

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

**GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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<b>Directors</b>	Mr Michael A McInerney – Chairman Mrs Mary O'Toole Mrs Jennifer Israel Mr Jeremy Isaacs CBE Dr Lara Shaffer Mr James Keeley – resigned 20.7.15 Mr Adam Leigh
<b>Secretary</b>	Mr Mark Watkins
<b>Chief Executive Officer</b>	Mr Mark Watkins, known as Ru Watkins
<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>Web address</b>	<a href="http://www.noahsarkhospice.org.uk"><u>www.noahsarkhospice.org.uk</u></a>
<b>Auditors</b>	haysmacintyre, 26 Red Lion Square, London, WC1R 4AG
<b>Bankers</b>	HSBC, 171 Darkes Lane, Potters Bar, Hertfordshire, EN6 1BU
<b>Solicitors</b>	Charity: Joelson Wilson LLP, 30, Portland Place, London, W1B 1LZ  Hospice Build: Macfarlanes LLP, 20, Cursitor Street, London, EC4A 1LT

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

### REPORT OF THE BOARD

#### FOR THE YEAR ENDED 31 DECEMBER 2015

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The Board is pleased to submit its report and financial statements for the year ended 31 December 2015.

#### 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 no fewer 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 AGM but is eligible for re-election. No director receives remuneration from the Charity.

Each new Trustee receives 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, in accordance with Charity Commission guidelines. During their period as a Trustee, they also attend update courses.

There are up to six full Board Meetings per year, supported by Subcommittees, each chaired by a Trustee.

#### Risk Management

Noah's Ark has a formal risk management process through which the Leadership Team identifies the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties identified by the charity are as follows:

<b>Risk identified</b>	<b>Action taken to mitigate the risk</b>
Inability of Charity to recruit and retain staff and therefore slow growth	Staff development quarterly review and development of benefits programme
Cyber security	Constant updating to ensure IT in both software and hardware are within the strict protocols which we should maintain as a care charity
Inability to achieve income generation	Slow the growth of the Charity and ensure forward projecting financial planning

#### SENIOR MANAGEMENT AND OPERATIONS

Following the CEO led restructure of 2014, the Charity now operates with a strengthened Senior Management Team (SMT), and a lean structure that enables the Charity to concentrate on delivery. Current structure includes three Directors in the SMT, those of Care, Income Generation and Finance and Resourcing and one Head of People Development. (This is further supplemented by a Head of Communications).

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

### REPORT OF THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2015

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#### SENIOR MANAGEMENT AND OPERATIONS (continued)

2015 has also been used as a year to further build networks across North and Central London and Hertsmere in all activities. The Charity and SMT have invested their time in data analysis and collation to ensure that our delivery model meets the need not only of the child and family but also of the wider community and health and care provider networks. This has allowed our operations to be focussed on need and targeted into areas and for children and families that need our support. The aim of this: to increase referral rates; deliver the appropriate service as defined by the need of the child and family; develop income generation; enable the community to understand what Noah's Ark delivers and can deliver into the future.

2015 also saw the Charity adopting an activity based costing approach to delivery supported by a more proactive approach to KPI delivery and better analysis of risk, not only in core care activity but also in understanding the wider operating environment.

In setting the condition and through strict financial management and governance and assurance, 2015 has seen the Charity grow and become more stable. The concentration on the priority areas of care delivery, volunteer growth, income generation and community engagement, have created a bedrock that has now enabled Noah's Ark to look to sustainable growth in 2016.

#### Remuneration Policy for Staff

The Trustees consider the Board of Trustees and the SMT comprise the key management personnel of the charity in charge of directing, controlling, running and operating the Charity on a day to day basis. Details of Directors' expenses and related party transactions are disclosed in notes 8 & 22 to the accounts.

The pay of the SMT and all staff is reviewed annually. In view of the nature of the charity, the Trustees benchmark against pay levels in similar sized charities. The remuneration benchmark is the mid-point of the range paid for similar roles in similar charities.

Following changes to the Trustee Board, all Trustees are now actively engaged with the Charity on a regular basis, offering skills and expertise in their respective areas. Furthermore, all Board Subcommittees now reflect the new structure of the Charity: with each one owned and led by a Trustee, thus strengthening Governance & Assurance.

#### OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

There are 1,169<sup>1</sup> children and young people who may require palliative support in the community of North and Central London (the boroughs of Barnet, Camden, Enfield, Haringey and Islington) and Hertsmere, Noah's Ark's area of operations. To meet the needs of this growing population we have and continue to develop effective partnerships enabling us to expand our strong community base and broaden our service provision to include a residential hospice.

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

Noah's Ark is a member of:

- Together for Short Lives (TfSL).
- Children's Hospices across London (CHaL).
- Hospice UK

This report demonstrates how public benefit was delivered through Noah's Ark's charitable aims in 2015. In working to deliver these objectives, the Board of the Charity is 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 2011.

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<sup>1</sup> \*(Lorna K Fraser, Michael Miller, Jan Aldridge, Patricia A McKinney & Roger C Parslow in collaboration with Richard Hain *Life-limiting and life-threatening conditions in children and young people in the United Kingdom; national and regional prevalence in relation to socioeconomic status and ethnicity* Final Report for Together for Short Lives – Oct 2011)

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

### REPORT OF THE BOARD (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### CARE TEAM

##### Delivery 2015

##### *Family Link*

*The Family Link Team, comprising three social work professionals, offers practical and emotional support and advice to all families. Furthermore, the team offers advice, support or advocacy around issues such as housing, benefits and schools, for those families who find it difficult to access this support elsewhere. They also offer bereavement support following the death of a child. The Family Link Manager is the designated Safeguarding Professional for the Charity, and the team provides safeguarding training for all staff and our Family Support Volunteers. Key successes:*

- 43 new families were referred to Noah's Ark in 2015 (2014-45), with improved reach beyond Barnet.
- The team members attended 50 multi-professional meetings and participated in 285 inter-professional interactions throughout the year (2014 – 47).
- A framework for quantitative and qualitative measurement of family reported outcomes was developed for implementation in 2016. This will be implemented through the initial holistic family assessment of need and at regular reviews.
- The Bereavement Pathway was extended to families not referred to Noah's Ark during the lifetime of their deceased child.
- Preparatory work was undertaken to facilitate social work student placements for Middlesex University from January 2016.
- The staff supervision programme was reviewed and updated, providing structured opportunities for reflection upon practice across all areas of the care team and embedding aspects of supervision and reflective practice into internal meetings.

##### **Specialist Play**

Specialist Play provides structured support with an emotional and social focus for children and siblings who are undergoing stressful procedures, and children with worries about their condition. The Specialist Play Workers also provide play advice to parents to support child development.

- During 2015 the Play Specialist returned from maternity leave, but subsequently resigned from her post. The post has been left vacant to enable development of two additional creative therapist roles during 2016.
- The team supported 32 children in 2015 (2014 – 23).
- The Specialist Play team has sharpened their approach to focus on time-limited support driven by clear individual outcome measures. This will enable improved access to the specialist service across the client groups.
- Specialist Play implemented another Noah's Ark Summer Play Challenge, providing a range of activities in an appealing booklet format.

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

### **REPORT OF THE BOARD (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **CARE TEAM (continued)**

##### **Specialist Care**

The team comprises four Specialist Carers, managed by a Paediatric Nurse who oversees their development of competences to ensure quality care provision for children with complex needs.

- 70 children received Specialist Care in 2015 (53 in 2014).
- Children and young people were enabled to participate in a stakeholder engagement exercise to determine the design and purpose of a residential hospice building for Noah's Ark.
- Student nurse placements were provided for the Universities of Hertfordshire, Southbank and Kings College.
- The service was approached by colleagues from Japan, Sweden, Italy and South America requesting visits. All were facilitated except for Japan, whose team withdrew due to worldwide security issues.
- The Nurse Team Leader completed a Foundation course in Paediatric Palliative Care with Great Ormond Street Hospital in February 2015.
- A partnership with Shooting Star Chase Children's Hospice has facilitated access to additional training for Noah's Ark staff.
- The team has worked in partnership with other hospices and hospitals to develop and deliver palliative care training to hospital Neonatal care staff.

##### **Family Support Volunteers**

As part of the wider Volunteer Programme, Home Support Volunteers offer a range of practical assistance for families, including sibling support, help for parents with paperwork, hairdressing and gardening tasks. In 2015:

- 27 new referrals were made to the service (2014 – 26).
- 52 families received the home support volunteer service during 2015 (2014 – 51).
- 21 families were introduced to a volunteer to begin regular and ongoing support visits and 10 ad-hoc volunteering activities were provided (2014 - 17 & 5 respectively).
- The service supported the Royal Foundation, True Colours Trust and TfSL to develop a national project for evaluation of home support volunteering.
- The Noah's Ark team was successful in securing funding to participate in the national project during 2016, facilitating the expansion of the service into Camden, Islington and Haringey and a formal partnership with a statutory Children's Palliative Care Service (Life Force).

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

### REPORT OF THE BOARD (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### CARE TEAM (continued)

##### Family Activities

All families receive invitations to Family Days, Parent groups and Sibling groups events which provide opportunities to meet other families and children in similar situations. All activities are accessible, and transport is provided if the family needs it. During 2015:

- 53 events were provided across the year (2014 –43).
- Groups for referred children were successfully piloted during 2015, enabling positive experiences, social networking and peer support through group activities. This service will be expanded during 2016.
- 71 Families were supported through Family Days (2014 -56), 66 children through Sibling Days (2014 – 76), 29 parents through Parent Groups (2014 – 29), and 18 children through Referred Children's Groups (2014 – 0).

##### Care Plans for 2016

Following analysis and mapping of service need and provision, the Director of Care has written a care delivery plan to support development and growth of the service, facilitated through partnership working across health and social care.

The **Specialist Care Team** will provide effective and well-evaluated care to more children and young people through:

- Regular review of caseloads enabling targeted service delivery according to family reported outcome measures.
- Supporting children attending the Referred Children's Groups.
- Recruitment and retention of additional Nurses and Specialist Carers.
- Providing additional nursing interventions at end of life.
- Implementation of children, young people and family feedback mechanisms as part of a stakeholder engagement strategy.
- Increasing referrals through multi-professional networking.

The **Family Link Team** will continue to provide holistic support for children, young people and their families, maintaining regular contact to ensure changing needs are addressed:

- Build on professional networks in order to increase referral rates, taking note of identified trends in prevalence including age, ethnicity, diagnosis and deprivation.
- Review and update Bereaved and non-Bereaved Parent Groups.
- Implement a framework for qualitative and quantitative measurement of family reported outcomes.
- Increase care provision through recruitment of an additional Family Link Worker.
- Provide student social worker placements from January 2016.

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

### **REPORT OF THE BOARD (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **CARE TEAM (continued)**

The **Family Activities Team** will increase the provision of Referred Children's Groups as well as continuing to provide family, parent and sibling activities. Through all of these the service will enable reduction of isolation; building of communities; creation of accessible activity based breaks; maintenance of inclusivity; facilitation of peer support; building confidence and facilitation of independence.

The **Home Volunteer Service** will continue to develop and grow with the emphasis on high quality bespoke matches being made between family and volunteers. During 2016:

- The service will participate in a national evaluation project, enabling increased service provision through the employment of a volunteer project manager.
- A targeted approach to the recruitment of volunteers will be taken, driven by family feedback to identify key volunteer tasks.
- New roles of play, art and music volunteers will be considered to supplement creative activities when therapeutic interventions are no longer required.

#### **FUNDRAISING**

##### **Delivery 2015**

Noah's Ark's guiding Fundraising principal for 2015 was to offer supporters an excellent donor experience and to establish a reputation for exemplary donor care. Donors and supporters were kept informed, engaged and involved by:

- Monthly E-news to complement the biannual Aboard the Ark Newsletter.
- The development of a new dynamic and engaging website.
- Two integrated fundraising campaigns.
- The fundraising team, working effectively across the catchment area resulted in increased activity amongst community groups across North London and Hertsmere, and an increase in unrestricted income, particularly from individuals.
- TEAM Noah saw two successful overseas treks and a number of individual and group challenges.
- A successful inaugural Noah's Ark Golf Day was included in the charity's portfolio of annual events – to complement the winter Precious Moments Concerts and the summer fun run.
- Multiyear funding was sourced from Trusts and Companies – enabling more stable service delivery planning and a number of charity of the year partnership were secured.
- Partnership working with ChaL resulted in a highly successful charity of the year partnership with Blackrock; and we continued to work successfully with our umbrella organisation TfSL on national campaigns and fundraising initiatives.
- The continued development of the Noah's Ark Development Group (NADG) to expand the network of donors and supporters and to more fully engage lay leadership in all fundraising efforts.

The Fundraising team continued its efforts to ensure a favourable return on investments for all activities: sourcing sponsorship wherever possible to lower fundraising expenditure, using volunteer fundraisers wherever possible – and achieving a Fundraising cost ratio of 1:4 (2014 – 1: 3.8)



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

### **REPORT OF THE BOARD (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **FUNDRAISING (continued)**

##### **Building the Ark Appeal (formerly Big Splash Capital Appeal)**

2015 saw the integration of the Building the Ark Appeal into the Fundraising Department and the appointment of a Head of Major Giving to work with the Director of Income Generation and the Appeal Chair to source funds during the private phase of the Appeal. During the year a number of highly successful approaches were made and funds and pledges amounting to £1.8 million were secured.

The appeal has been further supported by the support of the construction and development industry. Noah's Ark has received equivalent of £80,000 in Pro Bono services.

##### ***Fundraising Plans for 2016***

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.

2016 will see a concerted and integrated Charity plan to raise awareness of Noah's Ark across the catchment area in preparation for the public phase of the Building the Ark Appeal in 2017.

In March 2016 a 2 year partnership with Tottenham Hotspur Football Club was launched. The partnership will provide a platform for raising awareness of Noah's Ark; increasing volunteer engagement; recruiting fundraisers and attracting donations.

The Fundraising Team will also:

- 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.
- Develop regular and reliable income sources by:
  - Operating a lottery scheme through Your Hospice Lottery.
  - Operating Charity Podz in local venues across the catchment area.
  - Promoting the Friends of Noah's Ark scheme: paying to keep Noah's Ark afloat for a day.
- Increase the supporter base by:
  - Delivering exemplary donor care including regular communications via E-news and "Aboard the Ark" newsletter.
  - Promoting TEAM Noah for all challenge events.
  - Operating the Noah's Ark Development Group.
- Raise £3.1m Capital funds to enable the Hospice build to commence by:
  - Working alongside the Appeal Chair and lay leaders to achieve high level gifts.
  - Preparing for the 2017 public fundraising phase.

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

### REPORT OF THE BOARD (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### FUNDRAISING (continued)

##### Retail

During 2015 all 3 shops traded for the full year and the Charity saw further development of its retail arm. 2015 saw the commencement of On-line trading through eBay. Following a 3<sup>rd</sup> quarter review the retail arm has been restructured and the supply chain tightened up. The development of bespoke outlets and increased support to an online presence will enable retail to be more agile into the future. The retail arm will be further enhanced, through the use of pro bono expertise and with new strategic partners, who have offered retail support and items. The year ended with retail reporting a net loss of (£1,890) (2014 – Profit £1,526).

	<u>2015</u>	<u>2014</u>
<b>Income Analysis</b>		
Donations Received in Year	1,464,898	1,405,428
Gross Retail Income	191,938	220,312
Building the Ark Appeal	363,070	678,810
Investment Income Received	7,342	7,615
<b>TOTAL INCOMING RESOURCES</b>	<b><u><u>£2,027,248</u></u></b>	<b><u><u>£2,312,165</u></u></b>

##### VOLUNTEERS

Noah's Ark could not exist without the valuable help and skills given to it by all volunteers across Care and Family Support, Fundraising, Administration and Retail. During 2015 our volunteer programme was strengthened creating effective savings in excess of £185,000 (*see below*). *Noah's Ark recognises that to grow efficiently the role of the volunteer as a force multiplier is vital. To that end we will continue to engage with Colleges and volunteer organisations across London and Hertsmere, not only to ensure recruitment but also to ensure we identify and learn from previous lessons identified by other organisations. As alluded to, the pilot programme with the NHS in London for family volunteer support will look to be rolled out further in 2016 and beyond and is seen as a key milestone in developing the concept of 'compassionate communities'.*

The Trustees offer their thanks to those volunteers who give up their time to help us in achieving our goals. The volunteers' contribution in monetary terms is as below:

- Total Volunteer hours for 2015 = 19,760 @ £9.40 per hour = £185,744
- Total Volunteer hours for 2014 = 19,799 @ £9.15 per hour = £181,160

(Based on London living wage, Reference: GLA Economics)

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

### REPORT OF THE BOARD (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

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#### PARTNERSHIP WORKING

During 2015 the Charity has also embarked on a series of partnerships to increase its capacity and enhance delivery:

- Working with Great Ormond Street Hospital (GOSH) and TfSL, Noah's Ark is taking the lead on creating a Transition programme for children and young adults across North and Central London and Hertsmere.
- The Charity is working alongside Life Force (Whittington Health NHS) to deliver an innovative volunteer programme across London, under the auspices of the Royal Foundation.
- The Charity is now fully engaged with our community children's palliative care partners and seeking opportunities to work collaboratively.
- The Charity is in discussions with Momentum to explore EU funding to support volunteers from EU countries who will work with the Charity in early 2016.
- In a structured programme of Care placements the Charity is working with Universities of Hertfordshire and The South Bank as well as Gymnasielarare sv/en (Sweden) to create placements for those organisations. This programme is also seen as a future workforce recruitment opportunity.

#### THE FUTURE

##### *Noah's Ark E-Centre Build*

*Work commenced in February 2015 and will be completed by April 2016. The Noah's Ark E-Centre will be used for training and development once completed and has already seen interest from local community groups for its use. On completion, the E-Centre will also house Friends of Barnet Environment Centre, a unique partnership of a Children's Charity and Environmental Charity, which allows both organisations to further their collective reach into schools and the wider community.*

##### *Hospice Build*

*The Charity's approach to our Building the Ark (formally known as the Big Splash Appeal) Capital appeal for the Hospice build has been altered. After a consultation with key stakeholders in 2015 (The Big Think), a redesign to meet need and futureproof the building has been completed. Partnership working, sponsorship and pro bono work to enable the build has been sought and obtained from William Pears Group, Jones Lang LaSalle and Squire Architects. These key players have also brought further industry experts to support the programme, thus continuing to drive down cost. This 'soft' cost saving has in 2015 reduced the amount needed by £0.5m for the overall build.*

The Charity is looking to start the build of the Hospice in 2017, once sufficient capital finance and support costs have been received or pledged.

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

### REPORT OF THE BOARD (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### PARTNERSHIP WORKING

##### Organisational Priorities for 2016 and beyond are:

- Increase the size of the Care team and services to deliver support to the estimated 1,169 children that need it in our area of operations. This includes continuing to lead on Transition in North and Central London and taking the lead on the Compassionate Communities programme.
- Continued ramp up of volunteer recruitment in conjunction with Life Force and the Royal Foundation Programme. This will include closer working with Universities and Colleges as well as community volunteer organisations.
- Growth of voluntary income and the development of a donor programme to fund the £1.685m operating costs of the Charity in 2016.
- Support and develop the retail programme by expanding the Charity's On-line shop to achieve £50k in net profit for 2016 and further development of an on-line arm.
- Continued investment in and support of our staff through partnering and mentoring programmes with industry and other charities outside the Children's Hospice sector.
- Continued partnering with industry to drive down costs of the build.
- Strict financial management and planning to ensure intelligent growth to meet need.

The development and delivery of a three year strategic plan, which places Noah's Ark firmly on the map as a holistic care provider to children with life limiting and life threatening illness and their families.

Culturally Noah's Ark continues to, and always will, put the needs of the child and family first. It is now more robust in terms of delivery, output and outcomes measurements. With strict financial planning and management now in place, supported by the understanding of the strength of partnering and innovation, the Charity is now well placed to take forward its plans and become a leader in Paediatric Palliative Care Services in North and Central London and Hertsmere.

#### GROUP FINANCIAL REVIEW

The consolidated results for the year ended 31<sup>st</sup> December 2015 are set out on page 14.

Group	Total Income	Resources Expended	Surplus	2014
	<u>£2,027,248</u>	<u>£1,638,483</u>	<u>£388,765</u>	<u>£761,536</u>
Charity	1,472,240	1,326,415	145,825	228,640
NA Trading Ltd	191,938	193,828	(1,890)	1,526
Maleberry Ltd	0	3,747	(3,747)	934
Building the Ark Appeal	<u>363,070</u>	<u>114,493</u>	<u>248,577</u>	<u>530,436</u>
Net Incoming Resources	<u>£2,027,248</u>	<u>£1,638,483</u>	<u>£388,765</u>	<u>£ 761,536</u>

The overall net surplus for the year amounted to £386,541(2014 - £763,536) after taking into account an unrealised *loss* of £2,224(2014 – Gain - £2,039) in the market value of the Charity's endowment fund.

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

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

### REPORT OF THE BOARD (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### RESERVES POLICY

Noah's Ark Children's Hospice's Reserves policy is to maintain a level of reserves of 3 months operating costs - £350,000 - to enable the operating activities of the Charity to continue.

Unrestricted funds of the Charity at the year-end amounted to £969,467 of which £172,800 were free reserves. This equates to approximately 1.27 months (2014: 1.3 months) of operational costs.

The Board of Trustees remain cognisant of the need to increase levels of reserves.

#### 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 (United Kingdom Accounting Standards and applicable law). 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 Charities 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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### 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

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

By order of the Board

  
Mr Michael A McInerney, Chairman

Date: 7 JUNE 2016

## INDEPENDENT AUDITOR'S 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 for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Group Cash Flow Statements 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 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.

### Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Statement of Responsibilities set out on page 12, 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. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2015 and of the group's and the parent charitable company's net movement in funds, including the group's and the parent 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.

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

In our opinion the information given in the Report of the Board 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 requires us to report to you if, in our opinion:

- the charitable company and group have 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 consolidated 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirements to prepare a Strategic Report or in preparing the Directors Report.



Kathryn Burton (Senior Statutory Auditor)  
for and on behalf of haysmacintyre  
Chartered Accountants  
Statutory Auditor

26 Red Lion Square  
London  
WC1R 4AG

Date: 7 JUNE 2016

NOAH'S ARK – THE CHILDREN'S HOSPICE

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

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted Funds £	Restricted funds £	Endowment fund £	2015 £	2014 £
<b>Income from</b>						
<i>Donations &amp; legacies</i>						
Donations		1,007,304	137,689	-	1,144,993	1,136,171
Building the Ark Appeal		-	363,070	-	363,070	678,810
Legacies		136,613	-	-	136,613	67,414
Gift aid		35,376	-	-	35,376	27,679
<i>Investments</i>	3	7,342	-	-	7,342	7,615
<i>Other trading activities</i>	4	199,886	-	-	199,886	253,870
<i>Charitable activities</i>						
Statutory grants		-	124,335	-	124,335	124,334
Other grants		-	15,633	-	15,633	16,272
<b>Total</b>		<u>1,386,521</u>	<u>640,727</u>	<u>-</u>	<u>2,027,248</u>	<u>2,312,165</u>
<b>Expenditure on</b>						
<i>Raising funds</i>						
Costs of generating voluntary income		502,122	-	-	502,122	496,339
Costs relating to Building the Ark Appeal		-	114,493	-	114,493	148,374
Costs of activities generating income		23,383	-	-	23,383	4,161
Fundraising trading via subsidiary		187,321	-	-	187,321	218,786
<i>Charitable activities</i>						
Care services		550,087	261,077	-	811,164	682,969
<b>Total</b>	5	<u>1,262,913</u>	<u>375,570</u>	<u>-</u>	<u>1,638,483</u>	<u>1,550,629</u>
<b>Net income before (losses)/gains on investments</b>					388,765	761,536
Net (losses)/gains on investment	11	-	-	(2,224)	(2,224)	2,039
<b>Net income/(expenditure)</b>		<u>123,608</u>	<u>265,157</u>	<u>(2,224)</u>	<u>386,541</u>	<u>763,575</u>
Transfers between funds		-	-	-	-	-
<b>Net movement in funds</b>		<u>123,608</u>	<u>265,157</u>	<u>(2,224)</u>	<u>386,541</u>	<u>763,575</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		845,859	1,990,529	41,780	2,878,168	2,114,593
<b>Total funds carried forward</b>	19	<u>969,467</u>	<u>2,255,686</u>	<u>39,556</u>	<u>3,264,709</u>	<u>2,878,168</u>

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.

The comparative figures for 2014 have been represented under FRS102 (SORP 2015) on the Statement of Financial Activities in Note 24.

## CONSOLIDATED BALANCE SHEET

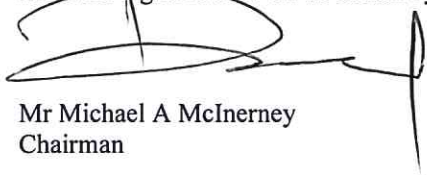
AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		1,872,464		997,802
Investments	11		39,556		41,780
			<u>1,912,020</u>		<u>1,039,582</u>
<b>CURRENT ASSETS</b>					
Debtors	12	219,420		170,552	
Stock		1,115			
Cash at bank and in hand		1,585,390		2,041,510	
		<u>1,805,925</u>		<u>2,212,062</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(215,236)</u>		<u>(135,476)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,590,689</u>		<u>2,076,586</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,502,709</u>		<u>3,116,168</u>
<b>CREDITORS: amounts falling due after one year</b>	14		<u>(238,000)</u>		<u>(238,000)</u>
<b>NET ASSETS</b>			<u><u>3,264,709</u></u>		<u><u>2,878,168</u></u>
<b>FUNDS</b>					
Restricted funds	16		2,255,686		1,990,529
Endowment funds	17		39,556		41,780
<b>Unrestricted funds</b>	18				
General			172,800		86,057
Designated			796,667		759,802
			<u>3,264,709</u>		<u>2,878,168</u>

The financial statements were approved and authorised for issue by the Board of Trustees on

7 JUNE 2016

and were signed below on its behalf by:



Mr Michael A McInerney  
Chairman

Notes on pages 18 to 30 form an integral part of these accounts.



## CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		651,372		657,520
Investments	11		39,558		41,782
			<u>690,930</u>		<u>699,302</u>
<b>CURRENT ASSETS</b>					
Debtors	12	1,400,326		534,749	
Cash at bank and in hand		1,584,249		2,037,605	
		<u>2,984,575</u>		<u>2,572,354</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	(100,217)		(88,546)	
<b>NET CURRENT ASSETS</b>			<u>2,884,358</u>		<u>2,483,808</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,575,288</u>		<u>3,183,110</u>
<b>CREDITORS: amounts falling due after one year</b>	14		(238,000)		(238,000)
<b>NET ASSETS</b>			<u><u>3,337,288</u></u>		<u><u>2,945,110</u></u>
<b>FUNDS</b>					
Restricted funds	16		2,255,686		1,990,529
Endowment funds	17		39,556		41,782
<b>Unrestricted funds</b>					
General			245,379		152,977
Designated			796,667		759,802
			<u>3,337,288</u>		<u>2,945,110</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 7/6/16 and were signed below on its behalf by:

  
Mr Michael A McInerney  
Chairman

Notes on pages 18 to 30 form an integral part of these accounts.

NOAH'S ARK – THE CHILDREN'S HOSPICE

GROUP CASH FLOW STATEMENT FINANCIAL STATEMENTST

FOR THE YEAR ENDED 31 DECEMBER 2015

	Total funds 2015		Total funds 2014	
	£	£	£	£
<b>Cash flows from operating activities</b>		425,584		981,765
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	7,342		7,615	
Purchase of property, plant and equipment	(889,046)		(115,969)	
<b>Net cash provided by (used in) investing activities</b>		(881,704)		(108,354)
<b>Increase/(decrease) in cash and cash equivalents in the reporting period</b>		(456,120)		873,411
<b>Cash and cash equivalents at the beginning of the reporting period</b>		2,041,510		1,168,099
<b>Cash and cash equivalents at the end of the reporting period</b>		1,585,390		2,041,510
			<b>2015</b>	<b>2014</b>
			<b>£</b>	<b>£</b>
<b>Reconciliation of net movement in funds to cash flow from operating activities</b>				
Net movement in funds			386,541	763,575
Depreciation charges			14,385	17,882
Losses/(gains) on investments			2,224	(2,039)
Dividends, interest and rents from investments			(7,342)	(7,615)
(Increase)/decrease in stock			(1,115)	-
(Increase)/decrease in debtors			(48,869)	253,806
(Increase)/decrease in creditors			79,760	(43,844)
<b>Net cash provided by/(used) in investing activities</b>			425,584	981,765
			<b>2015</b>	<b>2014</b>
			<b>£</b>	<b>£</b>
<b>Analysis of cash and cash equivalents</b>				
Cash in hand			1,585,390	2,041,510
<b>Total cash and cash equivalents</b>			1,585,390	2,041,510

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

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2015

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## 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 (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**

Given the charitable company's favourable fundraising record and the level of free reserves available at the year end, the Trustees consider that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

### **Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatement of items has been required in making the transition to FRS 102. The transition date was 1 January 2014.

### **Statement of cash flows**

The charitable company's cash flow statement reflects the presentation requirements of FRS 102, which is different to that prepared under FRS 1. In addition, the cash flow statement reconciles cash and cash equivalents whereas under previous UK GAAP the statement reconciled to cash.

### **Basis of Consolidation**

The financial statements consolidate the results of the charity and its wholly owned subsidiaries Noah's Ark Trading Limited and Maleberry Limited on a line-by-line basis. 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.

### **Incoming Resources**

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.

### **Donations and legacies**

Donations income is accounted where there is entitlement, probability and 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 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.

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

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### **Investment Income**

Investment income reflects the amount receivable for the year.

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

Gifts donated for resale are included as income when they are sold. Since November 2014, these gifts have been sold through Noah's Ark Trading Limited. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

##### **Resources Expended**

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 a FTE basis 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 equipment	25% straight line
Hospice building project	not depreciated until completion

##### **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.

##### **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.

# NOAH'S ARK – THE CHILDREN'S HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1. ACCOUNTING POLICIES (continued)

#### 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 16.

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.

#### 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.

#### 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.

#### 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

	2015	2014
	£	£
Net (outgoing)/incoming resources is stated after charging:		
Auditor's remuneration	12,330	11,780
Depreciation	14,385	17,882
Operating lease rentals	59,900	66,197
	<u>86,615</u>	<u>95,859</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

3. INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
Bank interest received	5,242	-	5,242	5,515
Common Investment Funds – Fixed interest	2,100	-	2,100	2,100
	<u>7,342</u>	<u>-</u>	<u>7,342</u>	<u>7,615</u>
	<u><u>7,342</u></u>	<u><u>-</u></u>	<u><u>7,342</u></u>	<u><u>7,615</u></u>
4. OTHER TRADING ACTIVITIES	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
Noah's Ark events	7,776	-	7,776	33,500
Merchandise	172	-	172	58
Shop income – sale of donated goods	191,938	-	191,938	220,312
	<u>199,886</u>	<u>-</u>	<u>199,886</u>	<u>253,870</u>
	<u><u>199,886</u></u>	<u><u>-</u></u>	<u><u>199,886</u></u>	<u><u>253,870</u></u>
5. EXPENDITURE	Direct & directly allocated costs £	Support Costs £	Total 2015 £	Total 2014 £
<i>Raising funds</i>				
Costs of generating voluntary income	342,144	159,978	502,122	496,339
Costs relating to Building the Ark Appeal	97,772	16,721	114,493	148,374
Costs of activities for generating income	23,383	-	23,383	4,161
Fundraising trading via subsidiary	187,321	-	187,321	218,786
<i>Charitable activities</i>				
Care services	618,218	192,946	811,164	682,969
	<u>1,268,838</u>	<u>369,645</u>	<u>1,638,483</u>	<u>1,550,629</u>
	<u><u>1,268,838</u></u>	<u><u>369,645</u></u>	<u><u>1,638,483</u></u>	<u><u>1,550,629</u></u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

5. RESOURCES EXPENDED (continued)

SUPPORT COSTS	Premises £	Finance and administration £	IT and communications £	Total 2015 £	Total 2014 £
<i>Raising funds</i>					
Costs of generating voluntary income	37,887	113,520	8,571	159,978	134,168
Costs relating to Building the Ark Appeal	3,977	11,848	896	16,721	21,097
Costs of activities for generating income	-	-	-	-	-
Fundraising trading via subsidiary	-	-	-	-	-
<i>Charitable activities</i>					
Care services	45,886	136,723	10,337	192,946	183,592
	<u>87,750</u>	<u>262,091</u>	<u>19,804</u>	<u>369,645</u>	<u>338,857</u>

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

Included within Finance and administration costs are support staff salaries totalling £184,456. Other significant support costs greater than £10,000 include: Premises (£86,842) and depreciation (£7,878).

6. GOVERNANCE COSTS

	2015 £	2014 £
Staff costs	47,151	28,175
Audit fees	12,330	11,780
Trustees expenses	183	149
Other costs	33	9,740
	<u>59,697</u>	<u>49,844</u>

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

7. STAFF COSTS

	2015 £	2014 £
Wages and salaries	923,627	775,358
Employer's NI	88,484	73,606
Pension costs	-	5,447
	<u>1,012,111</u>	<u>854,411</u>

The average number of employees during the year was 31 (2014: 29). On average, 8 (2014: 9) employees were directly employed in fundraising activities and 16 (2014: 15) employees were directly employed in community services. 2 FTE employees were engaged with the Big Splash Appeal. The remaining employees were involved in all aspects of running the Charity.

1 employee was paid in the bracket of £80,000 - £90,000 during the year (2014: £60,000 - £70,000: 1).

Key management personnel comprise the senior management team. The total employee benefits of the key management personnel of charity and the group were £247,151 (2014: £223,695).





NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

10. FIXED ASSETS

CONSOLIDATED	Hospice and E-Centre Building project £	Leasehold properties £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 January 2015	302,082	722,148	35,891	1,060,121
Additions	885,698	16	3,333	889,047
At 31 December 2015	<u>1,187,780</u>	<u>722,164</u>	<u>39,224</u>	<u>1,949,168</u>
<b>Depreciation</b>				
At 1 January 2015	-	36,583	25,736	62,319
Charge for the year	-	10,149	4,236	14,385
At 31 December 2015	<u>-</u>	<u>46,732</u>	<u>29,972</u>	<u>76,704</u>
<b>Net Book Value</b>				
At 31 December 2015	<u>1,187,780</u>	<u>675,432</u>	<u>9,252</u>	<u>1,872,464</u>
At 31 December 2014	<u>302,082</u>	<u>685,565</u>	<u>10,155</u>	<u>997,802</u>
<b>CHARITY</b>		<b>Leasehold property £</b>	<b>Fixtures, fittings &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2015		674,065	29,218	703,283
Additions		16	1,714	1,730
At 31 December 2015		<u>674,081</u>	<u>30,932</u>	<u>705,013</u>
<b>Depreciation</b>				
At 1 January 2015		24,002	21,761	45,763
Charge for the year		5,341	2,537	7,878
At 31 December 2015		<u>29,343</u>	<u>24,298</u>	<u>53,641</u>
<b>Net Book Value</b>				
At 31 December 2015		<u>644,738</u>	<u>6,634</u>	<u>651,372</u>
At 31 December 2014		<u>650,063</u>	<u>7,457</u>	<u>657,520</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

11. FIXED ASSET INVESTMENTS	Listed investments	Charity Shares in subsidiary undertakings £	Total £	Group Listed investments £
<b>Cost or valuation</b>				
At 1 January 2015	41,780	2	41,782	41,780
Additions				
Unrealised (loss)/gain on revaluation of Investments	(2,224)	-	(2,224)	(2,224)
	<u>39,556</u>	<u>2</u>	<u>39,558</u>	<u>39,556</u>
At 31 December 2015				
At 31 December 2014	<u>41,780</u>	<u>2</u>	<u>41,782</u>	<u>41,780</u>

**Listed investments**

The Charity's fixed asset investment comprises a holding of 32,415 M&G Charibond units at a market value of £39,556 as at 31 December 2015.

**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 2014, with a principal activity of the design and build of a children's hospice.

Noah's Ark Trading Limited was incorporated on 10 June 2014, with a principal activity of retailing.

12. DEBTORS	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Amounts owed by subsidiary undertakings	-	-	1,218,383	388,474
Prepayments and accrued income	125,749	106,150	108,866	93,581
Other debtors	6,485	16,370	5,792	15,166
Other taxation and social security	87,186	48,032	67,285	37,528
	<u>219,420</u>	<u>170,552</u>	<u>1,400,326</u>	<u>534,749</u>

13. CREDITORS: amounts falling due within one year	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Trade creditors	43,635	42,526	30,437	35,103
Other creditors	1,264	1,946	1,236	1,699
Taxation and social security	30,674	26,584	29,195	25,355
Accruals	139,663	64,420	39,349	26,389
	<u>215,236</u>	<u>135,476</u>	<u>100,217</u>	<u>88,546</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

14. CREDITORS: amounts falling due after one year	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Loans from related parties	<u>238,000</u>	<u>238,000</u>	<u>238,000</u>	<u>238,000</u>

In 2010 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 in two to five years and no interest is payable thereon. The loan is forgivable and conditional on progress being made with the build of the hospice.

**15. 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.

16. RESTRICTED FUNDS	Balance at 1 January 2015 £	Incoming resources £	Resources expended £	Transfers between funds £	Balances at 31 December 2015 £
Building the Ark Appeal	1,931,460	363,070	114,493	-	2,180,037
Community Service					
- Play Respite	16,298	1,000	17,298	-	-
Community Service					
-Nursing & Specialist Carers Fund	-	94,655	79,655	-	15,000
Community Service					
- Home Support Volunteer Fund	-	20,000	-	-	20,000
Department of Health – S64	31,083	124,335	124,335	-	31,083
Wishes Fund	2,839	500	723	-799	1,817
Hardship Fund	-	1,500	2,299	799	-
Family Activities Fund	-	10,000	10,000	-	-
Noah's Ark Van Fund	1,066	1,188	1,188	-	1,066
Siblings Support	-	11,525	11,525	-	-
Specialist Carers Equipment	2,097	-	-	-	2,097
Retail Development	-	11,954	11,954	-	-
Employee Training	2,100	1,000	2,100	-	1,000
Office Facilities & Equipment	3,097	-	-	-	3,097
Special Support Fund	489	-	-	-	489
	<u>1,990,529</u>	<u>640,727</u>	<u>375,570</u>	<u>-</u>	<u>2,255,686</u>

The Building the Ark Appeal was established to raise funds towards the building of a children's hospice on land owned by the Charity in Barnet.

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

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 16. RESTRICTED FUNDS (continued)

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 Family Support & Home Support Volunteer Funds provide training, supervision and equipment for Home Support Volunteers who give family support in the home.

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 Hardship Fund was established 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 Family Activities Fund 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.

Family Linkworker Fund was established following receipt of restricted donations to provide linkworkers to families.

The Noah's Ark Van Fund was set up at the end of 2009 to allow restricted donations to cover van insurance costs.

The Siblings Support Fund 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 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.

The Retail Development Fund was established in September 2011 to provide funds to finance and establish our Retail arm – Noah's Ark Trading Ltd. The London Borough of Barnet operates special schemes to find placements for young person's experiencing difficulties in finding permanent employment. The scheme provides them with experience of the workplace.

The training fund provides development training for staff.

Following the move to in Barnet in 2010, the Office Facilities & Equipment Fund was established following generous donations to cover the cost of the rent of the office until June 2014.

The Special Support Fund was created to provide funding for new initiatives in fundraising and throughout the organisation, thus aiding development.

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

17. ENDOWMENT FUNDS	Balance at 1 January 2015 £	Incoming resources £	Resources expended £	Gains/ (losses) £	Balances at 31 December 2015 £
Resources expendable					
Endowment fund	41,781	-	-	(2,224)	39,557

The 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.

18. UNRESTRICTED FUNDS	Balance at 1 January 2015 £	Incoming resources £	Resources expended £	Transfers between funds £	Balances at 31 December 2015 £
<b>Designated funds</b>					
Fixed assets fund	759,802	-	-	36,865	796,667
Unrestricted general fund	86,057	1,386,521	(1,262,913)	(36,865)	172,800
<b>Total unrestricted funds</b>	<b>845,859</b>	<b>1,386,521</b>	<b>(1,262,913)</b>	<b>-</b>	<b>969,467</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 less loan balances.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Endowment funds £	2015 £	2014 £
<b>Group</b>					
Fixed assets	1,034,667	837,797	39,556	1,912,020	1,039,582
Stock	1,115	-	-	1,115	-
Debtors	219,420	-	-	219,420	170,552
Bank and cash	167,501	1,417,889	-	1,585,390	2,041,510
Creditors less than one year	(215,236)	-	-	(215,236)	(135,476)
Creditors more than one year	(238,000)	-	-	(238,000)	(238,000)
	<u>969,467</u>	<u>2,255,686</u>	<u>39,556</u>	<u>3,264,709</u>	<u>2,878,168</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)	Unrestricted funds £	Restricted funds £	Endowment funds £	2015 £	2014 £
<b>Charity</b>					
Fixed assets	651,374	-	39,556	690,930	699,302
Debtors	562,529	837,797	-	1,400,326	534,749
Bank and cash	166,360	1,417,889	-	1,584,249	2,037,605
Creditors less than one year	(100,217)	-	-	(100,217)	(88,546)
Creditors more than one year	(238,000)	-	-	(238,000)	(238,000)
	<u>1,042,046</u>	<u>2,255,686</u>	<u>39,556</u>	<u>3,337,288</u>	<u>2,945,110</u>

21. FINANCIAL COMMITMENTS

At 31 December 2015 the Charity had annual commitments under non-cancellable operating loans as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
<b>Operating leases which expire:</b>				
Within one year	56,000	56,000	-	3,900
Between two and five years	168,000	224,000	-	-
	<u>224,000</u>	<u>280,000</u>	<u>-</u>	<u>3,900</u>

22. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

At the year end the company owed £238,000 (2014: £238,000) to The J Isaacs Charitable Trust. *See note 14.*

During the year the company received donations totalling £Nil (2014: £220,000) from The J Isaacs Charitable Trust, of which Mr Jeremy Isaacs CBE is a Trustee.

During the year the company received a donation of £Nil (2014: £200,000) from Brookdale Group of companies. The Trustee Mr Michael McInerney is a director and controlling party of Brookdale Group Limited. At the end of the year the company owed £Nil (2014: £Nil) to Brookdale Group of companies.

In 2014 the company had engaged Lehmann Communications Plc to carry out design & advertising work costing £17,328. As at 31.12.2014 the company had owed £Nil to Lehmann Communications Plc. Mr Ronel Lehmann is a director and shareholder of Lehmann Communications Plc. Mr Lehmann resigned as a Trustee of Noah's Ark Children's Hospice on 3.11.14

The directors Mr Michael McInerney and Mr Jeremy Isaacs CBE are acting as sureties for Noah's Ark Trading Ltd's shop lease.

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.

23. PARENT COMPANY DISCLOSURES

Income of the charity (the parent company) amounted to £1,835,310 (2014: £2,093,893). Net incoming resources amounted to a surplus of £392,178 (2014: a surplus of £761,117).

**NOAH'S ARK – THE CHILDREN'S HOSPICE  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**24. COMPARATIVE SOFA PER FRS102 (SORP 2015)**

	Unrestricted Funds £	Restricted funds £	Endowment fund £	2014 £
<b>Income from</b>				
<i>Donations &amp; legacies</i>				
Donations	975,599	160,572	-	1,136,171
Building the Ark Appeal	-	678,810	-	678,810
Legacies	67,414	-	-	67,414
Gift aid	27,679	-	-	27,679
<i>Investments</i>	7,615	-	-	7,615
<i>Other trading activities</i>	253,870	-	-	253,870
<i>Charitable activities</i>				
Statutory grants	-	124,334	-	124,334
Other grants	-	16,272	-	16,272
<b>Total</b>	<u>1,332,177</u>	<u>979,988</u>	<u>-</u>	<u>2,312,165</u>
<b>Expenditure on</b>				
<i>Raising funds</i>				
Costs of generating voluntary income	428,430	67,909	-	496,339
Costs relating to Building the Ark Appeal	-	148,374	-	148,374
Costs of activities generating income	4,161	-	-	4,161
Fundraising trading via subsidiary	218,786	-	-	218,786
<i>Charitable activities</i>				
Care services	409,102	273,867	-	682,969
<b>Total</b>	<u>1,060,479</u>	<u>490,150</u>	<u>-</u>	<u>1,550,629</u>
<b>Net income before gains on investments</b>	271,698	489,838	-	761,536
Net gains on investment	-	-	2,039	2,039
<b>Net income</b>	271,698	489,838	2,039	763,575
Transfers between funds	-	-	-	-
<b>Net movement in funds</b>	271,698	489,838	2,039	763,575
<b>Reconciliation of funds</b>				
Total funds brought forward	574,161	1,500,691	39,741	2,114,593
<b>Total funds carried forward</b>	<u>845,859</u>	<u>1,990,529</u>	<u>41,780</u>	<u>2,878,168</u>

The results for the year were derived from continuing operations.

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

The above figures have been represented in FRS102 (SORP 2015) format for the comparative period as required.

