



# Group Annual Report and Financial Statements

For the year ended December 2019



**NOAH'S ARK – THE CHILDREN'S HOSPICE**  
**(A company limited by guarantee)**

**GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Company Registration Number 03901606**  
**Charity Number: 1081156**

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

**LEGAL AND ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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<b>Directors</b>	Mr Jeremy Isaacs CBE (Chairman) Mr Jonathan Rose (Deputy Chairman) Dr Hilary Cass OBE (appointed 27 January 2020) Mr David Lazarus (Treasurer) Mr David Greenhalgh-Todd Dr Jane Hawdon (appointed 23 September 2019) Mr Nilesh Jethwa Mr Adam Leigh (resigned 28 October 2019) Mr Adam Levin Dr Heather Mackinnon MBE Mrs Mary O'Toole (resigned 28 October 2019) Ms Jenny Phillips (appointed 27 April 2020) Ms Sarah Timms (appointed 29 July 2019)
<b>Secretary</b>	Mrs Lindsay Davidson (appointed 13 December 2019) Mr Mark Watkins (resigned 13 December 2019)
<b>Chief Executive</b>	Mrs Sophie Andrews OBE (appointed 6 January 2020) Mr Mark Watkins (resigned 13 December 2019)
<b>Company Number</b>	03901606
<b>Charity Number</b>	1081156
<b>Registered Office</b>	The Ark, 101A, Byng Road, Barnet, Hertfordshire EN5 4NP
<b>Web Address</b>	<a href="http://www.noahsarkhospice.org.uk">www.noahsarkhospice.org.uk</a>
<b>Auditors</b>	Haysmacintyre LLP: 10 Queen St Place, London EC4R 1AG
<b>Bankers</b>	HSBC: 171 Darkes Lane, Potters Bar, Hertfordshire, EN6 1BU
<b>Solicitors</b>	Charity: Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ Hospice Build: Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT

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

### **STATEMENT OF THE CHAIRMAN**

#### **FOR THE YEAR ENDED 31st DECEMBER 2019**

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Since 2006 Noah's Ark Children's Hospice has been providing a hospice-at-home service offering clinical, emotional and practical support for babies, children and young people with life-threatening or life-limiting conditions and their families in North and Central London.

The children the Charity works with have a range of complex conditions. Our services help families make the most of the precious time they have together and we continue to support families after bereavement. Because of an increase in numbers of those needing our support, we have over the past few years been expanding: growing and developing our programme of community and home-based care, and increasing our outreach and volunteer programme.

But even with all this, we knew there were gaps - things we simply could not do without a hospice building. Which is why we purchased land in Barnet - a magnificent 7.5 acre nature reserve - and raised over £12.5 million to "complete the circle of care": to provide a purpose built hospice building to complement and enhance our current services by offering, amongst many other things, end of life care and post death care and to be a beacon of children's palliative care in North London.

In 2019 the Charity moved into The Ark and I couldn't be prouder of our achievements which are due in large part to Individuals, Trusts, Foundations, Companies, Schools, Community groups and Philanthropists who came together to support this vital project. Many in the construction industry too showed their support by offering their services free or at cost.

Thanks are due to Ru Watkins our outgoing Chief Executive (who left Noah's Ark in December 2019) under whose leadership the project was completed; and to the staff and volunteer team who worked together to relocate and develop new services to meet the needs of our children and families.

This is a transformational time for Noah's Ark – which is why the Board was so delighted to welcome Sophie Andrews OBE to the Charity in January to take up the position of Chief Executive. There is much work to be done: latest statistics indicate that there are over 1,500 children and families in North and Central London and Hertsmere who could use our services – at Home or in The Ark; and Sophie and her team, supported by the Board, will be working hard to be there for each and every one of them.

At the time of writing, Coronavirus has thrown the world into turmoil. As Chair of the Board, keeping the Ark afloat during this time and into the future is my top priority. We are grateful that the Government has stepped in to support hospice care across the country but we are also indebted to our incredible donors and supporters who have done the same. As a Charity we will always look to the voluntary sector for the bulk of our funding; thank you to them for their unwavering compassion and generosity in this time; since the Charity's inception and into the future.



**Jeremy Isaacs CBE**

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

### **STATEMENT OF THE CHIEF EXECUTIVE**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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I would firstly like to take this opportunity to thank the Board of Trustees for appointing me as the new Chief Executive of Noah's Ark Children's Hospice. I reflect back on my first visit to The Ark as part of the interview process and the feeling of excitement I had as I toured around the amazing building and saw everything that had been achieved by my predecessor Ru Watkins and the committed group of staff and Trustees. I remember leaving the building on that day and hoping that I had done enough to get to the next stage in the process and ultimately to secure the role. The impact The Ark had on me on my visit has never left me.

But life in the world of a children's hospice is very sobering and I was reminded within my first few weeks in role, that whilst for me, this is a dream job and I work in an amazing place with a great team, that for the children and families who visit us, this isn't a place they want to be. To be coming through our doors, means they are probably dealing with the unimaginable – the imminent loss of a child or many years of care and support for their child who probably won't live a full life. The impact will be felt across the whole family of course and we need to be here for them whilst they go on this journey – in The Ark and also at home, where many families will want to stay.

We know there are at least 1,500 children in North, Central London and Hertsmere who need us. And we know we can help. But how do we connect with the children and families who need us most? We need to raise awareness of the wide ranging services we provide to children and families in medical or social crisis. We need to work with commissioners across our London boroughs to ensure we become the first choice hospice for all the children and families who need us.

And crucially we need to raise the funds to ensure we are here for the future – we have been hugely successful with our capital appeal and wouldn't be here today without the generosity of our supporters and major donors.

But we are now in the middle of the Coronavirus pandemic and our fundraising income for 2020 has been jeopardised. Despite Government funding to the hospice sector we will still need to work hard to recover the lost income and the support of our existing donors and also a new group of supporters and friends will be more important this year than any previous year in our history.

It seems fitting to end with a quote that I came across, attributed to Molly Friedenfeld who talked of her own loss. "Spending moments with another in earnest presence is one of the simple ways we can show unconditional love. It is the memories created from those impressions that survive after all else passes."

The Coronavirus pandemic certainly wasn't in anyone's plans for this year but I'm committed to ensuring we not only survive and support the NHS during this crisis, but also emerge as a stronger organisation so we will always be here for the children and families who need us most. And to ensure we can be here to create those lifetime memories created through unconditional love.



**Sophie Andrews OBE**

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

### **DIRECTORS REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Board is pleased to submit its report and financial statements for the year ended 31 December 2019.

#### **OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

The latest report by Together for Short Lives<sup>1</sup>, indicated there are over 1,500 children and young people who may require palliative support in the community of North and Central London and Hertsmere. To meet the needs of this ever-growing population, Noah's Ark Children's Hospice will continue to offer hospice care in families' homes and in the community and from our newly built, state-of-the-art hospice building, The Ark.

Our work is informed by statutory and sector guidance, regulated by the Care Quality Commission.

This report demonstrates how public benefit was delivered through Noah's Ark's charitable aims in 2019. In working to deliver these objectives, the Board of the Charity is cognisant of the need to comply with public benefit requirements. To that 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 2011.

#### **Noah's Ark Children's Hospice**

##### **Our Vision**

That every baby, child and young person with life limiting and life threatening conditions and their family has choice and access to the support they need.

##### **Our Mission**

To enable babies, children and young people with life limiting and life threatening conditions and their families to

live fulfilling lives

build resilience

die with dignity

face the future with hope

##### **By**

Providing care and support

Helping access appropriate care

Encouraging compassionate communities to volunteer, fundraise, care and support

##### **In**

In North and Central London and Hertsmere.

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1 Lorna K Fraser, Deborah Gibson-Smith, Stuart Jarvis, Paul Norman, Roger Parslow, Universities of York and Leeds. 'Make Every Child Count' Estimating current and future prevalence of children and young people with life-limiting conditions in the United Kingdom– February 2020).

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

### **DIRECTORS REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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2019 witnessed the Charity's exciting move to The Ark. This building, a modern, purpose built hospice for the 21<sup>st</sup> Century, was opened in September 2019 and marks the next step of Noah's Ark's development, enabling the Charity to move towards a model of care services that is truly holistic and involves both statutory and non-statutory partners.

2019 saw the continued development and delivery of the Strategic Intent and the growth of service delivery across North and Central London and Hertsmere. Our goals remained to: increase referral rates; deliver the appropriate service as defined by the need of the child and family; develop income generation and financial sustainability of the Charity and to enable the community to understand what Noah's Ark delivers and can deliver in the future.

2019 proved to be the most successful income generating year in the Charity's history enabling us to increase our reach across North and Central London and Hertsmere. This, combined with partnerships with the NHS and statutory bodies, has meant that Noah's Ark Care Team is well recognised and respected by families and professional organisations alike.

The magnificent new facility the Charity has built has ensured that the needs of children and families in our catchment area can be fully met and that Noah's Ark Children's Hospice is the provider of choice for those that need us most.

### **STRATEGIC REPORT**

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **CARE**

In 2019

- Noah's Ark received 124 new referrals (and 20 enquiries) of which 114 new families were accepted.
- Services were offered to 365 families, 327 children, 565 parents/carers and 338 siblings.
- 20 Noah's Ark children died and the Charity continued to support 41 families post bereavement.

2019 was a period of unprecedented change, involving widespread staff training and development to ensure the right services were available to children and families when and where they needed them.

The focus in 2019 was on service development:

- Increasing the capacity of the team to deliver new services in The Ark.
- Augmenting the Family Link Team to ensure capacity for managing increasing numbers of referrals and reviews.
- Creating a blend of community and Ark based individual and group offerings delivered by the Community Therapies and Specialist Play team.
- Expanding the Care Team to provide additional nurses to ensure that symptom management, end of life care, and post death care could take place within both the community and The Ark.
- Developing neonatal support.
- Ensuring a balance of events held in local communities and The Ark.
- Developing new volunteer roles to reflect hospitality, housekeeping and reception functions as new drop-in options were made available for children and families at The Ark.

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

### **DIRECTORS REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **Family Link**

The Family Link Team continued to deliver practical and emotional support and advice, including advocacy for housing, benefits and education concerns, to the increasing number of families we support. Complexity of need has increased within individual families as well as across the population we support. The team continued to provide bereavement support to any family bereaved of a child whether or not we have known the child in life. The team introduced a new element of assessment – 'family strengths' – to inform design of bespoke packages of care for each family according to the outcomes they define for themselves. Key successes were:

- The Family Link Team members participated in 806 interactions with other professionals throughout the year.
- FROMs (Family Reported Outcome Measures) continued to be used for quantitative and qualitative reporting and 73% of families identified that their outcomes had improved over the year.

#### **Therapies and Specialist Play**

The Therapies and Specialist Play Team continued to develop bespoke, outcome-focused support through their specialist input. The Music Therapy in-reach service in all intensive care units at Great Ormond Street Hospital was rolled out to multiple hospitals including Barnet Hospital.

- 116 children received a total of 954 sessions of specialist play, music or movement and drama therapeutic support during the year.
- 24/7 community symptom management, end of life care and post death care were delivered in partnership with local nursing and medical teams.
- 85 children received Specialist Care
- 3,228 hours of individual visits were provided
- Student nurse placements were provided for the Universities of Hertfordshire, Southbank and Kings College.
- Policy and practice was developed to support the loan of our cold blanket to bereaved families who wanted to spend time with their deceased child at home.

#### **Home Support Volunteers**

As part of the wider Volunteer Programme, Home Support Volunteers offered a range of practical assistance for families, including child, young person and sibling support and help for parents with day to day tasks.

- 65 families received the home support volunteer service.
- 47 volunteers were matched with families.
- 609 sessions totalling 1084 hours of home support were provided by volunteers.
- The service was rolled out further and we increased our in-reach sibling crèche services for neonatal, cardiac and general intensive care units at Great Ormond Street Hospital, providing support to 73 families and Barnet neonates.

#### **Family Activities**

All families were invited to Noah's Ark Children's Groups, Family Days, Parent Groups and Sibling Groups. These events enabled families, children and young people in similar situations to build a peer network as well as participate in positive new experiences. During 2019:

- 56 families attended Family Activity Days.
- 45 children and young people with life limiting and life-threatening conditions attended Noah's Ark Children's Groups.
- 85 siblings accessed Sibling Support Groups.

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

### **DIRECTORS REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **CARE PLANS FOR 2020**

The Coronavirus pandemic has already had an impact on the care we deliver. We had originally planned to open our in-patient unit in July 2020 but the demand for our service has meant we have needed to quickly respond to the crisis and open our beds in March 2020. This has also presented new opportunities for us as we are now able to negotiate block contracts with our local commissioners who need our services. This also gives us an opportunity to build strong relationships during this time of crisis. Our funding from commissioners is now being secured much quicker than originally planned and we are also able to demonstrate our ability to work with an agile team and respond to the needs of the NHS. Out of this crisis we are hopeful that The Ark will benefit from those improved relationships and access to previously untapped statutory funding. We have, however, had to curtail our activities in the community, which we expect to return to normal levels once the crisis passes.

Building on our evidence base with FROMs and local and national data, in 2020 and beyond the Care Team will continue to ensure the right services are available to children and families when and where they are needed.

Now that The Ark is fully operational, we will:

- Establish and then operate a 24/7 365 high dependency inpatient unit from The Ark – with the emphasis on clinical need.
- Support families in social crisis through dedicated family accommodation at The Ark and in families' homes.
- Provide clinical, practical and emotional support in families' homes.
- Provide neonatal therapeutic support in Great Ormond Street Hospital, Barnet Hospital and at The Ark.
- Offer a wider variety of family and group activities from The Ark and in the community.
- Deliver multiple Therapies including music, art, drama and Specialist Play. We can now also offer specialist soft play, sensory play and bespoke outdoor play for our Noah's Ark children.
- Offer post death and bereavement support in families' homes and at The Ark.
- Develop a programme of Ark volunteers including hospitality, housekeeping and gardening.
- Implement new IT systems to better integrate care delivery with the NHS and to manage risk.

#### **FUNDRAISING**

The Charity has been a registered member of the Fundraising Regulator since December 2016 and is guided by the Fundraising Code of Practice. It has strict internal controls to monitor volunteer fundraisers who raise money on behalf of the Charity. Since registration, Noah's Ark has received no formal complaints from donors, but a robust system is in place to monitor and respond to any complaints should they arise. The Charity does not engage an external Fundraiser.

#### **Delivery 2019**

Noah's Ark's guiding fundraising principle is to offer supporters an excellent donor experience and to build on its reputation for exemplary donor care and stewardship. In 2019 donors and supporters were kept informed, engaged and involved by:

- A dynamic programme of social media activity across Facebook, Twitter and Instagram.
- An engaging website.
- A biannual printed Newsletter: Aboard the Ark.
- Two integrated fundraising campaigns.
- A full and comprehensive programme of fundraising events and activities
- The Building The Ark Campaign and the opening of The Ark in September 2019.

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

### **DIRECTORS REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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Working effectively across the catchment area, the Fundraising Team enabled more focused service delivery by:

- Increasing activity amongst schools, faith and community groups across North and Central London and Hertsmere.
- Increasing unrestricted income, particularly from major donors and individuals.
- Offering a number of TEAM Noah activities and supporting individual and group challenges.
- Delivering a number of successful events including a Noah's Ark Golf Day, Rainbow Run, Precious Moments Concert and a Major Donor Gala Dinner.
- Securing multiyear funding and a number of Charity of the year partnerships from Trusts and Companies.
- Expanding the network of donors and supporters and more fully engaging lay leadership in all fundraising efforts.

The Fundraising Team continued its efforts to ensure a favourable return on investment for all activities: sourcing sponsorship wherever possible to lower fundraising expenditure and using volunteer fundraisers wherever possible.

Our partnership with Tottenham Hotspur Football Club ('THFC') continued to flourish with a number of opportunities for raising awareness of Noah's Ark and in particular the Grand Opening of The Ark alongside London Mayor, Sadiq Khan.

#### **Building The Ark Campaign**

During 2019, activity continued to focus on individual approaches to Major Donors and Trusts and Foundations alongside awareness raising and fundraising initiatives across a number of media platforms.

The Building The Ark Campaign was concluded in September having raised in excess of £12.5 million over the course of the campaign in pledges and donations to fund the whole project including the land purchase, the build and fit out and also some considerable service sustainability.

The Grand Opening in September by the Mayor of London and Hugo Lloris and Jenna Schillaci from THFC, and a series of Open Days provided an opportunity for all these who had supported the Campaign over the years to visit The Ark and be thanked for their support.

#### **Fundraising Plans for 2020**

The overarching objective of the Fundraising Team is to ensure Noah's Ark is the Charity of choice for Individuals, Companies, Trusts, Community groups and Challenge eventers in our area of operations. The team will continue to provide an exemplary donor experience and place the donor at the heart of the donor journey.

The team's key focus, in addition to raising the necessary revenue, will be to attract new donors and increase the Charity's supporter base, thereby securing the Charity's long term sustainability.

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

### **DIRECTORS REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Fundraising Team will:

- Maintain or improve the fundraising cost ratio by:
  - Growing unrestricted income.
  - Fundraising effectively across North and Central London including Hertsmere.
  - Attracting corporate sponsorship for events and fundraising activities.
  - Maximising the use of volunteers to fundraise and support the Fundraising Team.
  - Diversifying the supporter base.
- Develop regular and reliable income sources by:
  - Operating a lottery scheme through Your Hospice Lottery.
  - Promoting the Friends of Noah's Ark scheme: paying to keep Noah's Ark afloat for a day.
  - Increasing the number of regular givers.
- Increase the supporter base by:
  - Delivering exemplary donor care.
  - Promoting TEAM Noah for all challenge events.
  - Holding a number of niche Noah's Ark fundraising events

The Charity started noticing the effect of the Covid-19 pandemic on Income Generation in March 2020. Without the ability to raise funds from Events which were cancelled or postponed - from Schools, Companies or Community groups which were all in lockdown or social distancing, the Charity turned its attention towards Individuals, Major Donors and Trusts and Foundations. At the time of writing, the Covid-19 emergency appeal, across a range of media platforms and a concerted effort to contact all the Charity's generous supporters and donors has resulted in much needed income generation and gifts in kind.

### **RETAIL**

After careful consideration and benchmarking, in 2019 the Trustees made the decision to close the Charity's small retail operation, as we focus our attention on The Ark. We would like to sincerely thank all the donors and volunteers who supported our retail outlets over the years.

### **HUMAN RESOURCES AND PEOPLE DEVELOPMENT**

Supported by the People subcommittee, the Charity has continued to recruit and support staff and volunteers, especially in readiness for opening The Ark. It has also continued to make recommendations to improve HR Governance.

Noah's Ark volunteers are fundamental to the Charity's growth and sustainability: supporting our families, working alongside staff in support functions and fundraising. In 2019, our volunteer programme was strengthened and gave the Charity an additional equivalent benefit of £73,300.

The Trustees and staff offer their grateful thanks to all our volunteers who give up their time to help the Charity achieve its goals.

### **Remuneration for Staff**

The pay of the Senior Leadership Team and staff is reviewed annually by the People subcommittee and benchmarked against the mid-range point for similar charities. The People subcommittee ensures pay parity for the workforce. Details of related party transactions are disclosed in the notes.

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

### DIRECTORS REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### THE ARK

A key activity in 2019 was the completion and opening of The Ark, a modern purpose-built hospice for the 21st Century that complements our services in the community and ensures that the Charity is able to meet the needs of children with life limiting and life threatening conditions and their families, when and where they need us.

The Ark, set in a beautiful 7.5 acre nature reserve, offers London a specialist facility including a high dependency unit.

The Charity will be able to offer a broader range of services including amongst other things:

- 24 hour end-of-life care, as well as step-up or step-down care from hospital
- Overnight short breaks for children and families in acute need
- Post death care at home and in specially designed butterfly suites at The Ark
- Nurse-trained specialist carers providing care alongside fun and stimulating play activities
- A family link team helping parents and carers negotiate complex health, social care and benefits systems and offering emotional and bereavement support
- Sibling support giving young people, with seriously ill brothers or sisters, a break and a chance to try new activities and make friends
- Professional play, drama and music therapists working with children to aid their development and help them cope in emotionally challenging situations
- Parent groups providing peer-to-peer support
- Trained volunteers offering ongoing support across all aspects of family life – from helping children with homework, to gardening or driving to medical appointments

#### ORGANISATIONAL PRIORITIES FOR 2020

The impact of Covid-19 has meant we have had to accelerate our activities and open our in-patient unit earlier than first planned. This has had a positive effect in terms of access to voluntary income and has enabled us to negotiate new contracts with commissioners. Our annual plan in terms of profile, service delivery and access to income streams has therefore been a priority in the first quarter. Clearly the priorities around people management and Investors in People will be completed in the second half of the year when furloughed staff return to The Ark.

After the transformational growth of our organisation in 2019, the priorities for 2020 are to:

- Continue to raise the profile of the Charity to ensure that we are the Charity of choice for children and families; partners, funders and clinicians.
- Continue to develop services with our partners, across our area of operations, and deliver support to an increasing number of children and families.
- Develop the growth of voluntary and Statutory income to fund the operating costs of the Charity and ensure service sustainability.
- Continue to attract and retain high quality, dedicated staff.
- Develop a blended workforce model which attracts skilled and dedicated volunteers.
- Attain **Investors in People** accreditation for staff and volunteers.
- Strengthen the Charity's relationship with Statutory funders and develop a new funding model less reliant on voluntary income.
- Continue to deliver strict financial management.

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

### DIRECTORS REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2019

#### GROUP FINANCIAL REVIEW

The consolidated results for the year ended 31 December 2019 are set out on page 19.

Group	Total income	Expenditure	Transfers between funds	Surplus/ (Deficit)	2018 (Deficit)/ Surplus
£					
Charity	3,050,419	2,815,015	9,409,118	9,644,522	(1,046,411)
Noah's Ark Trading	56,722	103,186	-	(46,464)	(74,385)
Building the Ark Appeal	3,408,592	243,479	(9,409,118)	(6,244,005)	2,963,350
<b>Net incoming resources</b>	<b><u>6,515,733</u></b>	<b><u>3,161,680</u></b>	<b>=</b>	<b><u>3,354,053</u></b>	<b><u>1,842,554</u></b>

There was no third party income or expenditure in Maleberry Limited.

The overall net surplus for the year amounted to £3,354,053 (2018: £1,842,554 before net loss on investments and group valuation adjustment).

Noah's Ark Trading ceased operations and the final charity shop closed in September 2019.

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

#### RESERVES POLICY

A major focus of 2019, from a financial perspective, was on completing the build and opening The Ark, our new, state-of-the-art children's hospice in Barnet. This goal was successfully achieved when we moved into the Ark on 1 July 2019 and formally opened The Ark in September. During 2019 we raised £3.4m which completed the Building The Ark Appeal and incurred expenditure costs against the Appeal restricted fund of £243,479. Having finished the build, we turned our attention to the external landscape and also the interior, fitting out 6 children's bedrooms, 3 children's Jack and Jill bathrooms as well as 3 en-suite family bedrooms, an activities wing for children of all ages and a bespoke outdoor play area. The costs associated with these works utilised a large proportion of the restricted funds associated with this project. Consequently, the Building The Ark restricted fund reduced from £6.717m at 1 January 2019 to £264,942 at 31 December 2019. In total, we have designated land and buildings costs totalling £8.967m in relation to the build of The Ark in 2019 (see Note 17).

Total income rose by 40%. Our Fundraising team successfully delivered a 90% increase in donation income compared with last year, although statutory grant income declined and Retail revenue reduced as our remaining charity shop closed during the year. We moved out of our rented head office which reduced our premises costs and negotiated costs for best value in our new premises, including a number of new maintenance contracts. Care team costs rose by 14% as we increased staff numbers towards the end of the year.

The impact of Coronavirus on our overheads has also been significant. Most of our non-Care staff are working from home, but with voluntary donation income expected to be materially reduced we have furloughed 35% of the staff and postponed all discretionary operating expenditure. Our capital expenditure plans have also been deferred until the pandemic subsides. The Trustees and our Senior Leadership Team are in regular contact to assess events as they arise and strictly monitor cash flows.

Noah's Ark's reserves policy is to maintain a minimum of 3 months of unrestricted reserves to enable the unrestricted operating activities of the Charity to continue. Unrestricted operating expenditure totalled £2,274,375 in 2019. Unrestricted reserves totalled £1,074,227 at 31 December 2019. This equated to 5.67 months of unrestricted operating costs. Unrestricted reserves levels remaining at between 3-6 months are considered adequate by the Trustees.

At the time of signing these accounts, and after a successful income generating Q1 2020, our total cash resources were in the range regarded as adequate by the Trustees.

## **RISK MANAGEMENT**

Noah's Ark has developed its formal risk management process through the identification and management of risk by the Senior Leadership Team and the respective sub committees. The risk process covers strategic and operational risk. The Trustees review all significant risk and mitigation throughout the year and are satisfied that the process and systems developed are in place to manage identified risks to an acceptable level.

Three key potential risks have been identified, together with measures to mitigate the effects. These are:

- Financial risk – the longer term impact of the Coronavirus pandemic largely remains unknown. The first tranche of Government funding has been received and the Trustees are monitoring cash flow weekly until the impact becomes clearer.
- Potential failure in healthcare delivery – Noah's Ark conducts strong governance and incident reporting - which is also analysed on a monthly basis to identify specific themes. Action is then taken to learn from the analysis. Furthermore, the skill-set of the Care Team is reviewed in line with Care Quality Commission (CQC) guidelines.
- Staff development and retention - robust engagement and development plans and continued review of staff benefits are conducted by the Charity in order to ensure staff fulfilment and retention. A staff and volunteer survey was carried out at the start of 2020 and will be repeated mid-year.

The impact of the Covid-19 crisis has been significant on the charity sector including hospices as we strive to provide a comprehensive service to a larger number of children, at a time when voluntary income has been significantly impacted. We have prudently reduced our donation income budget for the remainder of 2020 by over a third. Despite this we have worked closely with the NHS, our commissioners and local authorities to access statutory funding. The Government Covid-19 appeal has provided timely financial support through three expected monthly grant payments to help us provide vital support to maintain our services at this difficult time.

Furthermore, we have been pledged donations totalling £2.1m, which are expected to convert into cash funds between 2020 and 2024. Some £400,000 of these pledges have already converted this year and £650,000 are due to convert during the remainder of 2020. These are in addition to a pledge of £468,000 made by a related party in December 2019 which has been included in the statutory accounts. This pledge has already begun to convert into cash in instalments during 2020 to pay specific invoiced amounts incurred in 2019 relating to the build of The Ark.

## **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 it is governed by its Memorandum and Articles of Association which were revised on 13 September 2017. The liability of each member in the event of winding up is limited to a maximum of £1.

In accordance with its Articles of Association, there shall be no fewer than three directors at any one time. The Directors, who are also the Charity Trustees and the members, are normally appointed by a Board resolution, but may also be appointed by an ordinary resolution passed by the members. No director receives remuneration from the Charity.

New Trustees are appointed in accordance with the Trustee Recruitment policy and after an interview with at least the Chairman, Chief Executive and other Trustees. They are inducted into the Charity through a series of briefings by senior management and visits to the organisation, with the opportunity to meet all employees. New Trustees are provided with copies of recent statutory accounts, key internal documents such as board reports, internal structure and governance documents, in addition to marketing and communications brochures and copies of relevant Charity Commission literature, such as 'The Essential Trustee'. The Board aims to ensure that there is a good balance of Trustees who are diverse in nature. This facilitates proper discussion and enhances decision-making. Trustees come from different backgrounds and have a wide variety of careers and experience.

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

### DIRECTORS REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2019

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Trustees undertake regular training including attendance at internal meetings, briefings and Trustee away days. Trustees also attend relevant external training. Trustees are supplied with the 'Charity Governance Code' and the Board ensures that they take their responsibilities towards the governance of the Charity seriously. This includes adherence to relevant legislation and regulations as well as implementing policies to ensure the Charity's objectives are met and the highest standards of governance are maintained. This includes regular attendance at Trustee meetings and subcommittees which meet quarterly, led by Trustees and supported by appropriate members of the Senior Management Team, and are:

- Finance, Audit, Risk and Governance (FARG)
- Care and Clinical Governance
- People subcommittee
- Income Generation and Communications

There are up to six full Board meetings per year, although the Board has been meeting more frequently since the start of the coronavirus pandemic to deal with the unprecedented situation.

#### **Delegation and decision making**

In terms of decision making, operational decisions are taken by the Senior Leadership Team. The Senior Leadership Team comprises the Chief Executive and the Charity's four senior directors (one from each core discipline of Care, Income Generation, Finance and HR). Key decisions may also be taken in conjunction with specific Assistant Directors or employees, where they have specialist knowledge or experience. The Senior Leadership Team typically meets on a monthly basis, but has been in contact on a daily basis during the Coronavirus pandemic. Strategic initiatives, approval of the annual budget, management accounts and statutory accounts, as well as senior appointments are some of the key matters discussed at the relevant subcommittees and taken to the board of Trustees for approval and sign off as appropriate.

#### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The Trustees, who are also Directors of the charitable company, are responsible for preparing their report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and the group and of the surplus or deficit for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe methods and principles in the Charity SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**DIRECTORS REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**STATEMENT OF DISCLOSURE TO THE AUDITOR**

So far as the Board of Trustees are aware:

- There is no relevant audit information of which the Charity's auditors are unaware: and
- 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.

The Trustees' Report incorporates the Strategic Report, which has been approved and authorised for issue by order of the Board.



Mr Jeremy Isaacs CBE  
Chairman

Date: 19.05.2020

**Opinion**

We have audited the financial statements of Noah's Ark – The Children's Hospice for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2019 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

**Responsibilities of Trustees for the financial statements**

As explained more fully in the Trustees' responsibilities statement set out on page 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

**Conclusions relating to going concern**

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

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

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

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

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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.

**Use of report**

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



.....  
*Kathryn Burton (Senior Statutory Auditor)*  
*For and on behalf of Haysmacintyre LLP, Statutory Auditor*

*10 Queen Street Place*  
*London*  
*EC4R 1AG*

*Date: ...20 May 2020.....*

NOAH'S ARK – THE CHILDREN'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted	Restricted		
	Note	Funds £	Funds £	2019 £	2018 £
<b>Income from</b>					
<i>Donations &amp; legacies</i>					
Donations		2,221,963	428,327	2,650,290	1,394,080
Building the Ark Appeal		-	3,408,592	3,408,592	2,632,467
Legacies		60,758	-	60,758	151,921
Gift aid		132,686	-	132,686	109,799
<i>Investments</i>	3	6,761	-	6,761	12,980
<i>Other trading activities</i>	4	56,722	-	56,722	127,611
<i>Charitable activities</i>					
Statutory grants		154,219	-	154,219	200,354
Other grants		45,705	-	45,705	34,576
<b>Total</b>		<u>2,678,814</u>	<u>3,836,919</u>	<u>6,515,733</u>	<u>4,663,788</u>
<b>Expenditure on</b>					
<i>Raising funds</i>					
Costs of generating voluntary Income		503,960	-	503,960	553,757
Costs relating to Building the Ark Appeal		-	207,675	207,675	298,449
Costs of activities generating Income		139,303	-	139,303	47,302
Fundraising trading via subsidiary		103,186	-	103,186	201,996
<i>Charitable activities</i>					
Care services		1,527,926	436,151	1,964,077	1,719,730
Sustaining The Ark		-	243,479	243,479	-
<b>Total</b>	5	<u>2,274,375</u>	<u>887,305</u>	<u>3,161,680</u>	<u>2,821,234</u>
<b>Net income before (losses) on investments</b>					
Net (losses)/gains on investment	11	404,439	2,949,614	3,354,053	1,842,554
Adjustment to Group Valuation		-	-	-	(1,394)
		-	-	-	67,550
<b>Net income/(expenditure)</b>		<u>404,439</u>	<u>2,949,614</u>	<u>3,354,053</u>	<u>1,908,710</u>
Transfers between funds		9,409,118	(9,409,118)	-	-
<b>Net movement in funds</b>		<u>9,813,557</u>	<u>(6,459,504)</u>	<u>3,354,053</u>	<u>1,908,710</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,247,611	6,812,593	8,060,204	6,151,494
<b>Total funds carried forward</b>	18	<u><u>11,061,168</u></u>	<u><u>353,089</u></u>	<u><u>11,414,257</u></u>	<u><u>8,060,204</u></u>

The results for the year are derived from continuing operations, except for the trading subsidiary that ceased trading during the year. There were no recognised gains or losses, other than those passing through the statement of financial activities.

## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		10,369,278		7,202,567
			<u>10,369,278</u>		<u>7,202,567</u>
<b>CURRENT ASSETS</b>					
Debtors	12	573,360		125,116	
Stock		-		439	
Cash at bank and in hand		1,262,820		1,430,998	
		<u>1,836,180</u>		<u>1,556,553</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(791,201)</u>		<u>(698,916)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,044,979</u>		<u>857,637</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>11,414,257</u>		<u>8,060,204</u>
<b>NET ASSETS</b>			<u><u>11,414,257</u></u>		<u><u>8,060,204</u></u>
<b>FUNDS</b>					
Restricted funds	15		353,089		6,812,593
<b>Unrestricted funds</b>	17				
General			1,074,227		227,944
Designated			9,986,941		1,019,667
			<u>11,414,257</u>		<u>8,060,204</u>

The Charity recorded a surplus of £3,353,344 in the year (2018: £1,656,168).

The financial statements were approved and authorised for issue by the Board of Trustees on 19.05.20 and were signed below on its behalf by:



Mr Jeremy Isaacs CBE  
Chairman

Accompanying notes form an integral part of these accounts.

## CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		10,369,278		7,186,636
Investments	11		2		2
			<u>10,369,280</u>		<u>7,186,638</u>
<b>CURRENT ASSETS</b>					
Debtors	12	570,772		119,864	
Cash at bank and in hand		1,258,878		1,425,498	
		<u>1,829,650</u>		<u>1,545,362</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(787,694)</u>		<u>(674,108)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,041,956</u>		<u>871,254</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>11,411,236</u>		<u>8,057,892</u>
<b>NET ASSETS</b>			<u><u>11,411,236</u></u>		<u><u>8,057,892</u></u>
<b>FUNDS</b>					
Restricted funds	19		353,089		6,812,593
<b>Unrestricted funds</b>					
General			1,071,206		225,632
Designated			9,986,941		1,019,667
			<u>11,411,236</u>		<u>8,057,892</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 19.05.20 and were signed below on its behalf by:



Mr Jeremy Isaacs CBE  
Chairman

Notes on pages 23 to 39 form an integral part of these accounts.

NOAH'S ARK – THE CHILDREN'S HOSPICE

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Total funds 2019		Total funds 2018	
	£	£	£	£
<b>Cash flows from operating activities</b>		3,151,228		2,849,475
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	6,761		12,980	
Proceeds from sale of investments	-		39,734	
Group Valuation Adjustment	-		(67,550)	
Purchase of property, plant and equipment	(3,326,167)		(4,270,190)	
<b>Net cash provided by (used in) investing activities</b>		(3,319,406)		(4,285,026)
<b>(Decrease) in cash and cash equivalents in the reporting period</b>		(168,178)		(1,435,551)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		1,430,998		2,866,549
<b>Cash and cash equivalents at the end of the reporting Period</b>		1,262,820		1,430,998
		<b>2019</b>		<b>2018</b>
		<b>£</b>		<b>£</b>
<b>Reconciliation of net movement in funds to cash flow from operating activities</b>				
Net movement in funds		3,354,053		1,908,710
Depreciation charges		148,533		51,575
Losses on investments		-		1,394
Dividends, interest and rents from investments		(6,761)		(12,980)
Decrease/(increase) in stock		439		(189)
(Increase)/decrease in debtors		(448,244)		460,901
Increase in creditors		92,285		440,064
Loss on disposal of fixed assets		10,923		-
<b>Net cash provided by/(used) in investing activities</b>		3,151,228		2,849,475
<b>Analysis of cash and cash equivalents</b>		<b>2019</b>		<b>2018</b>
		<b>£</b>		<b>£</b>
Cash in hand		1,262,820		1,430,998
<b>Total cash and cash equivalents</b>		1,262,820		1,430,998

**1. ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – ((Charities SORP 2015 – Second Edition effective 1 January 2019) (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Noah's Ark – The Children's Hospice meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**Going Concern**

Prior to the coronavirus epidemic, given the charitable company's favourable fundraising record and the level of unrestricted reserves available at the year end, the Trustees considered that the Charity had adequate resources to continue in operational existence for the foreseeable future.

Covid-19 has had a significant impact on the whole of the charity sector but as a frontline service provider, swift Government relief has gone some way to redressing the projected shortfall in most voluntary income streams.

We have reforecast voluntary income on the following assumptions:

Legacy income will remain the same. Lottery income could be impacted to some extent. Income from Individuals, Major Donors and Trusts could be affected by 50 – 75%; and Corporate, Community and Events income will be reduced to nil.

Expenditure has been reduced by c15% and is being continuously monitored by the Senior Leadership Team and the Board of Trustees.

Some 35% of the workforce has been furloughed and the Charity is accessing the Government Retention Scheme to reclaim 80% of gross salaries as well as Employers NIC and minimum pension contributions for these staff members.

All Care staff remain in post as this pandemic has resulted in a greater demand for our services which are now being funded by Statutory bodies. Block contracts from Health Commissioners will provide secure income streams and opportunities to develop Statutory Funding into the future.

Given the Government Funding and the new Statutory funded opportunities, the Board believes that the Charity can operate for a further 12 months and can operate as a going concern. At the time of signing these accounts, our total cash resources were in the range regarded by the Trustees as adequate.

**Basis of Consolidation**

The financial statements consolidate the results of the Charity and its wholly owned subsidiary Noah's Ark Trading Limited on a line-by-line basis. The other subsidiary, Maleberry Limited was dormant in the year. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

**Income**

All income is recognised once the Charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

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

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2019

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##### **Donations and legacies**

Donation income is accounted for where there is entitlement, probability and income is measurable. For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate.

##### **Generating Funds**

Income is accounted for on a cash received and accruals of known income basis unless related to an event scheduled to take place in a later accounting period in which case it is deferred until after the event has taken place. The main sources of income are analysed in the Notes. The trading subsidiary income represents net invoiced sales of services, excluding value added tax and is included in the profit and loss account as it is earned.

##### **Investment Income**

Investment income reflects the amount receivable for the year.

##### **Gifts in kind**

No amounts are included in the financial statements for goods or services donated.

##### **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Charitable activities relate to the direct provision of respite care and support services. Raising funds relate to fundraising costs. Governance costs are those associated with constitutional and statutory requirements and is now apportioned on the same basis as support costs. Salary costs have been allocated based on time spent in each area by each member of staff. All other support costs including support staff salaries not directly attributable to an expenditure category are shown as support costs and have been apportioned on the basis of floor space across each activity.

##### **Value added tax**

Value added tax not recoverable is included in the relevant costs in the Statement of Financial Activities.

##### **Leases**

Payments under operating leases are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

##### **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 computer equipment	pre - Hospice 25% straight line, Hospice 10% straight line
Buildings	Environment Centre ('E-Centre') 30 years, Hospice 50 years

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Investments**

Investments are included in the financial statements at market value at the balance sheet date. Realised and unrealised gains and losses on revaluation and disposals occurring in the year are reported in the Statement of Financial Activities.

## 1. ACCOUNTING POLICIES (continued)

### 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).

### Fund Accounting

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 15.

The restricted expendable endowment fund was created by a gift of bonds held in an endowment fund from the Rotary Club of Finchley. The bonds were invested and the capital realised on disposal in October 2018 was used towards the cost of equipping the hospice. Any interest and dividends arising from the bonds were treated as unrestricted funds.

### Pensions

The Charity 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. The Charity also makes contributions to the Aviva Stakeholder Pension Scheme for other eligible employees. This is a defined contribution scheme.

### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

### Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

Employee benefits

- Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

2. NET INCOME FOR THE YEAR	2019	2018
	£	£
Net income is stated after charging:		
Auditor's remuneration	13,342	10,980
Depreciation	148,533	51,575
Operating lease rentals	24,898	43,427

3. INVESTMENT INCOME

Unrestricted funds	2019	2018
	£	£
Bank interest received	6,761	12,153
Common Investment Funds – Fixed interest	-	827
	<u>6,761</u>	<u>12,980</u>
	<u><u>6,761</u></u>	<u><u>12,980</u></u>

All investment income in both years was unrestricted.

4. OTHER TRADING ACTIVITIES

Unrestricted funds	2019	2018
	£	£
Merchandise	147	7,857
Shop income – sale of donated goods	56,575	119,754
	<u>56,722</u>	<u>127,611</u>
	<u><u>56,722</u></u>	<u><u>127,611</u></u>

All other trading activity income in both years was unrestricted.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

5. EXPENDITURE	Direct & Directly Allocated Costs £	Support Costs £	Total 2019 £
<b>CURRENT YEAR</b>			
<i><b>Raising funds</b></i>			
Costs of generating voluntary Income	447,313	56,647	503,960
Costs relating to Building the Ark Appeal	207,675	-	207,675
Costs of activities for generating Income	139,303	-	139,303
Fundraising trading via subsidiary	103,186	-	103,186
<i><b>Charitable activities</b></i>			
Care services	1,643,076	321,001	1,964,077
Sustaining The Ark	243,479	-	243,479
	<u>2,784,032</u>	<u>377,648</u>	<u>3,161,680</u>

**PRIOR YEAR**

	Direct & Directly Allocated Costs £	Support Costs £	Total 2018 £
Costs of generating voluntary Income	422,807	130,950	553,757
Costs relating to Building the Ark Appeal	287,582	10,867	298,449
Costs of activities for generating Income	47,302	-	47,302
Fundraising trading via subsidiary	201,996	-	201,996
<i><b>Charitable activities</b></i>			
Care services	1,295,402	424,328	1,719,730
	<u>2,255,089</u>	<u>566,145</u>	<u>2,821,234</u>

**5. EXPENDITURE (continued)**

SUPPORT COSTS – CURRENT YEAR	Premises £	Finance and Administration £	IT and Communications £	Total 2019 £
<i><b>Raising funds</b></i>				
Costs of generating voluntary Income	3,039	44,646	8,962	56,647
Costs relating to Building the Ark Appeal	-	-	-	-
<i><b>Charitable activities</b></i>				
Care services	17,224	252,996	50,781	321,001
	<u>20,263</u>	<u>297,642</u>	<u>59,743</u>	<u>377,648</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

5. EXPENDITURE (continued)	Premises	Finance and Administration	IT and Communications	Total 2018
SUPPORT COSTS – PRIOR YEAR	£	£	£	£
<i>Raising funds</i>				
Costs of generating voluntary Income	16,329	100,307	14,314	130,950
Costs relating to Building the Ark Appeal	1,355	8,324	1,188	10,867
<i>Charitable activities</i>				
Care services	52,910	325,034	46,384	424,328
	<u>70,594</u>	<u>433,665</u>	<u>61,886</u>	<u>566,145</u>

Support costs are allocated on the basis of floor space use of each activity.

Included within Finance and administration costs are support staff salaries totalling £184,312 (2018: £226,176). Other significant support costs include: Premises £20,263 (2018: £70,594) and depreciation £148,533 (2018: £51,575).

6. GOVERNANCE COSTS	Total 2019 £	Total 2018 £
Staff costs	62,274	61,887
Audit fees	13,342	10,980
Trustee meeting expenses	1,670	324
	<u>77,286</u>	<u>73,191</u>

Governance costs are included within Finance and administration costs and have been allocated in line with support costs as per Note 5 above.

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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7. STAFF COSTS	2019	2018
	£	£
Wages and salaries	1,847,527	1,590,689
Employer's NI	179,858	138,207
Pension costs	72,321	46,297
	<u>2,099,706</u>	<u>1,775,193</u>

The average number of employees during the year was 58 (2018: 52). On average, 16 (2018: 12) employees were directly employed in fundraising and communications activities and 30 (2018: 30) employees were directly employed in Care. On average, one employee was engaged in the Building the Ark Appeal. The remaining employees were involved in all aspects of running the Charity. The actual number of employees as at 31 December 2019 was 63.

Number of staff with remuneration in excess of £60,000 in the year are as follows:

Employee remuneration £	2019	2018
£60,000 - £70,000	1	-
£70,000 - £80,000	1	-
£80,000 - £90,000	2	2
£100,000 - £110,000	1	-
£110,000 - £120,000	-	1

Key management personnel comprise the Senior Leadership Team. The total employee benefits of the key management personnel of Charity were £401,971 (2018: £349,647).

**8. DIRECTORS' REMUNERATION**

No Trustees received any remuneration during the current or prior year.

One Trustee was reimbursed travel expenses of £113 in the year (2018: £Nil).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

## 9. NET RESULTS OF TRADING SUBSIDIARIES

The Charity has two wholly owned trading subsidiaries, Noah's Ark Trading Limited (07664525) and Maleberry Limited (07514226), which are incorporated in the United Kingdom and registered in England and Wales. The registered offices of both organisations are the same as that of the Charity. Noah's Ark Trading Limited undertook the sale of mainly donated goods through a high street charity shop, as well as online. During the year, Noah's Ark Trading closed its last remaining shop and has prepared its accounts on a break-up basis.

Maleberry Limited is a design and build company that designed the E-Centre, but did not trade during the current or preceding year. Maleberry Limited has been dissolved post year-end in January 2020. A summary of the trading results is shown below:

	<b>Noah's Ark Trading Limited</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit &amp; Loss</b>		
Turnover	56,722	127,611
Cost of sales	(3,556)	(8,516)
	<u>53,166</u>	<u>119,095</u>
<b>Gross profit</b>	53,166	119,095
Administrative expenses	206,921	(193,481)
	<u>260,087</u>	<u>(74,386)</u>
<b>Net Profit/(Loss)</b>	<u>260,087</u>	<u>(74,386)</u>
<b>Balance Sheet</b>		
Fixed Assets	-	15,932
Current Assets	6,530	11,190
Current Liabilities	(3,507)	(284,187)
	<u>3,023</u>	<u>(257,065)</u>
Profit & loss account	3,022	(257,066)
Called up share capital	1	1
<b>Net Assets/(Liabilities)</b>	<u>3,023</u>	<u>(257,065)</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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	<b>Maleberry Limited</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Balance Sheet</b>		
Current assets	1	1
Current liabilities	-	-
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>
Profit and loss account	-	-
Called up share capital	1	1
	<u>1</u>	<u>1</u>
<b>Net Assets/(Liabilities)</b>	<u><u>1</u></u>	<u><u>1</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

## 10. FIXED ASSETS

CONSOLIDATED	Land and Buildings £	Leasehold Property £	Fixtures, Fittings & Equipment £	Total £
<b>Cost</b>				
At 1 January 2019	7,283,259	23,732	79,365	7,386,356
Additions	2,931,878	-	394,289	3,326,167
Disposals	-	(23,732)	(50,440)	(74,172)
At 31 December 2019	<u>10,215,137</u>	<u>-</u>	<u>423,214</u>	<u>10,638,351</u>
<b>Depreciation</b>				
At 1 January 2019	112,857	17,204	53,728	183,789
Charge for the year	115,339	1,384	31,810	148,533
Disposals	-	(18,588)	(44,661)	(63,249)
At 31 December 2019	<u>228,196</u>	<u>-</u>	<u>40,877</u>	<u>269,073</u>
<b>Net Book Value</b>				
At 31 December 2019	<u>9,986,941</u>	<u>-</u>	<u>382,337</u>	<u>10,369,278</u>
At 31 December 2018	<u>7,170,402</u>	<u>6,528</u>	<u>25,637</u>	<u>7,202,567</u>
<b>CHARITY</b>		<b>Land and Buildings £</b>	<b>Fixtures, Fittings &amp; Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2019		7,283,259	59,199	7,342,458
Additions		2,931,878	394,289	3,326,167
Disposals		-	(30,278)	(30,278)
At 31 December 2019		<u>10,215,137</u>	<u>423,210</u>	<u>10,638,347</u>
<b>Depreciation</b>				
At 1 January 2019		112,857	42,965	155,822
Charge for the year		115,339	28,186	143,525
Disposals		-	(30,278)	(30,278)
At 31 December 2019		<u>228,196</u>	<u>40,873</u>	<u>269,069</u>
<b>Net Book Value</b>				
At 31 December 2019		<u>9,986,941</u>	<u>382,337</u>	<u>10,369,278</u>
At 31 December 2018		<u>7,170,402</u>	<u>16,234</u>	<u>7,186,636</u>

All assets are for operational and charitable purposes.

**11. FIXED ASSET INVESTMENTS**

	Shares in Subsidiary Undertakings £	Total £
<b>Cost or valuation</b>		
At 1 January 2019	2	2
At 31 December 2019	2	2
At 31 December 2018	2	2

**Shares in subsidiary undertakings**

The following are 100% owned subsidiary undertakings, incorporated in England and Wales:

Maleberry Limited  
Noah's Ark Trading Limited

Maleberry Limited was incorporated on 2 February 2011, with a principal activity of the design and build of the E-Centre.

Noah's Ark Trading Limited was incorporated on 10 June 2011, with a principal activity of retailing.

**12. DEBTORS**

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	4,346	43,754	4,346	43,754
Amounts owed by subsidiary undertakings	-	-	-	-
Prepayments and accrued income	524,358	55,116	523,475	53,246
Other debtors	2,337	5,716	2,337	4,299
Other taxation and social security	42,319	20,530	40,614	18,565
	<u>573,360</u>	<u>125,116</u>	<u>570,772</u>	<u>119,864</u>

**13. CREDITORS: amounts falling due within one year**

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	186,592	45,168	183,085	42,997
Other creditors	271,923	498,635	271,923	498,635
Taxation and social security	68,069	63,150	68,069	61,213
Accruals	264,617	91,963	264,617	71,263
	<u>791,201</u>	<u>698,916</u>	<u>787,694</u>	<u>674,108</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

## 14. 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 £1 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.

15. RESTRICTED FUNDS	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers Between Funds £	Balances at 31 December 2019 £
Building The Ark Appeal	6,717,200	3,408,592	(207,675)	(9,653,175)	264,942
Sustaining the Ark	-	-	(243,479)	243,479	-
Community Service					
- Nursing and Specialist Carers Fund	28,605	192,994	(203,948)	5,162	22,813
- Creative Therapies Fund	10,000	54,717	(61,289)	-	3,428
- Family Link Fund	2,667	23,968	(5,555)	(2,667)	18,413
- Family Activities Fund	18,743	20,294	(30,822)	(1,015)	7,200
Department of Health Fund – S64	31,250	135,638	(132,983)	3	33,908
Wishes Fund	878	-	(850)	-	28
Employee Training Fund	3,250	-	(704)	(905)	1,641
Equipment	-	716	-	-	716
	<u>6,812,593</u>	<u>3,836,919</u>	<u>(887,305)</u>	<u>(9,409,118)</u>	<u>353,089</u>
<b>RESTRICTED FUNDS – PRIOR YEAR</b>	<b>Balance at 1 January 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers Between Funds £</b>	<b>Balances at 31 December 2018 £</b>
Building The Ark Appeal	3,753,850	2,632,467	(298,449)	629,332	6,717,200
Community Service					
- Nursing and Specialist Carers Fund	28,606	158,403	(158,404)	-	28,605
- Home Support Volunteer Fund	15,000	-	(15,000)	-	-
- Creative Therapies Fund	10,000	50,655	(50,655)	-	10,000
- Family Link Fund	2,667	500	(500)	-	2,667
- Family Activities Fund	18,743	28,755	(28,755)	-	18,743
Department of Health Fund – S64	31,250	124,335	(124,335)	-	31,250
Wishes Fund	878	-	-	-	878
Employee Training Fund	3,250	3,567	(3,567)	-	3,250
Equipment	-	2,004	(2,004)	-	-
	<u>3,864,244</u>	<u>3,000,686</u>	<u>(681,669)</u>	<u>629,332</u>	<u>6,812,593</u>

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

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2019

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##### 15. RESTRICTED FUNDS (continued)

The Building the Ark Appeal was established to raise funds towards the building and running costs of a children's hospice on land owned by the Charity in Barnet. The transfer in the year represents the land and building costs of the Ark, costs previously capitalised, which have now been transferred as there is no ongoing restriction as to the use of this asset upon completion of construction.

The Sustaining The Ark Fund represents the funds raised by the Appeal for the running costs of the Ark. This includes maintenance costs and other operational costs associated with running the hospice.

The Nursing and Specialist 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 respite – particularly welcome at weekends and potentially overnight.

We also received a three year grant, payable in instalments, from the Burdett Trust to finance several weekly hours of our Director of Care and a specialist nurse, plus some of their work-related costs. The grant was reallocated during the early part of the year and the specialist nurse attached to this project transferred to another hospice to continue this work.

The Home Support Volunteers Fund provides training, supervision and equipment for Home Support Volunteers who provide family support in the home. No restricted funds were donated to the Fund in 2019.

The Creative Therapies Fund is used specifically to provide music, and drama and movement therapy, for life limited and life threatened children and their siblings. The City Bridge Trust is the major source of the grant.

The Family Link Fund was established following receipt of restricted donations to provide social workers to families.

The Family Activities Fund was created to provide support for activities specifically directed at parents and siblings 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 Department of Health Fund was established following the receipt of a Section 64 grant to support community care.

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.

The Employee Training Fund provides development training for staff.

The Equipment Fund provided specific funds for training equipment for use by the Care Team.

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

16. ENDOWMENT FUNDS	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (losses) £	Transfer £	Balance at 31 December 2019 £
Resources expendable Endowment fund	-	-	-	-	-	-

The expendable endowment fund was created by a gift of bonds held in an endowment fund from the Rotary Club of Finchley. The use of any capital realised on disposal of the bonds was restricted to the costs of equipping the new hospice. The bonds were liquidated in October 2018 and the proceeds used for equipping the new hospice.

ENDOWMENT FUNDS – PRIOR YEAR	Balance at 1 January 2018 £	Income £	Expenditure £	Gains/ (losses) £	Transfer £	Balance at 31 December 2018 £
Resources expendable Endowment fund	41,128	-	-	(1,394)	(39,734)	-

17. UNRESTRICTED FUNDS	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers between funds £	Balances at 31 December 2019 £
<b>Designated funds</b>					
Fixed assets fund	1,019,667	-	-	8,967,274	9,986,941
Unrestricted general fund	227,944	2,678,814	(2,274,375)	441,844	1,074,227
<b>Total unrestricted funds</b>	<b>1,247,611</b>	<b>2,678,814</b>	<b>(2,274,375)</b>	<b>9,409,118</b>	<b>11,061,168</b>

**Designated funds**

The fixed asset fund represents funds that the Trustees have agreed to set aside as designated funds as these assets are not easily realised into cash and do not form part of the unrestricted general fund. These include the land and building assets; all other assets are saleable and included within the general funds.

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

UNRESTRICTED FUNDS - PRIOR YEAR	Balance at 1 January 2018 £	Income £	Expenditure £	Group Valuation Adjustment £	Transfers between funds £	Balances at 31 December 2018 £
<b>Designated funds</b>						
Fixed assets fund	1,728,974	-	-	-	(709,307)	1,019,667
Unrestricted general fund	517,148	1,663,102	(2,139,565)	67,550	119,709	227,944
<b>Total unrestricted funds</b>	<b>2,246,122</b>	<b>1,663,102</b>	<b>(2,139,565)</b>	<b>67,550</b>	<b>(589,598)</b>	<b>1,247,611</b>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds	Restricted Funds	2019
	£	£	£
<b>Group</b>			
Fixed assets	10,369,278	-	10,369,278
Debtors	97,360	476,000	573,360
Bank and cash	855,520	407,300	1,262,820
Creditors less than one year	(260,990)	(530,211)	(791,201)
	<u>11,061,168</u>	<u>353,089</u>	<u>11,414,257</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR	Unrestricted Funds	Restricted Funds	2018
	£	£	£
<b>Group</b>			
Fixed assets	1,051,833	6,150,734	7,202,567
Stock	439	-	439
Debtors	21,325	103,791	125,116
Bank and cash	373,445	1,057,553	1,430,998
Creditors less than one year	(199,431)	(499,485)	(698,916)
	<u>1,247,611</u>	<u>6,812,593</u>	<u>8,060,204</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)	Unrestricted Funds £	Restricted Funds £	2019 £
<b>Charity</b>			
Fixed assets	10,369,280	-	10,369,280
Debtors	94,772	476,000	570,772
Bank and cash	851,578	407,300	1,258,878
Creditors less than one year	(257,483)	(530,211)	(787,694)
	<u>11,058,147</u>	<u>353,089</u>	<u>11,411,236</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)- PRIOR YEAR	Unrestricted Funds £	Restricted Funds £	2018 £
<b>Charity</b>			
Fixed assets	1,035,904	6,150,734	7,186,638
Debtors	16,073	103,791	119,864
Bank and cash	367,945	1,057,553	1,425,498
Creditors less than one year	(174,623)	(499,485)	(674,108)
	<u>1,245,299</u>	<u>6,812,593</u>	<u>8,057,892</u>

20. FINANCIAL COMMITMENTS

At 31 December 2019 the Charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2019 £	2018 £	2019 £	2018 £
<b>Operating leases which expire:</b>				
Within one year	30,000	43,427	2,620	-
Between two to five years	7,500	-	9,170	-
	<u>37,500</u>	<u>43,427</u>	<u>11,790</u>	<u>-</u>

**21. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS**

During the year the company received donations totalling £408,000 (2018: £403,050) from The J Isaacs Charitable Trust, of which Mr Jeremy Isaacs CBE is a Trustee. The Trust also pledged £468,000 on 19 December 2019 to be drawn down in monthly instalments in 2020 for specific amounts incurred during 2019 in relation to the building of The Ark. This pledge has been included in the statutory accounts.

The company received donations from the Trustees (excluding Mr Isaacs CBE) totalling £35,256.

The directors Mr Michael McInerney and Mr Jeremy Isaacs CBE are acting as sureties for Noah's Ark Trading Limited's shop lease. Although trading has ceased, the shop lease does not expire until March 2021.

Exemption from disclosing transactions with group companies has been claimed, as all subsidiaries are wholly owned and included in these financial statements, which are publicly available.

There were no other related party transactions.

**22. PARENT COMPANY DISCLOSURES**

Income of the Charity (the parent company) amounted to £6,459,010 (2018: £4,536,181). Net incoming resources amounted to a surplus of £3,353,344.

**23. POST BALANCE SHEET EVENTS**

Since the year end, the company has received an increase in its statutory income. The Section 64 grant which comes from the Department of Health annually in April has increased by almost £70,000. In addition, the Government's Covid-19 support for Hospices in England resulted in a material grant. The first of three expected consecutive monthly instalments was received in April 2020. This was most welcome in the present circumstances.

Despite the unprecedented fall in voluntary donations as a direct consequence of having to cancel our forthcoming fundraising events, we have been successful in raising donations from the public through a specific Coronavirus appeal.

In order to strictly control cash resources, we reviewed our entire cost base. We have furloughed 35% of our staff, resulting in a meaningful monthly saving from April 2020. In addition, we halted all discretionary operating spend as well as all capital expenditure.

Based on a lower expected income level, we estimate total unrestricted cash resources as being in the range regarded as acceptable by the Trustees, at the time of signing the accounts. The Trustees and Senior Leadership Team are in regular contact to assess events and monitor cash flows.

Finally, we note that we have been pledged donations totalling a minimum of £2.1m which we expect to convert to cash funds between 2020 and 2024. This includes £400,000 of pledges which have already converted into cash so far this year, plus another £650,000 of pledges which we expect to convert to cash during the remainder of 2020. This figure excludes the pledge of £468,000 as noted above in Note 21.



**Noah's Ark Children's Hospice**

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Facebook: [NoahsArkChildrensHospice](https://www.facebook.com/NoahsArkChildrensHospice)

Twitter: [@NoahsArkHospice](https://twitter.com/NoahsArkHospice)

Instagram: [noahsarkhospice](https://www.instagram.com/noahsarkhospice)