

# 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



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# 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.

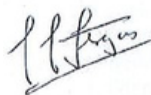
We are so grateful for the support we have received from individuals and companies close to our Houses. For example, on Thursday 1 and Friday 2 July, live from Ronald McDonald House Oxford, local radio station Jack FM hosted a radio-thon fundraiser. We heard some extremely moving accounts from members 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**



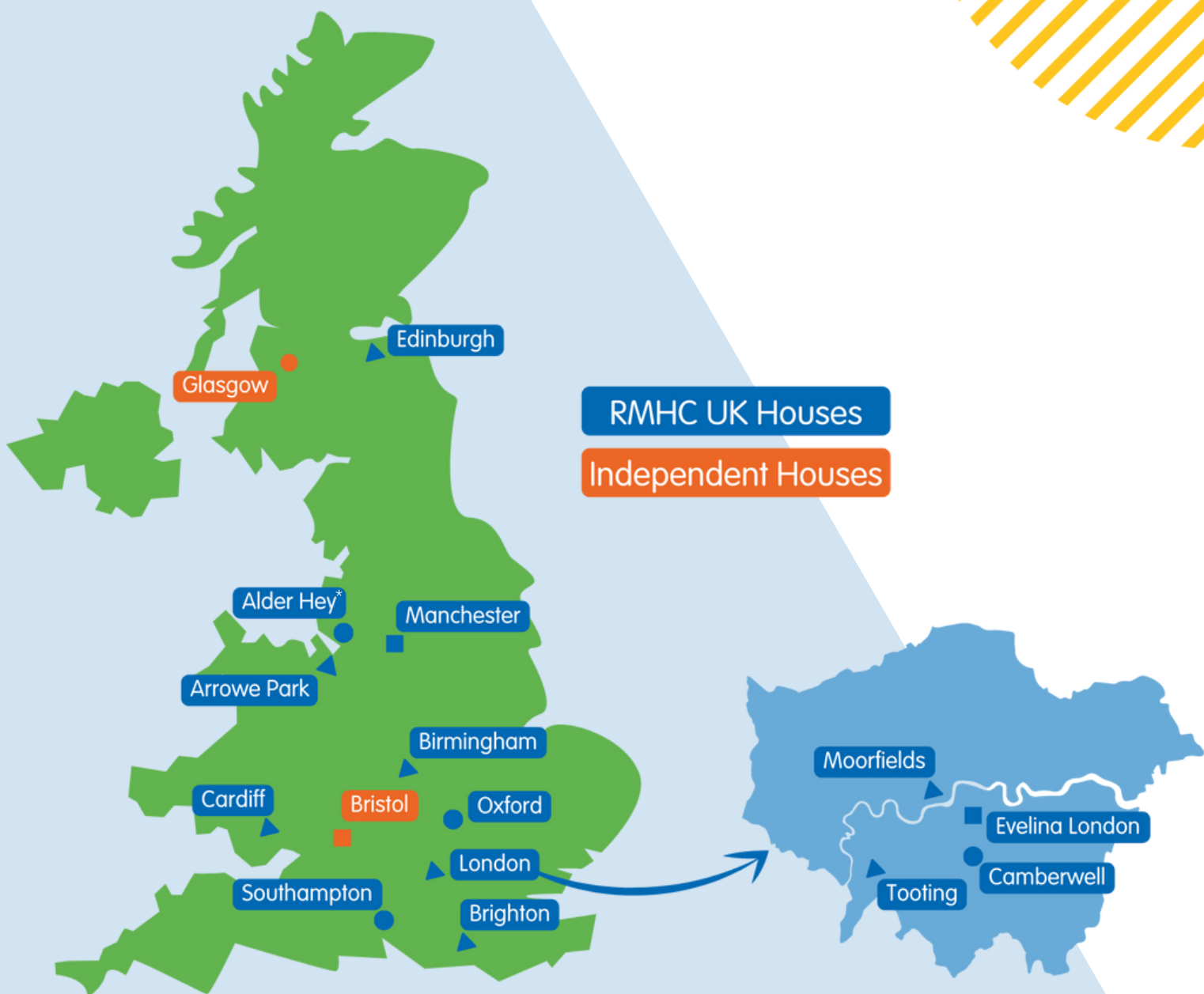
**2,971**

**Volunteer  
Hours**





# Strategic Report (continued)



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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

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# 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%**

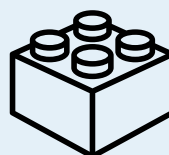
**Medical  
Pass**



**42%**



**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%



BB 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. 99

- 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



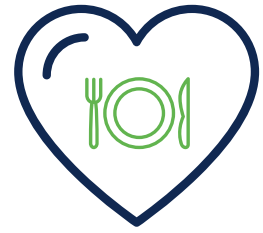
The staff are incredible – they became our family. Always there on the highs and lows. We cannot thank the staff enough for everything they do for us when we need it the most.

- 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.



“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.”

**- 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:

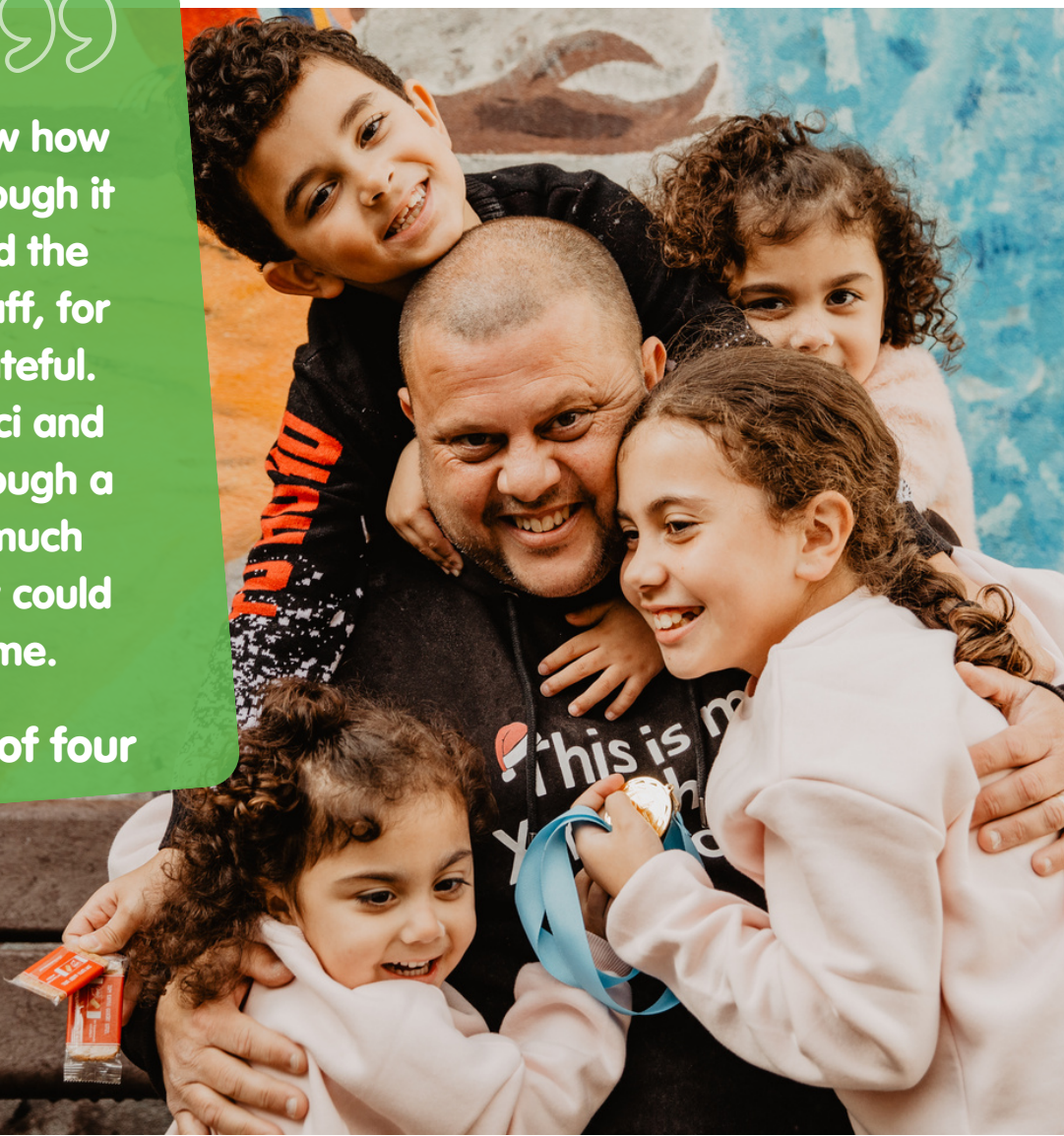
- Plan and deliver a 2022 budget showing income recovery to pre-pandemic levels
- Optimise new opportunities with our Mission Partner, McDonald's, particularly in the digital area
- Continue to develop our plans for growing Income Generation through diversification and broadening of all income streams
- 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.

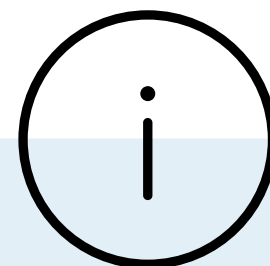
The Government's social distancing measures have had a significant impact on Ronald McDonald House Charities' major fundraising income streams as well as impacting operations within our houses. McDonald's restaurants in the UK were closed once more for in-store customer dining between January 2021 and 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.







## 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  
Alande  
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  
Cranswick Gourmet Kitchen  
Dallmeier  
Diversey  
Dr Jason and Mrs Daaly Wouhra  
E3P  
Elizabeth Softe and family  
Elliotts  
Energie Fitness  
Espersen A/s  
Evelina London Children's Charity  
Fairy Water Trust  
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  
Marcon 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 Booth Charities  
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.

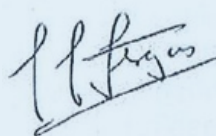
## Statement as to disclosure of information to auditors

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 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.

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 at least twelve months 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 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; 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.

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

# Statement of financial activities

For the year ended 31 December 2021:

		Unrestricted funds	Restricted funds	Total funds	Total funds
		2021	2021	2021	2020
Notes		£'000	£'000	£'000	£'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

# 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 .

### **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.



# Notes to Financial Statements (continued)

## **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.

## **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.

## **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.

# Notes to Financial Statements (continued)

## Going Concern (continued)

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.

## 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>	Activities undertaken directly £'000	Depreciation £'000	Support costs £'000	Total £'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)

<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 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	2020
	£'000	£'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.

	<i>General support (See note 5)</i>	<i>Governance function</i>	<i>Total</i>	<i>Basis of apportionment</i>
	£'000	£'000	£'000	
2021				
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>	

	<i>General support (See note 5)</i>	<i>Governance function</i>	<i>Total</i>	<i>Basis of apportionment</i>
	£'000	£'000	£'000	
2020				
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
	<u>1,566</u>	<u>1,316</u>

## 17. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Accruals	673	539
Other creditors	209	1,060
Deferred income	105	134
	<u>987</u>	<u>1,733</u>

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.

	Fixed assets £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
<i>Total funds</i>				
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	<u>54,037</u>	<u>10,646</u>	<u>1,356</u>	<u>66,039</u>

# 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 needs 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).



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