

**Company Registration Number 03901606**

**NOAH'S ARK – THE CHILDREN'S HOSPICE**

**A COMPANY LIMITED BY GUARANTEE  
(CHARITY NO. 1081156)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**REPORT OF THE BOARD**

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The Board is pleased to submit its report and financial statements for the year ended 31 December 2010.

**Reference and administrative details**

<b>Directors</b>	Mr Michael A McInerney – Chairman Mr John Dickie Mrs Mary O'Toole Mrs Gail Allsopp (resigned 1 August 2010) Mrs Jennifer Israel Mr Mark Gomar Mr Jeremy Isaacs
<b>Secretary</b>	Mrs Gillian C Dodge
<b>Chief Executive Officer</b>	Mrs Gillian C Dodge
<b>Company Number</b>	03901606
<b>Charity Number</b>	1081156
<b>Registered Office</b>	3 Beauchamp Court, 10 Victors Way, Barnet, Hertfordshire, EN5 5TZ
<b>Auditors</b>	UHY Hacker Young, 4 Thomas More Square, London, E1W 1YW
<b>Bankers</b>	HSBC, 171 Darkes Lane, Potters Bar, Hertfordshire, EN6 1BU
<b>Solicitor</b>	SA Law, 60 London Road, St Albans, Hertfordshire, AL1 1NG
<b>Web address</b>	<a href="http://www.noahsarkhospice.org.uk">www.noahsarkhospice.org.uk</a>

**Structure, governance and management**

Noah's Ark – The Children's Hospice is registered as a charity with the Charity Commission for England and Wales. It is a charitable company limited by guarantee with no share capital and is governed by its Memorandum and Articles of Association, which were revised on 15 April 2008. The liability of each member in the event of winding up is limited to a maximum of £10.

In accordance with the governing document, there shall be not less than three nor more than twelve directors at any one time. The directors, who are also the Charity Trustees, are normally elected by the members of the company in a general meeting. The Board may appoint any member of the company as a director either as an additional director or to fill a casual vacancy. Any member so appointed must retire at the next annual general meeting but is eligible for re-election.

Each new Trustee will receive an induction session with the Chief Executive Officer, where they are provided with the background to the charity and its work and receive guidance on their role as a director and Trustee of the Charity.

The Board meets up to eight times a year. No director receives remuneration from the Charity.

**REPORT OF THE BOARD CONTINUED**

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*Risk management*

The Trustees review risk management on a continuing basis. This involves identifying the types of risk the Charity faces, prioritizing them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of the process, Trustees review the adequacy of the internal controls and risk management process to assess business risk and implement risk management strategies.

In common with many third sector organisations, the major financial risk is our ability to secure and maintain the required financial base for continued operations and for development and expansion. This means balancing the need to invest with due regard to reserves levels. Sustainability will be strengthened by development of our fundraising capability – driving increased support from charitable giving and the development of new income streams.

**Objectives and activities for the public benefit**

Noah's Ark's primary objective is to provide a competent, caring support service for children who have a life-limiting illness, both at home and/or at a hospice to be established by the Charity. It is intended such services will include:

- a) Palliative care and respite to the child prior to the time of death, either at home or, in the future, at the Charity's hospice;
- b) Home support sessions for the child providing respite for the child's parents, carers and siblings; and
- c) Support to parents and siblings of the child before, during and after bereavement.

Noah's Ark's vision is to establish a hospice service for an estimated 350 life-limited children living in the community of North London (specifically Enfield, Barnet, Camden, Islington and Haringey). Our aim is to offer support to them and their families, recognising that they often have many years living together in the face of their child's premature death.

The development plan agreed in 2006 envisaged the establishment of a community team (including respite play, family support services and community nursing) whose work will one day be complemented by a facility offering in-house services. Our search for a suitable site for a hospice building has run in parallel with the development of our community work and, in July 2010, was realised with the acquisition of land in Byng Road, Barnet. The vision of being able to deliver a 'complete' range of hospice services, in the foreseeable future, became a tangible prospect.

Our work continues to be informed by ongoing guidance for the development of children's palliative care services – in particular governmental publications (for example *Independent Children's Palliative Care Review, 2007* and *Better Care, Better Lives, 2008*) and will follow the *ACT Pathway, 2004* (recognised as the mechanism by which relevant support is provided to families from diagnosis of their child's condition through to bereavement support following death).

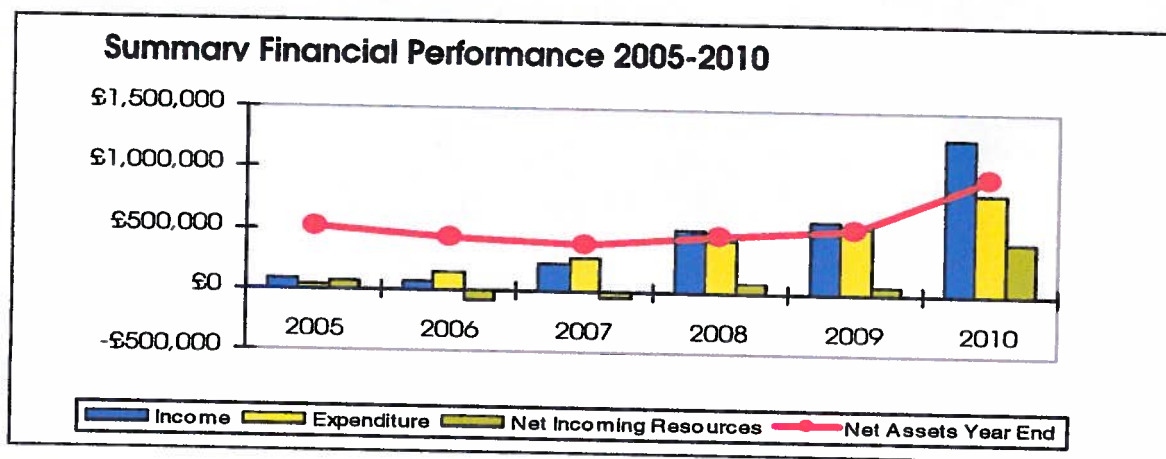
In working to deliver these objectives, the Board of the Charity are cognisant of the need to comply with public benefit requirements. To this end we have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2006. This report demonstrates how public benefit is being delivered through Noah's Ark's charitable aims.

## NOAH'S ARK – THE CHILDREN'S HOSPICE

### REPORT OF THE BOARD CONTINUED

#### Overview of Financial Performance

Following a review by the Board in 2006, the Charity decided to execute the current service development plan. This required a planned investment to ensure that appropriate governance, capacity and capability requirements were in place, thereby ensuring sustainable development. As evidenced by the graph below, this strategy continues to be successful and puts the 2010 performance into historical context. In 2010, the financial performance of the Charity was strong, despite the challenging economic climate. This success was underpinned by securing several large restricted donations to support the development of care services and for acquisition of the site on which to build a hospice.



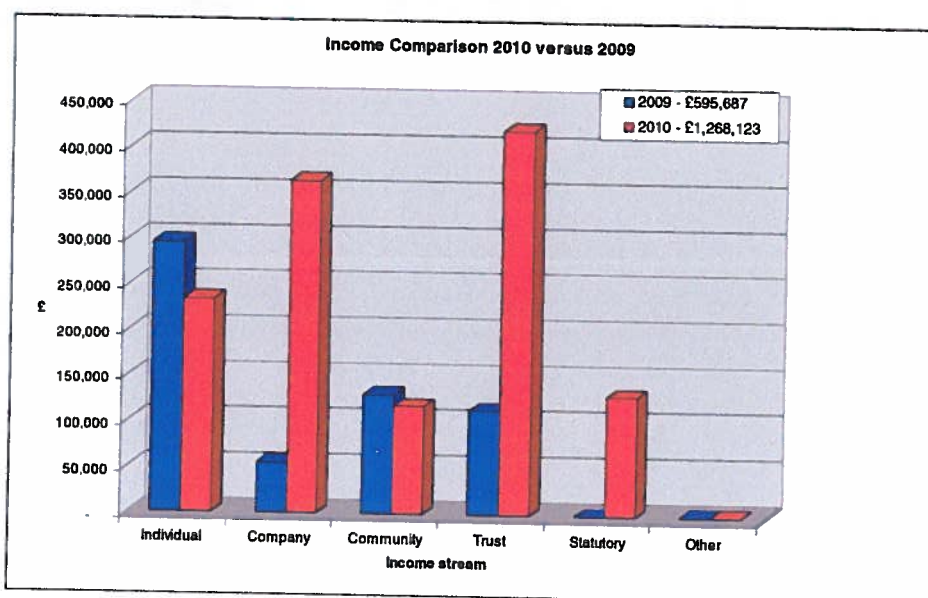
#### Key points:

##### • Income

- Year on year income growth for 2010 was +113%. Excluding a donation made specifically for acquisition of the land, year on year income growth stood at +72% versus 2009, despite the backdrop of a tough economic climate that saw many third sector organisations severely compromised.
- Income has been generated across a number of streams, as shown in the graph below. Individual giving appears 20% down year on year – this is skewed by a significant legacy in 2009. Excluding legacies, donations from individuals doubled year on year. In 2010, Company income was 6 fold that of 2009, impacted by a £238,000 donation towards site acquisition. Community income was 10% down but Trusts performed well with over a 3.5 fold increase. Three one-off grants from the Department of Health (DoH) constituted the first statutory income ever received by Noah's Ark. Other income, from investments, remained static.
- Noah's Ark is fortunate to receive many gifts in kind, most notably the service offered by volunteers across all areas of our work. Approximately 5,850 hours were 'donated' in 2010 (compared with 3,850), with an estimated financial value of £55,150.

## NOAH'S ARK – THE CHILDREN'S HOSPICE

### REPORT OF THE BOARD CONTINUED



#### • Expenditure

- Investment in work force continued in 2010 – with head count rising from an average of 8 to 11 FTEs over the full years of 2010 and 2009 respectively (these figures exclude the sessional carers employed in the last quarter of 2010). 65% of the headcount growth has been in care posts.
- 2010 expenditure increased by just under £300k versus the previous year. Almost a third of this increase is accounted for by care staff costs – reflecting the emphasis on expansion of service delivery. Of the total expenditure in 2010 of £834k, 53% was utilised on charitable activities (including governance costs) compared to 46% in 2009. This is in line with our development plan and reflects ongoing expansion of our care services. Acceleration of growth in care service expenditure is anticipated to continue to be faster (relative to other costs development) in the future, based on planned service expansion. A mature children's hospice service can anticipate having 70% expenditure directly on care.
- Two other cost lines showing significant increase are those of General Office Costs and Rent & Rates. These reflect the cost of the move to new and more conveniently located appeal offices in Barnet in June 2010, close to the proposed Hospice Site. The costs of the office move were funded in the most part by a generous donation. Two other donors have generously funded the rental of our new premises for two years from June 2010.

#### • Net Assets

- At the end of 2010, tangible fixed assets represented £668,515 (99% of which were costs incurred in connection with the new hospice site). Net current assets at the end of the year were £483,188. Following deduction of creditor sums due after one year (a loan contributing towards the acquisition of the site), 2010 net assets stood at £953,541 (+83% versus 2009).
- Restricted and designated funds accounted for 34% and 45% of these assets respectively, leaving 21% in the general unrestricted category. General unrestricted funds therefore stood at £201k, compared to £308k in 2009.
- At 2010 year end, the net assets of £201,139 (excluding restricted and designated funds, latter equivalent to the net book value of tangible fixed assets not represented by restricted funds), equated to an estimated 5 months of operational running costs (versus a target of 9 months).

**REPORT OF THE BOARD CONTINUED**

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- **Sustainability**

- Income level & net income growth continue to provide positive indicators for the future. The organisation needs to remain attentive to developing the breadth of income streams, to avoid over-reliance on any particular source of income.
- In 2010, 84% of care service costs were funded by restricted income acquired to continue and grow services – this support demonstrates the recognition of the impact of our services and the value in which they are held.

**2010 Objectives and Performance**

Whilst 2009 had seen considerable progress in the development of the Charity, the goals set for 2010 were challenging and, if successful, were to take us to the next level of service expansion – including the beginning of our own clinically-led services. The state of the economy would continue to provide a challenging backdrop against our desired growth. The theme from 2009 continued - '*service expansion in challenging times*'.

- **Service Development**

In 2010 our development plan continued to be our reference point for the framework for future services, with ongoing monitoring ensuring the continuing relevance of the plan to changes within the wider sector. Our overarching aim of delivering flexible support that meet the families' needs (as defined by them) remained. Additionally, we wished to continue to drive access to our services – both in terms of the numbers of families we were able to work with and by extending their uptake of support available.

The 2010 performance against objectives set is detailed below:

- ***Expansion of current support:***

*Respite Play scheme*

The aim was to maintain the 3 established partnership posts, with the anticipation that these posts would be brought 'in-house' towards the end of the year.

The partnerships established with Enfield PCT (September 2006), Barnet & Chase Farm Hospital Trust and Barnet PCT (September 2007) and Barnet PCT (November 2009) have continued to demonstrate how cross-agency working can benefit the children and families we aim to serve. Working with the life-limited children and their siblings in their own homes can bring both the immediate benefits of therapeutic play but also establish a trusting relationship with the families for the future, when more support may be needed as the child's condition progresses/worsens.

By the end of 2010, this scheme had delivered across these three posts, over 2,200 sessions of care to 105 families. The intended transfer in-house of these posts had not been realised by the end of 2010 – plans are in place to establish play respite under the full governance of the Charity, with transfer of posts as appropriate. Close partnership working with statutory agencies will continue to be a feature of delivering this type of support to families.

*Family Support Programme*

Following the success of the innovative family support volunteer scheme (launched in June 2008), the aim for 2010 was to achieve a base of 50 trained volunteers, with the Siblings Support Scheme successfully launched and established and the Family Days programme expanded.

## NOAH'S ARK – THE CHILDREN'S HOSPICE

### REPORT OF THE BOARD CONTINUED

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- **Family Support Volunteers**

Volunteers are recruited and trained to work directly with families, usually within the families' own homes on a weekly basis. Support offered aims to match the families' expressed areas of need (ranging from practical support through to actual befriending). The scheme is overseen by the Family Support Manager, who, having created the service from scratch, now supervises and monitors the volunteers. Governance surrounding the scheme is stringent, for the benefit of the families *and* the volunteers. Matching of families may take time but ensuring this is done well, maximises the chance of a productive and lasting relationship between the parties.

In 2010 a further 22 volunteers were recruited, 3 training courses having taken place during the year. This saw the total number of volunteers having entered the scheme since its inception reach 74, of which 53 were participating at the end of the year. The target of 50 active volunteers was exceeded. In 2010 a total of 27 families were supported by 25 matched volunteers. Including the family days and training sessions, the family support volunteers delivered 2,972 hours of support during the year. Using the London Living Wage for the year, the financial value of this time given by the volunteers would be estimated at £23,330.

- **Family Days**

The practical demands of caring for a life-limited child mean that the opportunities for families to be able to spend and enjoy time together are rare. Research with families has identified that these events mean more to them than just a 'nice to do' activity – *'they are the fuel that keep us going'*. The opportunities for families to spend leisure time outside the home is often rare – social isolation is a real difficulty for many. Family Days create important shared and happy memories, help to recharge batteries and give carers the important opportunity to meet people facing similar circumstances to their own.

In 2010, a total of 10 activity days were available to families (2 organised by third parties, 8 were Noah's Ark events) – 46 families accessed these events during the year. Highlight events of the year included: our first Noah's Ark Summer Ball at Alexandra Palace (where families enjoyed the red carpet treatment and celebrity performances) and a family day in the sun at Willows Farm (experiencing feeding the animals, watching the shows and adventure and exploration for all ages!). The Christmas and Winter Parties once again provided opportunities for festive fun – with almost 200 attending, next year we will need larger venues! (the latter attracting over 100 family members).

In addition, we continue to work with other groups and organisations who can provide creative or leisure opportunities for our families. In 2010 these included working with the Finchley Artsdepot, Southbury Leisure Centre and Chickenshed Theatre.

Following research with families carried out in December 2009, Noah's Ark successfully secured a one-off grant from the Department of Health (see page 11) to allow expansion of the family activities. This has allowed the appointment of a Family Activities Co-ordinator who is developing new forums (e.g. parents' groups) to reduce isolation amongst families and enhance their support networks.

- **Siblings Programme**

Following the appointment of a Family Support and Siblings Worker in July 2009, and the necessary research and planning with the young people who might wish to participate in such a scheme, the siblings programme was launched in February 2010. A children's hospice service has a key role in helping brothers and sisters through their experience of having a sibling facing premature death. With the appropriate support, these children have every chance of being able to face the future positively and go on to live happy and fulfilling lives. Through the launch of this scheme, we hoped to begin to reach some of the estimated 700 children in our catchment area who could benefit from a dedicated siblings programme.

## NOAH'S ARK – THE CHILDREN'S HOSPICE

### REPORT OF THE BOARD CONTINUED

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The progress of the scheme in 2010 has demonstrated that the service is both needed and valued by families. The focus was to provide a programme which gives siblings an opportunity to experience activities outside the family unit, which were specifically *for them* and their peers.

The programme's initial aim was to deliver positive experiences through (age-appropriate) recreational activities. (Over time additional aspects are anticipated - to include therapeutic activities, providing psychosocial support, as appropriate.)

In 2010, 10 group sessions (5 each for the 4-10 and 11-18 year age groups) and 6 outings were organised, with 39 young people participating. Activities included a music workshop, sports day, Legoland trip and even a driving experience for the teenagers! In August, 9 siblings (7-18 years) spent a weekend at Camp Beaumont in Kent, accompanied by three Noah's Ark workers. 'High Equilibrium' and 'Laser Zone' were amongst the activities – as well as having fun, this was a great opportunity for the siblings to have independent experiences and spend time with young people in a similar situation to themselves.

A one-off grant from the Department of Health (see page 11) in 2010 has enabled further roll-out of the programme and to look specifically at an online communication vehicle to allow siblings to interact with each other between their bi-monthly meetings.

#### - *New service introduction:*

Our Head of Care and Service Development was able to oversee expansion of current services described above. In addition the following progress was made;

- **Care Quality Commission Inspection and Registration**  
One of our key goals for 2010 was to achieve registration to allow Noah's Ark to operate as both domiciliary care and nursing agencies. Registration requires a significant level of preparation to demonstrate rigorous governance is in place. Policy development, stringent internal processes and staff competencies must all be evidenced. Following inspection, in July 2010, we gained our registration, allowing us to develop and launch The Family Carers Scheme (see below) – the first phase of our clinically-led services.
- **Launch of the Family Carers Scheme**  
Following the appointment of a specialist children's Community Nurse Team Leader in October 2010, a bank of 8 Noah's Ark family carers were recruited and trained. The aim of this service is to offer additional support in families' homes (potentially to include overnight and weekend cover), with the carers trained to a competency level that allows them to take sole responsibility for the life-limited child thereby providing respite for parents and carers. By Christmas, the service had commenced in families' homes, with further matches planned for the New Year.
- **New Clinical Database introduction**  
As part of the plan for 2010, we wished to introduce a new clinical database to manage the growing caseload and referrals efficiently, and to enable more sophisticated analysis of our care work. The Crosscare system was installed in the summer – this system has been successfully adopted by other children's hospice services. The database now underpins the care work and staff are continuing to train and develop their use of the system – its potential to improve clinical governance is recognised and being embraced.

**REPORT OF THE BOARD CONTINUED**

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**- Additional Professional Support**

The goal to continue to provide access to the support pro-bono services of a part-time, senior social worker was met in 2010. The key outcomes of this work are for the post holder to work with a small group of families and offer a consultation and sign-posting service to others. The social worker contributed an estimated 830 hours of voluntary support in 2010 at an estimated value to the Charity of £15,770. A one-off Department of Health grant (see page 11) to further explore the scope of the social work function within our organisation was received in 2010.

Noah's Ark continues to benefit from the informal support of a group of clinical specialists and general practitioners who are available to the Care Team to provide support and advice when needed.

**- Wishes and Hardship Funds**

The gifts of an individual donor have allowed the establishment of the Wishes and Hardship funds (in 2008 and 2009 respectively). Whilst we do approach organisations that offer wish opportunities and support for those in financial difficulty, the funds do allow us to act autonomously, quickly and with discretion. Formal systems are in place for a wish proposal or hardship grant to be made - both involving review by an internal panel. Wishes can be for the life-limited child, their siblings or for a whole family activity. They fall into two main categories, 'Mini-treats' and 'Significant moments'. In 2010 a total of 20 wishes were granted, with 6 hardship grants awarded to families in urgent need of financial assistance. The Wishes Fund also contributed to Family Days and Siblings activities.

**- Land Acquisition:**

The objective of establishing a children's hospice building to complement the community outreach work was articulated in our development plan. Such a facility would allow a central location for the organisation, a base for our community team, a potential hub for partnership working and residential/day care provision for children and families – recognising that the majority of care will always be delivered in families' homes. In 2008 a site being divested on a 125 year lease at a peppercorn rent by the London Borough of Barnet (LBB) had been identified, which provided an excellent match with the criteria we had for a location. An outline planning permission received unanimous approval in June 2009 and LBB accepted our bid for the site (£627,000) in September 2009.

The goal for 2010 was to complete the acquisition of the Barnet site through the finalisation of the lease and exchange of capital monies with the London Borough of Barnet. Following this, the creation of a project team (including appointed architects) would refine the building plans enabling the submission of a final planning application, ideally by the end of 2010. The lease and exchange of monies for the land was completed in July 2010. Project 5 were appointed as architects for the project and the generous pro bono support of a Senior Project Manager (courtesy of the Land Securities Group) enabled us to form a pro bono project team to assist in achieving final planning approval. We are most grateful to the following companies for their support: Morrish Consulting Engineers, Hilson Moran, Stace LLP, Confluence PCM and Hann Tucker. By the end of the year a Stage C report had been completed.

## NOAH'S ARK – THE CHILDREN'S HOSPICE

### REPORT OF THE BOARD CONTINUED

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- **Partnership Working**

A key part of our strategy for service development relies on our ability to work effectively with other organisations who are involved in the care of families. Together, we have to ensure that we meet the considerable needs they have. In 2010, we wanted to remain active within all the current networks, and continue to identify collaboration opportunities to serve families and utilise available funding in an efficient and effective manner.

Working directly with children and families, we continue to develop a deeper understanding of their specific needs – gaining a perspective of current gaps in service provision and, as importantly, how families' needs change over time and where future needs might lie. Noah's Ark fully recognise that because of the complexity and range of situations facing families no one organisation will be able to meet their needs. We must therefore integrate the support we are able to offer into the wider network of provision – working alongside and complementing other services, to ensure families' needs are met.

As indicated above in the previous care sections, we have continued to work with other service providers (statutory and voluntary) and organisations to champion and deliver services that put the children and families 'at the heart'. Key relationships are: partnerships with Barnet and Enfield PCTs, Barnet and Chase Farm Hospital Trust, our membership of the Children's Hospices, UK (and its various forums), close links with other hospices and our active participation in the North Central London Children's Palliative Care Network. Exploratory discussions have also been ongoing with Children & the Arts, one of the Prince's Trust Charities with a view to collaboration on improved access to the creative arts for children supported by Noah's Ark.

In 2010, energies have been invested in closer working partnerships with the 5 other children's hospices working to serve children and families in London (namely Richard House, Shooting Star, Demelza, CHASE and EllenorLions Hospice), under the auspices of Children's Hospices across London (CHaL).

- **Sustainability**

Noah's Ark must ensure that future development is underpinned by a secure financial base and that we build a competent work force (across all functions), with capacity appropriate to meet the scale of the challenges ahead. One of our goals for 2010 was realised with the appointment of a senior, experienced fundraising professional to Head of Income Generation in September. The post holder's remit is both to develop our ongoing income and to lead the multi-million organisational service development Appeal, which will include raising funds for the hospice's build. The Appeal will be supported by enhanced financial modelling and management – work on this also commenced in quarter 4. To provide a sense of the scale of growth needed, we anticipate our ongoing revenue requirements will need to increase to £3.5million per annum by the time the hospice building opens – the challenge is significant. In addition, 2010 goals recognised that the areas of Human Resource and Health and Safety would need increased focus as we moved forward, in order to ensure we are appropriately structured to meet future requirements.

- ***Diversification and acceleration of income development***

The earlier Overview of Financial Performance provides a topline summary of income performance in 2010. Key highlights by income area are:

**REPORT OF THE BOARD CONTINUED**

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- *Community Fundraising*

Community fundraising continues to be a key activity – increasing awareness for the aims and activities of the Charity, enhancing support and donations from individuals and groups within the communities we serve. (Our profile in the community directly impacted on our Trust income in 2010 – see below.) In addition to achieving PR coverage for fundraising activities, in 2010 increased focus has been devoted to communicating the impact of the work of the Charity through the use of case studies in the local media.

Noah's Ark organised or participated in over 40 events throughout the year, including: community festivals, charity of the year initiatives and events organised by local organisations including Rotary, Sports and Schools activities. Highlights included our own Easter Eggstravaganza and Halloween Howler events held at Capel Manor and the 35 individuals running on behalf of Noah's Ark in the BUPA 10k run. In June 2010, Noah's Ark was chosen as one of the two beneficiary charities of the Mayor of Barnet's Charity Appeal. We are most grateful to Councillor Finn for his support during his year's term of office and would like to thank his Appeal Committee for their efforts on our behalf.

The scope of our fundraising work in the community would not be possible without the support of a growing number of volunteers, whose time and energy make a huge difference to our ability to participate successfully. 100 volunteers assisted Noah's Ark in fundraising and administrative capacities, giving 2,045 hours of service. Using the London Living Wage for the year, the financial value of this time given to the Charity by these volunteers would be estimated at £16,050.

- *Major Donor and Corporate Giving*

A number of individuals continue to support us with higher level gifts. One area in particular was that of facilitating the organisation's move into new premises in the middle of the year. Restricted donations funded the majority of the relocation and equipment costs and have also covered the cost of the rent of the offices. We continue to identify and nurture support from high net worth individuals – the Head of Income Development appointment in September is allowing us to devote more effort in this area.

Income from Corporates showed strong growth in 2010 – excluding the donation made to acquire the site for the hospice, income stood at £126k up from £55k in 2009. Within this, payroll giving was level year on year (~ 4%) and remains an opportunity for growth. We are appreciative of companies who have offered us ongoing support and would particularly like to acknowledge the assistance given by: NatWest (Enfield), Olympic Holidays (providing funding for the children and young person's respite worker) and Integrated Pest Management and Renault Enfield (the last two supporters assisting in the lease of our Noah's Ark Van). Income from companies remains a target for future growth, despite the ongoing, challenging economic backdrop.

- *Grants and Trusts*

In 2010, income from this source was £420,600 compared to £113,800 in 2009. Two donations contributed £300k of the income – one made by The Milly Apthorp Trust (specifically supporting the Family Carers Project) and the other by a family trust. Both these organisations are Barnet-based and are a reflection of the strong reputation and profile we have built within the community. We are grateful for those grant giving organisations that have continued to support us, including: BBC Children in Need, The Childwick Trust, The Priory Foundation and The Hadley Trust.

Income from grant giving organisations forms a significant income stream for us – our services continue to attract support from them, despite the drop in investment income experienced by many organisations in this sector.

**REPORT OF THE BOARD CONTINUED**

- *Statutory Income*

In common with a number of children's hospices, prior to 2010 we had not received any income from statutory sources. In the summer, the Department of Health announced an initiative to support the development of children's palliative care, with a £30 million fund to be utilised between September 2010 and March 2011. Applications were invited in two waves (July and September) – priority was to be given to projects that were innovative, extended care provision and applications welcomed for collaboration across a number of organisations. Learnings from all projects would be shared with the wider sector.

Noah's Ark successfully secured three grants, totalling £130,365. Two of the projects were 'internal' – the grants supporting the expansion of our Family Support work and the launch of the Family Carers Project (see earlier service delivery sections for further detail). The third grant was to allow Noah's Ark to host (in collaboration with Haven House Children's Hospice) an external 'square table' event, part of a national initiative supported by Children's Hospice UK and ACT. Forty meetings across the country would seek the views of children and families and the agencies supporting them, to establish a view of what the priorities are for children's palliative care and how these might be addressed in the future. (Noah's Ark were also participants in a successful bid made by Children's Hospices across London to further the collaborative work to improve children's hospice services across the capital.)

All three projects were 'on track' at year end – with 30% of the DoH funding utilised by that point, the remaining funds to be expended by the end of the first quarter. The 2011 return will report on the impact and outcomes of this funding.

Despite a challenging economic environment, the Charity has demonstrated its ability to raise funds – leveraging support from those individuals and sectors able to give at this time. We have also continued to build our supporter base – by the end of 2010 our database had 4,600 named contacts. In addition to events and media coverage, regular communication with them is supplied by quarterly newsletters and via our website.

- *Development of organisational infrastructure, competencies and capabilities*

A number of key steps forward were taken in 2010.

In June a professionally qualified accountant was appointed to the role of full-time finance manager (following the departure of the part-time post holder). This has enabled the organisation to further develop its financial governance and work more effectively and efficiently within the organisation and with externals (including our auditors). This has been particularly important as the volume of transactions has grown and the monetary values increased. Also in June, the organisation relocated to new offices in Barnet. This places us in the heart of the communities we seek to serve and who offer us support, and is located close to the land acquired for the building of the hospice. The improved facilities offer an improved working space for the organisation to deliver the challenges ahead.

In 2010 we also commissioned Peninsula to assist with HR and Health & Safety. We have already seen the benefit of standardising internal practices and receiving guidance from professionals with up to date knowledge of law and best practice in these areas.

2010 has also seen an increase in employees on the payroll – from 9.7 to 12.6 FTEs in the months of December 2009 and December 2010 respectively. This includes the addition of a registered sick children's nurse to the Care Team but excludes the family carers, who are on the payroll as sessional workers. It is pleasing to report that through this growth the team has been able to deliver growth and retain a culture focussed on delivering sustainable services to families – often remarked upon by them, 'Noah's Ark are a different breed of people'!

**REPORT OF THE BOARD CONTINUED**

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**Plans for the Future**

Noah's Ark has made huge progress against the service development plan established in 2006. 2011 represents a milestone year in the history of the Charity – one in which the real challenge of raising funds to complete the service with a hospice building begins. Whilst this is in progress we must continue to support families to access our expanding community services. The economic climate remains fragile with third sector organisations competing for increasingly demanded charitable giving. The challenges ahead will be significant.

To ensure continued success our main areas of focus for the future are:

• **Service Development**

Working in partnership (see below) our aim is to work to ensure life-limited children and their families receive the services they need (as expressed by them) at a time and place of their choosing. We monitor the continuing relevance of our plans to activities within sector, at both a local and national level. For 2011, specific goals are:

- Consolidate current service provision – expand services as funds allow
- Expand reach (ie more families) and penetration (families on the caseload accessing more of our services). This to include moving towards consistent service delivery across all 5 boroughs (Enfield, Barnet, Camden, Islington and Haringey).
- Data collection to evidence that families are receiving quality services that they want, at a time and place of their choosing – identifying areas for service improvement and service gaps.
- Hospice facility - secure final planning permission from LBB by last quarter of 2011

• **Partnership Working**

A key part of our strategy for service development relies on our ability to work effectively with all stakeholders both within the organisation and the sector. These include:

- Internal (inter-departments, staff/Board, staff/volunteers)
- Donors
- Families
- Other agencies and networks in catchment
- Children's Hospice Sector
- Other local charities.

We must continue to drive a partnership approach to learn, grow and to strengthen our presence and influence on behalf of families.

• **Sustainability**

The goals set for 2011 to work towards a sustainable future for the organisation include:

- Baseline income target £1.05 million. This would represent 2% growth yoy (excluding the £238k donation in 2010 for the land), acknowledging the challenging economic climate and would ensure a balanced budget at year end
- Beyond activities to deliver baseline income target, actively pursue opportunities presented by new income streams (e.g. retail) – with the focus on driving unrestricted income and restoring reserves levels
- Income to meet costs and seek to re-build level of free reserves
- Review opportunities presented by new income streams (e.g. retail)
- Launch private phase of the Organisational Appeal (~£10m) during second half of 2011
- Target 60:40 expenditure ratio charitable activities: costs of raising funds by year end

## NOAH'S ARK – THE CHILDREN'S HOSPICE

### REPORT OF THE BOARD CONTINUED

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- Create a dedicated Communications and Marketing team to:
  - Develop recognition of Noah's Ark as a centre of excellence for children's palliative care and, for the communities we serve, that Noah's Ark is their local children's hospice
  - Refine our approach to ensure focus on specific identified target audiences – bespoke communication messages to deliver articulated outcomes
  - Develop & implement a communications strategy to leverage opportunities in the 'e' world.
- **Operational and Human Resources**
  - Continue to drive aspirational and innovative culture (- incorporating rigorous planning and monitoring approach)
  - Workforce – drive a SMART working approach whilst ensuring appropriate work/life balance to ensure sustainability
  - Seek to improve diversity within Noah's Ark – work to match that seen within the communities we serve.

#### **Financial review**

As a result of the increased expenditure in achieving charitable objectives and implementing our development plan, the Charity has recorded a deficit of £171,241 for its core operating activities for the year (2009: deficit of £92,637). However, the increased investment into our fundraising capability has brought in significant other donations and legacies whose uses are restricted. Although restricted in use, these funds amounted to £964,651 (2009: £296,731).

Overall, the financial statements show total income for the year of £1,268,123 (2009: £595,687). After resources expended of £834,033 (2009: £535,868) and an unrealised fall of £1,426 in the market value of the charity's endowment fund, there was a net surplus of £432,664 (2009: £59,819) of net incoming resources for the year.

The company's memorandum and articles of association strictly prohibit the payment of any dividends.

#### *Reserves policy*

Noah's Ark Reserves policy is to maintain a sufficient level of reserves to enable the operating activities of the Charity to be maintained and to provide monies to allow us to take advantage of opportunities that will deliver our development plan. At present the Board consider it appropriate to aim to maintain a level of reserves to cover a minimum of 9 months of operational costs. Unrestricted funds of the charity at the year end amounted to £631,654 (2009: £313,171) of which £201,139 (2009: £307,811) were free reserves. This equates to approximately 5 months (2009: 9 months) of operational costs. In view of the planned expansion of the organisation anticipated during 2011 and subsequent years, the Board of Trustees is cognisant of the need to restore and increase adequate levels of reserves, and is actively pursuing its efforts in this area.

#### **Responsibilities of the Board**

Company law requires the Board to prepare financial statements for each financial year which 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 Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards;
- follow the SORP, Accounting by Charities; and

## **NOAH'S ARK – THE CHILDREN'S HOSPICE**

### **REPORT OF THE BOARD CONTINUED**

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- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006, Accounting Standards and Statements of Recommended Practice and the regulations under the Charities Act 1993. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for preventing and detecting fraud and other irregularities.

#### **Statement of disclosure to the auditor**

So far as the Board of Trustees are aware:

- a) there is no relevant audit information of which the charity's auditors are unaware; and
- b) they have taken all steps that they ought to have taken as Trustees and in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

#### **Auditors**

In accordance with the company's articles, a resolution proposing that UHY Hacker Young be re-appointed as auditors of the Charity will be put to a General Meeting.

#### **Concluding remarks**

2010 proved to be another significant year in the Charity's history, with considerable progress being made towards delivering the development plan established 5 years ago. The growth of our community outreach services, the acquisition of land on which to establish a hospice building, the move to new offices in Barnet and the significant income growth are all recognised by the Board of Trustees as considerable achievements. For the first time in its history, Noah's Ark received one-off grants from the Department of Health to contribute to service development. Any future statutory income is highly speculative and our sustainability has to be founded on monies from other income streams. The Board would therefore want to convey their deep appreciation to the staff, volunteers and all who have helped us, for their support. We will rely on these efforts and everyone's ongoing encouragement and generosity to deliver our future goals.

At the date of this report, 2011 has already seen Noah's Ark making good progress against objectives, with service delivery to families increasing and submission of the final planning application for the building imminent. The fundraising environment is extremely challenging and our unrestricted reserves remain under considerable pressure. With the uplift in income historically experienced in the second half of the year, the opening of our first charity shop and the increased awareness the Appeal will bring, combined with ongoing stringency with expenditure, we remain confident that we will 'ride the wave' of the current economic situation.

Delivering a fully-fledged children's hospice service is a substantial project. If, having read this report, you are inspired to help us deliver our vision, there are many ways in which you can help:

- Be an advocate of our service – help us drive awareness for the services we deliver
- Volunteer your time and expertise – this brings diversity and ideas
- Involve your community organisation or company in assisting us with our goals
- and, yes, help us raise funds!

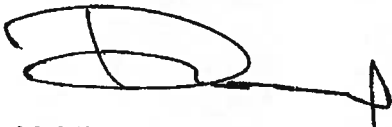
**REPORT OF THE BOARD CONTINUED**

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Please call the Appeals Office on 020 8449 8877 if you would like to help.

The economic climate is not favourable to any Charity at present. However, we must remember that, as well as all the other considerable difficulties they face, this will bring additional pressure on our families and, in many cases, impact on their ability to cope. Everyone at Noah's Ark is determined to 'be there' for them – expanding our services and delivering help to families who need, and deserve, our support.

By order of the Board



Mr Michael A McInerney, Chairman

Registered office:  
3 Beauchamp Court  
10 Victors Way  
Barnet  
Hertfordshire, EN5 5TZ

6 September 2011

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF NOAH'S ARK – THE CHILDREN'S HOSPICE**

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We have audited the financial statements of Noah's Ark – The Children's Hospice on pages 18 to 30 for the year ended 31 December 2010 which comprise the statement of financial activities, the charitable company balance sheet, and the related notes. 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).

This report is made solely to the Company's members, as a body, in accordance with section 43 of the Charities Act 1993 and with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Responsibilities of the Board on pages 13 and 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 43 of the Charities Act 1993 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

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 2010 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 and the Charities Act 1993.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF  
NOAH'S ARK – THE CHILDREN'S HOSPICE**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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.



**Gregory Chong (Senior statutory auditor)  
for and on behalf of UHY Hacker Young**

**Chartered Accountants  
Statutory Auditors**

6 September 2011

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	Total £	2009 as restated £
<b>Incoming resources from generated funds</b>						
Voluntary income						
Donations		251,778	793,022	41,264	1,086,064	392,433
Legacies		-	-	-	-	164,706
Gift aid		26,706	-	-	26,706	13,379
Investment income	2	1,215	-	-	1,215	1,124
Activities for generating funds	3	23,773	-	-	23,773	24,045
<b>Incoming resources from charitable activities</b>						
Department of Health grants to support care services		-	130,365	-	130,365	-
<b>Total incoming resources</b>		<b>303,472</b>	<b>923,387</b>	<b>41,264</b>	<b>1,268,123</b>	<b>595,687</b>
<b>Resources expended</b>						
<i>Cost of generating funds</i>						
Costs of generating voluntary income	4	351,877	27,238	-	379,115	262,872
Costs of activities for generating Funds	5	12,184	-	-	12,184	24,770
<i>Charitable activities</i>						
Care services	6	61,415	329,590	-	391,005	206,406
Governance costs	7	49,237	2,492	-	51,729	41,820
<b>Total resources expended</b>		<b>474,713</b>	<b>359,320</b>	<b>-</b>	<b>834,033</b>	<b>535,868</b>
<b>Net (outgoing)/incoming resources before transfers</b>						
		(171,241)	564,067	41,264	434,090	59,819
Transfers between funds	17 & 19	489,724	(489,724)	-	-	-
<b>Net incoming resources before other recognised gains and losses</b>		<b>318,483</b>	<b>74,343</b>	<b>41,264</b>	<b>434,090</b>	<b>59,819</b>
<b>Other recognised losses</b>						
Unrealised loss on revaluation of investment		-	-	(1,426)	(1,426)	-
<b>Net movement in funds</b>		<b>318,483</b>	<b>74,343</b>	<b>39,838</b>	<b>432,664</b>	<b>59,819</b>
<b>Fund balances brought forward at 1 January 2010</b>		<b>313,171</b>	<b>207,706</b>	<b>-</b>	<b>520,877</b>	<b>461,058</b>
<b>Fund balances carried forward at 31 December 2010</b>		<b>631,654</b>	<b>282,049</b>	<b>39,838</b>	<b>953,541</b>	<b>520,877</b>

The results for the year are derived from continuing operations.

There were no recognised gains or losses, other than those passing through the statement of financial activities.

**BALANCE SHEET  
AS AT 31 DECEMBER 2010**

	Notes	2010		2009	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	11		668,515		5,360
Investments	12		39,838		-
			<u>708,353</u>		<u>5,360</u>
<b>Tangible fixed assets</b>					
			708,353		5,360
<b>Current assets</b>					
Debtors	13	114,010		63,877	
Cash at bank and in hand		424,911		523,314	
		<u>538,921</u>		<u>587,191</u>	
<b>Creditors: Amounts falling due within one year</b>	14	(55,733)		(71,674)	
		<u>483,188</u>		<u>515,517</u>	
<b>Net current assets</b>			483,188		515,517
			<u>1,191,541</u>		<u>520,877</u>
<b>Total assets less current liabilities</b>			1,191,541		520,877
<b>Creditors: Amounts falling due after one year</b>	15		(238,000)		-
			<u>953,541</u>		<u>520,877</u>
<b>Net assets</b>			953,541		520,877
<b>Funds</b>					
Restricted funds	17		282,049		207,706
Endowment funds	18		39,838		-
<b>Unrestricted funds</b>	19				
General			201,139		307,811
Designated			430,515		5,360
			<u>953,541</u>		<u>520,877</u>

The accounts on pages 18 to 30 were approved by the Board of Management and authorised for issue on 6 September 2011.



Mr Michael A McInerney  
Chairman

1. **Accounting policies**

The financial statements are prepared in accordance with applicable accounting standards, the Charities Act 1993, Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), and the Companies Act 2006.

a) **Basis of accounting**

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards.

b) **Incoming resources from generated funds**

Grants, donations and other income are credited to the statement of financial activities in the year to which they relate. Grants and donations will be recognised on an entitlement basis and when receipt is certain. Where there are conditions for entitlement under grants which amount to preconditions for use or which limit the ability of the company to control the use of the resources, income is recognised only when the charity is satisfied that it has met the conditions imposed. Other income, including investment income, is recognised on an accruals basis

Legacies are recognised as soon as legal entitlement arises, the amount due is known with sufficient reliability and ultimate receipt is reasonably certain.

The 2009 comparatives have been restated to reclassify income received from events, at which the Charity does not have a formal presence, as donations and not as activities for generating funds.

c) **Resources expended**

All resources expended are accounted for on an accruals basis. Charitable activities relate to the direct provision of respite care and support services. Costs of generating funds relate to fundraising costs. Governance costs are those associated with constitutional and statutory requirements. Salary costs have been allocated based on time spent in each area. The Chief Executive Officer has continued to oversee service development/lead on the hospice project and contributed to Governance (0.4 and 0.3 FTE allocations respectively). The finance manager has also contributed to Governance (0.19 FTE). All other support costs not directly attributable to an expenditure category are shown in note 8 and have been apportioned on a FTE basis.

d) **Investments**

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals during the year.

e) **Realised gains and losses**

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (purchase date if later). There were no realised gains and losses in the year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**1. Accounting policies (continued)****f) Tangible fixed assets**

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful life as follows:

Leasehold property	over the length of the lease
Fixtures, fittings and equipment	25% straight line

**g) Funds**

General funds are unrestricted funds which can be used at the discretion of the Trustees in accordance with the objectives of the Charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The purposes and uses of the restricted funds are set out in note 17.

The restricted expendable endowment fund was created by a gift of investment bonds from the Rotary Club of Finchley. The bonds will be held or invested and any capital realised on disposal is to be used towards the cost of building (or fit out of) the new hospice. Any interest and dividends arising from the bonds are treated as unrestricted funds.

**h) Cash-flow statement and cash balances**

The Company has taken advantage of the exemption permitted by FRS1, whereby a cashflow statement need not be prepared by a small company as defined in Companies Act 2006.

Funds held in short term notice accounts are included in cash at bank.

**i) Value added tax**

Value added tax is not recoverable by the company and is included in the relevant costs in the statement of financial activities.

**j) Pensions**

The company makes contributions to the National Health Service Pension Scheme for certain employees, which is a defined benefit scheme. As the scheme is a multi-employer scheme and the company is unable to identify its share of the underlying assets and liabilities, this scheme is accounted for by the charity as a defined contribution scheme.

**k) Leases**

The group has no finance leases or hire purchase contracts. Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account as they are incurred.

**NOAH'S ARK – THE CHILDREN'S HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**2. Investment income**

	Unrestricted Funds £	Restricted funds £	Total £	2009 £
Bank interest received	599	-	599	1,124
Dividends	616	-	616	-
	<u>1,215</u>	<u>-</u>	<u>1,215</u>	<u>1,124</u>

**3. Activities for generating funds**

				2009 as restated £
Noah's Ark events	16,911	-	16,911	21,389
Merchandise	6,862	-	6,862	2,656
	<u>23,773</u>	<u>-</u>	<u>23,773</u>	<u>24,045</u>

**4. Costs of generating voluntary income**

				2009 £
Fundraising and publicity costs	59,091	-	59,091	48,586
Consultancy	11,590	-	11,590	6,807
Staff training and recruitment	5,807	-	5,807	434
Computer costs	2,804	-	2,804	3,240
Bank charges	185	-	185	379
General office costs	5,106	-	5,106	210
Salaries and related costs	212,211	-	212,211	159,173
Travelling costs	5,062	-	5,062	4,881
Office equipment and maintenance	-	869	869	907
Printing, postage and stationery	203	-	203	441
Support costs (see note 8)	49,818	26,369	76,187	37,814
	<u>351,877</u>	<u>27,238</u>	<u>379,115</u>	<u>262,872</u>

**5. Cost of activities for generating funds**

Noah's Ark events	7,414	-	7,414	19,579
Other community participated events	4,770	-	4,770	5,191
	<u>12,184</u>	<u>-</u>	<u>12,184</u>	<u>24,770</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

6. Care Services	Unrestricted Funds £	Restricted funds £	Total £	2009 £	
Provision of community services	-	142,652	142,652	89,918	
Salaries and related costs	29,558	158,985	188,543	95,561	
New build costs	-	-	-	470	
Support costs (see note 8)	31,857	27,953	59,810	20,457	
	<u>61,415</u>	<u>329,590</u>	<u>391,005</u>	<u>206,406</u>	
7. Governance costs					
Legal fees	6,041	274	6,315	1,625	
Audit fee	9,600	-	9,600	9,482	
Salaries and related costs	29,251	-	29,251	26,568	
Governance (Board)	155	-	155	426	
Support costs (see note 8)	4,190	2,218	6,408	3,719	
	<u>49,237</u>	<u>2,492</u>	<u>51,729</u>	<u>41,820</u>	
8. Support costs					
	Costs of Generating Funds £	Care services £	Governance £	Total £	2009 £
General publicity	332	261	28	621	1,185
Rent and rates	20,888	16,398	1,757	39,043	17,443
Insurance	2,709	2,126	228	5,063	3,283
Staff training and recruitment	197	156	17	370	654
Telephone costs	6,422	5,041	540	12,003	8,090
Bank charges	774	607	65	1,446	1,195
General office costs	13,939	10,943	1,172	26,054	868
Travelling costs	48	37	4	89	36
Office equipment and maintenance	5,782	4,539	486	10,807	1,754
Printing, postage and stationery	8,130	6,383	684	15,197	13,290
Computer costs	10,262	8,056	863	19,181	4,769
Subscriptions	160	126	13	299	212
Light and heat	3,030	2,379	255	5,664	7,527
Accountancy and payroll	973	763	82	1,818	760
Depreciation	2,541	1,995	214	4,750	924
	<u>76,187</u>	<u>59,810</u>	<u>6,408</u>	<u>142,405</u>	<u>61,990</u>

Support costs are allocated on the basis of the average number of employees (full time equivalents).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**9. Staff costs**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Pension costs	1,548	-
Wages and salaries	389,681	255,505
Employer's NI	38,776	25,797
	<u>430,005</u>	<u>281,302</u>

The average number of employees during the year was 11 (2009: 8). On average, 3 (2009: 3) employees were directly employed in fundraising activities and 4 (2009: 2) employees were directly employed in community services. The remaining employees were involved in all aspects of running the Charity.

In addition the Charity entered into partnerships to provide funding to pay for the salaries of a respite nursery nurse employed by the Enfield Primary Healthcare, a play specialist employed by Barnet and Chase Farm Hospital Trust respectively and a community youth respite worker employed by Barnet PCT, costing £74,267 (2009: £46,414). These costs were funded out of restricted funds and are included within provision of care services (note 6).

One employee earned between £60,000 and £70,000 during the year (2009: one).

**10. Directors' remuneration**

None of the directors received any remuneration for their services to the Charity. One director was reimbursed expenses totalling £352 (2009: £397) in her capacity of providing pro-bono services as a social worker in the year. No other director was reimbursed for expenses in the year.

11. Fixed assets

	Long leasehold property £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 January 2010	-	6,284	6,284
Additions	663,095	4,810	667,905
	<u>663,095</u>	<u>11,094</u>	<u>674,189</u>
At 31 December 2010	<u>663,095</u>	<u>11,094</u>	<u>674,189</u>
<b>Depreciation</b>			
At 1 January 2010	-	924	924
Charge for the year	2,652	2,098	4,750
	<u>2,652</u>	<u>3,022</u>	<u>5,674</u>
At 31 December 2010	<u>2,652</u>	<u>3,022</u>	<u>5,674</u>
<b>Net book value</b>			
At 31 December 2010	<u>660,443</u>	<u>8,072</u>	<u>668,515</u>
At 31 December 2009	<u>-</u>	<u>5,360</u>	<u>5,360</u>

12. Fixed asset investments

	2010 £	2009 £
Market value at 1 January 2010	-	-
Additions to investments at cost	41,264	-
Unrealised loss on revaluation of investments	(1,426)	-
	<u>39,838</u>	<u>-</u>
Market value at 31 December 2010	<u>39,838</u>	<u>-</u>

The charity's fixed asset investment comprises a holding of 32,415 M&G Charibond units at a market value of £39,838 as at 31 December 2010.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>13. Debtors</b>		
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	69,312	60,061
Other debtors	44,698	3,816
	<hr/>	<hr/>
	114,010	63,877
	<hr/> <hr/>	<hr/> <hr/>
<b>14. Creditors: amounts falling due within one year</b>		
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade creditors	21,201	16,558
Other creditors	370	810
PAYE creditor	13,685	9,740
Accruals	20,477	44,566
	<hr/>	<hr/>
	55,733	71,674
	<hr/> <hr/>	<hr/> <hr/>
<b>15. Creditors: Amounts falling due after one year</b>		
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Loans from related parties	238,000	-
	<hr/> <hr/>	<hr/> <hr/>

During the year, the company received a loan of £238,000 from The J Isaacs Charitable Trust towards the acquisition of the site for the proposed new hospice building. The loan is repayable between two and five years and no interest is payable thereon. The loan is forgivable and conditional on progress being made with the build of the hospice.

**16. Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. The liability in respect of the guarantee is limited to £10 for each member while he or she is a member or within 12 months after he or she ceases to be a member, in the event of the dissolution of the company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

17. **Restricted funds**

	Balance at 1 January 2010 £	Incoming resources £	Resources expended £	Transfer between funds £	Balance at 31 December 2010 £
Community Service – General	-	142,498	(68,253)	(57,814)	16,431
Community Service – Play Respite	11,305	46,713	(82,776)	29,169	4,411
Community Service – Family Support Volunteer Fund	8,653	36,576	(45,863)	17,158	16,524
Wishes Fund	17,741	-	(10,880)	-	6,861
Family Activities Fund	-	28,497	(14,605)	4,331	18,223
General & Individual Family Support Fund	202	5,197	(6,926)	1,527	-
Head of Care Fund	13,974	45,500	(50,730)	-	8,744
Donor Development Fund	76	-	-	-	76
Hardship Fund	3,000	-	(1,583)	-	1,417
Noah's Ark Van Fund	1,413	4,203	(4,158)	-	1,458
Hospice Site	151,342	338,210	-	(488,995)	557
Siblings Programme	-	16,145	(11,723)	4,900	9,322
Community Family Carers' Service	-	150,500	(16,553)	-	133,947
Equipment General	-	2,933	(1,031)	-	1,902
Office Rent	-	106,415	(44,239)	-	62,176
	<u>207,706</u>	<u>923,387</u>	<u>(359,320)</u>	<u>(489,724)</u>	<u>282,049</u>

Though classified as a restricted fund, the Community Services General Fund which comprises funds donated specifically for community work is not restricted to any specific service provided by the Charity as set out below. In addition to general community work therefore, the general fund will cover any deficit incurred on the specific services provided by the Charity.

The Play Respite fund provides funding to enable play workers to go into individual children's homes to assist parents by providing positive play/therapeutic experiences for the life-limited child and/or their siblings for sessions lasting up to 3 hours, often also allowing their parents or primary carers a break from hands-on care.

The creation of the Family Support Volunteer Fund (originally named the Befriending Scheme Fund) in 2007 was initially set up to establish funding for the employment of a volunteer co-ordinator whose role was to recruit, train and monitor volunteers in the provision of family support in the home. Since this time, this fund has also received monies for equipment and training of the volunteers.

The Wishes Fund was set up in 2008 to allow the Charity to support families by granting 'significant moment' and 'mini-treat' wishes. This has given the Charity the ability to grant wishes quickly and independently, without recourse to other wish-granting organisations. The latter will be approached should the timing and nature of the need of families be appropriate.

**17. Restricted funds (Cont'd)**

The Family Activities Fund (renamed from Family Days Fund in 2010) provides funding for organised family activities for the life-limited children and their families – creating special, shared experiences and happy memories for the future, and providing opportunities for interaction between families for peer support.

The General & Individual Family Support Fund provides a small resource for supporting families who may find themselves in short-term need/crisis.

The Head of Care Fund was set up in 2008 to receive funds to establish this new post, whose key priority was to drive the expansion of services in line with the Development Plan.

The Donor Development Fund was established following a restricted donation, given to help the Charity hold an event to drive awareness of our cause with potential new donors.

The Hardship Fund was established (following a restricted donation for this purpose) at the end of 2009 to provide emergency and exceptional funding for families needing assistance with living costs. This fund is not publicised and the internal panel apply strict criteria when assessing applications. Wherever possible we seek to help families by accessing other sources of funding or by resolving factors leading up to their financial difficulties.

The Noah's Ark Van Fund was set up at the end of 2009 to allow restricted donations to cover van rental and insurance costs. The Van is fully funded by these donations.

The Hospice Site Fund was established in 2009 to receive restricted monies to support the costs of acquiring the lease of the land in Barnet and support the hospice development project.

The Siblings Fund (established in 2010) was created to provide support for activities specifically directed at brothers and sisters of life-limited children, with a view to providing them with the opportunity to have experiences independent of their family situation and to interact with peers facing similar challenges.

The Community Family Carers Fund was established in 2010. The programme provides respite for parents and family members, allowing full responsibility for the care of the life-limited child to be delegated to a trained carer. This provides much needed relief – particularly welcome at weekends and potentially overnight.

The Equipment Fund was another new fund established in 2010. It receives monies from donors for specific items needed by the Charity (e.g. projectors, IT equipment)

Following the move to the new office in Barnet in 2010, the Office Rent Fund was established following generous donations to cover the cost of the rent of the office until June 2012.

**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Endowment funds**

	Balance at 1 January 2010 £	Incoming resources £	Resources expended £	Gains/ (losses) £	31 December 2010 £
Restricted expendable endowment fund	-	41,264	-	(1,426)	39,838
	-	41,264	-	(1,426)	39,838

The restricted expendable endowment fund was created by a gift of investment bonds from the Rotary Club of Finchley. The use of any capital realised on disposal of the bonds is restricted to the costs of equipping the proposed new hospice building.

**19. Unrestricted funds**

	Balance at 1 January 2010 £	Incoming resources £	Resources expended £	Transfer between funds £	Balance at 31 December 2010 £
<b>Designated funds</b>					
Fixed assets fund	5,360	-	-	425,155	430,515
	5,360	-	-	425,155	430,515
Unrestricted general fund	307,811	303,472	(474,713)	64,569	201,139
<b>Total unrestricted funds</b>	<b>313,171</b>	<b>303,472</b>	<b>(474,713)</b>	<b>489,724</b>	<b>631,654</b>

**Designated funds**

The fixed asset fund represents funds that the Trustees have agreed to set aside as designated funds and corresponds to the net book value of tangible fixed assets not represented by restricted funds.

**20. Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	2009 £
Fixed assets	668,515	-	39,838	708,353	5,360
Debtors	114,010	8,575	-	114,010	63,877
Bank and cash	142,862	273,474	-	424,911	523,314
Creditors less than one year	(55,733)	-	-	(55,733)	(71,674)
Creditors more than one year	(238,000)	-	-	(238,000)	-
	631,654	282,049	39,838	953,541	520,877

**21. Financial commitments**

At 31 December 2010 the Charity had annual commitments under non-cancellable operating loans as follows:

Operating leases which expire:	Land & Buildings		Other	
	2010 £	2009 £	2010 £	2009 £
Within one year	-	8,460	-	865
Between two and five years	45,000	-	16,721	3,602
After more than five years	-	-	-	-
	<u>45,000</u>	<u>8,460</u>	<u>16,721</u>	<u>4,467</u>

**22. Related party relationships and transactions**

During the year the company received a donation of £238,000 from the Brookdale Group of companies towards the cost of acquiring the new hospice site. The trustee Mr Michael McNerney is a director and controlling party of Brookdale Group Limited. During the year a close family member of Mr Michael McNerney also made donations of £59,473 to the company.

At the year end the company owed £238,000 (2009: £nil) to The J Isaacs Charitable Trust, of which the trustee Mr Jeremy Isaacs is also a trustee.