

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

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Company Registration Number 03901606
Charity Number: 1081156

NOAH'S ARK – THE CHILDREN'S HOSPICE

DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Board is pleased to submit its report and financial statements for the year ended 31 December 2018.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The 2011 report by Together for Short Lives¹, indicated there are over 1,169 children and young people who may require palliative support in the community of North and Central London and Hertsmere. This number is currently assessed as low compared to new data sets that are being developed. To meet the needs of this ever-growing population, we will continue to develop the Charity, through broadening our services including residential hospice care.

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 2018. 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.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

CARE

Delivery Plans for 2018 were:

The Care Team continued to successfully deliver a wider range of services to an increasing number of children and families. Over the course of 2018, the Care Team also delivered record numbers of referrals.

Against our stated aims in the 2017 annual accounts:

- More families had our innovative Family Reported Outcome Measures (FROMs) recorded and reviewed and more families reported an improvement in outcomes.
- We created an additional sibling group enabling the needs of three different age groups to be met.
- We successfully delivered symptom management, end of life care and post death care in the community, in partnership with local nursing and medical teams.
- We saw a significant increase in referrals through multi-professional networking.

We shared our learning about resilience, FROMs, innovative service designs, and unique models of care at national conferences in Scotland and through the completion of two chapters for a neonatal palliative care nursing text book. We supported student placements for therapists, nurses and social workers, and gave lectures at Southbank University and Kings College London. We joined and supported the advisory boards for a national data collection project and a regional neonatal palliative care project. We also employed the manager for a regional nurse recruitment and retention project which is funded for 3 years.

¹ (Lorna K Fraser, Michelle Miller, Jan Aldridge, Patricia A McKinney and 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).

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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:

- 114 new families were referred to Noah's Ark in 2018 with improved reach into the southern part of our catchment area.
- The team members participated in 804 interactions with other professionals throughout the year.
- We have continued to use the FROMs for quantitative and qualitative reporting of family outcomes. Families were able to review their outcomes, and 78% of families identified that their outcomes had improved over the year.
- 310 families received support from Noah's Ark during 2018.

Therapies and Specialist Play

The Therapies and Specialist Play Team continued to develop bespoke, outcome-focused support through their specialist input. The Play Specialist completed her training and is now a registered professional. The Music Therapy in-reach service was fully established across all intensive care units at Great Ormond Street Hospital. In total 88 children received specialist play, music or movement and drama therapeutic support during the year.

Specialist Care

During the year, the team comprised 8 Specialist Carers and 4 Registered Nurses, managed by a Paediatric Nurse who ensured a high level of quality care provision for children with complex needs:

- We implemented delivery of 24/7 community symptom management, end of life care and post death care in partnership with local nursing and medical teams.
- 107 children received Specialist Care in 2018.
- 3,936 hours of individual visits were provided.
- The team continued to support children to attend family activities including family days and Noah's Ark Children's Groups.
- Student nurse placements were provided for the Universities of Hertfordshire, Southbank and Kings College.
- The team supported the delivery of training to student nurses at Kings College and Southbank Universities.
- We developed policy and practice 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. In 2018:

- 57 families received the home support volunteer service.
- 45 volunteers were matched with families.
- 858 hours of home support were provided by volunteers.
- The service was embedded in and increased the new in-reach sibling crèche services for neonatal, cardiac and general intensive care units at Great Ormond Street Hospital, providing support to 69 families.

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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 2018:

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

Care Plans for 2019

Building on our evidence base with FROMs and local and national data, in 2019 the Care Team will again progress through a period of growth and development to ensure the right services are available to families when and where they need them. The focus will be on;

- Increasing the capacity of the team to deliver new services in The Ark.
- An additional Family Link worker will ensure capacity for managing increasing numbers of referrals and reviews.
- The Therapies and Specialist Play team will create a blend of community and Ark based individual and group offerings.
- Additional nurses will ensure that symptom management, end of life care, and post death care can take place within both the community and The Ark.
- Ensuring a balance of events can be held in local communities and The Ark.
- Developing new volunteer roles to reflect hospitality, housekeeping and reception functions as we create new drop-in options for families at The Ark.

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 2018

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 2018 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 and
- The Building The Ark Campaign - which launched in September 2017 will last until Summer 2019 when The Ark construction will be completed.

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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 and Precious Moments Concert.
- Securing multiyear funding and a number of charity of the year partnerships from Trusts and Companies.
- Expanding the network of donors and supporters through a thriving Events Committee 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 continued to flourish with a number of opportunities for raising awareness of Noah's Ark and in particular the Building The Ark Campaign.

Building The Ark Campaign

During the year a number of highly successful approaches and applications were made to individual philanthropists and Grant Giving Trusts; and the Charity also held its inaugural major donor Gala Dinner. Overall, in excess of £5m has been secured in pledges and donations.

2018 included Building The Ark awareness raising and fundraising initiatives such as the London's Crying Out Campaign, delivered across a number of media platforms and supported by key corporate partners such as the Everyman Cinemas, Ocean Outdoor, 8Outdoor and Blis. The Campaign has been further supported by the generosity of the construction and property development industry.

Fundraising Plans for 2019

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.

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

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.

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- 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 including a major donor Gala Dinner.
- Raise the remaining funds towards the Building The Ark Campaign by:
 - Working alongside the Appeal Chair and lay leaders to achieve high level gifts.

RETAIL

The Retail division now comprises a charity shop in Barnet and a small online presence, supported by a new, smaller warehouse. Our other two charity shops were closed in the first half of the year when their leases expired. We continue to examine all options for Retail in order to maximise efficiency.

HUMAN RESOURCES AND PEOPLE DEVELOPMENT

2018 saw the development of HR processes to ensure that we improve how we look after our staff and value our volunteers. The development of the Remuneration and People (REMCO) subcommittee has ensured much better understanding of staff and volunteer needs as well as improved HR Governance. During the year we implemented an HR database to more effectively manage staff requirements. In 2019 this will be extended to include volunteers.

Noah's Ark volunteers continue to support our families, work alongside staff in support functions and fundraise and are fundamental to our growth and sustainability. In 2018, our volunteer programme was strengthened, creating an effective saving of £83,900. The Trustees and staff offer their grateful thanks to all our volunteers who give up their time to help us achieve our goals.

Remuneration for Staff

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

THE ARK

A key activity in 2018 was the exciting construction of The Ark, a modern purpose-built hospice for the 21st Century that complements our services in the community and takes Noah's Ark on the next stage of its journey. Industry support for this project has continued to be invaluable in enabling Noah's Ark to continue construction at a realistic cost. Supporters include, 8build, Ardmore, BTR, Erith, Gem, Gensler, HoK, JLL, KuT, Pears Property, Rambol, RPS, Sellar and Squire and Partners. The Ark has also triggered interest from statutory providers who are looking to see how they too can utilise the facilities. The completion date is expected to be Summer 2019, with an initial operating capability in place by late autumn and full operating capability by 2020.

PARTNERSHIP WORKING

Noah's Ark knows that we cannot engage with all children and families that need our help unless we partner with other organisations. Building on past successes, we have embarked on further partnerships to increase our service delivery and our profile:

- Working with Great Ormond Street Hospital (GOSH) we have developed a sibling crèche.
- Working closely with Children's Hospices across London (CHaL) to continue pan London service delivery programmes, including taking the lead and delivering a Burdett sponsored rotational nurse programme.
- Working alongside the construction and supply industries to build The Ark at a reduced cost.
- Working with Tottenham Hotspur Football Club to raise funds and awareness of the Charity.
- Ongoing relationships with several different media partners to increase donations and brand awareness.

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ORGANISATIONAL PRIORITIES FOR 2019

Our organisational priorities for 2019 are to:

- 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 income and the donor programme to fund the operating costs of the Charity and ensure service sustainability.
- Complete the construction of The Ark and deliver, where possible, cost savings against the programme, through partnerships and value engineering.
- Further develop the 'one family' concept across Noah's Ark for staff and volunteers as well as extending closer working relationships with universities, colleges and community volunteer organisations.
- Deliver strict financial management and continued planning for the future.

2019 will be a period of transformational growth. This will see us occupy The Ark and develop and augment our service delivery model to support the needs of more children and families to offer them a broader range of services. 2019 will also see continued enhancement of the Charity's financial sustainability and resilience.

GROUP FINANCIAL REVIEW

The consolidated results for the year ended 31 December 2018 are set out on page 13.

Group	Total income	Expenditure	Transfers between funds	Surplus/ (Deficit)	2017
£					
Charity	1,903,710	2,320,789	(629,332)	(1,046,411)	1,302,717
Noah's Ark Trading	127,611	201,996	-	(74,385)	(73,692)
Building the Ark Appeal	2,632,467	298,449	629,332	2,963,350	758,039
Net incoming resources	<u>4,663,788</u>	<u>2,821,234</u>	=	<u>1,842,554</u>	<u>1,987,064</u>

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

The overall net surplus for the year amounted to £1,841,160 (2017: £1,986,393) after taking into account a realised loss of £1,394 (2017: unrealised loss of £671) on the sale of the bonds held in the Charity's endowment fund. These bonds were sold in October 2018.

Noah's Ark Trading comprised three charity shops, a warehouse and a small online presence. Two shops were closed during the year as their leases expired and the warehouse was downsized. We continue to examine all options for Retail in order to maximise efficiency.

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

RESERVES POLICY

Noah's Ark's reserves policy is to maintain 3 months' of unrestricted working capital to enable the operating activities of the Group to continue. It is the intent of the Group to build up greater unrestricted working capital over the coming years.

Unrestricted working capital of the Group at the year-end amounted to 4.38 months of total working capital.

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FOR THE YEAR ENDED 31 DECEMBER 2018

RISK MANAGEMENT

Noah's Ark has developed its formal risk management process through the identification and management of risk by the Senior Management 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 key financial risk exists within operating cash flows, i.e the ability to sustain the Charity's core activities during the hospice build. Mitigation plans are in place, varying from monthly financial analysis and forecasting to growth development planning.
- 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.

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 the 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 after an interview with 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, have a wide variety of careers and experience.

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 sub committees. These 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
- Remuneration and People (REMCO)
- Income Generation and Communications
- Ethical Investment
- Build

There are up to six full Board meetings per year.

NOAH'S ARK – THE CHILDREN'S HOSPICE

DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

SENIOR MANAGEMENT AND OPERATION

Our vision is:

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

Our mission is to:

- Provide care and support for babies, children and young people who have life limiting and life-threatening conditions, enabling them to live full lives and achieve their aspirations.
- Enable families to live life as fully as possible and go on to face the future with hope after the death of a child and during bereavement.
- Actively encourage compassionate communities to care, support, volunteer and fundraise.

2018 saw the continued development and delivery of the Strategic Intent and growth of service delivery across North and Central London and Hertsmere. Our goals remain 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.

2018 proved to be another hugely successful year with our referral rate increasing by 63% to 114 accepted referrals; this being the best year that the Charity has seen in its history. The Care Team continued to increase their reach across North and Central London and Hertsmere. This, combined with skill development across the wider team and unique partnerships with NHS and statutory bodies, has meant that Noah's Ark Care Team is well recognised and respected by families and professional organisations alike. We continue to use data analysis to inform our service delivery, allowing us to refine our service model in line with child and family needs.

Financially, the Charity continues to grow in line with its strategic plan. 2018 proved successful in developing new partners and new financial streams. The Ark has brought many companies and Trusts to Noah's Ark. Their support, either financial, with volunteers or with pro bono gifts, has meant that Noah's Ark has continued to develop a wider donor base and increased reach into the London community. The Charity will continue this development into the future; by continuing to attract new donors; through seeking new markets; and supporting existing donors through outstanding donor care. Noah's Ark recognises that statutory funding is becoming more difficult to secure and so has started to explore alternative areas of funding for Care delivery. This process began in 2017 and was further developed in 2018, with joint projects with partners such as Children's Hospices across London.

The continued use of the Environment Centre (ECentre) has enabled Noah's Ark to develop wider networks through the use of study days and training for Noah's Ark and other organisations, as well as hosting events for local supporter groups. Our partnership with a local environmental charity, Friends of Barnet Environment Centre, has enabled over 2,000 children to use and enjoy the ECentre and our nature reserve. This relationship continues to be highly valuable to both organisations.

2018 has witnessed the exciting construction of The Ark. This building; a modern, purpose built hospice for the 21st Century, is expected to be completed in Summer 2019 and marks the next step of Noah's Ark's development, enabling the Charity to move toward a model of care services that are truly holistic and involve both statutory and non-statutory partners.

The Charity has built upon the success of 2017 and has not only seen growth but has also seen a year of preparation, as we now look to develop our service model to deliver in-Hospice care to complement our highly regarded and well established Hospice-at-Home service.

NOAH'S ARK – THE CHILDREN'S HOSPICE
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2018

Directors	Mr Jeremy Isaacs CBE (Chairman) Mr Jonathan Rose (Deputy Chairman) Mr David Lazarus (Treasurer) Mr David Greenhalgh-Todd Dr Heather Mackinnon MBE Mr Nilesh Jethwa Mr Adam Leigh Mr Adam Levin Mrs Mary O'Toole
Secretary	Mr Mark Watkins (known as Ru Watkins)
Chief Executive	Mr Mark Watkins (known as Ru Watkins)
Company Number	03901606
Charity Number	1081156
Registered Office	3 Beauchamp Court, 10 Victors Way, Barnet, Hertfordshire EN5 5TZ
Web Address	www.noahsarkhospice.org.uk
Auditors	Haysmacintyre LLP: 10 Queen St Place, London EC4R 1AG
Bankers	HSBC: 171 Darkes Lane, Potters Bar, Hertfordshire, EN6 1BU
Solicitors	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

DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

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: 15/5/19

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 2018

Opinion

We have audited the financial statements of Noah's Ark – The Children's Hospice for the year ended 31 December 2018 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 2018 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 10, 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. 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.

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 2018**

(Continued)

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.

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: 23/05/2019

NOAH'S ARK – THE CHILDREN'S HOSPICE

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

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Funds £	Restricted funds £	Endowment fund £	2018 £	2017 £
Income from						
<i>Donations & legacies</i>						
Donations		1,025,861	368,219	-	1,394,080	1,489,959
Building the Ark Appeal		-	2,632,467	-	2,632,467	2,540,614
Legacies		151,921	-	-	151,921	20,974
Gift aid		109,799	-	-	109,799	15,182
<i>Investments</i>	3	12,980	-	-	12,980	11,875
<i>Other trading activities</i>	4	127,611	-	-	127,611	266,970
<i>Charitable activities</i>						
Statutory grants		200,354	-	-	200,354	170,746
Other grants		34,576	-	-	34,576	4,800
Total		<u>1,663,102</u>	<u>3,000,686</u>	<u>-</u>	<u>4,663,788</u>	<u>4,521,120</u>
Expenditure on						
<i>Raising funds</i>						
Costs of generating voluntary income		553,757	-	-	553,757	491,312
Costs relating to Building the Ark Appeal		-	298,449	-	298,449	218,642
Costs of activities generating income		47,302	-	-	47,302	41,994
Fundraising trading via subsidiary		201,996	-	-	201,996	340,662
<i>Charitable activities</i>						
Care services		1,336,510	383,220	-	1,719,730	1,441,446
Total	5	<u>2,139,565</u>	<u>681,669</u>	<u>-</u>	<u>2,821,234</u>	<u>2,534,056</u>
Net income before (losses)/gains on investments		<u>(476,463)</u>	<u>2,319,017</u>	<u>-</u>	<u>1,842,554</u>	<u>1,987,064</u>
Net (losses)/gains on investment	11	-	-	(1,394)	(1,394)	(671)
Adjustment to Group Valuation		67,550	-	-	67,550	-
Net income/(expenditure)		<u>(408,913)</u>	<u>2,319,017</u>	<u>(1,394)</u>	<u>1,908,710</u>	<u>1,986,393</u>
Transfers between funds		(589,598)	629,332	(39,734)	-	-
Net movement in funds		<u>(998,511)</u>	<u>2,948,349</u>	<u>(41,128)</u>	<u>1,908,710</u>	<u>1,986,393</u>
Reconciliation of funds						
Total funds brought forward		2,246,122	3,864,244	41,128	6,151,494	4,165,101
Total funds carried forward	18	<u>1,247,611</u>	<u>6,812,593</u>	<u>-</u>	<u>8,060,204</u>	<u>6,151,494</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.

CONSOLIDATED BALANCE SHEET


AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		7,202,567		2,916,402
Investments	11		-		41,128
			<u>7,202,567</u>		<u>2,957,530</u>
CURRENT ASSETS					
Debtors	12	125,116		586,017	
Stock		439		250	
Cash at bank and in hand		1,430,998		2,866,549	
		<u>1,556,553</u>		<u>3,452,816</u>	
CREDITORS: amounts falling due within one year	13	<u>(698,916)</u>		<u>(258,852)</u>	
NET CURRENT ASSETS			<u>857,637</u>		<u>3,193,964</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,060,204</u>		<u>6,151,494</u>
NET ASSETS			<u><u>8,060,204</u></u>		<u><u>6,151,494</u></u>
FUNDS					
Restricted funds	15		6,812,593		3,864,244
Endowment funds	16		-		41,128
Unrestricted funds	17				
General			227,944		517,148
Designated			1,019,667		1,728,974
			<u>8,060,204</u>		<u>6,151,494</u>

The charity recorded a surplus of £1,656,168 in the year (2017: £2,106,657).

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

15/15/19


Mr Jeremy Isaacs CBE
Chairman

Accompanying notes form an integral part of these accounts.


CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		7,186,636		2,961,490
Investments	11		2		41,130
			<u>7,186,638</u>		<u>3,002,620</u>
CURRENT ASSETS					
Debtors	12	119,864		777,568	
Cash at bank and in hand		1,425,498		2,855,792	
		<u>1,545,362</u>		<u>3,633,360</u>	
CREDITORS: amounts falling due within one year	13	<u>(674,108)</u>		<u>(234,257)</u>	
NET CURRENT ASSETS			<u>871,254</u>		<u>3,399,103</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,057,892</u>		<u>6,401,723</u>
NET ASSETS			<u><u>8,057,892</u></u>		<u><u>6,401,723</u></u>
FUNDS					
Restricted funds	19		6,812,593		3,864,244
Endowment funds			-		41,130
Unrestricted funds					
General			225,632		767,375
Designated			1,019,667		1,728,974
			<u>8,057,892</u>		<u>6,401,723</u>

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

15/5/19


Mr Jeremy Isaacs CBE
Chairman

Notes on pages 17 to 31 form an integral part of these accounts.

NOAH'S ARK – THE CHILDREN'S HOSPICE

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Total funds 2018		Total funds 2017	
	£	£	£	£
Cash flows from operating activities		2,849,475		1,649,691
Cash flows from investing activities:				
Dividends, interest and rents from investments	12,980		11,875	
Proceeds from sale of investments	39,734		-	
Group Valuation Adjustment	(67,550)		-	
Purchase of property, plant and equipment	(4,270,190)		(869,438)	
Net cash provided by (used in) investing activities		(4,285,026)		(857,563)
Increase/(decrease) in cash and cash equivalents in the reporting period		(1,435,551)		792,128
Cash and cash equivalents at the beginning of the reporting period		2,866,549		2,074,421
Cash and cash equivalents at the end of the reporting period		1,430,998		2,866,549
			2018	2017
			£	£
Reconciliation of net movement in funds to cash flow from operating activities				
Net movement in funds			1,908,710	1,986,393
Depreciation charges			51,575	55,136
Losses/(gains) on investments			1,394	671
Dividends, interest and rents from investments			(12,980)	(11,875)
(Increase)/decrease in stock			(189)	1,062
Decrease/(increase) in debtors			460,901	(407,940)
Increase in creditors			440,064	26,244
Net cash provided by/(used) in investing activities			2,849,475	1,649,691
Analysis of cash and cash equivalents			2018	2017
			£	£
Cash in hand			1,430,998	2,866,549
Total cash and cash equivalents			1,430,998	2,866,549

NOAH'S ARK – THE CHILDREN'S HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 unrestricted working capital 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.

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. Maleberry Limited was dormant during the year.

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.

Donations and legacies

Donation income is accounted for 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 2018

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 2015, 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.

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 an average 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
Buildings	Environment 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.

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).

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

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 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.

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

	2018	2017
	£	£
Net (expenditure)/income is stated after charging:		
Auditor's remuneration	10,980	8,160
Depreciation	51,575	55,136
Operating lease rentals	43,427	36,356

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. INVESTMENT INCOME
Unrestricted funds

	2018 £	2017 £
Bank interest received	12,153	10,384
Common Investment Funds – Fixed interest	827	1,491
	<u>12,980</u>	<u>11,875</u>

All investment income in both years was unrestricted.

4. OTHER TRADING ACTIVITIES
Unrestricted funds

	2018 £	2017 £
Merchandise	7,857	2,629
Shop income – sale of donated goods	119,754	264,341
	<u>127,611</u>	<u>266,970</u>

All other trading activities income in both year was unrestricted.

5. EXPENDITURE

	Direct & Directly Allocated Costs £	Support Costs £	Total 2018 £
CURRENT YEAR			
<i>Raising funds</i>			
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>Charitable activities</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>

PRIOR YEAR

	Direct & Directly Allocated Costs £	Support Costs £	Total 2017 £
<i>Raising funds</i>			
Costs of generating voluntary income	369,959	121,353	491,312
Costs relating to Building the Ark Appeal	194,372	24,270	218,642
Costs of activities for generating income	41,994	-	41,994
Fundraising trading via subsidiary	340,662	-	340,662
<i>Charitable activities</i>			
Care services	1,053,199	388,247	1,441,446
	<u>2,000,186</u>	<u>533,870</u>	<u>2,534,056</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

5. EXPENDITURE (continued)

SUPPORT COSTS – CURRENT YEAR	Premises £	Finance and Administration £	IT and Communications £	Total 2018 £
<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 – PRIOR YEAR	Premises £	Finance and Administration £	IT and Communications £	Total 2017 £
<i>Raising funds</i>				
Costs of generating voluntary income	13,412	94,978	12,962	121,352
Costs relating to Building the Ark Appeal	2,682	18,996	2,592	24,270
<i>Charitable activities</i>				
Care services	42,919	303,850	41,479	388,248
	<u>59,013</u>	<u>417,824</u>	<u>57,033</u>	<u>533,870</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 £226,176 (2017: £190,198). Other significant support costs include: Premises £70,594 (2017: £59,013) and depreciation £51,575 (2017: £47,452).

6. GOVERNANCE COSTS	Total 2018 £	Total 2017 £
Staff costs	61,887	51,965
Audit fees	10,980	8,160
Trustee meeting expenses	324	1,731
	<u>73,191</u>	<u>61,856</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 2018

7. STAFF COSTS	2018	2017
	£	£
Wages and salaries	1,590,689	1,339,855
Employer's NI	138,207	125,744
Pension costs	46,297	40,527
	<u>1,775,193</u>	<u>1,506,126</u>

The average number of employees during the year was 52 (2017: 44). On average, 12 (2017: 10) employees were directly employed in fundraising activities and 30 (2017: 25) employees were directly employed in community services. On average, 1 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 2018 was 60.

Two employees were paid in the bracket of £80,000 - £90,000 (2017: 1). One employee was paid in the bracket £110,000 - £120,000 during the year (2017: 0).

Key management personnel comprise the senior management team. The total employee benefits of the key management personnel of Charity and the group were £349,647 (2017: £310,474).

8. DIRECTORS' REMUNERATION

No trustees received any remuneration or reimbursed expenses during the current or prior year.

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

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 undertakes the sale of mainly donated goods through three high street charity shops, as well as online. During the year, the Charity closed two of the three shops, leaving the shop on Barnet high street and the online presence remaining. Maleberry Limited is a design and build company that designed the ECentre, but did not trade during the year. A summary of the trading results is shown below:

	Noah's Ark Trading Limited	
	2018	2017
	£	£
Profit & Loss		
Turnover	127,611	266,970
Cost of sales	(8,516)	(15,782)
Gross profit	<u>119,095</u>	<u>251,188</u>
Administrative expenses	(193,481)	(324,880)
Net (Loss)	<u>(74,386)</u>	<u>(73,692)</u>
Balance Sheet		
Fixed Assets	15,932	22,460
Current Assets	11,190	39,134
Current Liabilities	(284,187)	(244,273)
	<u>(257,065)</u>	<u>(182,679)</u>
Profit & loss account	(257,066)	(182,680)
Called up share capital	1	1
Net Liabilities	<u>(257,065)</u>	<u>(182,679)</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

	Maleberry Limited	
	2018	2017
	£	£
Turnover	-	1,314,324
Cost of sales	-	(1,246,774)
	<hr/>	<hr/>
Gross profit	-	67,550
Administrative expenses	-	76
Gift Aid	-	(46,653)
	<hr/>	<hr/>
Net profit/(loss)	-	20,973
	<hr/> <hr/>	<hr/> <hr/>
Balance Sheet		
Fixed assets	-	-
Current assets	1	66,511
Current liabilities	-	(66,510)
	<hr/>	<hr/>
	1	1
	<hr/> <hr/>	<hr/> <hr/>
Profit and loss account	-	-
Called up share capital	1	1
	<hr/> <hr/>	<hr/> <hr/>
Net Assets/(Liabilities)	1	1
	<hr/> <hr/>	<hr/> <hr/>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

10. FIXED ASSETS

CONSOLIDATED	Land and Buildings £	Leasehold Property £	Fixtures, Fittings & Equipment £	Total £
Cost				
At 1 January 2018	2,947,569	23,732	80,426	3,051,727
Additions	4,268,140	-	2,050	4,270,190
Disposals	-	-	(3,111)	(3,111)
Group Valuation Adjustment	67,550	-	-	67,550
At 31 December 2018	7,283,259	23,732	79,365	7,386,356
Depreciation				
At 1 January 2018	76,441	14,831	44,053	135,325
Charge for the year	36,416	2,373	12,786	51,575
Disposals	-	-	(3,111)	(3,111)
At 31 December 2018	112,857	17,204	53,728	183,789
Net Book Value				
At 31 December 2018	7,170,402	6,528	25,637	7,202,567
At 31 December 2017	2,871,128	8,901	36,373	2,916,402
CHARITY				
Cost				
At 1 January 2018	3,015,119	-	57,149	3,072,268
Additions	4,268,140	-	2,050	4,270,190
At 31 December 2018	7,283,259	-	59,199	7,342,458
Depreciation				
At 1 January 2018	76,441	-	34,337	110,778
Charge for the year	36,416	-	8,628	45,044
At 31 December 2018	112,857	-	42,965	155,822
Net Book Value				
At 31 December 2018	7,170,402	-	16,234	7,186,636
At 31 December 2017	2,938,677	-	22,812	2,961,489

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

11. FIXED ASSET INVESTMENTS

	Listed Investments	Charity Shares in Subsidiary Undertakings £	Total £	Group Listed Investments £
Cost or valuation				
At 1 January 2018	41,128	2	41,130	41,128
Additions	-	-	-	-
Disposals	(39,734)	-	(39,734)	(39,734)
Realised (loss) on disposal of investment	(1,394)	-	(1,394)	(1,394)
At 31 December 2018	-	2	2	-
At 31 December 2017	41,128	2	41,130	41,128

Listed investments

The Charity's fixed asset investment comprised a holding of 32,415 M&G Charibond units. These were sold in October 2018.

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 ECentre.

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

12. DEBTORS

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	43,754	16,690	43,754	7,565
Amounts owed by subsidiary undertakings	-	-	-	286,188
Prepayments and accrued income	55,116	344,745	53,246	342,813
Other debtors	5,716	20,537	4,299	20,537
Other taxation and social security	20,530	204,045	18,565	120,465
	125,116	586,017	119,864	777,568

13. CREDITORS: amounts falling due within one year

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	45,168	60,389	42,997	50,326
Other creditors	498,635	247	498,635	-
Taxation and social security	63,150	55,385	61,213	52,487
Accruals	91,963	142,831	71,263	131,444
	698,916	258,852	674,108	234,257

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

14. COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 9. 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 2018 £	Income £	Expenditure £	Transfers Between Funds £	Balances at 31 December 2018 £
Building The Ark Appeal Community Service	3,753,850	2,632,467	(298,449)	629,332	6,717,200
- 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>
RESTRICTED FUNDS – PRIOR YEAR	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers Between Funds £	Balances at 31 December 2017 £
Building the Ark Appeal	2,995,811	2,540,614	(218,642)	(1,563,933)	3,753,850
Community Service					
- Nursing and Specialist Carers Fund	92,698	118,223	(182,315)	-	28,606
- Home Support Volunteer Fund	14,602	49,306	(48,908)	-	15,000
- Creative Therapies Fund	5,831	40,000	(35,831)	-	10,000
- Family Link Fund	2,700	10,000	(10,033)	-	2,667
- Family Activities Fund	-	49,100	(30,357)	-	18,743
Department of Health Fund – S64	25,500	124,335	(118,585)	-	31,250
Wishes Fund	1,417	-	(539)	-	878
Employee Training Fund	4,250	-	(1,000)	-	3,250
	<u>3,142,809</u>	<u>2,931,578</u>	<u>(646,210)</u>	<u>(1,563,933)</u>	<u>3,864,244</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

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 ECentre costs previously capitalised, which have now been transferred out as there is no ongoing restriction as to the use of this asset upon completion of construction.

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 have also received a three year grant 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 Home Support Volunteers Fund provides training, supervision and equipment for Home Support Volunteers who provide family support in the home.

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 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 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 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.

16. ENDOWMENT FUNDS	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)	-
	<u>41,128</u>	<u>.</u>	<u>-</u>	<u>(1,394)</u>	<u>(39,734)</u>	<u>-</u>

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 is 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.

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

ENDOWMENT FUNDS – PRIOR YEAR	Balance at 1 January 2017 £	Income £	Expenditure £	Gains/ (losses) £	Balances at 31 December 2017 £
Resources expendable Endowment fund	41,799	-	-	(671)	41,128

17. UNRESTRICTED FUNDS	Balance at 1 January 2018 £	Income £	Expenditure £	Group Valuation Adjustment £	Transfers Between Funds £	Balances at 31 December 2018 £
Designated funds						
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
Total unrestricted funds	2,246,122	1,663,102	(2,139,565)	67,550	(589,598)	1,247,611

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.

UNRESTRICTED FUNDS - PRIOR YEAR	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers between funds £	Balances at 31 December 2017 £
Designated funds					
Fixed assets fund	796,667	-	-	932,307	1,728,974
Unrestricted general fund	183,826	1,589,542	(1,887,846)	631,626	517,148
Total unrestricted funds	980,493	1,589,542	(1,887,846)	1,563,933	2,246,122

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds	Restricted Funds	Endowment Funds	2018
	£	£	£	£
Group				
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>-</u>	<u>8,060,204</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR	Unrestricted Funds	Restricted Funds	Endowment Funds	2017
	£	£	£	£
Group				
Fixed assets	1,728,974	1,187,428	41,128	2,957,530
Stock	250	-	-	250
Debtors	475,623	110,394	-	586,017
Bank and cash	200,127	2,666,422	-	2,866,549
Creditors less than one year	(158,852)	(100,000)	-	(258,852)
	<u>2,246,122</u>	<u>3,864,244</u>	<u>41,128</u>	<u>6,151,494</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)	Unrestricted Funds	Restricted Funds	Endowment funds	2018
	£	£	£	£
Charity				
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>-</u>	<u>8,057,892</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)- PRIOR YEAR	Unrestricted Funds	Restricted Funds	Endowment funds	2017
	£	£	£	£
Charity				
Fixed assets	1,774,062	1,187,428	41,130	3,002,620
Debtors	667,174	110,394	-	777,568
Bank and cash	189,370	2,666,422	-	2,855,792
Creditors less than one year	(134,257)	(100,000)	-	(234,257)
	<u>2,496,349</u>	<u>3,864,244</u>	<u>41,130</u>	<u>6,401,723</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

20. FINANCIAL COMMITMENTS

At 31 December 2018 the Charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2018	2017	2018	2017
	£	£	£	£
Operating leases which expire:				
Within one year	43,427	36,356	-	-
	<u>43,427</u>	<u>36,356</u>	<u>-</u>	<u>-</u>
	<u><u>43,427</u></u>	<u><u>36,356</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

21. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

At the year end the company owed £Nil (2017: £Nil) to The J Isaacs Charitable Trust. During the year the company received donations totalling £403,050 (2017: £10,258) from The J Isaacs Charitable Trust, of which Mr Jeremy Isaacs CBE is a Trustee.

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

22. PARENT COMPANY DISCLOSURES

Income of the Charity (the parent company) amounted to £4,536,181 (2017: £4,300,803). Net incoming resources amounted to a surplus of £1,656,168.