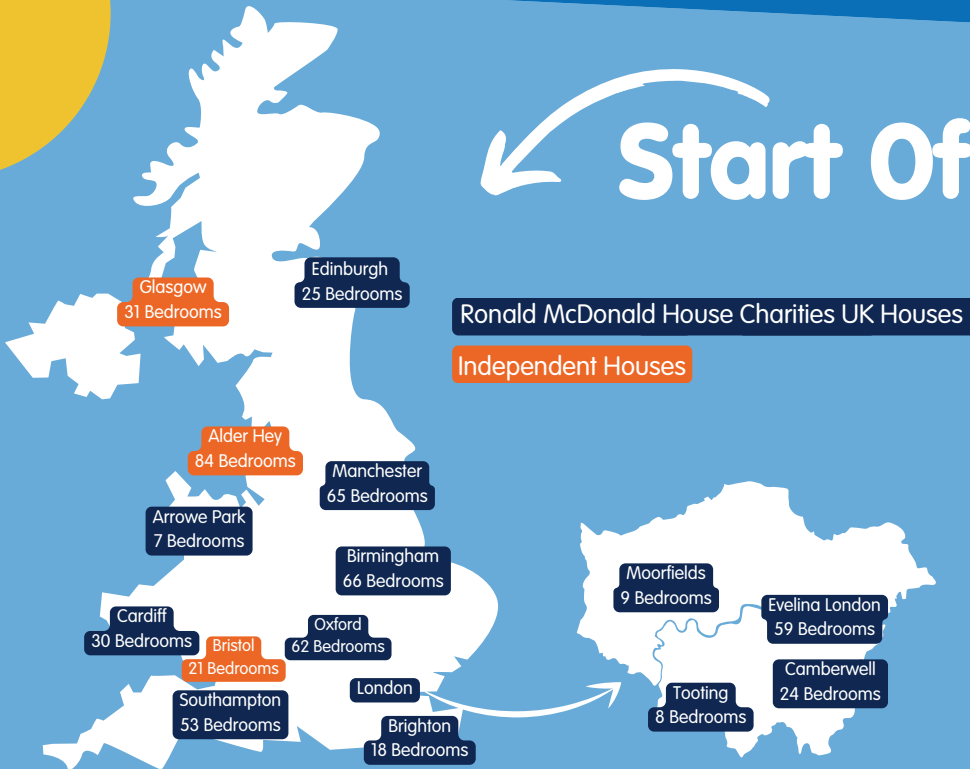
**10 million**

miles to and from  
hospital in 2022



# 2022 Outcomes

Start Of 2022



End of 2022



+105 family rooms





What makes a house a home?



Ronald McDonald House Charities  
United Kingdom  
Keeping Families Home



Name: Bonnie-Louise

Photographer: Jamie Vajdulla

# Help More Families

In 2022 we engaged a research agency to gather an evidence-based understanding of service-user needs and expectations so that we can understand how we might improve our service and better serve families.

The majority of respondents (62%) have children under the age of three, with 45% having children aged between four and 11.

Over half of the survey respondents had stayed in a House after the start of the Covid pandemic in the UK (post-March 2020) (64%), while 42% had stayed before, giving a fairly balanced view of experiences:



**Three quarters (74%) of families felt "very supported" during their stay**

**The "ability of staff to help" was almost always rated lower than their "willingness to help". This may suggest our staff require access to more resources to meet the day-to-day needs of service users**

**Through the Discovery Research project and other sources of data and feedback, there is a very strong narrative on how our Houses help facilitate peer support and the positive role it plays in our families' medical journeys**

**An overwhelming majority of respondents are "extremely likely" to recommend staying at a Ronald McDonald House to a family facing similar challenges, a trend observed across all Houses**

**The safety and cleanliness of all communal spaces were consistently rated as "very good"**

The vast majority of respondents (74% or above) rated; Initial Greeting, Friendliness, availability, willingness to help, ability to help and professionalism of our staff as excellent.

# Help More Families



We were so appreciative to have a room with all those facilities, and not to be paying out a fortune for the hotel we'd originally booked – it worked out at around £4,500 for the hotel stay.



- Mum, Liana



Ronald McDonald is our haven in a never-ending rollercoaster ride. Our source of normality in a relentless and harsh hospital life.



- Kat, Phoenix's mum



Our home is 82 miles from the Evelina London, so it would have been impossible to visit daily. We could have seen her maybe once or twice a week at the most.



- Mum, Vicky



I couldn't contemplate the possibility of going home and leaving Lilly an hour's drive away. I don't know how I would've coped. Staying in the House meant I could run across the road and be at Lilly's bedside within moments.



- Mum, Amy

What makes a house a home?



National Children's Home Charity  
www.nch.org.uk



Name: Lizzy

Age: 9

# Help More Families (continued)



In May, our Manchester House marked its 10th anniversary, hosting a party with VIPs, supporters, staff, and families to celebrate 10 years of supporting more than 6,500 families since opening in 2012.

It was also a chance for guests to get a first glimpse of the rooftop Garden of Reflection – just one of the legacies of the late Steve Burne – a passionate supporter and incredible fundraiser who tragically died in October 2018.

# Help More Families (continued)

One way we could help more families in 2022 was to expand the number of Houses in the Ronald McDonald House Charities (UK) family, which we were able to do in the first half of the year by merging with Ronald McDonald House Alder Hey, that had been previously run independently.

Since then, our top priority has been supporting the team at Ronald McDonald House Alder Hey with recruitment, and helping to implement new processes and procedures that enhance family services.

The Estates and Development team coordinated a re-paint of the ground floor, making the reception areas more welcoming along with a brightening up of the outdoor spaces.

As the Alder Hey House turns 30 in 2023, discussions around a full refurbishment, which will take place over the next few years, are underway. In September 2023 we shared the refurb plans externally, which will increase overall support and boost income for the reinvestment.



"As we approach the end of our stay at the hospital and at the Ronald McDonald House, it's mixed emotions.

I never thought we'd get to this point. I owe so many people so much. I feel like I'm leaving my second family but I'm also excited and can't wait to spend the summer with both my boys at home together.

I'm so grateful to everyone who's helped us to get here and can't thank them enough."



What makes a house a home?



Name: Scarlett  
Age: 6



Photographer: Jamie Vajdulla

# Prepare for the Future

A significant focus within our strategic objectives was to plan for the future and ensure that, as a charity, we are future-proofing our Houses, infrastructure, and internal resources.

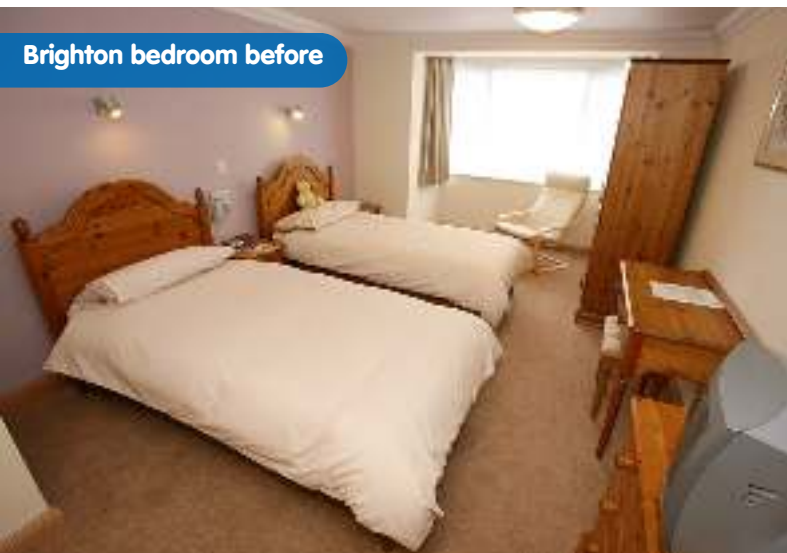
We wanted to develop a robust re-investment strategy for all our Houses and assets, alongside an appropriate, proactive and reactive, maintenance programme.



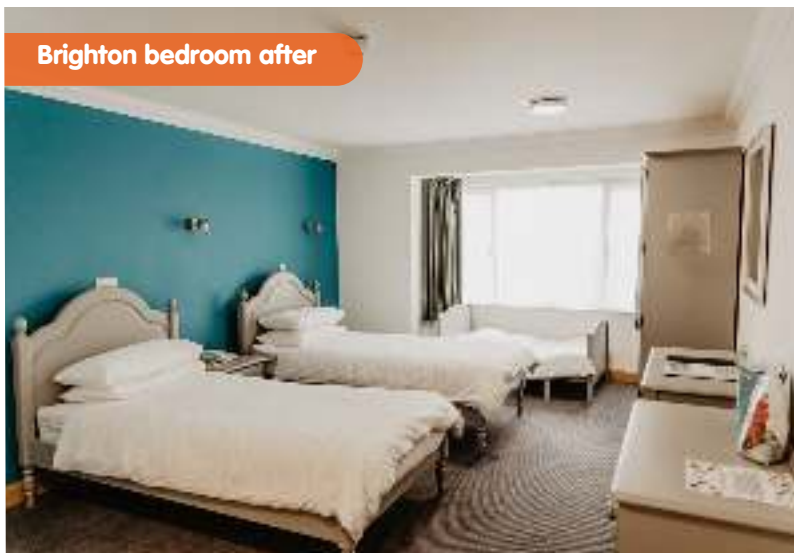
**Our Houses in Arrowe Park and Brighton have undergone extensive refurbishment programmes covering painting, new carpets, and bathroom flooring.**

**A fresh new feel through new tables and chairs for the family kitchen has provided a softer, more family-friendly environment. These works meant we were able to reopen the Abbey Road site at the Brighton House, supporting an additional eight families each night.**

**Brighton bedroom before**



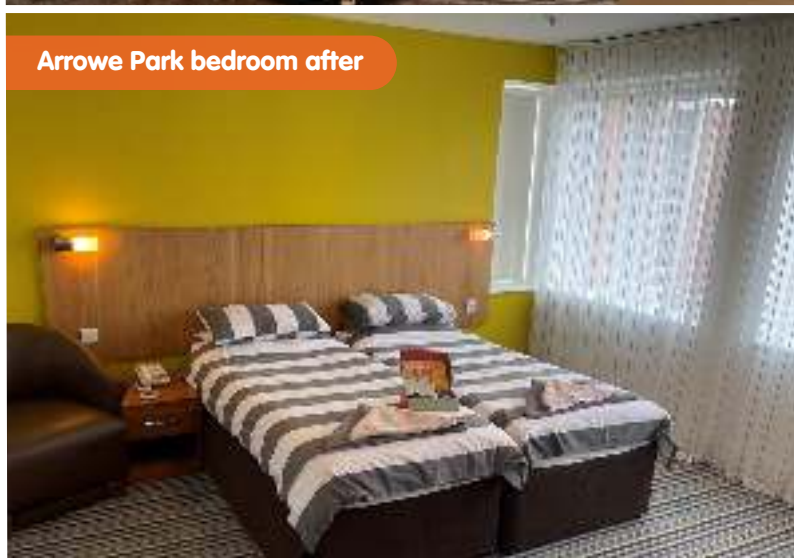
**Brighton bedroom after**



**Arrowe Park bedroom before**



**Arrowe Park bedroom after**



# Prepare for the Future (continued)

Our rooms at Ronald McDonald House Moorfields, located within Moorfields Eye Hospital, now have voice-controlled Smart Technology that has multiple applications, to benefit our families.

This tech is extremely useful for the visually impaired, families are now able to activate lighting and TVs, simply by asking Alexa! Our new lamps with USB ports and smart bulbs enable lighting to be controlled in many ways such as dimming and colour variations. This simple, nonintrusive solution has provided a better experience for our families, and we continue to receive amazing feedback.



In Manchester, the urgent work to replace the bedroom heating and cooling system was completed in December 2022.

This was a reinvestment of £200k. All bedrooms now have working heating systems without the need for temporary heaters.

The essential piece of reinvestment means that we can continue to offer comfortable accommodation for many summers and winters to come!



# Prepare for the Future (continued)

**A key focus for the year was around retention and recruitment:**

- **To attract and recruit talented individuals through a strong employer brand and competitive remuneration package**
- **Retain talent in the Charity by delivering on our employee value proposition that places a high value on the importance of employee development, recognition, and transparency**

In September the first of two ex gratia payments were made to employees, approved by the trustees to help support our people through the economic crisis, in addition to their annual performance related rewards.



What makes a house a home?



Ronald McDonald House Charities  
United Kingdom

Supporting families close



Name: Charlie

Photographer: Jamie Vajdulla

# Generate Support

Our main focus heading into 2022 was to generate support for our Charity and start to rebuild income levels to pre-pandemic levels. Despite a small number of set backs at the start of the year, as a result of remaining Covid-19 restrictions, we had a strong response from our supporters across every income stream.

The break down of how we spend each £1 donated:



# Generate Support (continued)

## McDonald's Support

We were delighted, proud and extremely grateful to have received over £9.4m from the McDonald's family in 2022, through customer donations and the unwavering generosity of McDonald's Franchisees, employees, and suppliers.

Following the launch of customer donations on self-order Kiosks and the My McDonald's App in previous years, McDonald's continued its support for the Charity by including Ronald McDonald House Charities UK as a Charity Partner with the launch of My McDonald's Rewards in the summer.

The scheme allowed customers to donate their reward points to charity, with around £10,000 of income donated to our Charity via this mechanic by the end of the year. To support the launch, McDonald's generously donated £30,000 to the Charity in August.

The Charity was also included as the sole beneficiary of McDonald's 'Trick or Eat' app campaign in October, which generated over £47,000 in income across Halloween week.

Also in October, McDonald's supported our hugely successful 'Tiny Terrors' campaign. Over £420,000 was raised for Ronald McDonald House Charities UK by selling Halloween-themed soft toys in restaurants. This campaign included a digital takeover in all restaurants, and strong national and regional PR campaigns featuring a family favourite influencer, Louise Pentland.

We remain grateful to all of the McDonald's family - the Company, Franchisees, Restaurant Teams and Suppliers - involved for their continued support, giving customers more opportunities to engage and more choice in how they donate to us. As well as the generous direct support we continue to receive.

In 2022, direct support included making donations, sponsoring and attending our events, organising and participating in fundraising activities, volunteering at our Houses, and much more.

All Franchisee and company restaurants in Wales, and some in Scotland, continued to donate proceeds from the bag tax levy, which remains a very generous gift which we continue to appreciate massively.

We remain proud and grateful to be McDonald's Charity of Choice and look forward to continued success from our partnership in 2023 and beyond.



# Generate Support (continued)

## Corporate Support

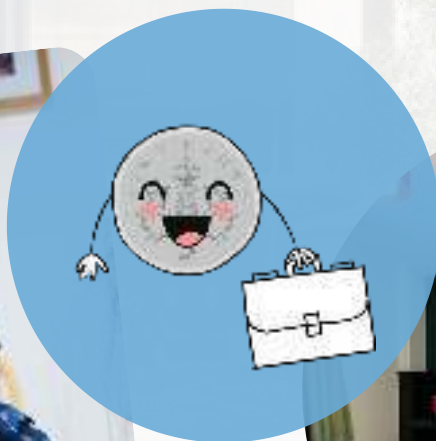
We have continued to take a strategic approach to partnership working with companies, maximising income raised, as well as gift in kind donations and pro bono support. In addition to raising £766,861, we secured over £70,000 in budget-relieving donations, and items worth £130,000 were received to support families and our Houses.

We have worked to provide mutually beneficial corporate partnerships. We have strengthened our relationship with partners to assist with their employee engagement and diversified ways in which they can support us. Corporate volunteering has helped to strengthen the financial support we receive from businesses as well as providing invaluable support to our House teams.

We saw an increase in the level of pro bono support from companies compared to previous years. These donations of time and skills provided immense value and impact, assisting us with areas including legal advice and marketing and communication.

Our partnership with Sealy was kicked off with a donation of bespoke beds and mattresses to our Camberwell House, who received these first deliveries as part of their refurbishment. Families now benefit from high-quality hotel standard beds.

Our partnership with RBC is a great example of this approach and continues to strengthen and grow. Our CEO Ella Joseph joined the celebrations at their London head office in December to recognise their support in reaching £1.1 million raised or donated.



# Generate Support (continued)

## Trust and Grants

It was another wonderful year of support from Trusts and Foundations as grants enhanced many aspects of the Charity's care for families of seriously sick children in hospital.

Significant donations towards service delivery were made by various grant-makers, including RMHC Global, Guy's and St Thomas' Charity, The Steel Charitable Trust, and The Eric Wright Charitable Trust.

We also welcomed funding from Children in Need in support of the medical pass programme, as well as grants from corporate foundations, such as B&Q Foundation and AbbVie, for the renovations at Ronald McDonald House Brighton.

The Steve Burne Trust's remarkable support continued with funding that transformed an outside space into a beautiful garden of reflection at Ronald McDonald House Manchester.

## Events

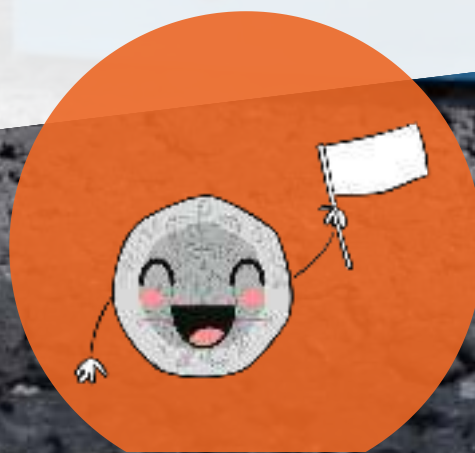
We were able to resume some normality within our Challenge Events calendar, which included the return of our bespoke UK Bike Ride (Beds-to-Beds).

Our Beds-to-Beds challenge saw 15 cyclists take on a three-day cycle from Bedford Hospital to Ronald McDonald House Alder Hey, covering more than 200 miles, and raising an incredible £96,000 for two charities, with £80,000 for Ronald McDonald House Charities UK.

We also raised more than £56,000, at The TCS London Marathon with 22 supporters taking on the famous 26.2-mile challenge around the capital. Our team was boosted this year with thanks to places inherited from the Alder Hey Family House Trust.

Whilst our Challenge Events programme was largely back to a pre-Covid-19 level, for our Special Events programme 2022 was a year of significant frustration. We had to make the difficult decision to once again cancel or postpone several events including the London and Oxford Galas. Additionally, we sadly had to cancel our annual London Carol event due to last-minute railway strikes.

We were able to put on a successful Summer of Golf event series, which raised £204,961 from 123 teams. Q4 was exceptionally busy and successful with three key activities generating the bulk of donations. The Leisure Classic, Birmingham and Manchester Galas along with the Edinburgh Carol concert were all hugely successful and brought a welcome end to the year. Collectively they saw over 1,000 supporters and raised over £1 million.



# Generate Support (continued)

## Community

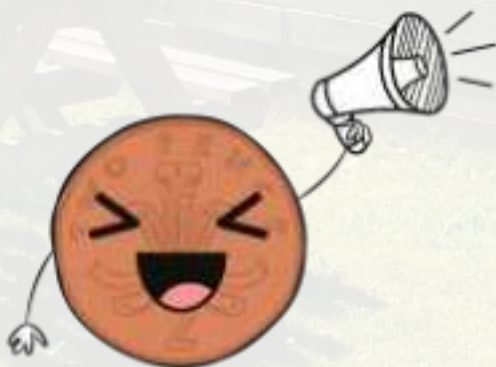
2022 was a year in which our supporters went above and beyond, pushing themselves to overcome high-adrenaline challenges, whilst raising significant funds.

Inspirational individuals once again took to the skies to take part in our annual Skydive weekend. On a warm June weekend over 114 jumpers took part and raised over £80k across seven UK sites. One mum from Oxford raised our highest total of £3,104 as a gesture to thank the House where she recently stayed.

We invited our supporters to brave the elements by taking part in one of our Fire and Ice Walks. The daring events involved either walking over hot coals or broken glass and our incredible supporters raised over £15k. Our Manchester House even combined their Fire Walk with a Halloween party for families to enjoy.

Our relationship with law firm Hugh James went from strength to strength in 2022. Offices in London, Cardiff and Manchester supported the Charity with a variety of volunteering and fundraising initiatives including sponsoring a room at our Cardiff House, as well as organising a summer party for families at our Manchester House. Hugh James has also continued to support families facing difficult times with their Emergency Fund.

We were delighted to secure the support of over 200 Co-Op stores in the London area raising money for us in 2022. Each store set individual targets and organised store fundraisers for communities to get involved. Stores have now raised over £5,000 and counting. In recognition of this support, a room has been sponsored in their name at our Evelina London House for the next year.



# What makes a house a home?



Name: Isobel

Age: 7

Ronald McDonald House Charities (UK) is an independent charity registered in England and Wales (202941) and in Scotland (SC042177)

# Principal Risks and Uncertainties

The Charity monitors and manages what it considers to be the principal risks and uncertainties facing the organisation. One of the key risks continues to be maintaining levels of income, and this was tested over the financial year as the Charity enters a recovery strategy post-Covid.

We continue to develop a strategy to broaden our income streams. The Trustees monitor the reliance of certain income streams to support this strategy, as well as focusing efforts and resources on activities that protect and develop our existing partners, diversifying to bring in new sources of income, and providing new ways to engage with us.

The Charity continues to work on strengthening brand and reputation, with further potential to grow our supporter base. We will put our families and supporters at the heart of everything we do to ensure we build sustainable income sources.

Ronald McDonald House Charities (UK) is signed up to the Fundraising Regulator's Code of Fundraising Practice. We are committed to legal, open, honest and respectful fundraising and do not cause undue pressure or intrusion on donors. We maintain robust fundraising policies, which promote the adoption and improvement of responsible fundraising practices within the UK. We are pleased that once again, in 2022 we received no complaints which were referred to the Fundraising Regulator.

Sound financial controls and financial management are an essential defence for charities against fraud and financial crime and, during the year, we strengthened our policies and controls to ensure we continue to protect our funds and assets from misuse.

The implementation of our new financial system has further enhanced our financial controls and internal financial management. The Charity has a responsibility when dealing with personal information and our GDPR principles ensure we do not risk the trust placed in the Charity, protecting our supporters from possible misuse, whether it be accidental or deliberate. The consequences can include reputational damage, complaints or claims and severe financial penalties, because of increased complexity, compliance is a key risk.

Work began in 2022 to implement a new database system holding the personal information of our supporters and beneficiaries which went live in April 2023. Moving forward, this will provide an opportunity to review our existing data strategies and ensure even greater degrees of data integrity through the enhanced systems in the future.

# Financial Review

The Charity was encouraged that a surplus was again achieved for the year, enabling us to maintain our existing commitments to family accommodation across the UK. Key investment and improvement programmes were once again commissioned. During Covid-19 these programmes were put on hold to focus on the core operation.

The main source of income for Ronald McDonald House Charities (UK) in 2022 was voluntary (income given freely, not in return for goods and services). The largest source of voluntary income continued to be donations from the general public via collection boxes and Kiosk donations located primarily in McDonald's restaurants all over the UK. Their contribution amounted to nearly £5.5 million.

Considering the growth in cashless transactions, the Charity is pleased to note that the combination of giving mechanisms remains a significant amount of money being donated to the cause. McDonald's and its franchisees very kindly agreed to pay all the card transaction fees associated with the kiosk donations, which meant 100% of the donations were received by the Charity. The Charity was once again indebted to McDonald's Restaurants Limited and its franchisees who donated just over £3.7 million towards the work of the Charity, as well as office facilities and other in-kind support.

## **Expenditure**

The costs of charitable activities have increased by £1.3m compared to 2021, of which £0.5m is related to the operation of two additional Houses in Alder Hey and Bristol. Over this time, the cost of fundraising activities has increased by £1.8m. Trustees have reviewed expenditure and are satisfied that is reasonable and supports the Charity's stated objectives.

## **Reserves policy**

The Trustees currently maintain all funds on cash deposit to ensure liquidity to meet the Charity's obligations and ongoing commitments. This policy of low risk is reviewed on a regular basis.

## **Designated fund & tangible fixed assets**

The Charity has a portfolio of fixed assets – residential properties offered free of charge to families with seriously ill children at hospital – currently with a net book value of £56 million (2021 £54m). These properties are restricted to serving the charitable purpose for which the Charity exists, and cannot easily be converted into general funds for day-to-day use. The assets are being depreciated over 25 to 40 years to reflect the fact that ownership of the Houses will ultimately revert to the respective hospitals, as part of our contractual agreements with them. During the year, the Charity merged with the Alder Hey Family House Trust and is committed to the refurbishment of the House. The Trustees have therefore designated £9 million to this project.

## **General fund & free reserves**

The Trustees assess the risks facing the Charity on a quarterly basis and consequently review the level of free reserves required annually in line with Charity Commission guidance. Trustees recognise that reserves held must safeguard the Charity against unexpected loss of income, to enable the Charity to meet its financial obligations in relation to its charitable objectives. Historically, the Trustees agreed that minimum free reserves of four months' running costs are prudent in this financial climate. The balance of free reserves as at 31 December 2022 was £3.6 million (2021 £10.6m). The reduction in reserves is driven by the designation of funds to the Alder Hey House.

# Structure, Governance and management

Ronald McDonald House Charities (UK) was established in 1989 to provide accommodation and other assistance for children being treated in hospital and their families; also, to raise funds for children's charities generally.

Historically this was achieved through the funding and building of Ronald McDonald Houses and Family Rooms in, or close to, hospitals and children's hospices. However, since 2007, the Charity has focused exclusively on the charitable objective of providing and operating Ronald McDonald Houses to support families who have a sick child in hospital.

The Charity is governed by a memorandum and articles of association, which were last amended materially in 2010 to reflect both the Charity's right to borrow money where appropriate, and the registration of Ronald McDonald House Charities (UK) in Scotland as per OSCR requirements. Governance and strategic leadership is provided to the Charity by the Board of Trustees, headed by an elected Chair.

Potential Trustees are chosen for their skills and experience and, following interview and due process, are elected to the Board of Trustees by formal vote. They serve for an initial period of three years after which they may offer themselves for re-election.

Trustees are inducted through an orientation programme involving visits to the Houses, training around the Charity's objectives and strategic goals, and communication of their legal responsibilities to the Charity.

The full Board of Trustees meets quarterly. In addition, Trustees can serve on subcommittees according to their particular area of expertise and experience. These groups report to the full Board for ratification and approval of any suggested activities.

The Trustees and senior staff also meet to discuss specific and particular issues as needed. Expenditure must be approved by the Trustees through set budgets, and this and other financial matters are monitored by the Finance and Governance subcommittee.

# Structure, Governance and management (continued)

The liability of Trustees is limited. Every member of the company undertakes to contribute a maximum amount of £1 to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member.

Responsibility for the day-to-day management of Ronald McDonald House Charities (UK) is delegated to the Chief Executive with a staff team of 52 including Operations, Development, Fundraising, Marketing and Communications and Administration, split between two offices in London and Sutton Coldfield and within Ronald McDonald Houses.

The 14 Ronald McDonald Houses run directly by the Charity employ a further 149 staff to carry out the Charity's objectives of providing accommodation to families with seriously ill children in hospital.

The Trustees, the Company Secretary, Chief Executive and Senior Leadership Team are considered to comprise the key management personnel in charge of directing and controlling, running, and operating the Charity on a day-to-day basis. All Trustees give their time freely. The pay of staff is reviewed annually and linked to individual performance throughout the period.

Staff pay is benchmarked against pay levels in other charities of a similar size whilst using pay grade ranges for all roles. A remuneration committee provides support and report into the board.

Ronald McDonald House Charities (UK) is a licensed chapter of a global network of charities. It works towards similar charitable aims and objectives but operates completely independently of this network.

Of the 15 Ronald McDonald Houses operating in the UK at the end of 2022, one continues to be established as an independent charity and does not form part of this Annual Report.

During the year the Charity merged with Alder Hey Family House Trust on 27 April 2022, and Ronald McDonald House Bristol on 23 November 2022. These Houses form part of this annual report from the date of merger.

# Thank You



103 Colmore Row  
AbbVie  
Alder Hey Children's Hospital  
Alliance Group NZ  
American Women's Club of London  
Arla  
Aubrey Allen Limited  
Avison Young (Scotland)  
Ayla Loch & Family  
B&Q Foundation  
BAM Construction  
BBC Children in Need  
Best Heating  
Biosite  
Birmingham Children's Hospital Charity  
Birmingham District Nursing Charitable Trust  
Brighton & Hove Buses  
Brighton Fundraising Committee  
Cargills  
Carla & Rob Cogan  
Caroline Gee  
Caroline Westerman & John McDermott  
Coca-Cola UK&I  
Coca-Cola  
Cornerstone  
Cornerstone  
Crane Worldwide Logistics  
Cranswick Gourmet Kitchen  
Dandara  
Emily Coles  
Eric Wright Charitable Trust  
Espersen A/S  
Essity  
Family and friends of Azariyah Rauf  
Family and friends of Dottie Curwen  
Family and friends of Kai Carding  
Family and friends of Maisie Pickering  
Farol Ltd  
February Foundation  
Friends and family of Scarlett's Wish  
G J W Turner Trust  
Gen One Ltd  
Good.Loop Limited  
Grays Engineering  
Greenenergy International Ltd  
Griffith Foods  
Guy's and St Thomas' Charity  
Harry Humphreys  
Havi GS & The Marketing Store  
Helpful Hirings  
HMP Hindley  
Hospital Saturday Fund Charity  
ING Bank

Insider Media Awards  
Leah Edwards  
Lemongrass Consulting  
Lets Sanify  
Limitless Digital Group  
Manchester University NHS Foundation Trust  
Martin-Brower UK Ltd  
Mattel  
Maximus Foundation UK  
McCormick (UK) Ltd  
McVey Family  
Medtronic Limited  
Mizkan Euro Ltd  
Mudano  
Nonsensical Agency  
Norton Rose Fulbright LLP  
Npower & EON  
Oxford Round Table  
Oxford University Hospitals NHS Foundation Trust  
Pavillion pre-school  
Preston Forster  
Ramcrete Pumping Services Ltd  
Ramsay & Jackson  
Revenue Management Solutions Ltd  
Ridge  
RMHC Global  
Rob McGill and West & West  
Royal Bank of Canada  
Sabah Ramzan  
Scrap A Car Comparison  
Sealy Beds  
Simon Gibson charitable Trust  
Smith Anderson & Co, UK  
Sports Argus Charity Darts Squad  
Steel Charitable Trust  
Sterling Ventures  
Stitchd  
Sun Valley Foods Ltd trading as Cargill Protein Europe (formerly Cargill Meats Europe)  
Team 1C  
The Bank of Montreal  
The Costelloe Family  
The Original Fit Factory  
Tindall Riley & Co Limited  
Tritax Symmetry Management Ltd  
TrustQuay  
Tysers  
Utilita Energy  
Veolia  
West Lothian Football Academy  
William Blair

# Financial Statements



# Report of the Trustees

## Report of the Trustees

Ronald McDonald House Charities (UK) is an independent charity registered in England and Wales (802047) and in Scotland (SC040717), and is a company limited by guarantee (2252337), registered in England.

The Trustees of Ronald McDonald House Charities (UK) (who are also the Directors for the purposes of Companies Act 2006) are pleased to present this, their report and accounts for the period ended 31 December 2022, and incorporating the Strategic Report and the Director's Report required under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013. The accounts have been prepared in accordance with the Statement of Recommended Practice – Charities SORP second edition (FRS 102) issued by the Charities Commission in October 2019, applicable Accounting Standards in the United Kingdom, requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland).

## Going concern

The Charity has prepared cashflow forecasts for the period through to 31 October 2024 which reflect the expected impact of the macro-economic environment on income and expenditure. The assessment of the Charity's ability to continue as a going concern has included performing a reverse stress test on those forecasts.

The reverse stress test assumes the same level of expenses as management's best estimate ("the base case") but income is decreased to the point at which all cash is utilised before the end of the going concern assessment period (positive cash position until September 2024 decreasing to negative cash position in October 2024).

A negative cash position is only achieved if income falls to 34% of the best estimate cash flow forecasts through the going concern period which the Trustees consider to be an implausible scenario.

Having reviewed this information the trustees have a reasonable expectation that the Charity has adequate resources and cash reserves to continue in operational existence for the going concern period to 31 October 2024, even if income was to fall substantially below the level it reached in 2020.

After making reasonable enquiries and having considered the matters described above, the directors believe that the Charity will be able to continue to fulfil its charitable purpose, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

## The Objectives of the Charity

To provide accommodation and other assistance for children being treated in hospital and their families during periods of treatment.

## Public Benefit Statement

The Charity Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity commission in exercising their duties.

# Report of the Trustees (continued)

## Trustees (Directors)

J Fergus (Chairman)  
Dr S Fradd (appointed 27 February 2023)  
M Morgan  
S Kirk  
Dr A Ohrling  
H Trickey  
R Mounsey  
S Hunsdale  
S Edwards  
K Boyce (resigned 27 July 2023)  
A Wainwright (appointed 28 April 2022)  
G Pearson (appointed 27 October 2022)  
A Moys (appointed 27 October 2022)  
A Ward appointed (27 July 2023)

## Key Management Personnel

<b>Chief Executive</b>	J Haward (retired 18 November 2022)
<b>Chief Executive</b>	E Joseph (appointed 1 November 2022)
<b>Company Secretary</b>	I Dart (resigned 13 September 2023)
<b>Company Secretary</b>	S Winfield (appointed 13 September 2023)
<b>Director of Strategic Partnerships</b>	A Ward (retired 28 April 2023)
<b>Director of Income Generation</b>	T Morton
<b>Director of People and UK Operations</b>	S Winfield
<b>Director of Estates and Development</b>	R Francis

## Registered Office

11-59 High Road  
East Finchley  
London N2 8AW  
United Kingdom  
03000 111 113  
[www.rmhc.org.uk](http://www.rmhc.org.uk)

## Auditor

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

## Statement of Trustees' responsibilities

The Charity's financial statements have been prepared in accordance with 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).

# Report of the Trustees (continued)

## Statement of Trustees' responsibilities (continued)

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement as to disclosure of information to auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Auditors

In accordance with S485 of the Companies Act 2006, the auditor, Ernst & Young LLP. Is deemed to be reappointed.

The Report of the Trustees, which incorporates the requirements of the Directors' Report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Strategic Report were approved by the Board, in their capacity as Trustees and company directors, and signed on its behalf on Wednesday 25 October 2023 by:

**Jeff Fergus, Chairman**

**Signature:**



**Date: Wednesday 25 October 2023**

# Independent Auditors Report

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RONALD MCDONALD HOUSE CHARITIES (UK)**

### **Opinion**

We have audited the financial statements of Ronald McDonald House Charities (UK) for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of cash flows and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 below. 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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in 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 charitable company's ability to continue as a going concern for a period at least twelve months to 31 October 2024 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

# Independent Auditors Report (continued)

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinion on other matter 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, which includes the Directors' report and the Strategic report prepared for the purpose 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 Trustees' report have been prepared in accordance with applicable legal requirements

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or the Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# Independent Auditors Report (continued)

## **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 35, 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 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 management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are RS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland", the UK Companies Act 2006, the Charities and Trustee Investment (Scotland) Act, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, relevant Health and Safety regulations, Modern Slavery Act, Bribery Act, Proceeds of Crime Act 2002, Money Laundering Regulations 2003 and General Data Protection Regulation (GDPR).

# Independent Auditors Report (continued)

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We understood how Ronald McDonald House Charities (UK) is complying with those frameworks by enquiry with management and those charged with governance, by identifying the company's policies and procedures regarding compliance with laws and regulations, and through the review of minutes of meetings held by those charged with governance for any instances of non-compliance.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by by making enquiries of those charged with governance and by obtaining an understanding of the entity's policies and procedures in relation to fraud risks. As part of our assessment, we obtained and inspected the entity's risk register. We considered there to be a risk of management override including through the recording of manual journals posted to revenue prior to the year end. In response to the risks identified, we designed appropriate audit procedures to address the risks. Our procedures involved:
  - Enquiry of members of senior management, and when appropriate those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
  - Reading minutes of meetings of those charged with governance.
  - Obtaining and reading correspondence from legal and regulatory bodies where applicable; and
  - Incorporation of data analytics to test revenue and to assist in our targeted review of journals. Our procedures involved testing journal entries identified by specific risk criteria, including manual journals to record revenue close to the period end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our 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, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees 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, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Becky Turner (Senior Statutory Auditor)  
for and on behalf of  
Ernst & Young LLP,  
Statutory Auditor  
1 More London Place  
London, SE1 2AF**

**Signature:**



**Date:** 25<sup>th</sup> October 2023

# Statement of Financial Activities

## Ronald McDonald House Charities (UK) Statement of Financial Activities For the year ended 31 December 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
<b>Income:</b>					
Donations and legacies	2	11,196	1,273	12,469	10,363
Other trading activities	3	1,626	-	1,626	1,284
Investments	4	156	-	156	19
<b>Total Income</b>		<b>12,978</b>	<b>1,273</b>	<b>14,251</b>	<b>11,666</b>
<b>Expenditure:</b>					
Costs of raising funds	5	(4,606)	-	(4,606)	(2,764)
Expenditure on charitable activities	6	(7,234)	(954)	(8,188)	(6,881)
<b>Total Expenditure</b>		<b>(11,840)</b>	<b>(954)</b>	<b>(12,795)</b>	<b>(9,645)</b>
<b>Net income / (expenditure) and net movement in funds for the year</b>		<b>1,138</b>	<b>319</b>	<b>1,457</b>	<b>2,021</b>
<b>Other recognised gains / (losses)</b>					
Other income	7	3,027	941	3,968	-
<b>Reconciliation of funds:</b>					
Total funds brought forward		64,683	1,356	66,039	64,018
<b>Total funds carried forward</b>	<b>19</b>	<b>68,848</b>	<b>2,616</b>	<b>71,464</b>	<b>66,039</b>

Notes 1 to 22 form an integral part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# Balance Sheet

## Ronald McDonald House Charities (UK) Balance Sheet At 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Fixed Assets</b>			
Intangible assets	15	506	294
Tangible assets	16	55,741	53,743
Investments	20	743	-
<b>Total Fixed Assets</b>		<u>56,990</u>	<u>54,037</u>
<b>Current Assets</b>			
Debtors	17	1,533	1,566
Cash at bank and in hand	21	14,634	11,423
<b>Total Current Assets</b>		<u>16,167</u>	<u>12,989</u>
<b>Liabilities</b>			
Creditors: Amounts falling due after more than one year	18	(1,693)	(987)
<b>Total Net Assets or Liabilities</b>		<u><u>71,464</u></u>	<u><u>66,039</u></u>
<b>The funds of the charity:</b>			
Unrestricted funds	19	68,848	64,683
Restricted funds	19	2,616	1,356
		<u><u>71,464</u></u>	<u><u>66,039</u></u>

The Financial statements were approved by the Trustees and authorised for issue on Wednesday 25 October 2023.

On behalf of the Trustees

**Jeff Fergus**  
Chairman

Signature:



# Statement of Cash Flows

## Ronald McDonald House Charities (UK) Statement of Cash Flows For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	21	<u>4,277</u>	<u>2,874</u>
<b>Cash flows from investing activities:</b>			
Interest		156	19
Cash inflow from business combinations		168	-
Purchase of property, plant and equipment		(1,072)	(3,599)
Purchase of software		(318)	(319)
Net cash (used in)/provided by investing activities		<u>(1,066)</u>	<u>(3,899)</u>
Change in cash and cash equivalents in the reporting period		3,211	(1,025)
Cash and cash equivalents at the beginning of the reporting period		11,423	12,448
Cash and cash equivalents at the end of the reporting period	22	<u><u>14,634</u></u>	<u><u>11,423</u></u>

# Notes to Financial Statements

## 1. Accounting policies

### **Basis of preparation**

These accounts have been prepared in accordance with UK Generally Accepted Accounting Practice, comprising Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)' and the Charities SORP second edition (FRS 102) issued by the Charities Commission in October 2019, together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. The Charity has adapted the Companies Act formats to reflect the SORP and the special nature of the Charity's activities. The Charity is a public benefit entity.

### **Preparation of the accounts on a going concern basis**

The Charity is in a net current asset position at the balance sheet date. Given the Charity's continued strong performance, the Trustees consider it reasonable that the company will continue in operational existence until at least the end of the going concern assessment period on 31 October 2024. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

### **Income**

Income is received by way of donation, special grants and interest on deposits. Income resources are included in the statement of financial activities when the Charity is entitled to the income and it can be quantified with reasonable certainty.

### **Taxation**

As a charity, the company is exempt from tax on income and gains. As such, no tax charges have arisen.

### **Donations**

Cash donations are included in the income and expenditure account when received.

### **Donated services and facilities**

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of the economic benefit from the user by the charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time received within the Ronald McDonald Houses is not recognised. More information about their contribution is referred to in the Trustees Annual Report.

# Notes to Financial Statements (continued)

## 1. Accounting policies (continued)

### **Tangible fixed assets**

Leasehold improvements and fixtures and fittings are stated at cost less depreciation. The assets relate to Ronald McDonald Houses that are managed and run by the company. Depreciation is provided on all fixed assets. The depreciation rates used are calculated to write off the cost of each asset by equal annual instalments over its expected useful life as follows:

<b>Leasehold improvement</b>	- <b>the lower of unexpired portion of the lease or 40 years</b>
<b>Fixtures and fittings</b>	- <b>ten years</b>
<b>Office equipment</b>	- <b>three years</b>

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

### **Intangible fixed assets**

Intangible fixed assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of three years.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

### **Fixed asset investments**

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.

### **Governance costs**

Included within governance costs are salaries payable to administration staff, general office expenses, auditors' remuneration and bank and legal charges.

### **Resources expended**

Where costs cannot be directly attributed to particular headings, they have been allocated by proportion to activities based on the staff time spent carrying out the function. Fundraising costs are those incurred in seeking voluntary donations; support costs are those costs incurred directly in support of the Charity's aims and include project management of new and existing projects; management and administration costs are those incurred in connection with administration of the Charity and compliance with legal and statutory requirements.

### **Business combinations**

Business combinations are accounted for using the purchase method in accordance with Section 19 Business Combinations and Goodwill and Section 34 Specialised Activities. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value.

# Notes to Financial Statements (continued)

## 1. Accounting policies (continued)

### **Business Combinations (continued)**

The Charity determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Charity acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Business combinations at nil or nominal considerations which are in substance a gift are accounted in accordance with Section 19 Business Combinations and Goodwill except that:

- any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in income and expenditure. This gain represents the gift of the value of one entity to another and recognised as income.
- any excess of the fair value of the liabilities assumed over the fair value of the assets received is recognised as a loss in income and expenditure. This loss represents the net obligations assumed, for which the receiving entity has not received a financial reward and recognised as an expense.

## **Funds**

### ***Unrestricted Funds***

The Charity holds the majority of its donation income within its unrestricted funds. There are split between designated and general funds. Designated funds are monies in reserve that the Charity has identified against specific board approved projects that are on site or subject to contract.

It is the Charity's policy to ensure that the funds sufficient to cover at least four months of operating costs (excluding depreciation) remain undesignated to provide appropriate resources to cover the Charity's day to day running costs in the event of a sudden unexpected change in the Charity's income levels.

### ***Restricted Funds***

The is restricted income held to further a specific purpose of the Charity as stipulated by the donor and is accounted for accordingly and presented separately in the face of the Statement of Financial Activities.

Details of the nature and purpose of each fund are set out in note 18.

# Notes to Financial Statements (continued)

## 1. Accounting policies (continued)

### Going Concern

The Charity has prepared cashflow forecasts for the period through to 31 October 2024 which reflect the expected impact of the macro-economic environment on income and expenditure. The assessment of the Charity's ability to continue as a going concern has included performing a reverse stress test on those forecasts.

The reverse stress test assumes the same level of expenses as management's best estimate ("the base case") but income is decreased to the point at which all cash is utilised before the end of the going concern assessment period (positive cash position until September 2024 decreasing to negative cash position in October 2024).

A negative cash position is only achieved if income falls to 34% of the best estimate cash flow forecasts through the going concern period which the Trustees consider to be an implausible scenario.

Having reviewed this information the trustees have a reasonable expectation that the Charity has adequate resources and cash reserves to continue in operational existence for the going concern period to 31 October 2024, even if income was to fall substantially below the level it reached in 2020.

After making reasonable enquiries and having considered the matters described above, the directors believe that the Charity will be able to continue to fulfil its charitable purpose, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

# Notes to Financial Statements (continued)

## 2. Income from donations and legacies

<b>Donations</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
McDonald's Restaurants contributions	2,235	2,047
McDonald's collection boxes	1,758	1,686
McDonald's Cashless donations	3,709	2,256
McDonald's campaign	427	250
McDonald's restaurant fundraising	598	401
Welsh carrier bag income	435	516
Scottish carrier bag income	318	469
General donations	608	537
Gift Aid	98	172
Operational income	101	59
Grant income	520	440
Corporate income	766	708
Community income	896	822
<b>Total income from donations</b>	<b>12,469</b>	<b>10,363</b>

The income from donations was £12,469 (2021: £10,363) of which £11,196 was unrestricted (2021: £8,938) and £1,273 restricted (2021: £1,425).

The Charity benefits from the involvement and enthusiastic support of its volunteers, details of which are given in the Trustee Report. In accordance with FRS 102 and the Charities SORP (FRS102), the economic contribution of general volunteers is not recognised in the accounts.

# Notes to Financial Statements (continued)

## 3. Income earned from other activities

	2022 £'000	2021 £'000
National gala dinner	41	383
Regional gala dinners	544	571
Regional golf tournaments	151	163
Regional events	54	18
Overseas golf tournament	524	-
Overseas apartment	13	-
Challenge events	284	134
Other	15	15
<b>Total income earned from other activities</b>	<b>1,626</b>	<b>1,284</b>

## 4. Investment income

	2022 £'000	2021 £'000
<b>Interest receivable</b>	<b>156</b>	<b>19</b>

Interest receivable relates to interest earned on fixed asset investments (£14,187) and interest earned on short term deposit accounts (£141,469).

# Notes to Financial Statements (continued)

## 5. Analysis of expenditure on charitable activities

2022	Activities undertaken directly £'000	Depreciation £'000	Support costs £'000	Total £'000
<i>Raising funds</i>				
Donations	657	-	1,503	2,160
Other trading activities	456	-	1,990	2,446
	<b>1,113</b>	<b>-</b>	<b>3,493</b>	<b>4,606</b>
<i>Charitable activities</i>				
Alder Hey	329	100	-	429
Arrowe Park	138	38	-	176
Birmingham	405	218	-	623
Brighton	209	33	-	242
Bristol	58	-	-	58
Camberwell	320	86	-	406
Cardiff	301	179	-	480
Edinburgh	256	108	-	364
Evelina London	524	367	-	891
Manchester	431	212	-	643
Moorfields	62	2	-	64
Oxford	365	434	-	799
Southampton	399	199	-	598
Tooting	231	19	-	250
Family Experience	157	-	-	157
Operations Team	437	4	-	441
Facilities management of Houses	1,458	109	-	1,567
<b>Total expenditure on charitable activities</b>	<b>6,080</b>	<b>2,108</b>	<b>-</b>	<b>8,188</b>
<b>TOTAL</b>	<b>7,193</b>	<b>2,108</b>	<b>3,493</b>	<b>12,794</b>

# Notes to Financial Statements (continued)

## 5. Analysis of expenditure on charitable activities (continued)

2021	Activities undertaken directly £'000	Depreciation £'000	Support costs £'000	Total £'000
<i>Raising funds</i>				
Donations	118	-	830	948
Other trading activities	280	-	1,536	1,816
	<b>398</b>	<b>-</b>	<b>2,366</b>	<b>2,764</b>
<i>Charitable activities</i>				
Arrowe Park	95	37	-	132
Birmingham	331	207	-	538
Brighton	156	31	-	187
Camberwell	283	85	-	368
Cardiff	255	170	-	425
Edinburgh	179	75	-	254
Evelina London	401	359	-	760
Manchester	393	209	-	602
Moorfields	45	1	-	46
Oxford	298	424	-	722
Oxford Expansion	-	-	-	-
Southampton	375	190	-	565
Tooting	197	18	-	215
Operations Team	438	-	-	438
Facilities management of Houses	1,592	37	-	1,629
<b>Total expenditure on charitable activities</b>	<b>5,038</b>	<b>1,843</b>	<b>-</b>	<b>6,881</b>
<b>TOTAL</b>	<b>5,436</b>	<b>1,843</b>	<b>2,366</b>	<b>9,645</b>

Expenditure on charitable activities undertaken directly was £6,158 (2021 £5,038)

# Notes to Financial Statements (continued)

## 6. Summary analysis of expenditure and related income for charitable activities

This table shows the cost of the Charity's main activity of providing accommodation, and the sources of income directly to support this activity.

	House operations	
	2022	2021
	£'000	£'000
Costs	(8,188)	(6,881)
<b>Net costs relating to charitable activities</b>	<b>(8,188)</b>	<b>(6,881)</b>
<i>Income from charitable activities</i>		
Operational income	101	59
<b>Net costs funded from other income</b>	<b>(8,087)</b>	<b>(6,822)</b>

## 7. Business combinations

### Alder Hey Family House Trust Limited

On 26 April 2022, Alder Hey Family House Trust Limited transferred certain assets and liabilities to the Charity for a consideration of £1. Alder Hey Family House Trust Limited's principal activity was providing free accommodation and assistance for the parents and families of children undergoing treatment at Alder Hey Children's Hospital. Alder Hey Family House Trust Limited was dissolved on 7 February 2023.

The fair values of the identifiable assets and liabilities of the Alder Hey Family House Trust Limited as at the date of acquisition were:

in £'000 Fair value recognised on acquisition			
	Unrestricted Funds	Restricted Funds	Total
<b>Assets</b>			
Tangible assets	2,818	-	2,818
Investments	-	773	773
Stock	1	-	1
Debtors	91	-	91
Cash at bank	-	92	92
<b>Liabilities</b>			
Creditors	95	-	95
<b>Net assets</b>	<b>2,815</b>	<b>865</b>	<b>3,680</b>
Gain recognised in income	2,815	865	3,680
Purchase consideration	-	-	-

# Notes to Financial Statements (continued)

## 7. Business combinations (continued)

### Alder Hey Family House Trust Limited (continued)

(1) Tangible assets acquired consists of leasehold improvements and fixtures, fittings and equipment amounting to £2,569 thousand and £249 thousand, respectively. Since the leasehold improvements held for its service potential to beneficiaries, the depreciated replacement cost was used as proxy for the fair value measurement. Acquisition expenses of £117 thousand were incurred in respect of this acquisition and expensed to the statement of financial activities.

The expenditure relating to the Alder Hey House for the year had the Charity been acquired on 1 January was £438,555. Income from donations and other activities is not split by individual House and therefore cannot be specifically attributed to the Alder Hey House for the year to 31 December 2022.

### Ronald McDonald House Bristol

On 23 November 2022, Ronald McDonald House Bristol transferred certain assets and liabilities to the Charity for a consideration of £1. Ronald McDonald House Bristol's principal activity was providing free accommodation and assistance for the parents and families of children undergoing treatment.

The fair values of the identifiable assets and liabilities of the Ronald McDonald House Bristol as at the date of acquisition were:

in £'000 Fair value recognised on acquisition

	Unrestricted Funds	Restricted Funds	Total
<b>Assets</b>			
Tangible assets	215	-	215
Cash at bank	-	76	76
<b>Liabilities</b>			
Creditors	3	-	3
<b>Net asset</b>	<b>212</b>	<b>76</b>	<b>288</b>
Gain recognised in income	212	76	288
Purchase consideration	-	-	-

# Notes to Financial Statements (continued)

## 7. Business combinations (continued)

### Ronald McDonald House Bristol (continued)

(1) Tangible assets acquired consists of leasehold improvements and fixtures, fittings and equipment amounting to £216 thousand. Since the leasehold improvements held for its service potential to beneficiaries, the depreciated replacement cost was used as proxy for the fair value measurement.

Acquisition expenses of £58 thousand were incurred in respect of this acquisition and expensed to the statement of financial activities.

The expenditure relating to Ronald McDonald House Bristol for the year had the Charity been acquired on 1 January was £345,531. Income from donations and other activities is not split by individual House and therefore cannot be specifically attributed to Ronald McDonald House Bristol for the year to 31 December 2022.

## 8. Analysis of governance and support costs

The Trustees initially identify the costs of its support functions. It then identifies those costs which relate to the governance function. Having identifies its governance costs, the remaining support costs together with the governance costs are apportioned across the charity. Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

2022	General support (see note 5) £'000	Governance function £'000	Total £'000	Basis of apportionment
Salaries, wages and related costs	1,082	464	1,546	70:30 split
Administration	-	360	360	Governance
Bank and legal fees	-	84	84	Governance
<b>Total expenditure on charitable activities</b>	<b>1,082</b>	<b>908</b>	<b>1,990</b>	

2021	General support (see note 5) £'000	Governance function £'000	Total £'000	Basis of apportionment
Salaries, wages and related costs	956	410	1,366	70:30 split
Administration	-	102	102	Governance
Bank and legal fees	-	68	68	Governance
<b>Total expenditure on charitable activities</b>	<b>956</b>	<b>580</b>	<b>1,536</b>	

# Notes to Financial Statements (continued)

## 9. Auditors' remuneration

	2022 £'000	2021 £'000
Auditors' remuneration	<u>69</u>	<u>50</u>

In 2022 and 2021, the audit fee has been borne by McDonald's Restaurants Limited.

## 10. Analysis of staff costs, trustee remuneration and expenses, and the cost of key personnel

	2022 £'000	2021 £'000
Salaries and wages	5,430	4,429
Social security costs	613	440
Pension costs	<u>474</u>	<u>368</u>
	<u><b>6,517</b></u>	<u><b>5,237</b></u>

The number of staff whose emoluments fell within each of the following bands was:

	2022 No.	2021 No.
£0 to £59,999	189	171
£60,000 to £69,999	2	2
£70,000 to £79,999	2	2
£80,000 to £89,999	3	2
£90,000 to £99,999	2	-
£100,000 to £109,999	-	-
£130,000 to £139,999	2	-
£170,000 to £179,999	-	1
£260,000 to £270,000	<u>1</u>	<u>-</u>
	<u><b>201</b></u>	<u><b>178</b></u>

# Notes to Financial Statements (continued)

## 10. Analysis of staff costs, trustee remuneration and expenses, and the cost of key personnel (continued)

The Charity's Trustees were not paid nor received any other benefit from employment with the Charity in the year (2021: £nil). They reimbursed expenses during the year of £394 (2021: £nil). No charity Trustee received payment for professional or other services supplied to the Charity (2021: £nil).

The key management personnel of the Charity comprise of the Chief Executive and the Senior Leadership Team. For a short period of time, two Chief Executives were in post to allow for a handover. The total employee benefits of the key management personnel of the Charity were £812,816 (2021: £549,058).

During the year the Charity made ex gratia payments to two employees totalling £1,000 to help support employees through the economic crisis

## 11. Staff numbers

The year end head count was 201 staff (2021: 178) and was made up as follows:

	2022	2021
	No.	No.
Support staff	20	19
Fundraising staff	32	29
Operational staff	149	130
	<u>201</u>	<u>178</u>

## 12. Related party transactions

During the year, the company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 December 2022, are as listed below.

McDonald's Restaurants Limited is defined as related party of the Charity; it is the Charity's main fundraising partner and the Charity and McDonald's Restaurants Limited share key management. McDonald's Restaurants Limited lease office space to the Charity on an ex gratia basis.

# Notes to Financial Statements (continued)

## 12. Related party transactions (continued)

The Charity received charitable donations from McDonald's Restaurants Limited of £279,606 (2021: £251,338). Additionally, McDonald's Restaurants Limited made donations of £459,553 (2021: £392,683) in respect of the Welsh and Scottish carrier bag levies.

McDonald's Restaurants incur costs on behalf of the Charity which are then recharged at cost to Ronald McDonald House Charities (UK). During the year McDonald's Restaurants Limited invoiced £6,532,441 (2021: £5,238,075) in recharges for costs incurred. At the balance sheet date the amount due to Ronald McDonald House Charities (UK) was £513,988 (2021: £31,722).

Forsters LLP is a related party of the Charity by virtue of a Trustee of the company also being a partner of Forsters LLP. The Charity engaged Forsters LLP for the merger of Ronald McDonald House Bristol and Ronald McDonald House Charities (UK). Legal costs incurred during the year were £2,400 and at the balance sheet date the amount of £42,597 was due.

## 13. Corporation Taxation

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## 14. Limitation by Guarantee

The Charity is limited by guarantee and as a consequence does not have share capital. The Directors of the charity comprise of Independent Trustees, and Trustee representatives of McDonald's Restaurants Limited and its franchisees. The liability of every member is limited to £1 each.

# Notes to Financial Statements (continued)

## 15. Intangible Fixed Assets

	Software £'000	Total £'000
Cost:		
At 1 January 2022	319	319
Additions	318	318
At 31 December 2022	<u>637</u>	<u>637</u>
Depreciation:		
At 1 January 2022	25	25
Provided in the year	106	106
At 31 December 2022	<u>131</u>	<u>131</u>
Net book value:		
At 31 December 2022	<u>506</u>	<u>506</u>
At 1 January 2022	<u>294</u>	<u>294</u>

The software intangible fixed asset includes the new customer engagement system implemented during the year. The asset is recorded at cost £318,000 and has remaining amortisation of less than 3 years.

## 16. Tangible Fixed Assets

	Leasehold improvement £'000	Fixtures and fittings £'000	Office equipment £'000	Total £'000
Cost:				
At 1 January 2022	63,230	2,744	175	66,149
Acquisitions (Note 7)	2,650	379	4	3,033
Additions	709	201	163	1,073
At 31 December 2022	<u>66,589</u>	<u>3,324</u>	<u>342</u>	<u>70,255</u>
Depreciation:				
At 1 January 2022	10,862	1,392	152	12,406
Provided in the year	1,763	304	41	2,108
At 31 December 2022	<u>12,625</u>	<u>1,696</u>	<u>193</u>	<u>14,514</u>
Net book value:				
At 31 December 2022	<u>53,964</u>	<u>1,628</u>	<u>149</u>	<u>55,741</u>
At 1 January 2022	<u>52,368</u>	<u>1,352</u>	<u>23</u>	<u>53,743</u>

# Notes to Financial Statements (continued)

## 16. Tangible Fixed Assets (continued)

Net book value of land and buildings consist of:

	2022 £'000	2021 £'000
Long leasehold	53,308	51,877
Short leasehold	656	491
	<u>53,964</u>	<u>52,368</u>

## 17. Debtors

	2022 £'000	2021 £'000
Other debtors and prepayments	1,165	1,564
Accrued income	368	2
	<u>1,533</u>	<u>1,566</u>

## 18. Creditors

	2022 £'000	2021 £'000
Accruals	693	673
Other creditors	883	209
Deferred income	117	105
	<u>1,693</u>	<u>987</u>

The deferred income balance relates to sponsorship income received for events that will take place in 2023. Out of the 2021 deferred income balance £91,744 was released in 2022 and £12,781 is included in the year end balance relating to events that will take place in 2023

# Notes to Financial Statements (continued)

## 19. Analysis of Charitable Funds

The company is limited by guarantee. Accordingly, no share capital account is presented.

	Fixed assets	Unrestricted funds	Restricted funds	Total
	£'000	£'000	£'000	£'000
Funds				
At 1 January 2022	54,037	10,645	1,356	66,039
Incoming resources	-	12,978	1,273	14,251
Resources expended	-	(9,626)	(954)	(10,581)
Fixed asset investments	30	(30)	-	-
Assets acquired through business combinations	3,747	(719)	941	3,969
Additions	1,390	(1,390)	-	-
Amortisation	(106)	-	-	(106)
Depreciation	(2,108)	-	-	(2,108)
<b>At 31 December 2022</b>	<b>56,990</b>	<b>11,858</b>	<b>2,616</b>	<b>71,464</b>

It is the Charity's policy to ensure that funds are sufficient to cover at least four months of operating costs (excluding depreciation) £3,609 remain undesignated to provide appropriate resources to cover the charity's day to day running costs in the event of a sudden unexpected change in the Charity's income levels. The Trustees have felt it prudent to ensure a balance of £12,610 of which £9 million is designated to the refurbishment of the Alder Hey House.

The ongoing Scottish carrier bag levy that is received will be restricted to expenditure of the operating of Ronald McDonald House Edinburgh and Welsh carrier bag levy is also restricted to the expenditure which were £255,768 (2021: £178,000). Equally the Welsh carrier bag levy is restricted to expenditure of the operating costs of the Ronald McDonald House Cardiff which were £301,192 (2021: £254 000)

	Fixed assets	Unrestricted funds	Restricted funds	Total
	£'000	£'000	£'000	£'000
Funds				
At 1 January 2021	51,987	7,988	4,043	64,018
Incoming resources	-	10,241	1,425	11,666
Resources expended	-	(6,913)	(863)	(7,777)
Additions	3,918	(670)	(3,248)	-
Amortisation	(25)	-	-	(25)
Depreciation	(1,843)	-	-	(1,843)
<b>At 31 December 2021</b>	<b>54,037</b>	<b>10,645</b>	<b>1,356</b>	<b>66,039</b>

# Notes to Financial Statements (continued)

## 20. Fixed asset investments

	Listed investments	Total
	£'000	£'000
Cost or valuation		
At 1 January 2022	-	-
Additions	773	773
Valuation changes	(30)	(30)
At 31 December 2022	<u>743</u>	<u>743</u>
<b>Carrying amount</b>		
At 1 January 2022	-	-
At 31 December 2022	<u><u>743</u></u>	<u><u>743</u></u>

Fixed asset investments are included at revalued amounts being the market value of the shares at the period end as at 31 December. These investments were acquired as part of the acquisition of Alder Hey House. The historical cost of the shares at 31 December 2022 is £619,813.

## 21. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2022	2021
	£'000	£'000
Net income / (expenditure) for the reporting period	1,457	2,021
Depreciation charges	2,108	1,843
Amortisation charges	106	25
Loss / (Gain) on investments	30	-
Interest on investments	(156)	(19)
Decrease / (Increase) in debtors	126	(250)
Increase / (Decrease) in creditors	606	(746)
Net cash provided by / (Used in) operating activities	<u><u>4,277</u></u>	<u><u>2,874</u></u>

## 22. Analysis of cash and cash equivalents

	2022	2021
	£'000	£'000
Cash in hand	14,634	11,423
Total cash and cash equivalents	<u><u>14,634</u></u>	<u><u>11,423</u></u>

**RONALD MCDONALD HOUSE UK**

England & Wales - Charity number 802047

---

# Accounts

---

# Ronald McDonald House Charities (UK)

Annual report and  
financial statements

31 December 2021



Ronald McDonald  
House Charities™  
United Kingdom

---

Registered Company No: 2252337  
Registered Charity No. 802047  
Scottish Registered Charity No. SC040717



# Contents

## Strategic Report

Chairman's report	4
2021 outcomes	6
Prepare for the Future	14
Generate Support	15
Principle Risks and Uncertainties	18
Financial review	19
Structure, governance and management	21

## Financials

Report of the Trustees	27
Independent auditor's report	28
Statement of financial activities	32
Statement of total recognised gains and losses	32
Balance sheet	33
Statement of cash flows	34
Notes to the financial statements	35

# Strategic Report



# Chairman's Report

## Dear Supporters,

Covid-19 played a significant impact on the activity of Ronald McDonald House Charities UK throughout 2021. We started the year by entering another series of lockdown restrictions, however felt much better placed to respond to our operational and income generational needs as a result of lessons learnt in 2020.

We were able to continue to work in close partnership with our NHS Hospitals, continuing to offer free accommodation to families in need. This would not have been possible without the backing of our many and varied supporters who were creative and responsive to helping us raise considerable income over the year.

Ronald McDonald House Charities UK has the capacity to support 6,000 families a year.

2021 provided challenges for our Service Delivery teams to deliver a full capacity and inclusive service for our families. However, the continuous review of internal health and safety and infection control practises ensured that we had robust systems in place to effectively manage the very few cases of Covid-19 in our Houses and keep our doors open.

The Omicron variant caused much-higher infection rates; resulting in further staff absence through sickness and isolation periods, but the House teams continued to follow the guiding principles of our 'Roadmap to Recovery'.

Despite having to reduce our occupancy in line with our Covid safety measures, we were still able to accommodate just under 4,000 families throughout 2021.

Even with the restrictions of the pandemic, careful additional planning and risk assessments, meant we have been able to reinstate our Day and Medical Pass Programmes and continue to support personal family and national events, including World Kindness Day, House Anniversaries, Family Fun Days, Halloween, Diwali, and Christmas.

A big focus across our Houses has been our continuous improvement to ensure that we provide our families with the best services possible, and to enhance the offering we provide in our Houses. We take time to listen and review family feedback, and our aim is to engage more effectively with structured, formal research and analysis. We are also working closely with our NHS partners to support ground-breaking trials such as the Zolgensma trial (gene therapy) supported by Ronald McDonald Houses, Manchester and Evelina London. We believe this will not only help families but enhance our reputation.

## Chairman's Report (continued)

We also secured generous donations of items from our corporate partners such as RBC, ING, Vision Linens, Let's Sanify, Diversy, WashCo, L'Oréal, Waitrose, ASDA and Morrison's all of which are budget relieving and enhance our support to families, ensuring we can make events extra special for them.

Once again, the support of McDonald's, their franchisees and customers has been unwavering. We would like to draw special thanks to the £250,000 donation we received from McDonald's and their Franchisees towards our Christmas appeal.

We were fortunate to be able to work with McDonald's and Red Monkey to enhance our play areas, turning old Happy Meal toys into indoor and outdoor play equipment, something that will be truly appreciated over many years.

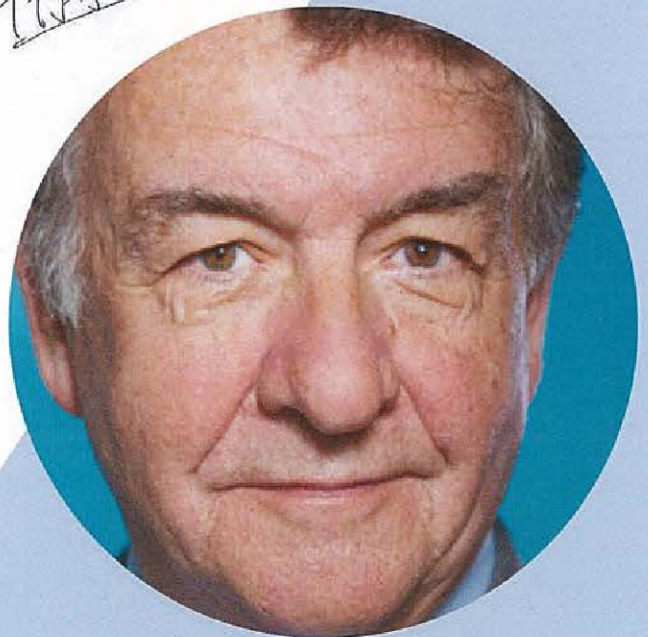
We are so grateful for the support we have received from individuals and companies close to our Houses. For example, on Thursday 1 and Friday 2 July, live from Ronald McDonald House Oxford, local radio station Jack FM hosted a radio-thon fundraiser. We heard some extremely moving accounts from members of the Oxford team and families being supported in a Ronald McDonald House which no doubt helped surpass an impressive £60,000 raised over that period.

We continue to look to the future, and have a project team in place to map out what 'shaping success' looks like for the Charity. As part of our growth evolution, we are very pleased to have recently merged with the Alder Hey Family House Trust who operate Ronald McDonald House at Alder Hey Children's Hospital in Liverpool. This now sees one of the three remaining independent Houses benefit from the central support services of the national charity.

The care of each and every one of our supporters has seen us 'weather the storm' of the past few years, and I would like to extend my gratitude to you all. We are delighted with all of our achievements in 2021 and I believe we are ready for a strong 2022.

Thank you.

Jeff Fergus



# Strategic Report

## 2021 Outcomes

In 2020 we launched our 2020-2022 Impact Strategy which set out three main ambitions to 'Help more Families', 'Prepare for the Future', and 'Generate Support'

### Help more families

In 2021, this is what we were able to achieve with your support:



3,916 families supported in 2021



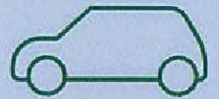
The average distance from a family's home to hospital is 62 miles



On average a family saves £1,240 in out-of-pocket accommodation costs



Average length of family stay was 16 nights



We saved families from travelling five million miles to and from hospital each year

Harvey's family moved into our Manchester House in 2018 and were still there on 31 December 2021, a total of

**1,192**  
nights.



# Strategic Report (continued)

## 2021 Outcomes (continued)

In September we reintroduced our Medical and Day Pass Programmes and welcomed back regular Volunteers. Numbers and hours across all three programmes are lower than pre-pandemic, especially for the Day Pass Programme, due to restrictions across hospitals. However, since reinstating the Medical Day Pass Programme, healthcare professionals have increasingly been issuing passes and, in just three months, the Charity has welcomed 1,512 children into our 'home away from home' settings.



**1,940**

**Medical Pass  
Users**



**202**

**Day Pass Users**

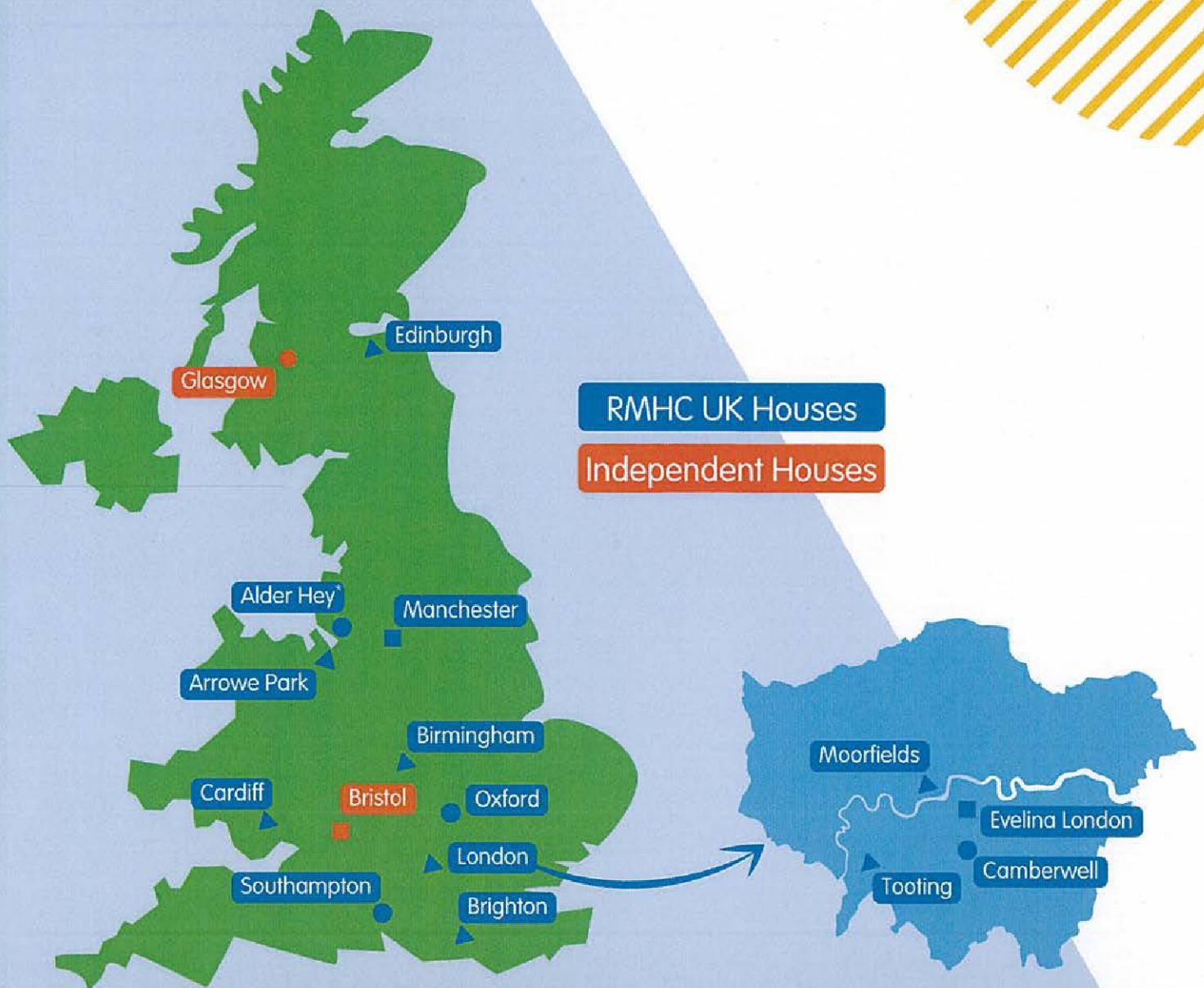


**2,971**

**Volunteer  
Hours**



# Strategic Report (continued)



33

The gift of accommodation that was given to us by Ronald McDonald House Charities UK is quite honestly a gift I will remember with humbled gratitude and love for the rest of my life. On a basic level, being able to have a base right next to the ward where our son is receiving treatment, is a wonderful thing. Things change quickly during chemotherapy treatment and being able to attend your child is immeasurably important as a parent.

- Reggie's dad, Allan

33

# Strategic Report (continued)

## 2021 Outcomes (continued)

To assist with our continuous improvement, we ask families to complete a Check Out Form which helps provide feedback on our services. For 2021, ten of our Houses supported with this review, and we had a response rate of 42%.

Comments continue to recognise the warmth, friendliness, kindness and compassion of our staff in each Ronald McDonald House. Undoubtedly this contributes to the consistently high rates of satisfaction.

Enhanced Wi-Fi facilities appears to be the most utilised provision outside accommodation, with 42% of responders using the facilities for remote work, and/or education.

Families also fed back that they valued the provision of communal meals (17% of respondent) and use of our coffee corner (15% of respondents). These are not universal provisions across all our Houses. We can use these insights to help shape our offering in 2022.

**36%**

of families had children staying with them at their Ronald McDonald House. Of these families

**95%**

felt their child's stay was a positive experience.

### What additional provisions families value within our Houses:

**15%**



**Coffee Corner**

**5%**

**Medical Pass**

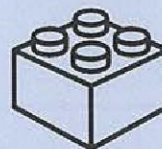


**42%**

**Wi-Fi Access**



**5%**



**House Led Family Activities**

**17%**

**Communal Meals**



**4%**

**Other**



# Strategic Report (continued)

## 2021 Outcomes (continued)

In 2021, 17% of families indicated their child has a disability.

By better understanding the needs of our families, we can ensure we continue to develop and improve what services we offer within our Houses.



### Breakdown of child's condition(s) as indicated by family with check out form:

Bladder	41	Gastro	80	Liver	76
Bones	41	Genetic	86	Lungs	167
Bowel	162	Haematology	36	Neuro	209
Burns	6	Hearing	10	Prematurity	163
Cancer	74	Kidney Disease	53	Sight	8
Cardiac	285	Spinal	73	Skin	13
Sports Injuries	3	Paediatric Intensive care	422	Other	140
				Multiple Conditions (2+)	322

# Strategic Report (continued)

## 2021 Outcomes (continued)

Family feedback as to the benefit of using a Ronald McDonald House, as captured within our Check Out Form:

The services and support I received at the Ronald McDonald House helped me cope during my child's hospital stay.

98%

While staying at the Ronald McDonald House, I felt emotionally supported by staff

97%

I would have found it difficult to stay close to my child either financially or otherwise without a Ronald McDonald House

97%



“ We had many anxious days when we just didn't know what the next hour might bring. We couldn't be with him every minute of the day, so having the Ronald McDonald House meant we had somewhere to escape to.

We could have a moment to ourselves, make something to eat, chat with another family or get much-needed rest. ”

- mum, Aaron

# Strategic Report (continued)

## 2021 Outcomes (continued)

It was a tough time, but I'm very grateful for Ronald McDonald House Charities UK. They had facilities to cook in because we hadn't eaten an actual meal in probably a week! We were living off the vending machine chocolate and amid everything we'd been through, it was a nice time for me and Joe to just have somewhere to go. Places like Ronald McDonald House are amazing because they give parents a sanctuary where they're able to go and kind of, I say, de-stress. I don't think you could de-stress in that situation but you're able to go and have your own space and you're still within two minutes of your poorly baby.

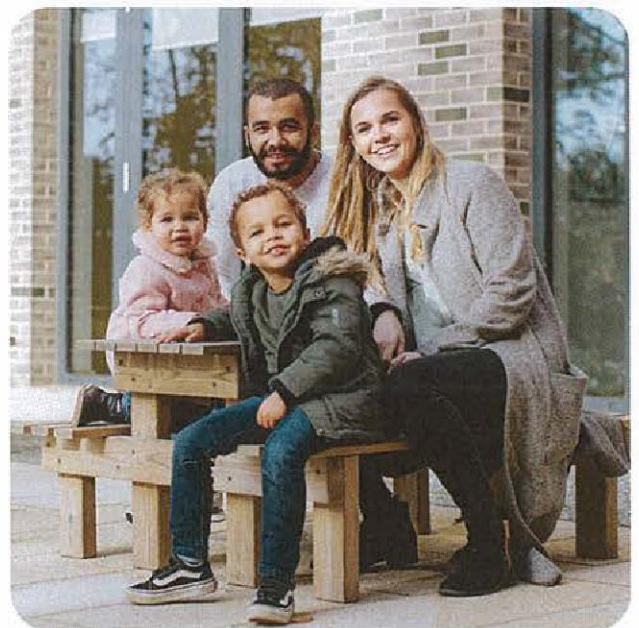
- mum, Kate

When we first entered the Ronald McDonald House Manchester, we were honestly shattered. We had slept in the accommodation on NICU for two nights and needed a comfortable place to rest. We immediately knew that the House would give us a place to reflect on our day, a space to breathe and gather our thoughts away from the hospital ward. Being able to live directly across the road from the hospital was truly amazing, meaning if there was an emergency we could be there within minutes.

- Jessica's mum, Victoria

We are so grateful for everything the Manchester House has given us – a place to shower, eat and catch up on sleep as well as giving us a base to be together as a family.

- Katie, mum to Luca



The staff are incredible – they became our family. Always there on the highs and lows. We cannot thank the staff enough for everything they do for us when we need it the most.

- Claire, mum of Josh.

I wouldn't ever want to think about what we would do if we didn't have Ronald McDonald House Charities UK. It would have been impossible, but more than that, it would have been unbearable. I wouldn't have been able to sleep at home knowing Stanley was alone in the hospital and I wasn't there with him.

- Emily, mum to Stanley

# Strategic Report (continued)



## 2021 Outcomes (continued)

With thanks to funding, as well as donations from local businesses and the community, we have been able to launch our Grab & Go programme across our Houses.

This programme has provided 1,835 snack packs to families. The Grab & Go programme demonstrates our Charities capacity to provide more than a place to stay for the night. These pre-made "to-go" bags filled with snacks and beverages are offered to all families.

Not only do these packs provide nourishment that supports the entire family, but they also save families time from having to go shopping, and more crucially, helped families to avoid the risk of public interaction during the pandemic.



BB The Grab and Go bags have been a huge success in our House. Parents are able to pick up snacks on their way to the hospital to make sure they keep themselves well-fed so they can focus on being together. GG

- Katy Knight, House Manager at Arrowe Park

### As we progress into 2022 our priorities under the theme of 'family services' are:

- Return and maintain all our Houses to full capacity and service offering
- Establish a programme of Family Service development works, raising standards and the family experience through beneficiary discovery and collaboration with internal and external key stakeholders
- Create a Prioritisation Matrix for all new projects and apply to existing estate
- Continue to seek stronger ties and relations with the Independent Houses, the NHS, and other charity partners
- Integrate Ronald McDonald House Alder Hey into the Ronald McDonald House Charities UK



# Strategic Report (continued)

## Prepare for the Future

In 2021 we invested in developing an Estates Team for the first time, to manage new builds, reinvestment, long term planned maintenance and capital spend.

Ronald McDonald Houses Birmingham, Camberwell and Brighton have had a CCTV upgrade to further support the safety and comfort for our families. Our House in Moorfields has had a bedroom refresh and received new bedroom furniture. The Brighton House (Abbey Road) is currently in progress of redecoration, new carpets, and furniture refresh. We are proud of our ability to reduce our impact on the environment by upcycling the existing furniture.

We were able to utilise lower family numbers to undertake this work. The final smaller House, Arrowe Park, had a refresh which was completed in Q2 2022.



## Future development plans

### Ronald McDonald House Alder Hey

Alder Hey Family House Trust has recently become our thirteenth House. Whilst we have always provided support and worked collaboratively, we look forward to fully embracing them into the Ronald McDonald House Charities UK family and plan for full integration of policies, procedures, and family services throughout 2022 along with supporting a reinvestment plan over the coming years.

### Systems architect project

In 2021 we completed the first phase of our systems architect project by launching the new Finance System. In 2022, phase two will be launched where the new CRM, family booking and marketing systems are progressed with the end goal of having one integrated system.

### As we progress in 2022 our priorities for development, investment and sustainability are:

- Develop a robust re-investment strategy for all our Houses and Assets, alongside an appropriate pro-active and re-active maintenance programme
- Instigate an Action Plan to identify and promote the Charity's Green credentials and to ensure we become more environmentally friendly, and more sustainable
- Maintain, review, and enhance innovative technology solutions across the Charity to optimise the experience for families and staff
- To attract and recruit talented individuals through a strong employer brand and competitive remuneration package
- Retain talent in the Charity by delivering on our employee value proposition that places a high value on the importance of employee development, recognition and transparency.

# Strategic Report (continued)

## Generate Support

Heading into 2021 we were optimistic about returning to some normality with our planned activities and opportunities within Income Generation. With lockdown restrictions coming into force again in the New Year, we soon realised that Covid-19 was going to continue to have a significant impact on our plans for the year. In addition to event restrictions remaining, we found that there were fewer relief grants available to access, and we had to really think creatively in how to engage supporters to raise funds when face to face activities were not permitted. Despite another year of challenges and having to have fluidity with plans, we are happy that income remained stable, and we ended the year ahead of budget.

We are delighted and proud to have received over £7.6m from the McDonald's family in 2021, through customer donations and the generosity of Franchisees and employees, as part of our overall income of £11m.

Recognising the impact of the pandemic on customer donations, we continue to work with McDonald's on opportunities to protect and grow our income. In April 2021, we were thrilled to launch customer donations on the My McDonald's App. We remain hugely grateful for the support of the McDonald's Technology teams in making this happen, giving McDonald's customers more choice in how they engage with and donate to the Charity.

The McDonald's family - the Company, Franchisees, employees, and suppliers continued their unwavering support of Ronald McDonald House Charities UK throughout 2021. We remain hugely grateful for their generous support - sponsoring and attending events, making donations and participating in wide ranging fundraising activities across the year. In Scotland and Wales, Franchisees and Company restaurants continued to donate proceeds from the bag tax levy to the Charity - a truly generous gift which we continue to appreciate greatly.

McDonald's remains committed to supporting our mission and helping to improve the family experience in our Houses. We've had fantastic feedback from families about the impact of their Happy Meal Toy project - turning old Happy Meal toys into indoor and outdoor play equipment, and McDonald's plan to continue this initiative in 2022.

Towards the end of the year, McDonald's made an incredible donation of £250,000 towards our Christmas campaign. This pledge allows us to provide 10,000 nights' accommodation - an incredibly thoughtful gift that is hugely appreciated.

We remain proud and grateful to be McDonald's Charity of Choice and look forward to continued success from our partnership in 2022 and beyond.

We appreciate all our supporters who have continued to support during the pandemic often despite facing their own challenges. We have worked with both new and existing partners to secure backing financially, through Gifts in Kind, with pro-bono services and strategic partnerships.

We are grateful to have the ongoing support of Royal Bank of Canada (RBC) through fundraising and donations including as a beneficiary from their virtual Trade For Kids fundraiser across the Globe.



# Strategic Report (continued)

## Generate Support (continued)

We secured 20 new partners and supporters in 2021. This included William Blair's Community Partnership along with two other charities for 2022/23 which will include increased engagement and a corporate donation. In 2021 we have benefitted from support through Good Loop with a donation of £83,556 and we both value and recognise the care of all our supporters including Alexion Charitable Foundation, Bloomberg, Ridge & Partners, ING and Spifox.

We have continued to adopt a strategic approach to working with businesses to maximise their corporate value. We have seen partnerships with businesses like WashCo and Vision Linens which are budget relieving and support from companies such as Diversy, Oh Mumma and L'Oréal which have supported our families to enhance their experience.

Ronald McDonald House Charities UK is grateful to all our grant donors, including National Lottery, Guy's and St Thomas Charity, Children in Need and Ronald McDonald House Charities (Global) who made significant grants towards service delivery. In addition, we welcomed new support with funders such as Booth Charities, who provided a grant towards the purchase of new beds and mattresses at Ronald McDonald House Manchester.

Funding from The Screwfix Foundation and B&Q Foundation enabled the Charity to complete interior works at Ronald McDonald House Brighton, ensuring the House remains in tip top condition for families. We could not pass this opportunity to thank the Steve Burne Trust for their ongoing support and commitment to the charity. Funds raised by the Steve Burne Trust, and via the Steve Burne Appeal will be put to further use in 2022 as we unveil a special area of reflection with Ronald McDonald House Manchester, along with making adaptations within the House to improve our families experience during their stay.

2021 was our inaugural year with a dedicated Events team looking across both Challenge and Special Events. Despite restrictions we managed to host six golf days raising over £157,000, one virtual gala dinner, one hybrid gala dinner, one live gala and one hybrid carol service! This was quite an achievement during an uncertain year with regards to restrictions.

House-to-House Challenge, our virtual bike ride returned in 2021, with three new routes visiting our Houses in the UK and Europe. The virtual element meant we could deliver without additional stresses, and we are hugely proud of our supporters who raised £20,652.

We were relieved to see our challenge events reinstated with the return of the London Marathon in October 2021, along with a virtual option. Supporters raised £21,711 at the iconic event and it was wonderful to experience the energy and excitement of live fundraising events.



# Strategic Report (continued)

## As we progress in 2022 our priorities under our strategic pillar of Generating Support are:

- Plan and deliver a 2022 budget showing income recovery to pre-pandemic levels
- Optimise new opportunities with our Mission Partner, McDonald's, particularly in the digital area
- Continue to develop our plans for growing Income Generation through diversification and broadening of all income streams
- Review Brand Health post Covid-19 and to deliver a recovery plan, based around awareness building, internal brand compliance and working with our Mission Partner
- Provide systems to produce Impactful information based on quality and accurate data to demonstrate our impact of lobbying as well as generating support

☺☺

We honestly don't know how we would have got through it without the House and the kind and supportive staff, for that I am eternally grateful. Not only that, but Nanci and Denbie were going through a lot and it made it so much easier for them as they could come and stay with me.

☺☺ - Danny, dad of four



# Strategic Report (continued)

## Principal Risks and Uncertainties

The charity monitors and manages what it considers to be the principal risks and uncertainties.

One of the key risks for the charity continues to be maintaining levels of income, and this was tested over the financial year during the Covid-19 pandemic. The Charity continues to develop its strategy to broaden its income streams. The Trustees monitor the reliance on certain income streams to support this strategy as well as focusing our efforts and resources on activities that protect and develop our existing partners, diversify to bring in new sources of income, and provide new ways to engage with us

The Charity continues to work on strengthening our brand and reputation, with further potential to grow our supporter base. We will put our families and supporters at the heart of everything we do to ensure we build sustainable income sources.

Ronald McDonald House Charities (UK) is signed up to the Fundraising Regulator's Code of Fundraising Practice. We are committed to legal, open, honest and respectful fundraising and do not cause undue pressure or intrusion on donors.

We maintain robust fundraising policies, which promote the adoption and improvement of responsible fundraising practices within the UK. There were no complaints received by the Charity in the year which were referred to the Fundraising Regulator.

Sound financial controls and financial management are an essential defence for charities against fraud and financial crime and during the year we strengthened our policies and controls to ensure we continue to protect our funds and assets from misuse. The implementation of our new financial system during the year has further enhanced our financial controls and internal financial management.

The Charity has a responsibility when dealing with personal information and our data protection principles ensure we do not risk the trust placed in the Charity, protecting our supporters from possible misuse, whether it be accidental or deliberate. The consequences can include reputational damage, complaints or claims and severe financial penalties, and so despite increased complexity compliance is still a key risk for the Charity.

In 2022, the Charity is undertaking the implementation of a new database system holding the personal information of our supporters and beneficiaries. This will provide an opportunity to review our existing data strategies and ensure even greater degrees of data integrity through the enhanced systems in the future.



# Strategic Report (continued)



## Financial Review

The Charity was encouraged that a surplus was again achieved for the year, enabling us to maintain our existing commitments to family accommodation across the UK. However, this was far below our pre-pandemic income levels. As a result, key investment and improvement programmes continued to be on hold during the early part of the year with focus being on the core operation of the Charity during the Covid-19 pandemic.

**The main source of income for Ronald McDonald House Charities UK in 2021 was voluntary (income given freely, not in return for goods and services):**

**89%**

**of all income, totalling**

**£10.4** million

\*(2020 £9.4m)

The largest source of voluntary income continued to be donations from the general public via collection boxes and Kiosk donations located primarily in McDonald's restaurants all over the UK. Their contribution amounted to nearly £4 million.

Considering the growth in cashless transactions the Charity is pleased to note that the combination of giving mechanisms remains a significant amount of money being donated to the cause.

McDonald's and its franchisees very kindly agreed to pay all the card transaction fees associated with the kiosk donations, which meant 100% of the donations were received by the Charity.

The Charity was once again indebted to McDonald's Restaurants Limited and its franchisees who donated just over £2 million towards the work of the Charity, as well as office facilities and other in-kind support.

We were encouraged to see nearly 50% growth in Community income in 2021, compared to the previous year, where fundraising amongst community groups was particularly difficult.

## Expenditure

Charitable activity costs account for 72% of all expenditure (2020: 65%). The increase in charitable costs compared to last year, are due to our new Edinburgh House being opened during the period. The Trustees have reviewed expenditure and are satisfied that it is reasonable and supports the Charity's stated objectives.

## Reserves policy

The Trustees currently maintain all funds on cash deposit to ensure liquidity to meet the Charity's obligations and ongoing commitments. This policy of low risk is reviewed on a regular basis.

# Strategic Report (continued)

## Designated fund & tangible fixed assets

The Charity has a portfolio of fixed assets – residential properties offered free of charge to families with seriously ill children at hospital – currently with a net book value of £54 million (2020 £52m).

These properties are restricted to serving the charitable purpose for which the Charity exists, and cannot easily be converted into general funds for day-to-day use. The assets are being depreciated over 40 years to reflect the fact that ownership of the Houses will ultimately revert to the respective hospitals, as part of our contractual agreements with them.

Additional commitments for the Edinburgh House of £3.2 million were paid during 2021.

## General fund & free reserves

The Trustees assess the risks facing the Charity on a quarterly basis and consequently review the level of free reserves required annually in line with Charity Commission guidance.

Trustees recognise that reserves held must safeguard the Charity against unexpected loss of income, to enable the Charity to meet its financial obligations in relation to its charitable objectives.

Historically, the Trustees agreed that minimum free reserves of four months' running costs are prudent in this financial climate. However, in line with 2020, in 2021 the Trustees once again agreed to build these funds during these exceptional times to better safeguard the Charity. The balance of free reserves as at 31 December 2021 was therefore £10.8 million (2020 £7.8m).

## Impact of Covid-19 pandemic

Ronald McDonald House Charities has given due consideration to the effects of the COVID-19 pandemic, which continued to impact fundraising during the financial year.

The Government's social distancing measures have had a significant impact on Ronald McDonald House Charities' major fundraising income streams as well as impacting operations within our houses. McDonald's restaurants in the UK were closed once more for in-store customer dining between January 2021 and May 2021.

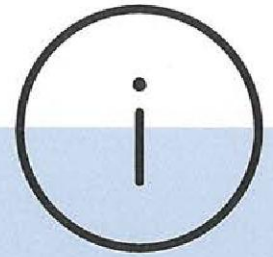
Public donations received through the restaurants via collection boxes or through the kiosks fell during the periods of closure, as did the sales contributions from McDonald's Franchisees and McDonald's Restaurants Limited. As restaurants have re-opened, these income streams have re-ignited slowly but at lower levels to pre the pandemic. Corporate and community income streams have also continued to recover at an encouraging rate.

We cannot currently estimate the overall operational and financial impact of COVID-19 due to inherent uncertainties regarding the duration of the pandemic and the breadth and depth of its impact. However, we continue to assess the impact on the Charity's operations, financial performance, and cash flows in line with processes, controls and governance that are in place.

Edinburgh House family bedroom



# Strategic Report (continued)



## Structure, governance and management

Ronald McDonald House Charities UK was established in 1989 to provide accommodation and other assistance for children being treated in hospital and their families; also, to raise funds for children's charities generally.

Historically this was achieved through the funding and building of Ronald McDonald Houses and Family Rooms in, or close to, hospitals and children's hospices. However, since 2007 the Charity has focused exclusively on the charitable objective of providing and operating Ronald McDonald Houses to support families when their children are seriously ill in hospital.

The Charity is governed by a memorandum and articles of association, which were last amended materially in 2010 to reflect both the Charity's right to borrow money where appropriate, and the registration of Ronald McDonald House Charities UK in Scotland as per OSCR requirements.

Governance and strategic leadership is provided to the Charity by the Board of Trustees, headed by an elected Chair. Potential Trustees are chosen for their skills and experience and, following interview and due process, are elected to the Board of Trustees by formal vote. They serve for an initial period of three years after which they may offer themselves for re-election. Trustees are inducted through an orientation programme involving visits to the Houses, training around the Charity's objectives and strategic goals, and communication of their legal responsibilities to the Charity.

The full Board of Trustees meets quarterly. In addition, Trustees can serve on subcommittees according to their particular area of expertise and experience.

These groups report to the full Board for ratification and approval of any suggested activities. The Trustees and senior staff also meet to discuss specific and particular issues as needed. Expenditure must be approved by the Trustees through set budgets, and this and other financial matters are monitored by the Finance and Governance subcommittee.

The liability of Trustees is limited. Every member of the company undertakes to contribute a maximum amount of £1 to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member.

Responsibility for day-to-day management of Ronald McDonald House Charities UK is delegated to the Chief Executive with a staff team (in 2021) of 48 including Operations, Development, Fundraising, Marketing and Communications and Administration, split between two offices in London and Sutton Coldfield and within Ronald McDonald Houses.

The twelve Ronald McDonald Houses run directly by the Charity employ a further 130 staff to carry out the Charity's objectives of providing accommodation to families with seriously ill children in hospital.

The Trustees, the Company Secretary, Chief Executive and Senior Leadership Team are considered to comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All Trustees give of their time freely.

The pay of staff is reviewed annually and linked to individual performance throughout the period. In view of the nature of the Charity, the staff pay is benchmarked against pay levels in other charities of a similar size whilst using pay grade ranges for all roles. During 2020 a remuneration committee was set up to provide support and report into the Board and continues to be active in 2021.

Ronald McDonald House Charities UK is a licensed chapter of a global network of charities. It works towards similar charitable aims and objectives but operates completely independently of this network.

Of the 15 Ronald McDonald Houses operating in the UK at the end of 2021, three were established as independent charities. The Charity continues to work in partnership with two of these Houses but they do not form a part of this annual report. The third House; Alder Hey merged with the Charity after the end of the financial year as detailed in the Chairman's Report and note 21

# Thank you



Ronald McDonald House Charities UK could not operate without the support of our wonderful and dedicated donors.

We would like to thank the entire McDonald's community include Franchises, Suppliers, corporate employees and McDonald's customers. We would also like to give a special thank you to the following donors, as well as those who wish to remain anonymous.

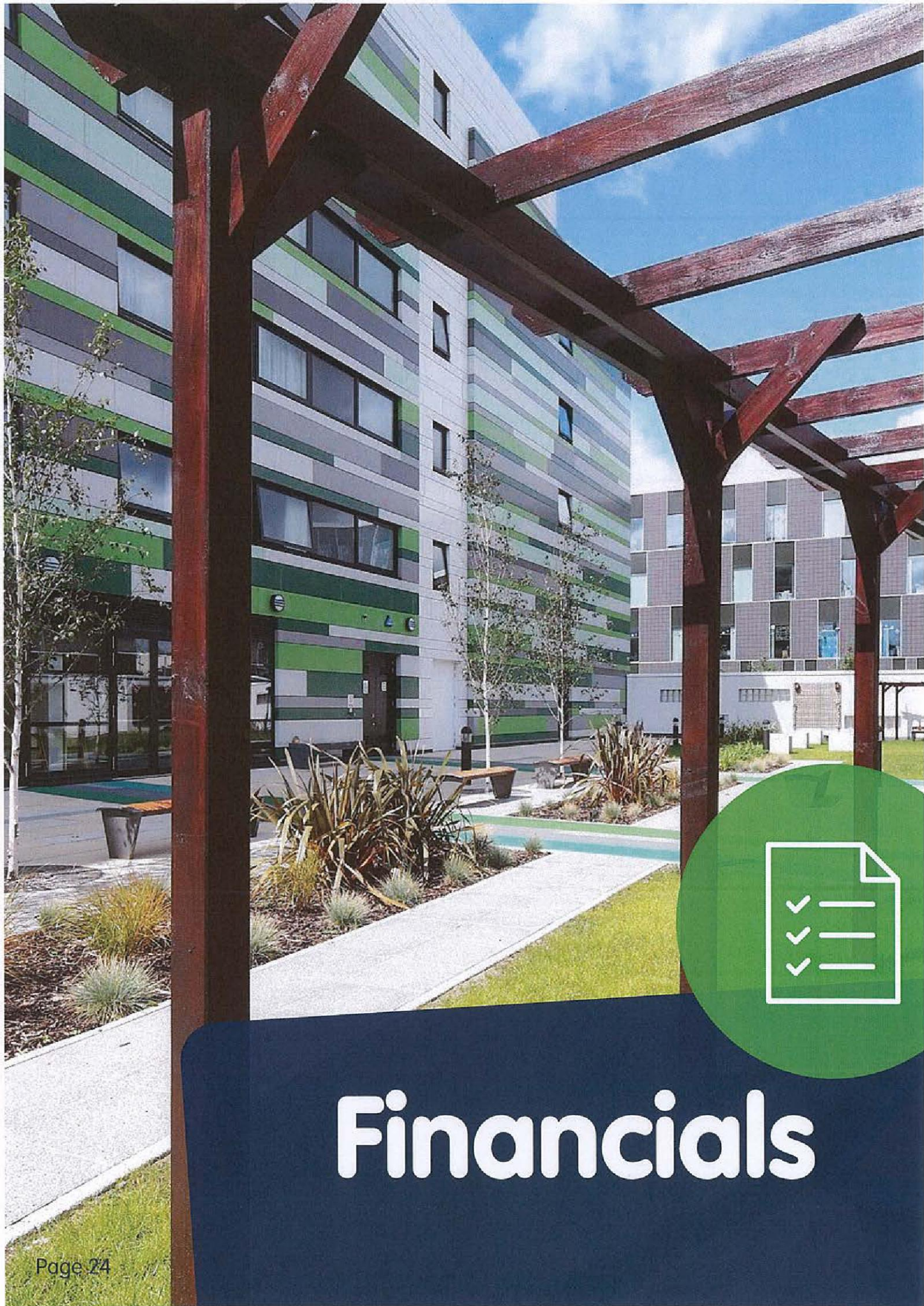
# Thank you

BBC Children in Need  
Adande  
AEW Architects  
Alliance  
Amber Insurance & Risk Management  
Anjna Mahey, Simon Caulton & Mia Caulton  
Arla  
ASDA  
BAM Birmingham  
Bank of Montreal  
BBC Children in Need  
Bearded Villains Central England  
BGC  
Big Johns  
Biosite  
Birmingham Women and Children's Hospital Charity  
Britvic  
Burberry  
C Caswell Engineering Services  
Capgemini  
Cargill Meats Europe  
Cargill Meats  
CBRE  
CDW  
Celestra  
Clara Patel and family  
Coca Cola Europe  
Coca Cola Great Britain & Ireland  
Cranwick Gourmet Kitchen  
Dallmeiei  
Diversey  
Dr Jason and Mrs Daaly Wouhra  
E3P  
Elizabeth Soffe and family  
Elliotts  
Energie Fitness  
Espersen A/s  
Evelina London Children's Charity  
Family & friends of Leo Rowley  
FB Holdings  
Friends and family of Isabella Burrows  
Gary Rowntree

GBCC  
Good Loop  
Grays Engineering  
Guenther Bakeries  
Guy's and St. Thomas' Charity  
HAVI  
HMG Paints  
Huhtamaki  
ING Bank  
Investasurge  
Jade I.T Solutions  
Joanne Taplin-Knight  
Josh Purkis & family  
Just Eat  
Kitchen Range Foods  
Kuehne + Nagel  
L'Oréal  
Lemongrass  
Lets Sanify  
Limitless Digital Group  
Lochain Patrick  
Marcom Fit-Out  
Marcom Fit-out LTD  
Martin Brower  
McArthurGlen  
McCormick  
Microsoft  
Moors Whitehouse  
Morgan Sindall  
Morrisons  
Moseley Chapman & Skemp  
Mountbatten Homes  
Mrs Ethelston's CE Primary Academy  
Mudano  
Nestle  
Network  
Newbridge Preparatory School  
Norton Rose Fulbright LLP  
Npower Business Solutions  
Odema  
Oh Mumma  
Oscar Miah's friends & family  
Password  
Philip Artemiey & family

Radisson Blu Birmingham  
Ramcrete Pumping Services  
Revenue Management Solutions  
Ridge & Partners  
Road Chef  
Robert Foss  
RocCo Pasta  
Royal Bank of Canada  
Sharon Dawson  
Skye Wellbeing App  
Spifox  
Sun Valley Foods/Cargills  
Takeda  
The American Women's Club of London  
The D'Oyly Carte Charitable Trust  
The Hospital Saturday Fund Charitable Trust  
The Lakes Free Range Egg Company  
The Marketing Store  
The McCollum Family  
The Protector Group  
The Screwfix Foundation  
The Simms Family  
The National Lottery Community Fund  
Tindall Riley  
TMI Foods  
Uber Eats  
UCC  
UCC Coffee  
Utilita  
Vision Linens  
Wainhomes North West  
Waitrose  
WashCo  
Waterloo Athletic Football Team  
WeWork  
William Blair  
Worldline





# Financials

# Financials

## Report of the Trustees

Ronald McDonald House Charities UK is an independent charity registered in England and Wales (802047) and in Scotland (SC040717), and is a company limited by guarantee (2252337), registered in England.

The Trustees of Ronald McDonald House Charities UK (who are also the Directors for the purposes of the Companies Act 2006) are pleased to present this, their report and accounts for the period ended 31 December 2021, and incorporating the Strategic Report and the Directors' Report required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The accounts have been prepared in accordance with the Statement of Recommended Practice - Charities SORP second edition (FRS 102) issued by the Charities Commission in October 2019, applicable Accounting Standards in the United Kingdom, requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

## Going concern

The Charity has prepared cashflow forecasts for the period through to July 2023 which reflect the expected impact of the pandemic on income and expenditure. The assessment of the Charity's ability to continue as a going concern has included performing a reverse stress test on those forecasts.

The reverse stress test assumes the same level of expenses as management's best estimate ("the base case") but income is decreased to the point at which all cash is utilised before the end of the going concern assessment period (positive cash position until June 2023 decreasing to negative cash position in July 2023). A negative cash position is only achieved if income falls to 15% of the best estimate cash flow forecasts through the going concern period which the Trustees consider to be an implausible scenario.

Having reviewed this information the trustees have a reasonable expectation that the Charity has adequate resources and cash reserves to continue in operational existence for the going concern period to 31 July 2023, even if income was to fall substantially below the level it reached in 2020, which is considered to be the financial year most heavily impacted by the pandemic.

After making reasonable enquiries and having considered the matters described above, the directors believe that the Charity will be able to continue to fulfil its charitable purpose, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparing the financial statements.

Additional information on the impact of Covid-19 is discussed in the strategic report for the year on page 20.

## The Objectives of the Charity

To provide accommodation and other assistance for children being treated in hospital and their families during periods of treatment.

Information regarding future developments and financial risk management policies are disclosed in the Strategic Report.

# Financials

## Public Benefit Statement

The charity trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity commission in exercising their duties.

## Trustees (Directors)

J Fergus (Chairman)  
Dr S Fradd  
M Morgan  
S Kirk  
Dr A Ohrling  
H Trickey  
J Clark (resigned 27 April 2021)  
R Mounsey  
S Hunsdale  
S Edwards  
K Walker (resigned 1 June 2021)  
K Boyce (appointed 29 October 2021)  
A Wainwright (appointed 28 April 2022)

## Key Management Personnel

Chief Executive	J Haward
Company Secretary	I Dart
Director of Strategic Partnerships	A Ward
Director of Income Generation	T Morton
Director of UK Operations	S Winfield
Director of Estates	R Farish

## Registered Office

11-59 High Road  
East Finchley  
London N2 8AW  
United Kingdom  
03000 111 113  
[www.rmhc.org.uk](http://www.rmhc.org.uk)

## Auditor

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

Information regarding future developments and financial risk management policies are disclosed in the Strategic Report.

# Report of the Trustees

## Statement of Trustees' responsibilities

The Charity's financial statements have been prepared in accordance with 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).

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

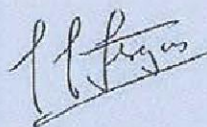
## Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Auditors

In accordance with S485 of the Companies Act 2006, the auditor, Ernst & Young LLP. Is deemed to be reappointed.

The Report of the Trustees, which incorporates the requirements of the Directors' Report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Strategic Report were approved by the Board, in their capacity as Trustees and company directors, and signed on its behalf on 24 June 2022 by:



Jeff Fergus,  
Chairman

# Independent Auditors Report

to the members of Ronald McDonald House Charities UK

## Opinion

We have audited the financial statements of Ronald McDonald House Charities UK for the year ended 31 December 2021 which comprise Statement of financial activities, Statement of total recognised gains and losses, Balance Sheet, the Statement of cash flows and related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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, the Charities and Trustee Investment (Scotland) Act, and regulation 8 of the Charities Accounts (Scotland) Regulations 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 below. 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in 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 charitable company's ability to continue as a going concern for a period to 31 July 2023 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

# Independent Auditors Report (continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinion on other matter 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 and the Strategic Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Report of the Trustees and the Strategic Report have been prepared in accordance with applicable legal requirements

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 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 management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

# Independent Auditors Report (continued)

## **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.

## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland", the UK Companies Act 2006, the Charities and Trustee Investment (Scotland) Act, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, relevant Health and Safety regulations, Modern Slavery Act, Bribery Act, Proceeds of Crime Act 2002, Money Laundering Regulations 2003 and General Data Protection Regulation (GDPR).
- We understood how Ronald McDonald House Charities (UK) is complying with those frameworks through enquiry with management and those charged with governance, by identifying the company's policies and procedures regarding compliance with laws and regulations, and through the review of minutes of meetings held by those charged with governance for any instances of non-compliance.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, by making enquiries of those charged with governance and by obtaining an understanding of the entity's policies and procedures in relation to fraud risks. As part of our assessment, we obtained and inspected the entity's risk register.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
  - Enquiry of members of senior management, and when appropriate those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
  - Reading minutes of meetings of those charged with governance.
  - Obtaining and reading correspondence from legal and regulatory bodies where applicable; and
  - Journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding the business.

# Independent Auditors Report (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

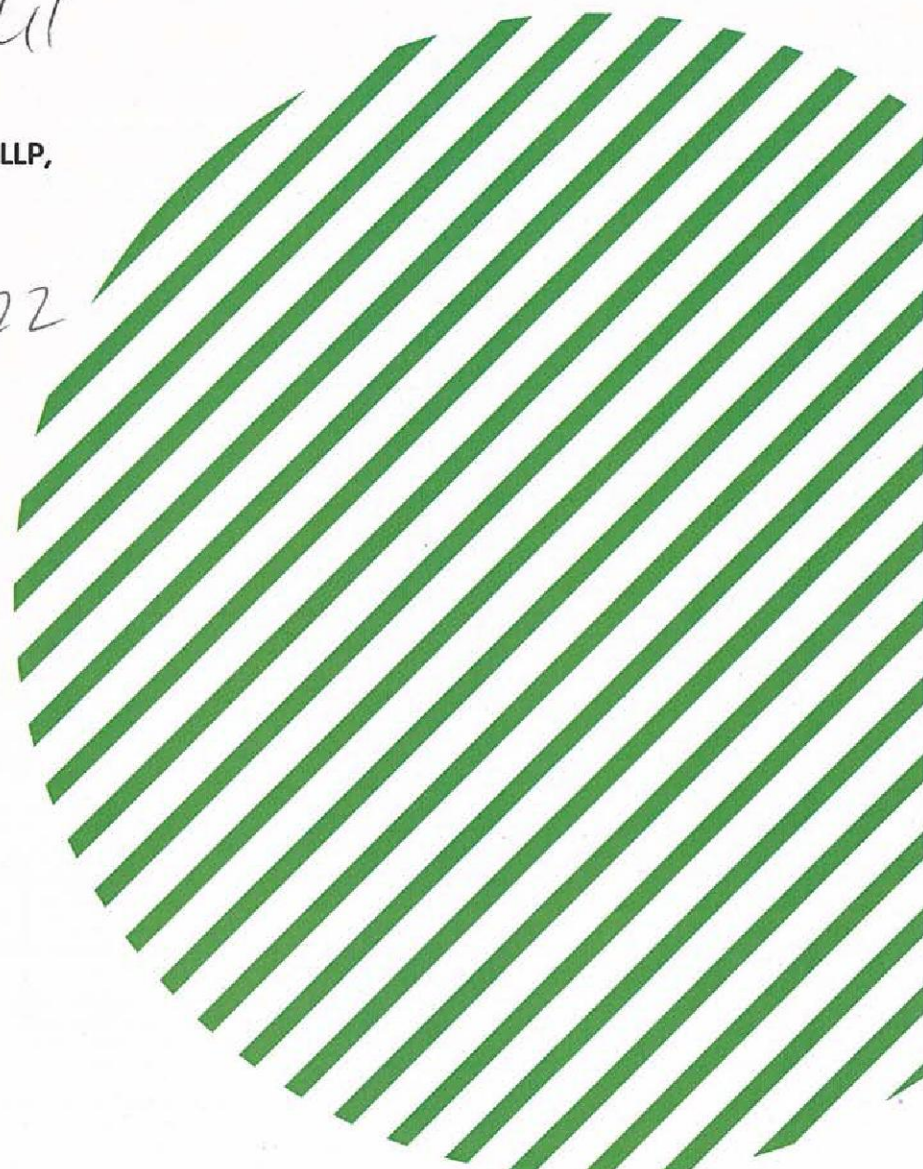
## Use of our report

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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

**Becky Turner (Associate Partner)**  
**for and on behalf of Ernst & Young LLP,**  
**Statutory Auditor**  
**1 More London Place**  
**London, SE1 2AF**

*27th June 2022*



# Statement of financial activities

For the year ended 31 December 2021:

	Notes	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000
<b>Income:</b>					
Donations and legacies	2	8,938	1,425	10,363	9,363
Other trading activities	3	1,284	0	1,284	612
Interest	4	19	0	19	26
Other income		0	0	0	1,580
<b>Total income</b>		<b>10,241</b>	<b>1,425</b>	<b>11,666</b>	<b>11,581</b>
<b>Expenditure:</b>					
Costs of raising funds	5	(2,764)	0	(2,764)	(2,858)
Expenditure on charitable activities	5	(6,017)	(864)	(6,881)	(6,828)
<b>Total expenditure</b>		<b>(8,781)</b>	<b>(864)</b>	<b>(9,645)</b>	<b>(9,686)</b>
<b>Net income and net movement in funds for the year</b>		<b>1,460</b>	<b>561</b>	<b>2,021</b>	<b>1,895</b>
<b>Reconciliation of funds:</b>					
Net transfer of funds		3,248	(3,248)	0	0
Total funds brought forward		59,975	4,043	64,018	62,123
<b>Total funds carried forward</b>	18	<b>64,683</b>	<b>1,356</b>	<b>66,039</b>	<b>64,018</b>

All income and expenditure derive from continuing activities.

## Statement of total recognised gains and losses for the year ended 31 December 2021

There are no recognised gains or losses other than the net incoming resources of £2,020,911 the year ended 31 December 2021 (2020 - £1,894,522)

# Balance sheet

As at 31 December 2021:

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Intangible assets	14	294	0
Tangible assets	15	53,743	51,987
<b>Total fixed assets</b>		<b>54,037</b>	<b>51,987</b>
<b>Current assets</b>			
Debtors	16	1,566	1,316
Cash at bank and in hand	20	11,423	12,448
<b>Total current assets</b>		<b>12,989</b>	<b>13,764</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	17	(987)	(1,733)
<b>Total Net Assets</b>		<b>66,039</b>	<b>64,018</b>
<b>The funds of the charity:</b>			
Unrestricted funds	18	64,683	59,975
Restricted funds	18	1,356	4,043
		<b>66,039</b>	<b>64,018</b>

The financial statements were approved by the trustees and authorised for issue on Friday 24 June 2022

On behalf of the Trustees

Jeff Fergus  
Chairman



24/06/22.

# Statement of Cash Flows

	Notes	2021 £'000	2020 £'000
<b><i>Cash flows from operating activities</i></b>			
<b>Net cash provided by operating activities</b>	19	2,874	3,472
<b><i>Cash flows from investing activities</i></b>			
Interest		19	29
Purchase of property, plant and equipment		(3,599)	(2,503)
Purchase of software		(319)	0
<b>Net cash used in investing activities</b>		(3,899)	(2,474)
Change in cash and cash equivalents in the reporting period		(1,025)	998
Cash and cash equivalents at the beginning of the reporting period		12,448	11,450
<b><i>Cash and cash equivalents at the end of the reporting period</i></b>	20	<b>11,423</b>	<b>12,448</b>

# Notes to Financial Statements

## 1. Accounting policies

### ***Basis of preparation***

The financial statements are prepared under the historical cost convention and in accordance with 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).

The Company's financial statements have been prepared in compliance with FRS 102 for the year ended 31 December 2021.

### ***Going concern***

The Charity has prepared cashflow forecasts for the period through to July 2023 which reflect the expected impact of the pandemic on income and expenditure. The assessment of the Charity's ability to continue as a going concern has included performing a reverse stress test on those forecasts.

The reverse stress test assumes the same level of expenses as management's best estimate ("the base case") but income is decreased to the point at which all cash is utilised before the end of the going concern assessment period (positive cash position until June 2023 decreasing to negative cash position in July 2023). A negative cash position is only achieved if income falls to 15% of the best estimate cash flow forecasts through the going concern period which the Trustees consider to be an implausible scenario.

Having reviewed this information the trustees have a reasonable expectation that the Charity has adequate resources and cash reserves to continue in operational existence for the going concern period to 31 July 2023, even if income was to fall substantially below the level it reached in 2020, which is considered to be the financial year most heavily impacted by the pandemic.

After making reasonable enquiries and having considered the matters described above, the directors believe that the Charity will be able to continue to fulfil its charitable purpose, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparing the financial statements.

Additional information on the impact of Covid-19 is discussed in the strategic report for the year on page 20.

### ***Income***

Income is received by way of donation, special grants, events and interest on deposits. Income is included in the statement of financial activities when the Charity is entitled to the income and it can be quantified with reasonable certainty.

### ***Taxation***

As a charity, the company is exempt from tax on income and gains. As such, no tax charges have arisen.

### **Donations**

Cash donations are included in the statement of financial activities when received.

### **Tangible fixed assets**

Leasehold improvements and fixtures and fittings are stated at cost less depreciation. The assets relate to Ronald McDonald Houses that are managed and run by the Charity. Depreciation is provided on all fixed assets. The depreciation rates used are calculated to write off the cost of each asset by equal annual instalments over its expected useful life as follows:

Leasehold improvements – the lower of 40 years and the unexpired portion of the lease where there is not a contractual option to extend to the lease

Fixtures and fittings – ten years

Office equipment – three years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

### **Intangible fixed assets**

Intangible fixed assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of three years.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

### **Governance costs**

Included within governance costs are salaries to administration staff, general office expenses, auditor's remuneration and bank and legal charges.

### **Funds**

#### **Unrestricted Funds**

The Charity holds the majority of its donation income within its unrestricted funds. There are split between designated and general funds. Designated funds are monies in reserve that the Charity has identified against specific board approved projects that are on site or subject to contract.

It is the Charity's policy to ensure that the funds sufficient to cover at least four months of operating costs (excluding depreciation) remain undesignated to provide appropriate resources to cover the Charity's day to day running costs in the event of a sudden unexpected change in the Charity's income levels.

#### **Restricted Funds**

The is restricted income held to further a specific purpose of the Charity as stipulated by the donor and is accounted for accordingly and presented separately in the face of the Statement of Financial Activities.

Details of the nature and purpose of each fund are set out in note 18.

# Notes to Financial Statements (continued)

## **Resources expended**

Where costs cannot be directly attributed to particular headings, they have been allocated by proportion to activities based on the staff time spent carrying out the function. Fundraising costs are those incurred in seeking voluntary donations; support costs are those costs incurred directly in support of the Charity's aims and include project management of new and existing projects; management and administration costs are those incurred in connection with administration of the Charity and compliance with legal and statutory requirements.

## **2. Income from donations and legacies**

	2021 £'000	2020 £'000
McDonald's Restaurants contributions	2,047	1,049
McDonald's collection boxes	1,686	1,578
McDonald's cashless donations	2,256	2,575
McDonald's campaign	250	0
McDonald's restaurant fundraising	401	343
Welsh carrier bag income	516	283
Scottish carrier bag income	469	578
General donations	537	680
Gift aid	172	124
Operational income	59	100
Grant income	440	648
Corporate income	708	692
Community income	822	507
Appeal income	0	206
<b>Total income from donations</b>	<b>10,363</b>	<b>9,363</b>

The income from donations was £10,362,403 (2020: £9,362,552) of which £8,937,787 was unrestricted (2020 £7,646,935) and £1,424,616 restricted (2020: £1,715,617).

The charity benefits from the involvement of enthusiastic support of its volunteers, details of which are given in the Strategic Report. In accordance with FRS 102 and the Charities SORP (FRS102), the economic contribution of general volunteers is not recognised in the accounts.

# Notes to Financial Statements (continued)

## 3. Income earned from other activities

	2021 £'000	2020 £'000
National gala dinner	383	202
Regional gala dinner	571	284
Regional golf tournaments	163	0
Regional events	18	31
Overseas / UK challenge	0	49
Challenge events	134	27
Other	15	19
<b>Total income earned from other activities</b>	<b>1,284</b>	<b>612</b>

## 4. Interest Income

	2021 £'000	2020 £'000
Interest receivable	19	26

# Notes to Financial Statements (continued)

## 5. Analysis of Expenditure

<b>2021:</b>	<i>Activities undertaken directly</i>	<i>Depreciation</i>	<i>Support costs</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
<i>Raising funds</i>				
Donations	118	0	830	948
Other trading activities	280	0	1,536	1,816
	<b>398</b>	<b>0</b>	<b>2,366</b>	<b>2,764</b>
<i>Charitable activities</i>				
RMH Arrowe Park	95	37	0	132
RMH Birmingham	331	207	0	538
RMH Brighton	156	31	0	187
RMH Camberwell	283	85	0	368
RMH Cardiff	255	170	0	425
RMH Evelina	401	359	0	760
RMH Edinburgh	179	75	0	254
RMH Manchester	393	209	0	602
RMH Moorfields	45	1	0	46
RMH Oxford	298	424	0	722
RMH Southampton	375	190	0	565
RMH Tooting	197	18	0	215
Operations Team	438	0	0	438
Facilities Management of Houses	1,592	37	0	1,629
<b>Total expenditure on charitable activities</b>	<b>5,038</b>	<b>1,843</b>	<b>0</b>	<b>6,881</b>
<b>TOTAL</b>	<b>5,436</b>	<b>1,843</b>	<b>2,366</b>	<b>9,645</b>

# Notes to Financial Statements (continued)

## 5. Analysis of Expenditure (continued)

2020:	<i>Activities undertaken directly</i>	<i>Depreciation</i>	<i>Support costs</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Raising funds</i>				
Donations	334	0	977	1,311
Other trading activities	132	0	1,415	1,547
	<b>466</b>	<b>0</b>	<b>2,392</b>	<b>2,858</b>
 <i>Charitable activities</i>				
RMH Arrowe Park	103	38	0	141
RMH Birmingham	430	210	0	640
RMH Brighton	183	32	0	215
RMH Camberwell	264	85	0	349
RMH Cardiff	287	174	0	461
RMH Evelina	71	28	0	99
RMH Edinburgh	507	362	0	869
RMH Manchester	514	209	0	723
RMH Moorfields	45	1	0	46
RMH Oxford	156	139	0	295
RMH Oxford Expansion	181	396	0	577
RMH Southampton	416	191	0	607
RMH Tooting	173	17	0	190
Operations Team	451	12	0	463
Facilities Management of Houses	1,153	0	0	1,153
<b>Total expenditure on charitable activities</b>	<b>4,934</b>	<b>1,894</b>	<b>0</b>	<b>6,828</b>
 <b>TOTAL</b>	 <b>5,400</b>	 <b>1,894</b>	 <b>2,392</b>	 <b>9,686</b>

# Notes to Financial Statements (continued)

## 6. Summary of analysis of expenditure and related income for charitable activities

This table shows the costs of the Charity's main activity of providing accommodation, and the sources of income directly to support this activity.

	<i>House Operations</i>	
	2021 £'000	2020 £'000
Costs	(6,906)	(6,829)
<b>Net costs relating to charitable activities</b>	<b>(6,906)</b>	<b>(6,829)</b>
<i>Income from charitable activities</i>		
Operational income	59	100
<b>Net costs funded from other income</b>	<b>(6,847)</b>	<b>(6,729)</b>

## 7. Analysis of governance and support costs

The Trustees initially identify the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned across the charity. Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

2021	<i>General support (See note 5)</i> £'000	<i>Governance function</i> £'000	<i>Total</i> £'000	<i>Basis of apportionment</i>
Salaries, wages and related costs	956	410	1,366	70:30 split
Administration	0	102	102	Governance
Bank and legal fees	0	68	68	Governance
<b>Total expenditure on charitable activities</b>	<b>956</b>	<b>580</b>	<b>1,536</b>	

2020	<i>General support (See note 5)</i> £'000	<i>Governance function</i> £'000	<i>Total</i> £'000	<i>Basis of apportionment</i>
Salaries, wages and related costs	969	416	1,385	70:30 split
Administration	0	28	28	Governance
Bank and legal fees	0	2	2	Governance
<b>Total expenditure on charitable activities</b>	<b>969</b>	<b>446</b>	<b>1,415</b>	

# Notes to Financial Statements (continued)

## 8. Auditor's remuneration

	2021 £'000	2020 £'000
Auditor's remuneration	50	50

In 2021 and 2020, the audit fee was borne by McDonald's Restaurants Limited, with the exception of £3k each year payable by RMHC.

## 9. Analysis of staff costs, trustee remuneration and expenses, and the cost of key personnel

	2021 £'000	2020 £'000
Salaries and wages	4,429	4,369
Social security costs	440	446
Pension costs	368	346
	<b>5,237</b>	<b>5,161</b>

The number of staff whose emoluments fell within each of the following bands was:

	2021 No.	2020 No.
£0 to £59,999	171	158
£60,000 to £69,999	2	2
£70,000 to £79,999	2	1
£80,000 to £89,999	2	1
£90,000 to £99,999	0	1
£100,000 to £109,999	0	2
£120,000 to £129,999	0	0
£150,000 to £159,999	0	0
£170,000 to £179,999	1	0
£190,000 to £200,000	0	1
	<b>178</b>	<b>166</b>

The charity's Trustees were not paid nor received any other benefit from employment with the Charity in the year (2020: £nil). They were reimbursed expenses during the year of £nil (2020: £nil). No charity Trustee received payment for professional or other services supplied to the Charity (2020: £nil).

The key management personnel of the charity comprise of the Chief Executive and the Senior Leadership Team. The total employee benefits of the key management personnel of the Charity were £549,058 (2020: £583,593).

# Notes to Financial Statements (continued)

## 10. Staff numbers

The average monthly head count was 178 full time staff (2020: 166) and was made up as follows (includes part time):

	2021 No.	2020 No.
Support staff	19	16
Fundraising staff	29	29
Operational staff	130	121
	<b>178</b>	<b>166</b>

## 11. Related party transactions

During the year, the Charity entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 December 2021, are as listed below.

- During the year the charity received charitable donations from McDonald's Restaurants Limited, £251,338 (2020 – £101,910). Additionally, McDonald's Restaurants Limited made donations of £392,683 (2020 – £175,804) in respect of the Welsh and Scottish carrier bag levies
- Additionally, McDonald's Restaurants Limited incurs costs on behalf of the charity which are then recharged at cost to Ronald McDonald House Charities (UK). During the year McDonald's Restaurants Limited incurred £5,328,075 (2020 – £4,936,034) of costs which were recharged to the Charity in line with the agreement between RMHC and McDonald's. At the balance sheet date, the amount due to McDonald's Restaurants Limited was £31,722 (2020– £1,058,455)
- During the year, the Charity engaged Forsters LLP and incurred £66,000 of professional fees. This was in association with the merger of Alder Hey Family House Trust and Ronald McDonald House Charities UK, and at the balance sheet date, the amount due to Forsters LLP was £66,000.

## 12. Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## 13. Limited by guarantee

The charity is limited by guarantee and as a consequence does not have share capital. The Directors of the charity comprise of a majority of Independent Trustees including Trustee representatives of McDonald's Restaurants Limited and its franchisees. The liability of every member is limited to £1 each.

# Notes to Financial Statements (continued)

## 14. Intangible fixed assets

	Software £'000	Total £'000
Cost:		
At 1 January 2021	0	0
Additions	319	319
At 31 December 2021	319	319
Depreciation:		
At 1 January 2021	0	0
Provided in the year	25	25
At 31 December 2021	25	25
Net book value:		
At 31 December 2021	294	294
At 1 January 2021	0	0

The software intangible fixed asset includes the new financial management system implemented during the year. The asset is carried at £319,000 and has a remaining amortisation of less than three years. There are no other individually identifiable intangible assets.

## 15. Tangible fixed assets

	Leasehold improvements £'000	Fixtures and fittings £'000	Office equipment £'000	Total £'000
Cost:				
At 1 January 2021	59,810	2,583	157	62,550
Additions	3,420	161	18	3,599
At 31 December 2021	63,230	2,744	175	66,149
Depreciation:				
At 1 January 2021	9,293	1,171	99	10,563
Provided in the year	1,569	221	53	1,843
At 31 December 2021	10,862	1,392	152	12,406
Net book value:				
At 31 December 2021	52,368	1,352	23	53,743
At 1 January 2021	50,517	1,412	58	51,987

Net book value of buildings consists of:

	2021 £'000	2020 £'000
Long leasehold	51,877	50,008
Short leasehold	491	509
	52,368	50,911

# Notes to Financial Statements (continued)

## 16. Debtors

	2021 £'000	2020 £'000
Other debtors and prepayments	1,564	1,314
Accrued interest income	2	2
	1,566	1,316

## 17. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Accruals	673	539
Other creditors	209	1,060
Deferred income	105	134
	987	1,733

The deferred income balance of £104,525 in 2021 relates to sponsorship income received for events taking place in 2022. A higher balance of £134,334 deferred income was held in 2020, as many events were postponed due to Covid-19 in 2020 and rescheduled for 2021. £116,144 of the 2020 deferred balance was released in 2021, with £18,190 being carried to the 2021 end of year balance. These were all in relation to challenge events that had been postponed in 2020 and are due to take place in 2022.

## 18. Funds balance

The company is limited by guarantee. Accordingly, no share capital account is presented.

<i>Total funds</i>	<i>Fixed assets</i> £'000	<i>Unrestricted funds</i> £'000	<i>Restricted funds</i> £'000	<i>Total</i> £'000
At 1 January 2021	51,987	7,988	4,043	64,018
Incoming resources	0	10,241	1,425	11,666
Resources expended	0	(6,913)	(864)	(7,777)
Additions	3918	(670)	(3,248)	0
Amortisation	(25)	0	0	(25)
Depreciation	(1,843)	0	0	(1,843)
At 31 December 2021	54,037	10,646	1,356	66,039

# Notes to Financial Statements (continued)

## 18. Funds balance (continued)

During these unprecedented times, the designated funds have been reduced to zero to allow the general funds to build up. It is the Charity's policy to ensure that funds sufficient to cover at least four months of operating costs (excluding depreciation) remain undesignated to provide appropriate resources to cover the Charity's day to day running costs in the event of a sudden unexpected change in the Charity's income levels. During 2020 and again in 2021 income levels did unexpectedly fall, therefore the Trustees have felt it prudent to ensure a larger than average balance, £10,646,000 is held in undesignated funds.

Further delays to the opening of the Ronald McDonald House at The Royal Hospital for Children and Young People, Edinburgh allowed for the restricted Scottish carrier bag levy to continue to. This has paid for the contractual commitments of £3,200,000 for the project. Ongoing Scottish carrier bag levy that is received will be restricted to expenditure of the operating costs of the new Ronald McDonald House Edinburgh, which were £178,000 in 2021. Equally the Welsh carrier bag levy is restricted to expenditure of the operating costs of the Ronald McDonald House Cardiff, which were £254,000 in 2021.

During the year, the final retention payment of £183,000 for the new Ronald McDonald House Oxford was paid. Additional buildings work were carried out after opening RMH Oxford and were deducted from the retention payment. The balance of £48,000 was released from designated funds into the unrestricted funds as no further payments for the RMH Oxford relocation project are expected.

In 2021 the Charity held discussions with the Alder Hey Family House Trust to mutually agree a transfer of assets to Ronald McDonald House Charities UK. The Trustees will then look to designate funds for the immediate reinvestment to the Ronald McDonald Alder Hey House, together with a longer term strategy of how to best support the news of the Alder Hey Children's Hospital.

## 19. Reconciliation of net income to net cash flow from operating activities

	2021	2020
	£'000	£'000
<b>Net income for the reporting period</b>	2,021	1,895
Amortisation charges	25	0
Depreciation charges	1,843	1,895
Disposal of fixed assets	0	181
Interest	(19)	(26)
(Increase) / Decrease in debtors	(250)	614
Increase / (Decrease) in creditors	(746)	(1,087)
<b>Net cash provided by operating activities</b>	<b>2,874</b>	<b>3,472</b>

# Notes to Financial Statements (continued)

## 20. Analysis of cash and cash equivalents

	2021	2020
	£'000	£'000
Cash in hand	11,423	12,448
<b>Total cash and cash equivalents</b>	<b>11,423</b>	<b>12,448</b>

## 21. Post balance sheet event

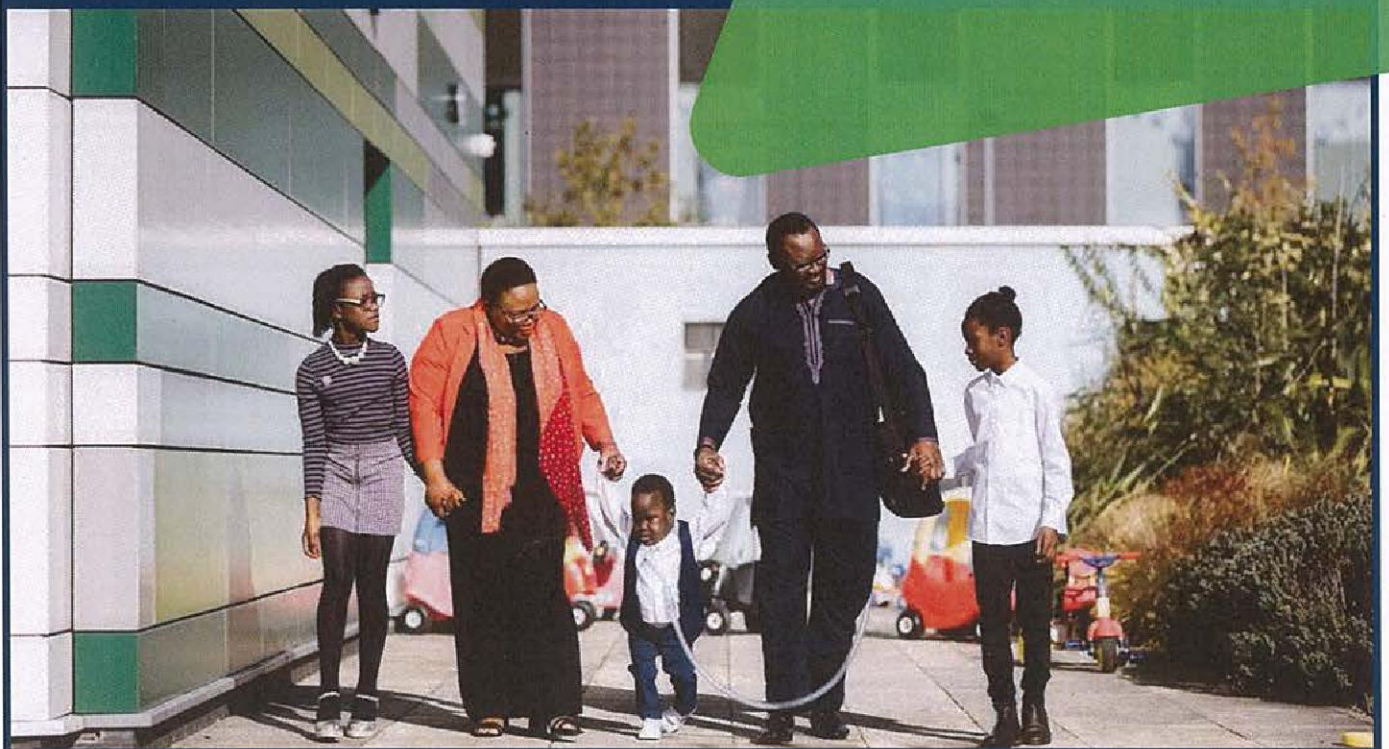
On 27th April 2022, the Trustees of Alder Hey Family House Trust welcomed the transfer of assets to Ronald McDonald House Charities UK to join the wider Ronald McDonald House Charities. The operation of the 84-bedroom House at the Alder Hey Children's Hospital is now the responsibility of Ronald McDonald House Charities (UK).

For the consideration of the sum of £1 all assets of the Alder Hey Family House Trust were transferred to Ronald McDonald House Charities (UK).

Find out more  
about Ronald  
McDonald House  
Charities UK:  
[www.rmhc.org.uk](http://www.rmhc.org.uk)



**@RMHCUK**



**RONALD MCDONALD HOUSE UK**

England & Wales - Charity number 802047

---

# Accounts

---



Ronald McDonald  
House Charities™  
United Kingdom

Keeping families close™



# Ronald McDonald House Charities (UK)

Annual report and financial  
statements

31 December 2020

Registered Company No: 2252337

Registered Charity No. 802047

Scottish Registered Charity No. SC040717

# Contents

## Strategic Report

Chairman's Report	5
Harlowe's story	7
2020 Outcomes	8
Income raised in 2020	13
Financial review	15
Structure, governance and management	16

## Financials

Director's Report	19
Independent auditor's report	22
Statement of financial activities	27
Statement of total recognised gains and losses	27
Balance sheet	28
Statement of cash flows	29
Notes to the financial statements	30

# When the best medical care isn't close to home, a Ronald McDonald House keeps families together

Specialised children's services, such as chemotherapy, transplants, trauma and specialist neonatal care, aren't provided in every local hospital because they have to be delivered by specialist teams of doctors and nurses.



Longest family stay was 1,242 nights



2,418 families supported in 2020



The longest distance from a family's home to hospital was 6,000 miles



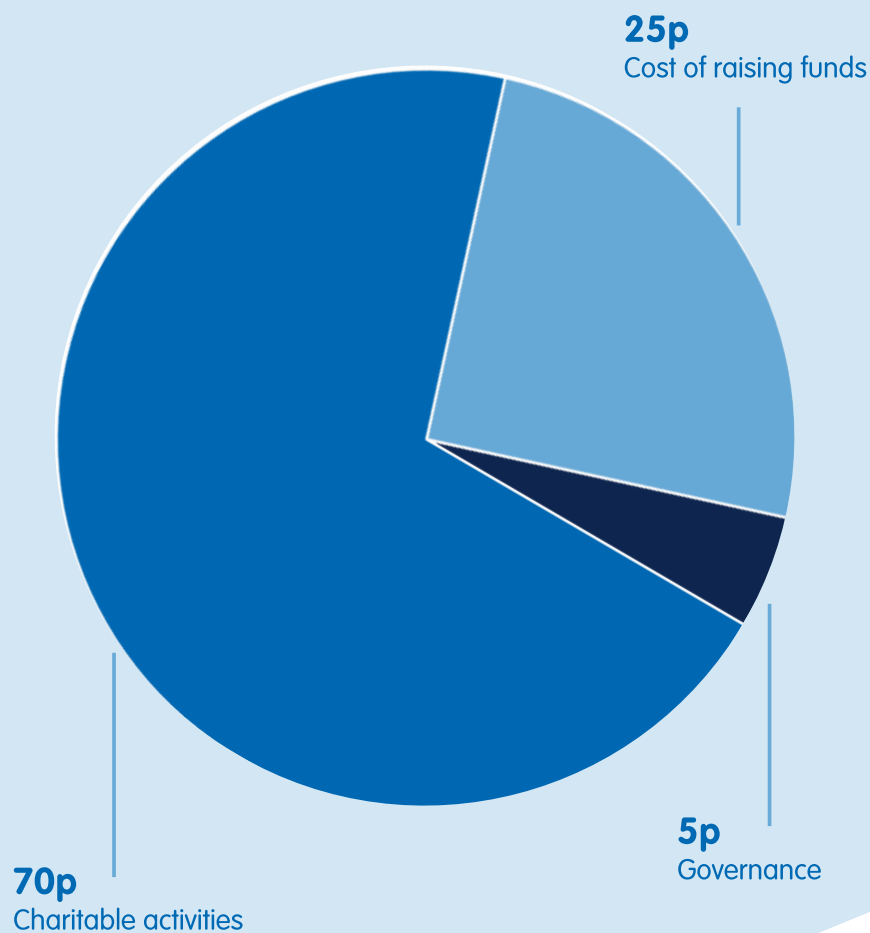
Average length of family stay was 16 nights



The average distance from a family's home to hospital is 73 miles

Ronald McDonald House Charities (UK) runs 12 Ronald McDonald Houses at partnered NHS hospitals, providing free 'home away from home' accommodation and support for families.

# How we spend a £1 donation:



**"The Ronald McDonald House means our family can stay together. The House has given us somewhere to stay, a warm bed and people to talk to about our worries and concerns. If we've needed a shoulder to cry on the staff are always there for us and are very friendly and caring."**

**- Michelle, mum**

# Chairman's Report

## Dear Supporters,

Like the whole of society, I find myself in an extraordinary situation of writing to describe another extremely challenging year for Ronald McDonald House Charities (UK) in 2020 due to Covid-19. However, it would be remiss of me not to start by thanking our many and varied supporters who have stood by us and supported us through this unprecedented year.

In a typical year, Ronald McDonald House Charities (UK) helps close to 6,000 families with sick children in hospital, every year, by providing them with free accommodation and support, when they're far from home.

The start of the first national lockdown last March raised many challenges for the way we run our Houses, but we're proud of all our staff for continuing to provide this essential service to families in need.

Even amidst a global pandemic, childhood illnesses and accidents did not cease. Having a child in hospital is distressing at the best of times, but with the extra risks and anxiety caused by Covid-19, our support across these last twelve months has been crucial.

Even when we had to close some of our smaller Houses to reassess how we could operate them safely for families, we were able to offer additional support to one of our NHS partners for a number of months. We provided accommodation for their clinic staff to help the hospital cope with the demands of the pandemic.

By introducing a wide range of health and safety measures to keep our families and staff safe,

I'm delighted to say that we were then able to continue supporting the thousands of families who needed us.

As is the case for so many charities, this pandemic has caused a dramatic fall in our income. We had to cancel most of our fundraising activity last year, including our National Gala Dinner and regional dinners, as well as our flagship golf event - the Leisure Classic in Portugal. One of our most crucial forms of income is from the generosity of McDonald's customers donating through collection boxes and kiosks in restaurants; this income, inevitably ceased when restaurants had to close. And the consequence was that our income for the year was down by over three million pounds.



Our Ronald McDonald Houses offer more than just a place to stay. They provide family activities, peer support, resources for siblings, laundry facilities and many other services.

# Chairman's Report

We're grateful to all of you, for continuing to support the Charity in new ways; many of you participated in our virtual events that we introduced last year, such as the House-to-House Challenge or virtual gala dinners in Birmingham and Manchester.

Despite the challenges of last year, we were still able to open our new House in Oxford last summer. This new 62 bedroom House next to John Radcliffe Hospital replaced our much smaller, 17 bedroom House that was having to turn families away, simply because we could not meet the increasing demand for the accommodation we provide.

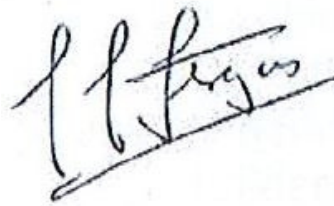
Fortunately, with the vaccination programme now in place, we hope that 2021 will be a better year for us all.

The new 25-bedroom House at the large new children's hospital built in Edinburgh is the latest addition to our ability to support families all over the UK. This House opened in April 2021, and the project has received huge support right across Scotland, and it will enable us to provide accommodation for many Scottish families with a child in that hospital.

We hope to be able to reinstate our normal fundraising programme later in the year, and hope that our supporters will continue to rally round and help us generate the income we need to help our families.

It's the continued donations you give to Ronald McDonald House Charities (UK) that has enabled us to weather this crisis and keep helping families in these extraordinary times.

Thank you.



Jeff Fergus



## Harlowe's story

3 In August 2019, I went into pre-term labour at just 23 weeks and gave birth to my little daughter, Harlowe. Her twin sister, Ava, was sadly born sleeping.

Harlowe was immediately admitted to the Trevor Mann Baby Unit at the Royal Sussex County Hospital, and would receive treatment there for the next three months.

For the first four days, my partner Daniel and I stayed in the hospital's bereavement room, so we could have some time to grieve for Ava. On the fourth day, the nurses on the neonatal ward informed us that they had secured a room for us at the Ronald McDonald House Brighton.

The House had a huge impact on us, and on Harlowe's recovery. Being just minutes from the ward meant I was able to establish a routine with her; I read to her, we listened to music together and just generally established a bond by being close by.

Having a baby in the neonatal unit is very hard – you have to try to bond with your child through an incubator, and you can't do most of the 'normal' mum things. However, staying in the House meant I was able to work on that and be with Harlowe anytime I wanted, every single day. I never missed a ward round and never missed a bedtime story during the three months we were there.

While staying at the House, I met some wonderful, inspirational women and men. One evening, me and two other mums sat in the communal kitchen, laughing and chatting about random stuff until 2am. It was just what we all needed under the circumstances. It was things like this that made me feel less lonely – it was comforting to know that there were other parents around who understood what we were going through.



I would not have been able to cope with our situation without the Ronald McDonald House. The memories we made there will stay with me forever, and the staff have become like our family. The House saved us, and I truly believe that if we hadn't stayed in the House, it would have been a very different story.

- mum, Nicole



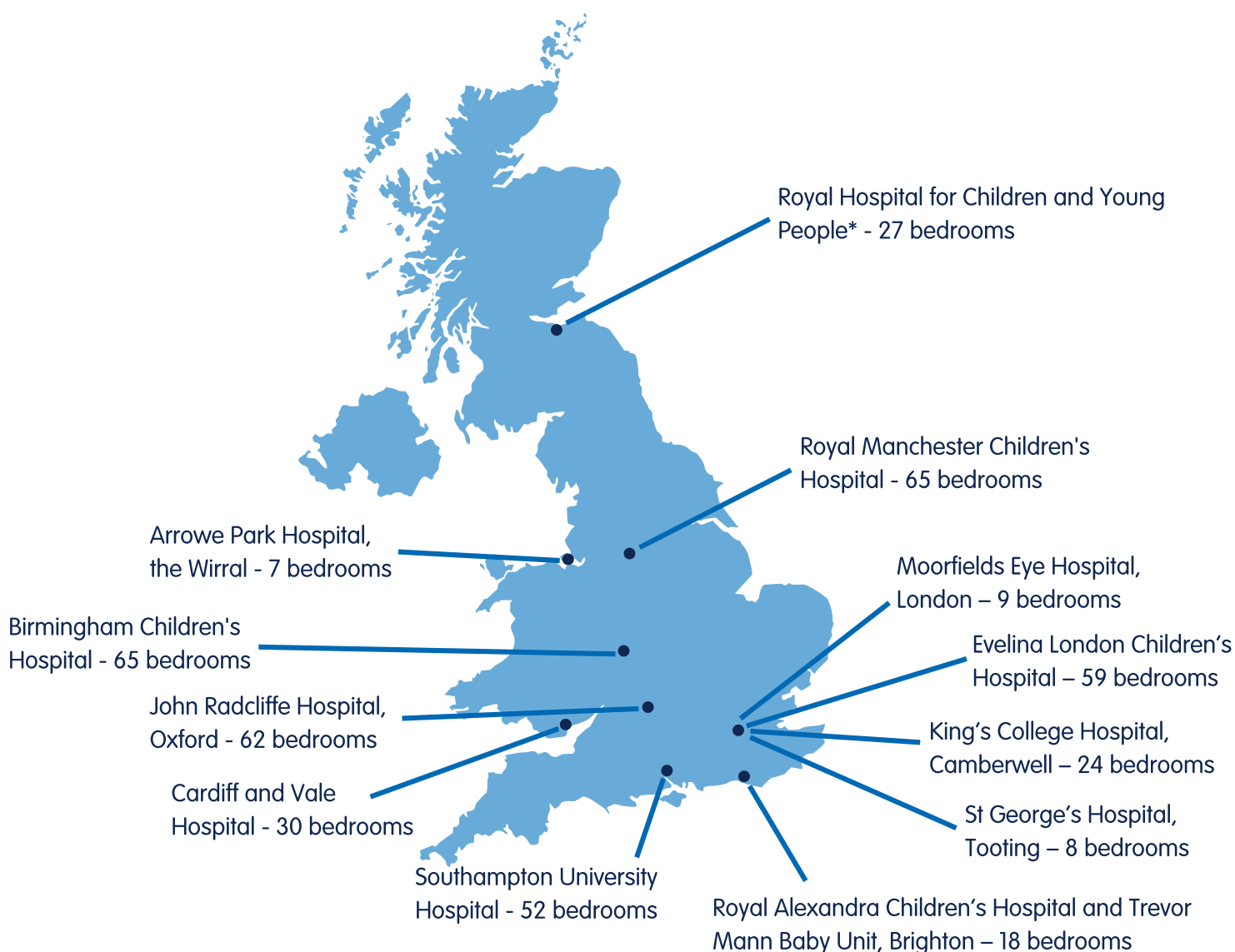
# 2020 Outcomes

Like many other Charities the Covid-19 pandemic had significant effect on our ability to support families. In 2020 we cared for 2,418 families, a decrease on the 5,757 families we supported in the previous year.

This was due to the Charity reducing its occupancy levels to ensure a safe environment for both our staff and families, and to ensure we were able to meet hospital and government advice to establish safe operations.

In two locations, Edinburgh and Tooting, we were able to work with our NHS partners to allow them to use our facilities to house doctors and support staff at the height of the crisis.

In 2020 Ronald McDonald Houses provided support at:



(\*Our twelfth House at the new Royal Children's Hospital at Edinburgh was delayed due to the late opening of the new hospital. However we were still able to use our finished House to support NHS Lothian staff through the height of the crisis.)

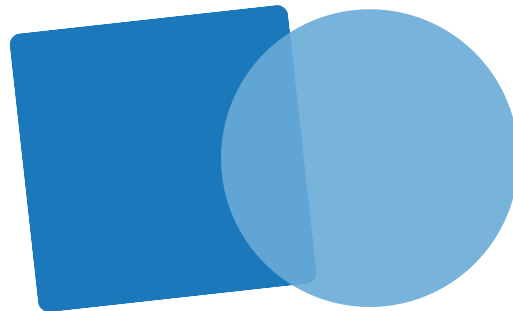
*(There are also three additional Ronald McDonald Houses that operate in the UK at Alder Hey in Liverpool, The Royal Hospital in Bristol and the Queen Elizabeth Hospital in Glasgow. These Houses were initiated before RMHC UK came into existence and they remain local independent charities in their own right.)*

# 2020 Outcomes (continued)

## Covid-19 response

In mid-March 2020 the Charity responded to the Covid-19 pandemic by introducing the temporary measure of suspending intakes of new families. This was to reduce the risk of contracting the virus and to strengthen the care for the families already in our Houses. It also gave us time to fully understand the evolving and future needs of each of our partner hospital trusts. In April 2020 we made the difficult decision to close our four smaller Houses, and reduced our occupancy in our remaining Houses to 50%. We worked hard to put robust procedures and health and safety measures in place so that we were able to reopen all our smaller Houses in late summer. We operated at reduced occupancy throughout the remainder of the year.

Ronald McDonald House Charities (UK) has given due consideration to the effects of the Covid-19 pandemic, which continued to impact fundraising during the financial year. The Government's social distancing measures have had a significant impact on Ronald McDonald House Charities' major fundraising income streams as well as impacting operations within our houses. McDonald's restaurants in the UK were closed once more for in-store customer dining between January 2021 and May 2021.



Public donations received through the restaurants via collection boxes or through the kiosks fell during the periods of closure, as did the sales contributions from McDonald's Franchisees and McDonald's Restaurants Limited. As restaurants have re-opened, these income streams have re-ignited slowly but at lower levels than prior to the pandemic. Corporate and community income streams have also continued to recover at an encouraging rate.

The Charity continues to make use of the government furlough scheme and has received over £70k income from this scheme to date in 2021.

The Trustees have identified opportunities to defer non-critical expenditure in Q1 2021 and beyond to ease cash flow should this be required. Planned reinvestment projects for Houses have been re-programmed to start later in 2021. A system upgrade project, delayed due to the pandemic, has begun in 2021 with a prolonged timescale to ease pressures on cash flow. The Trustees will continue to monitor and implement changes throughout 2021 as necessary.

# 2020 Outcomes (continued)

## Covid-19 response (continued)

We cannot currently estimate the overall operational and financial impact of Covid-19 due to inherent uncertainties regarding the duration of the pandemic and the breadth and depth of its impact. However, we continue to assess the impact on the Charity's operations, financial performance, and cash flows in line with processes, controls and governance that are in place.

## Furlough/Government Job Retention Scheme

In the spring the Charity made the decision to take advantage of the Government Job Retention scheme to protect the medium and long term financial future of the Charity. At its peak there were over ninety members of staff on full-time furlough. We were very proud that we have not had to make any subsequent redundancies. Despite all these challenges we are delighted we still supported 2,418 families in 2020.



**"We were given the tough choice to decide which parent was going to stay on the ward. Craig moved back home until he was allowed back on the ward, and Sophie [another mum in the House] became my go-to person. Ronald McDonald House Manchester has meant we have had a place to share our thoughts and feelings."**

**- mum, Vicki**



# 2020 Outcomes (continued)

## Increasing our reach

### *Expanding our service in Oxford*

One of our biggest achievements in 2020 was opening a new 62 bedroom Ronald McDonald House in Oxford, supporting families with children at the John Radcliffe Hospital. The House is just a few minutes' walk from the children's wards and cost us more than £14 million to build. It replaced an existing 17 bedroom House we had within the hospital, which wasn't big enough to accommodate all the families who needed us.



In the first 12 months of opening, our new House was able to accommodate over 400 families. We look forward to celebrating the first year of our House in the summer of 2021 with a birthday celebration attended by our supportive community and stakeholders. This achievement would not have been possible without Oxford Hospital Charities, who held an appeal and raised £2.5 million from; McDonald's Franchisees and their customers, corporate donors, grant givers and many significant individual donations.

**"The staff were absolutely amazing. They were there through my toughest and darkest days."  
- mum, Laura**



### *Building in Scotland's capital city*

Work continued throughout 2020 on preparing to open a brand new 25 bedroom Ronald McDonald House in Edinburgh in partnership with NHS Lothian. The new House accommodates families of children being treated at the new Royal Hospital for Children and Young People, and opened in March 2021. Footballing legend Sir Kenny Dalglish helped us unveil a plaque thanking McDonald's, its Franchisees and customers for donating £3.9 million.

A special campaign 'Bags of Thanks' thanked McDonald's customers for all the 5 pence's they had been paying for a McDonald's takeaway paper bag – since 2014 the net proceeds have been donated to our Charity and we used 100% towards the build, fit out and first year running costs.

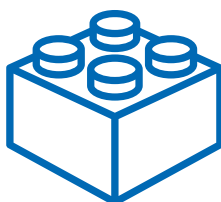


# 2020 Outcomes (continued)

## More than a bed for the night

Ronald McDonald House Charities (UK) prides its self on being more than just a bed for the night. We would normally operate a full programme of support services to help lessen the stresses of having a sick child in hospital, such as chaplaincy support, hospital clinics, hairdressers, beauty services, masseuses and more. The pandemic meant that we had to restrict many of our communal facilities and halt our in house activities, such as cinema evenings, arts and crafts sessions for the children and outdoor barbeques, to ensure that we followed both government and each hospital partner's guidelines.

In early 2020 we were able to offer use of our Day and Medical pass programmes to 1,478 families.



## Volunteers

Our incredible volunteers bring our Houses to life, through providing regular shift support, running activities for the families that we look after, gardening, cleaning and even preparing warm nutritious food to welcome our families home at the end of a long day on the ward. We sadly had to halt our volunteer programme in March in response to the pandemic. However, our volunteers managed to donate 1,712 hours of their time in the first quarter.

Our volunteers have been sorely missed, and we were delighted when we were able to start welcoming them back in 2021.

**"Volunteering at Ronald McDonald House Manchester has truly changed my life for the better. I often refer to myself as 'just' a volunteer, but the members of staff have made me feel just as important as any one of them."**

**- Becky, volunteer**



# Income raised in 2020

In addition to the impact on our service, Covid-19 had a significant impact on our ability to generate income in 2020. As the UK shut down, overnight we lost the opportunity to fundraise from many of our warmest supporters. McDonald's restaurants were closed for around 14 weeks, resulting in a loss of approximately £125,000 a week from customer donations, we weren't able to fundraise within the community and our flagship gala dinner and golf events were postponed. We had to act quickly and show innovation and versatility to turn around projected losses of income.

We couldn't be prouder of our team, and more thankful to our supporters who engaged with us last year, minimising lost income of over £3 million. We paired innovation and agility from our Income Generation team, with tough decisions to suspend or slow down key projects. This, alongside a careful approach to core House expenditure, meant we were able to drive down costs.

## McDonald's Income

Covid-19 significantly impacted the amount of donations we received from McDonald's customers – the biggest income stream we have as a result of our relationship with McDonald's. Restaurant closures and the wide-ranging lockdown measures across the UK, limited customer access to collection boxes and kiosks.

Despite challenges we are thankful to the McDonald's network of employees, Franchisees and suppliers, who continued to fundraise, donate and raise awareness of our Charity.

## Grant Income

Grant income was one of the areas where saw strong performance in 2020, as a result of the many Covid-19 response and recovery funds that became available throughout the year. Ronald McDonald House Charities (UK) is grateful to all our grant donors including the Coronavirus Community Support Fund - DCMS funds distributed by the National Lottery Community Fund, Barclays 100x100 UK Covid-19 Community Relief Fund, Children In Need, Ronald McDonald House Charities (Global), HM Government of Gibraltar as well as local council funding business relief grants and donations from trusts to our Ronald McDonald House Oxford – Make a House a Home Appeal.

## Corporate Partners

As businesses struggled due to the impact of Covid-19, we saw many new 'charity of the year' opportunities withdrawn or suspended for a year. The majority of the support we received came from companies already known to us. We are thankful to our corporate partners who went above and beyond to remain a key supporter of the Charity, despite having their own challenges to overcome.

We were delighted that ING in the UK agreed to extend their charity of the year partnership to the end of 2022, making this a three year, rather than a two year partnership and for their Gifts in Kind to support our families.

# Income raised in 2020 (continued)

The Bank of Montreal offered their support in 2020 along with other businesses who have offered financial support, pro bono support and services as well as Gifts in Kind. We are grateful for support from Norton Rose Fulbright for their support with legal agreements, LSE Enactus for their support with analysis and to Burberry for their support with our strategic development of Legacies.

Royal Bank of Canada's (RBC) support continued throughout the year and we benefited from their annual *Trade for the Kids* fundraiser becoming a virtual *Trade for the Kids @Home* event in June. Staff at RBC continued to fundraise for us throughout 2020 and we have even benefited from prize money from two staff winning the RBC Global Citizen Award. In addition to all the financial support, RBC have kept our families fed in our Ronald McDonald House Evelina London with their fortnightly Tuesday night takeaways.

## Events

We dipped our toe in the virtual event world when the Covid-19 pandemic first took hold with our community fundraising initiative Zero 2 Hero. This was followed by our House 2 House Challenge that was primarily devised to replace the RMHC Bike Ride that we normally run every two years. Both events achieved fantastic engagement from supporters and the House 2 House Challenge will now be a permanent fixture on our annual events calendar.

In November we made the bold decision to convert two of our regional fundraising dinners into virtual events. The return on both events surpassed all expectations – the virtual events raised £365,000 with minimal spend of £33,000.



## Individual Giving

We had a strong end to the year thanks to our Christmas Bedside Appeal. The appeal launched in November 2020 across our social media channels, website and email marketing. We raised £44,000 from individual giving over the Christmas period, but we also ensured the campaign extended across all income streams so that we had a seamless and integrated experience for all donors at Christmas. In total, we raised £129,485.



# Financial Review

The Charity was encouraged that the revenue achieved for the year enabled us to maintain our existing commitments to family accommodation across the UK. However, this was far below our initial budgeted income for the year. As a result, key investment and improvement programmes were placed on hold, with focus being on the core operation of the Charity during the Covid-19 pandemic.

The main source of income for Ronald McDonald House Charities (UK) in 2020 was voluntary (income given freely, not in return for goods and services), at 81% of all income, totalling £9.4 million. We are grateful to the many Covid-19 Recovery Funds that we have been able to access, minimising the projected loss of income for the Charity.

The largest source of voluntary income continued to be donations from the general public via collection boxes and kiosk donations located primarily in McDonald's restaurants all over the UK. Their contribution amounted to nearly £4.2 million. Considering the growth in cashless transactions the Charity is pleased to note that the combination of giving mechanisms remains a significant amount of money being donated to the cause. McDonald's and its franchisees very kindly agreed to pay all the card transaction fees associated with the kiosk donations, which meant 100% of the donations were received by the Charity.

The Charity was once again indebted to McDonald's Restaurants Limited and its franchisees who donated just over £1 million towards the work of the Charity, as well as office facilities and other in-kind support.

We were fortunate to receive an unexpected legacy gift of £441,000, which resulted in a 133% increase in individual giving income as shown in our accounts. Legacy giving remains a fledgling area for the charity, and as such we are predicting more modest growth from 2019 levels in 2021.

We were encouraged to see a 38% growth in Corporate income in 2020, and it must be noted that this has been donated from our committed and loyal corporate partners, some of whom are mentioned in the opening sections of the report.

## Expenditure

Charitable activity costs account for 65% of all expenditure. The Trustees have reviewed expenditure and are satisfied that it is reasonable, and supports the Charity's stated objectives.

## Reserves policy

The Trustees currently maintain all funds on cash deposit to ensure liquidity to meet the Charity's obligations and ongoing commitments. This policy of low risk is reviewed on a regular basis.



# Financial Review (continued)

## Designated funds and tangible fixed assets

Ronald McDonald House Charities (UK) has a portfolio of fixed assets – residential properties offered free of charge to families with seriously ill children at hospital – currently with a net book of £52 million. These properties are restricted to serving the charitable purpose for which the Charity exists and cannot easily be converted into general funds for day-to-day use. The assets are being depreciated over 40 years to reflect the fact that ownership of the Houses will ultimately revert to the respective hospitals, as part of our contractual agreements with them.

The Designated Fund includes any monies committed to future capital builds. Its current balance of £230,000 will go towards the final contractual commitments due in 2021 for the relocation of the Oxford House, as well as the general fund explained below.

Additional future commitments for the Edinburgh House of £3.3 million are to be paid out during 2021.

## General fund and free reserves

The Trustees assess the risks facing the Charity on a quarterly basis and consequently review the level of free reserves required annually in line with Charity Commission guidance. Trustees recognise that reserves held must safeguard the Charity against unexpected loss of income, to enable the Charity to meet its financial obligations in relation to its charitable objectives. Historically, the Trustees agreed that minimum free reserves of four months' running costs are appropriate in this financial climate. Despite an ever increasing demand from the NHS for our services, the Trustees felt it prudent during the pandemic to halt any public commitments to new projects, until the current uncertainties become clearer. The balance of free reserves as at 31 December 2020 was therefore £7.8 million, but it is anticipated that these will be used and exceeded in 2021/2.

## Structure, governance and management

Ronald McDonald House Charities (UK) was established in 1989 to provide accommodation for families of children being treated in hospital. Historically this was achieved through the funding and building of Ronald McDonald Houses and Family Rooms in or close to hospitals and children's hospices. However, since 2007 the Charity has focused exclusively on the charitable objective of providing and operating Ronald McDonald Houses to support families when their children are seriously ill in hospital.

The Charity is governed by a memorandum and articles of association, which were last amended materially in 2010 to reflect both the Charity's right to borrow money where appropriate, and the registration of Ronald McDonald House Charities (UK) in Scotland as per OSCR requirements.

# Structure, governance and management (continued)

Governance and strategic leadership is provided to the Charity by the Board of Trustees, headed by an elected Chair. Potential Trustees are chosen for their skills and experience and, following interview and due process, are elected to the Board of Trustees by formal vote. They serve for an initial period of three years after which they may offer themselves for re-election. Trustees are inducted through an orientation programme involving visits to the Houses, training around the Charity's objectives and strategic goals, and communication of their legal responsibilities to the Charity.

The full Board of Trustees meets quarterly. In addition, Trustees can serve on subcommittees according to their particular area of expertise and experience. These groups report to the full Board for ratification and approval of any suggested activities. The Trustees and senior staff also meet to discuss specific and particular issues as needed. Expenditure must be approved by the Trustees through set budgets, and this and other financial matters are monitored by the Finance and Governance subcommittee.

The liability of Trustees is limited. Every member of the company undertakes to contribute a maximum amount of £1 to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member.

Responsibility for day-to-day management of Ronald McDonald House Charities (UK) is delegated to the Chief Executive with a staff team (in 2020) of 43 including Operations, Development, Fundraising, Marketing and Communications and Administration, split between three offices in London, Salford and Sutton Coldfield and within Ronald McDonald Houses. The eleven Ronald McDonald Houses run directly by the Charity employ a further 120 staff to carry out the Charity's objectives of providing accommodation to families with seriously ill children in hospital.

The Trustees, the Company Secretary, Chief Executive and Senior Leadership Team are considered to comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely.

The pay of staff is reviewed annually and linked to individual performance throughout the period. In view of the nature of the Charity, the staff pay is benchmarked against pay levels in other charities of a similar size whilst using pay grade ranges for all roles. During 2020 a remuneration committee was set up to provide support and report into the Board.

Ronald McDonald House Charities (UK) is a licensed chapter of a global network of charities. It works towards similar charitable aims and objectives, but operates completely independently of this network.

Of the 14 Ronald McDonald Houses operating in the UK at the end of 2020, three were established as independent charities. The Charity continues to work in partnership with these Houses but they do not form a part of this annual report.

# Thank you



We are hugely grateful to all our amazing supporters and fundraisers, who helped us raise £11,582,330 in 2020. All our supporters and volunteers have helped keep families together when their child is sick in hospital – thank you.

# Director's Report

Ronald McDonald House Charities (UK) is an independent charity registered in England and Wales (802047) and in Scotland (SC040717), and is a company limited by guarantee (2252337), registered in England.

## Going concern

The Charity has prepared cashflow forecasts for the period through to August 2022 which reflect the expected impact of the pandemic on income and expenditure. The assessment of the Charity's ability to continue as a going concern has included performing a reverse stress test on those forecasts.

The reverse stress test assumes the same level of expenses as the best estimate but income is decreased to the point at which cash tips to a negative cash position before the end of the going concern assessment period (positive cash position until June 2022 decreasing to negative cash position in July 2022). A negative cash position is only achieved if income falls to 39% of the best estimate cash flow forecasts through the going concern period which the Trustees consider to be an implausible scenario.

Having reviewed this information the trustees have a reasonable expectation that the Charity has adequate resources and cash reserves to continue in operational existence for the going concern period to 31 August 2022, even if income was to fall substantially below the level it reached in 2020.

After making reasonable enquiries and having considered the matters described above, the directors believe that the Charity will be able to continue to fulfil its charitable purpose, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparing the financial statements.

Additional information on the impact of Covid-19 is discussed in the strategic report for the year on page 9.

## Registered office

11-59 High Road  
East Finchley  
London N2 8AW  
United Kingdom  
03000 111 113  
[www.rmhc.org.uk](http://www.rmhc.org.uk)

## Trustees (Directors)

J Fergus (Chairman)  
Dr S Fradd  
M Morgan  
S Kirk  
Dr A Ohrling  
H Trickey  
J Clark (resigned 27 April 2021)  
R Mounsey  
A Macrow (resigned 8 December 2020)  
S Hunsdale  
S Edwards  
K Walker (resigned 1 June 2021)

# Director's Report (continued)

## Key management personnel

Chief Executive	J Haward
Company Secretary	A Ward (resigned 24 September 2020)
Company Secretary	I Dart (appointed 24 September 2020)
Director of Strategic Partnerships	A Ward
Director of Income Generation	T Morton
Director of UK Operations	S Winfield

## Auditor

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

Information regarding the future developments and financial risk management policies are disclosed in the Strategic Report.

## Statement of Trustees' responsibilities

The Charity's financial statements have been prepared in accordance with 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).

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# Director's Report (continued)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

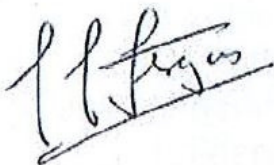
## Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself of herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Auditors

In accordance with S485 of the Companies Act 2006, the auditor, Ernst & Young LLP. Is deemed to be reappointed.

On behalf of the Trustees



Jeff Fergus  
Chairman

# Independent auditor's report

## to the members of Ronald McDonald House Charities (UK)

### Opinion

We have audited the financial statements of Ronald McDonald House Charities (UK) for the year ended 31 December 2020 which comprise the Statement of financial activities, Statement of total recognised gains and losses, Balance sheet, the statement of cash flows and related notes 1 to 19 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 below. 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

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

# Independent auditor's report (continued)

## Conclusions relating to going concern (continued)

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 charitable company's ability to continue as a going concern for a period at least twelve months to 31st August 2022 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matter 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, which includes the directors' report and the strategic report prepared for the purpose 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 trustees' report have been prepared in accordance with applicable legal requirements

# Independent auditor's report (continued)

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report included within the trustees' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 20, 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 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 management either intends to liquidate the charitable company or to cease operations, or has 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 (continued)

## Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are FRS 102 “The Financial Reporting standard applicable in the UK and Republic of Ireland”, the UK Companies Act 2006, the Charities and Trustee Investment (Scotland) Act, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, relevant Health and Safety regulations, Modern Slavery Act, Bribery Act, Proceeds of Crime Act 2002, Money Laundering Regulations 2003 and General Data Protection Regulation (GDPR).
- We understood how Ronald McDonald House Charities (UK) is complying with those frameworks through enquiry with management and those charged with governance, by identifying the company's policies and procedures regarding compliance with laws and regulations, and through the review of minutes of meetings held by those charged with governance for any instances of non-compliance.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, by making enquiries of those charged with governance and by obtaining an understanding of the entity's policies and procedures in relation to fraud risks. As part of our assessment we obtained and inspected the entity's risk register.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved
  - Enquiry of members of senior management, and when appropriate those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
  - Reading minutes of meetings of those charged with governance.
  - Obtaining and reading correspondence from legal and regulatory bodies where applicable.
  - Journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding the business.

# Independent auditor's report (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Becky Turner (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
1 More London Place  
London, SE1 2AF  
27 August 2021

# Statement of financial activities

for the year ended 31 December 2020

		<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>	<i>Total funds</i>
		2020	2020	2020	2019
	Notes	£'000	£'000	£'000	£'000
<b>Income:</b>					
Donations and legacies	2	7,647	1,716	9,363	10,601
Other trading activities	3	612	0	612	2,177
Interest	4	26	0	26	93
Other income		580	1,000	1,580	0
<b>Total income</b>		<u>8,865</u>	<u>2,716</u>	<u>11,581</u>	<u>12,871</u>
<b>Expenditure:</b>					
Costs of raising funds	5	(2,858)	0	(2,858)	(3,747)
Expenditure on charitable activities	5	(5,709)	(1,119)	(6,828)	(5,637)
<b>Total expenditure</b>		<u>(8,567)</u>	<u>(1,119)</u>	<u>(9,686)</u>	<u>(9,384)</u>
<b>Net income and net movement in funds for the year</b>		298	1,597	1,895	3,487
<b>Reconciliation of funds:</b>					
Net transfer of funds		1,715	(1,715)	0	0
Total funds brought forward		57,962	4,161	62,123	58,636
<b>Total funds carried forward</b>	17	<u>59,975</u>	<u>4,043</u>	<u>64,018</u>	<u>62,123</u>

All income and expenditure derive from continuing activities.

## Statement of total recognised gains and losses

for the year ended 31 December 2020

There are no recognised gains or losses other than the net incoming resources of £1,894,522 the year ended 31 December 2020 (2019 - £3,487,189)

# Balance sheet

at 31 December 2020

	Notes	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	14	51,987	52,065
<b>Current assets</b>			
Debtors	15	1,316	1,930
Cash at bank and in hand	19	12,448	11,450
<b>Total current assets</b>		<u>13,764</u>	<u>13,380</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	16	(1,732)	(3,322)
<b>Total Net Assets</b>		<u><b>64,018</b></u>	<u><b>62,123</b></u>
<b>The funds of the charity:</b>			
Unrestricted funds	17	59,975	57,962
Restricted funds	17	4,043	4,161
		<u><b>64,018</b></u>	<u><b>62,123</b></u>

The financial statements were approved by the trustees and authorised for issue on 25 August 2021

On behalf of the Trustees



Jeff Fergus  
Chairman

# Statement of cash flows

## for the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
<b><i>Cash flows from operating activities</i></b>			
<b>Net cash provided by operating activities</b>	18	<u>3,472</u>	<u>5,382</u>
<b><i>Cash flows from investing activities</i></b>			
Interest		29	101
Purchase of property, plant and equipment		(2,503)	(10,489)
<b>Net cash used in investing activities</b>		<u>(2,474)</u>	<u>(10,388)</u>
Change in cash and cash equivalents in the reporting period		998	(5,006)
Cash and cash equivalents at the beginning of the reporting period		11,450	16,456
<b><i>Cash and cash equivalents at the end of the reporting period</i></b>	19	<u><b>12,448</b></u>	<u><b>11,450</b></u>

# Notes to the financial statements

at 31 December 2020

## 1. Accounting policies

### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with 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).

The Company's financial statements have been prepared in compliance with FRS 102 for the year ended 31 December 2020.

### *Income*

Income is received by way of donation, special grants, events and interest on deposits. Income is included in the statement of financial activities when the Charity is entitled to the income and it can be quantified with reasonable certainty.

### *Taxation*

As a charity, the company is exempt from tax on income and gains. As such, no tax charges have arisen.

### *Donations*

Cash donations are included in the statement of financial activities when received.

### *Government grants*

Other income includes government grants received under the Covid-19 job retention scheme which are recognised in the period to which the underlying furloughed staff costs relate to.

### *Tangible fixed assets*

Leasehold improvements and fixtures and fittings are stated at cost less depreciation. The assets relate to Ronald McDonald Houses that are managed and run by the Charity.

Depreciation is provided on all fixed assets. The depreciation rates used are calculated to write off the cost of each asset by equal annual instalments over its expected useful life as follows:

Leasehold improvements	–	the lower of 40 years or the unexpired portion of the lease
Fixtures and fittings	–	ten years
Office equipment	–	three years

# Notes to the financial statements (continued)

## 1. Accounting policies (continued)

### *Tangible fixed assets (continued)*

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

### *Governance costs*

Included within governance costs are salaries to administration staff, general office expenses, auditor's remuneration and bank and legal charges.

### *Funds*

#### *Unrestricted Funds*

The Charity holds the majority of its donation income within its unrestricted funds. These are split between designated and general funds. Designated funds are monies in reserve that the Charity has identified against specific board approved projects that are on site or subject to contract.

It is the Charity's policy to ensure that funds sufficient to cover at least four months of operating costs (excluding depreciation) remain undesignated to provide appropriate resources to cover the Charity's day to day running costs in the event of a sudden unexpected change in the Charity's income levels.

#### *Restricted Funds*

This is restricted income held to further a specific purpose of the Charity as stipulated by the donor and is accounted for accordingly and presented separately on the face of the Statement of Financial Activities.

Details of the nature and purpose of each fund are set out in note 17.

### *Resources expended*

Where costs cannot be directly attributed to particular headings, they have been allocated by proportion to activities based on the staff time spent carrying out the function. Fundraising costs are those incurred in seeking voluntary donations; support costs are those costs incurred directly in support of the Charity's aims and include project management of new and existing projects; management and administration costs are those incurred in connection with administration of the Charity and compliance with legal and statutory requirements.

# Notes to the financial statements (continued)

at 31 December 2020

## 2. Income from donations and legacies

	2020 £'000	2019 £'000
McDonald's Restaurants contributions	1,049	1,659
McDonald's collection boxes	1,578	2,489
McDonald's cashless donations	2,575	1,347
McDonald's campaign	0	410
McDonald's restaurant fundraising	343	775
Welsh carrier bag income	283	355
Scottish carrier bag income	578	807
General donations	680	292
Gift aid	124	141
Operational income	100	248
Grant income	648	243
Corporate income	692	632
Community income	507	709
Appeal income	206	494
<b>Total income from donations</b>	<b>9,363</b>	<b>10,601</b>

The income from donations was £9,362,552 (2019: £10,600,698) of which £7,646,935 was unrestricted (2019 £8,702,655) and £1,715,617 restricted (2019: £1,898,043).

The charity benefits from the involvement of enthusiastic support of its volunteers, details of which are given in the Strategic Report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

## 3. Income earned from other activities

	2020 £'000	2019 £'000
National gala dinner	202	577
Regional gala dinner	284	704
Regional golf tournaments	0	128
Regional events	31	29
Overseas golf tournament	0	465
Overseas / UK challenge	49	0
Overseas apartment	0	12
Challenge events	27	182
Other	19	80
<b>Total income earned from other activities</b>	<b>612</b>	<b>2,177</b>

# Notes to the financial statements (continued)

at 31 December 2020

## 4. Interest income

	2020 £'000	2019 £'000
Interest receivable	<u>26</u>	<u>93</u>

## 5. Analysis of expenditure

<b>2020:</b>	<i>Activities undertaken directly</i> £'000	<i>Depreciation</i> £'000	<i>Support costs</i> £'000	<i>Total</i> £'000
<i>Raising funds</i>				
Donations	334	0	977	1,311
Other trading activities	132	0	1,415	1,547
	<b>466</b>	<b>0</b>	<b>2,392</b>	<b>2,858</b>
<i>Charitable activities</i>				
RMH Arrowe Park	103	38	0	141
RMH Birmingham	430	210	0	640
RMH Brighton	183	32	0	215
RMH Camberwell	264	85	0	349
RMH Cardiff	287	174	0	461
RMH Edinburgh	71	28	0	99
RMH Evelina	507	362	0	869
RMH Manchester	514	209	0	723
RMH Moorfields	45	1	0	46
RMH Oxford	156	139	0	295
RMH Oxford Expansion	181	396	0	577
RMH Southampton	416	191	0	607
RMH Tooting	173	17	0	190
Operations Team	451	12	0	463
Facilities Management of Houses	1,153	0	0	1,153
<b>Total expenditure on charitable activities</b>	<b>4,934</b>	<b>1,894</b>	<b>0</b>	<b>6,828</b>
<b>TOTAL</b>	<b>5,400</b>	<b>1,894</b>	<b>2,392</b>	<b>9,686</b>

# Notes to the financial statements (continued)

at 31 December 2020

## 5. Analysis of expenditure (continued)

2019:	Activities undertaken			Total £'000
	directly £'000	Depreciation £'000	Support costs £'000	
<i>Raising funds</i>				
Donations	546	0	695	1,241
Other trading activities	943	0	1,563	2,506
	<b>1,489</b>	<b>0</b>	<b>2,258</b>	<b>3,747</b>
<i>Charitable activities</i>				
RMH Arrowe Park	102	42	0	144
RMH Birmingham	521	237	0	758
RMH Brighton	222	27	0	249
RMH Camberwell	308	85	0	393
RMH Cardiff	346	180	0	526
RMH Evelina	534	363	0	897
RMH Edinburgh	100	25	0	125
RMH Manchester	530	209	0	739
RMH Moorfields	45	2	0	47
RMH Oxford	150	107	0	257
RMH Oxford Expansion	5	0	0	5
RMH Southampton	532	191	0	723
RMH Tooting	220	9	0	229
Operations Team	533	12	0	545
<b>Total expenditure on charitable activities</b>	<b>4,148</b>	<b>1,489</b>	<b>0</b>	<b>5,637</b>
<b>TOTAL</b>	<b>5,637</b>	<b>1,489</b>	<b>2,258</b>	<b>9,384</b>

Expenditure on charitable activities was £5,400,463 (2019: £5,636,688)

## 6. Summary analysis of expenditure and related income for charitable activities

This table shows the costs of the Charity's main activity of providing accommodation, and the sources of income directly to support this activity.

	House Operations	
	2020 £'000	2019 £'000
Costs	(6,828)	(5,637)
<b>Net costs relating to charitable activities</b>	<b>(6,828)</b>	<b>(5,637)</b>
<i>Income from charitable activities</i>		
Operational income	100	248
<b>Net costs funded from other income</b>	<b>(6,728)</b>	<b>(5,389)</b>

# Notes to the financial statements (continued)

at 31 December 2020

## 7. Analysis of governance and support costs

The Trustees initially identify the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned across the charity. Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

2020	General support (See note 5) £'000	Governance function £'000	Total £'000	Basis of apportionment
Salaries, wages and related costs	969	416	1,385	70:30 split
Administration	0	28	28	Governance
Bank and legal fees	0	2	2	Governance
<b>Total expenditure on charitable activities</b>	<b>969</b>	<b>446</b>	<b>1,415</b>	

2019	General support (See note 5) £'000	Governance function £'000	Total £'000	Basis of apportionment
Salaries, wages and related costs	978	419	1,397	70:30 split
Administration	0	154	154	Governance
Bank and legal fees	0	12	12	Governance
<b>Total expenditure on charitable activities</b>	<b>978</b>	<b>585</b>	<b>1,563</b>	

## 8. Auditors remuneration

	2020 £'000	2019 £'000
Auditor's remuneration	50	30

In 2020 and 2019, the audit fee was borne by McDonald's Restaurants Limited, with the exception of £3k each year payable by RMHC.

# Notes to the financial statements (continued)

at 31 December 2020

## 9. Analysis of staff costs, trustee remuneration and expenses, and the cost of key personnel

	2020	2019
	£'000	£'000
Salaries and wages	4,369	3,918
Social security costs	446	389
Pension costs	346	275
	<u>5,161</u>	<u>4,582</u>

The number of staff whose emoluments fell within each of the following bands was:

	2020	2019
	No.	No.
£0 to £59,999	158	157
£60,000 to £69,999	2	2
£70,000 to £79,999	1	0
£80,000 to £89,999	1	3
£90,000 to £99,999	1	0
£100,000 to £109,999	2	0
£120,000 to £129,999	0	0
£150,000 to £159,999	0	0
£160,000 to £169,999	0	1
£190,000 to £200,000	1	0
	<u>166</u>	<u>163</u>

The charity Trustees were not paid nor received any other benefit from employment with the Charity in the year (2019: £nil). They were reimbursed expenses during the year of £nil (2019: £nil). No charity Trustee received payment for professional or other services supplied to the Charity (2019: £nil).

The key management personnel of the charity comprise of the Chief Executive and the Senior Leadership Team . The key management personnel has grown in the year to include the whole Senior Leadership Team. The total employee benefits of the key management personnel of the Charity were £583,593 (2019: £252,430).

# Notes to the financial statements (continued)

at 31 December 2020

## 10. Staff numbers

The average monthly head count was 166 full time staff (2019: 163) and was made up as follows (includes part time):

	2020 No.	2019 No.
Support staff	16	16
Fundraising staff	29	27
Operational staff	121	120
	<u>166</u>	<u>163</u>

## 11. Related party transactions

During the year, the Charity entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 December 2020, are as listed below.

- During the year the charity received charitable donations from McDonald's Restaurants Limited, £101,910 (2019 – £286,491). Additionally, McDonald's Restaurants Limited made donations of £175,804 (2019 – £268,940) in respect of the Welsh and Scottish carrier bag levies.
- Additionally, McDonald's Restaurants Limited incurs costs on behalf of the charity which are then recharged at cost to Ronald McDonald House Charities (UK). During the year McDonald's Restaurants Limited incurred £5,247,766 (2019 – £4,936,034) of costs which were recharged to the charity. At the balance sheet date, the amount due to McDonald's Restaurants Limited was £1,058,455 (2019 – £1,889,225).

## 12. Corporation taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## 13. Limited by guarantee

The charity is limited by guarantee and as a consequence does not have share capital. The Directors of the charity comprise of a majority of Independent Trustees including Trustee representatives of McDonald's Restaurants Limited and its franchisees. The liability of every member is limited to £1 each.

# Notes to the financial statements (continued)

at 31 December 2020

## 14. Tangible fixed assets

	<i>Buildings</i> £'000	<i>Fixtures and fittings</i> £'000	<i>Office equipment</i> £'000	<i>Total</i> £'000
Cost:				
At 1 January 2020	58,673	2,148	88	60,909
Additions	1,449	480	69	1,998
Disposals	(312)	(45)	0	(357)
At 31 December 2020	<u>59,810</u>	<u>2,583</u>	<u>157</u>	<u>62,550</u>
Depreciation:				
At 1 January 2020	7,762	1,012	70	8,844
Provided in the year	1,662	204	29	1,895
Disposals	(131)	(45)	0	(176)
At 31 December 2020	<u>9,293</u>	<u>1,171</u>	<u>99</u>	<u>10,563</u>
Net book value:				
At 31 December 2020	<u>50,517</u>	<u>1,412</u>	<u>58</u>	<u>51,987</u>
At 1 January 2020	<u>50,911</u>	<u>1,136</u>	<u>18</u>	<u>52,065</u>

Net book value of buildings consists of:

	2020 £'000	2019 £'000
Long leasehold	50,008	50,267
Short leasehold	509	644
	<u>50,517</u>	<u>50,911</u>

## 15. Debtors

	2020 £'000	2019 £'000
Other debtors and prepayments	1,314	1,929
Accrued interest income	2	1
	<u>1,316</u>	<u>1,930</u>

## 16. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Accruals	539	1,036
Other creditors	1,060	2,143
Deferred income	134	143
	<u>1,733</u>	<u>3,322</u>

# Notes to the financial statements (continued)

at 31 December 2020

## 17. Fund balance

The company is limited by guarantee. Accordingly, no share capital account is presented

	<i>Fixed assets</i>	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total</i>
<i>Total funds</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2020	52,065	5,897	4,161	62,123
Incoming resources	1,998	8,865	2,716	13,579
Resources expended	0	(6,774)	(2,834)	(9,608)
Disposals	(181)	0	0	(181)
Depreciation	(1,895)	0	0	(1,895)
At 31 December 2020	<u>51,987</u>	<u>7,988</u>	<u>4,043</u>	<u>64,018</u>

During these unprecedented times, the designated funds have been reduced to a minimum to allow the general funds to build. It is the Charity's policy to ensure that funds sufficient to cover at least four months of operating costs (excluding depreciation) remain undesignated to provide appropriate resources to cover the Charity's day to day running costs in the event of a sudden unexpected change in the Charity's income levels. During 2020 income levels did fall unexpectedly, therefore the Trustees have felt it prudent to postpone future projects in 2020 which has meant a larger than average balance, £7,750,000, is held in undesignated funds.

Further delays to the opening of the Ronald McDonald House at The Royal Hospital for Children and Young People, Edinburgh allowed for the restricted Scottish carrier bag levy to continue to grow to a balance of £3,785,000 at year end which is included within restricted funds. This will pay for the contractual commitments for the project and ongoing Scottish carrier bag levy that is received will be restricted to expenditure of the operating costs of the new Ronald McDonald House Edinburgh. Equally the Welsh carrier bag levy is restricted to expenditure of the operating costs of the Ronald McDonald House Cardiff. At year end the total fund balance related to the Welsh carrier bag levy was £4,800 which was also included within restricted funds.

In 2020 the Charity received the final instalment from Oxford University Hospital NHS Foundation Trust of £1,000,000. This was spent during the year on the Oxford relocation programme. During 2020, the Charity raised a further £206,000 from the Oxford Appeal. Included in the opening balance was £494,000 that had been raised in 2019 to fund the fit out of the new relocated House. The funds were spent during the year as the Ronald McDonald House Oxford opened in April 2020. The final committed contractual costs of £230,000 are due in 2021, for which a designated fund has been set aside with this balance at year end.

# Notes to the financial statements (continued)

at 31 December 2020

## 18. Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£'000	£'000
<b>Net income for the reporting period</b>	1,895	3,487
Depreciation charges	1,895	1,489
Disposal of fixed assets	181	0
Interest	(26)	(93)
(Increase) / Decrease in debtors	614	(914)
Increase / (Decrease) in creditors	(1,087)	1,413
<b>Net cash provided by operating activities</b>	<b>3,472</b>	<b>5,382</b>

## 19. Analysis of cash and cash equivalents

	2020	2019
	£'000	£'000
Cash in hand	12,448	11,450
<b>Total cash and cash equivalents</b>	<b>12,448</b>	<b>11,450</b>



Ronald McDonald  
House Charities™  
United Kingdom

Keeping families close™



Find out more about  
Ronald McDonald  
House Charities UK:  
[www.rmhc.org.uk](http://www.rmhc.org.uk)

 @RMHCUK

 @RMHCUK

 /RMHCUK

 /RMHCUK



Ronald McDonald House Charities UK is an independent registered charity in England and Wales (802047) and Scotland (SC040717)