

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

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Company Registration Number 03901606
Charity Number: 1081156

NOAH'S ARK – THE CHILDREN'S HOSPICE
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2016

Directors	Mr Michael A McInerney – Chairman Mrs Mary O'Toole Mrs Jennifer Israel Mr Jeremy Isaacs CBE Dr Lara Shaffer (Resigned – 25.07.16) Mr Adam Leigh Dr Heather Mackinnon (Appointed – 25.07.16) Mr David Greenhalgh-Todd (Appointed – 25.07.16) Mr David Lazarus (Appointed – 12.12.16) Mr Nilesh Jetwa (Appointed – 12.12.16) Mr Jonathan Rose (Appointed – 12.12.16)
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	<u>www.noahsarkhospice.org.uk</u>
Auditor's	haysmacintyre, 26 Red Lion Square, London, WC1R 4AG
Bankers	HSBC, 171 Darkes Lane, Potters Bar, Hertfordshire, EN6 1BU
Solicitors	Charity: Joelson JD 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 2016

The Board is pleased to submit its report and financial statements for the year ended 31 December 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Noah's Ark – The Children's Hospice (NACH) 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 Board 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.

Board members are also members of the following committees, each of which has terms of reference that are being reviewed in 2017:

- Governance and Assurance
- Care
- Finance
- Human Resources – (HR)
- Communications

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

Furthermore, the Noah's Ark Development Group also support the Charity.

Five new trustees were appointed this year. A number of individual trustees have attended relevant development and networking events. Each new Trustee receives an induction session with the Chief Executive (CE), 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. This is completed by Departmental briefings given during the induction process.

2016 also saw the Board undertake an Organisational Health Review, led by the CE and Chair, in preparation for the anticipated growth of NACH. This has been formally adopted and actions are being put in place to further support and develop the Board.

Risk Management

Noah's Ark has a formal risk management process through which the Senior Management Team (SMT) identifies the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk control process, which is updated on a regular basis. This risk register process covers all risks both strategic and operational with risks being grouped under the following headings: Care, Income Generation (IG), Communications, Build, Financial, and HR. The Trustees review all significant risks, together with current mitigation actions, regularly throughout the year. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

SENIOR MANAGEMENT AND OPERATIONS

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

We:

- 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.

Following the CE led restructure, the Charity now operates with a strengthened SMT, and a lean structure that enables the Charity to concentrate on delivery. Current structure includes four Directors in the SMT: Care, Income Generation, Finance and Resourcing and HR/People.

2016 saw the delivery of the NACH 2016-2019 Strategic Intent. This intent defines the growth of NACH and plots a course not only for service delivery but also for the whole organisation. Importantly, it ties the aspirations of NACH, with KPIs and formal practice. 2016 can also be recognised as a year that has been used to create a stable platform for the Care Team and increased networks for IG. For the HR/People Team, following the Organisational Health Review, instigated by the CE, a Charity wide HR delivery programme has been put in place.

The Charity and SMT continue to invest 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 continues to ensure operations are focussed and targeted on need. This work will continue in 2017 and will ensure that NACH is delivering the right service, to the right person at the right time. Our business goals still remains: 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.

2016 also saw the building and operation of the ECentre. This facility set in 7.5 acres of land acts as a training meeting and event venue for NACH and partners. Several Care events for families have been held in the building as well as partner conferences, including a specific neonatal conference. The Charity also holds donor events and specific Departmental away days and activities at the Centre. In line with our outreach into the community and our policy of partnering, we have enabled Friends of Barnet Environmental Centre (FOBEC) to use the facility and supported them in grant applications for their use of the site. This relationship has been mutually beneficial as FOBEC has seen an increase in school children attending their events, which has enabled NACH to increase its reach into the education sector.

2016, also saw at the end of the year, agreement by the Board to go ahead with the construction of a purpose built hospice, The Ark.

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

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. For 2017, NACH will set up a Remuneration and Awards committee, which will ensure parity for the

workforce.

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.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

There are over 1,169¹ 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 2016. 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.

¹ **(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 2016

CARE TEAM

Delivery 2016

The Care Team fulfilled the three year Charity Strategy by working to year one of an operational plan. Through this we planned the expansion of the care team to enable more and different services to be developed and implemented for children, young people and families. The staff team increased by 50%, from 14 to 21. We refined the model of care during 2016, focusing upon enabling children, young people and families and building resilience. The model is underpinned by a holistic assessment of needs, which is undertaken in partnership with the children, young people and families. Through this families identify their unique family outcomes upon which our services will focus. We supported learning and development in the sector and beyond through provision of placements and lectures for students [nurses and social workers] as well as papers for regional, national and international conferences.

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:

- 40 new families were referred to Noah's Ark in 2016, with improved reach beyond Barnet.
- The team members participated in 356 inter-professional interactions throughout the year.
- An innovative framework for quantitative and qualitative measurement of family reported outcomes was implemented through the initial holistic family assessment of need and at regular reviews.
- The Bereavement Pathway was reviewed and a new range of interventions developed to support parents, siblings and extended family.
- The team provided placements for social work students from Middlesex University.
- 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.

Therapies and Specialist Play

During 2016, the Specialist Play team was restructured. The New Therapies and Specialist Play Team provides structured support, with an emotional and social focus, for children, siblings and parents.

- Two additional creative therapists were recruited towards the end of 2016, providing Movement & Drama Therapy and Music Therapy.
- The Specialist Play worker supported 37 children in 2016.

NOAH'S ARK – THE CHILDREN'S HOSPICE

REPORT OF THE BOARD (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

CARE TEAM (continued)

Specialist Care

The team comprises Specialist Carers and Registered Nurses, managed by a Pediatric Nurse who oversees the development of competences to ensure quality care provision for children with complex needs.

- 74 children received Specialist Care in 2016.
- The team has been trained to support children with more complex needs and higher levels of technology, in accordance with the needs of children, young people and families.
- Student nurse placements were provided for the Universities of Hertfordshire, Southbank and Kings College.
- The service hosted colleagues from two services in Japan.
- The team has continued to work in partnership with other hospices and hospitals to deliver palliative care training to hospital Neonatal care staff.
- The team was augmented through the recruitment of two more specialist carers and an additional children's nurse during the second half of 2016.

Family Support Volunteers

As part of the wider Volunteer Programme, Home Support Volunteers offer a range of practical assistance for families, including child, young person and sibling support and help for parents with day to day tasks. In 2016:

- 39 new referrals were made to the service.
- 33 families received the home support volunteer service during 2016.
- 21 volunteers were matched with families.
- The service participated in a national project funded by the Royal Foundation and the True Colours Trust to evaluate home support volunteering.
- A Home Support Project worker was employed to facilitate the national project, focusing on developing the service in Camden, Islington and Haringey and working in partnership with a statutory Children's Palliative Care Service (Life Force).
- A new and improved programme of clinical supervision for volunteers was successfully implemented.

NOAH'S ARK – THE CHILDREN'S HOSPICE

REPORT OF THE BOARD (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

CARE TEAM (continued)

Family Activities

All families receive invitations to Noah's Ark Children's Groups, Family Days, Parent groups and Sibling groups. These events provide opportunities to meet other families and children in similar situations and to build a peer network as well as participate in new experiences. All activities are accessible, and transport is provided if the family needs it. During 2016:

- 42 events were provided across the year.
- Noah's Ark Children's Groups, enabling positive experiences, social networking and peer support through group activities, were expanded during 2016.
- The team supported the planning of the new Bereavement Pathway.
- A Parent Forum was established, facilitating dialogue between parents and Trustees through Family Events.

Care Plans for 2017

The Care Operational Plan will deliver year 2 of the Charity Strategy, further expanding the care team and delivering more services to more children, young people and families.

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 more children to attend Noah's Ark Children's Groups.
- Recruitment and retention of additional Nurses and Specialist Carers.
- Providing additional nursing interventions at end of life.
- Implementation of feedback mechanisms for children and young people 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.
- Analyse Family Reported Outcomes both qualitatively and quantitatively, ensuring that learning continuously informs service review, improvement and development.
- Increase care provision through recruitment of additional Family Link Workers.

The **Family Activities Team** will increase the provision of events for the whole family, reducing isolation; building communities, creating accessible activity based breaks, maintaining inclusivity, facilitating peer support, building confidence and facilitating independence. Children and young people and families will be supported to give feedback in a range of creative ways to inform service review, improvement and development. The Family Activities Team will work with the Play and Therapies Team to investigate ways to increase the therapeutic benefits of family activities.

The **Home Volunteer Service** will continue to develop and grow with the emphasis on high quality, bespoke matches being made between family and volunteers. The team will conclude their involvement in the national project. Opportunities to develop new volunteer services will be explored with local partners, including hospitals, community nursing teams and

NOAH'S ARK – THE CHILDREN'S HOSPICE

REPORT OF THE BOARD (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

CARE TEAM (continued)

hospices. The Team will work in partnership with the Family Link Team to promote compassionate and engaged local communities. New volunteer roles to support the activities of play and music will be implemented to enable on going family enjoyment of activities after therapeutic interventions conclude.

FUNDRAISING

Delivery 2016

Noah's Ark's guiding Fundraising principal for 2016 was to offer supporters an excellent donor experience and to build on its reputation for exemplary donor care and stewardship. 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.

Working effectively across the catchment area, the fundraising team enabled more stable service delivery planning by:

- Increasing activity amongst faith and community groups across North London and Hertsmere.
- Increasing unrestricted income, particularly from major donors and individuals.
- Undertaking a successful TEAM Noah overseas trek and a number of individual and group challenges.
- Delivering a successful Noah's Ark Golf Day and two sell out Precious Moments Concerts.
- Securing multiyear funding and a number of charity of the year partnerships from Trusts and Companies.
- Expanding the network of donors and supporters through the Noah's Ark Development Group and Events Committee and more fully engaging 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 1:3.7 excluding the income and expenditure from other trading activities.

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

Building the Ark Appeal (formerly Big Splash Capital Appeal)

During the year a number of highly successful approaches were made and funds and pledges amounting to £2.676 million were secured.

The appeal has been further supported by the support of the construction and development industry. Noah's Ark has received an estimated £400,000 in Pro Bono services.

NOAH'S ARK – THE CHILDREN'S HOSPICE

REPORT OF THE BOARD (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

FUNDRAISING (continued)

Fundraising Plans for 2017

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.

Q4 of 2017 will see the launch to the public of the Building The Ark Appeal, which will continue for the 18 months that construction of the hospice building is taking place. The team's key focus during this time, in addition to raising the necessary Appeal funds, will be to attract new donors and increase the charity's supporter base thereby ensuring the Building The Ark Appeal does not cannibalize the revenue funds.

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.
- 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.
- 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.
 - Holding a number of niche Noah's Ark fundraising events
 - Working alongside THFC to reach out to supporters and fans.
- Raise £1.45m towards the Building the Ark Appeal by:
 - Working alongside the Appeal Chair and lay leaders to achieve high level gifts.
 - Launching the public fundraising campaign in Q4.

NOAH'S ARK – THE CHILDREN'S HOSPICE

REPORT OF THE BOARD (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

Retail

During 2016 all 3 shops traded for the full year and the Charity saw further development of its retail arm. 2016 saw the commencement of On-line trading through eBay. Following a 3rd 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 £43,409 (2016 – Loss £1,890), this being through the cost of employing staff to professionalise the retail arm. 2017, will see NACH ensuring that its Retail Arm is fully integrated within the Charity and there will be greater cross boundary working, initially with IG to develop an integrated community's programme that will further reinforce the supply chain.

	<u>2016</u> £	<u>2015</u> £
Income Analysis		
Donations Received in Year	1,533,558	1,464,898
Gross Retail Income	235,902	191,938
Building the Ark Appeal	1,056,083	363,070
Investment Income Received	6,547	7,342
TOTAL INCOMING RESOURCES	<u><u>2,832,090</u></u>	<u><u>2,027,248</u></u>

PEOPLE

2016 saw the continued professionalisation of the HR resource, with the appointment of an Interim Director to lead the team. An integrated HR plan, taking in Trustees, volunteers and workforce was developed and put into action. This will continue to roll out in 2017. The concept of 'one family' is core to the strategy, and a quarterly staff and volunteer forum has been set up to ensure that messages and actions are being reflected across the Charity. An appraisal system tabulated to organisational goals has been developed and will be introduced in 2017 and this combined with clear messaging of NACH's strategic intent should help to develop individuals and the Charity alike.

NACH is also exploring placements for members of staff with industry and other partners, as part of the development of the workforce. This is seen a training and development opportunity for staff.

Noah's Ark could not exist without the valuable help and skills given to it by all volunteers across Care and Family Support, IG, Administration and Retail. During 2016 our volunteer programme was strengthened creating effective savings in excess of £153,000 (Total Volunteer hours for 2016 = 16,305 @ £9.40 per hour = £153,267).

Our unique collaboration with Whittington Health in a pilot programme for family volunteer support will now be developed by NACH in 2017 and beyond and is seen as a key milestone in developing the concept of 'compassionate communities'. The programme will be further rolled out across Camden, Islington and Haringey, with support from Tottenham Hotspur in the Haringey area.

The Trustees offer their thanks to those volunteers who give up their time and expertise to help us in achieving our goals.

NOAH'S ARK – THE CHILDREN'S HOSPICE

REPORT OF THE BOARD (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

PARTNERSHIP WORKING

NACH is committed to working collaboratively and in partnership with others both within and outside the sector, to support the needs of our children and families as well as developing our presence in the community and the skill sets of our workforce.

During 2016 the Charity has also embarked on a series of partnerships to increase its capacity and enhance delivery:

- Continued working with Great Ormond Street Hospital (GOSH) and TfSL, Noah's Ark still leads the Transition programme for children and young adults across North and Central London and Hertsmere.
- The Charity continues to work with 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 continues to work to increase its effect. This includes working with The Rainbow Trust and in 2017 with Haven House.
- In a structured programme of Care placements the Charity continues its work 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.
- Working closely with CHaL to develop pan London programmes for service delivery.

THE ARK BUILD

2016 saw unanimous agreement by the Board to progress to building the redesigned Ark, starting in 2017. Through partnering with Industry and pro bono support from key industry firms, such as JLL, Pears, Erith, Sellar, HOK and further support from Squires, DBK, Ramboll, Gensler, KuT, NACH now has a design that is fit for purpose, not only to deliver our services but also for the building to act as a community asset and a hub to our satellite teams, spokes, that will continue our work into the community. The continued support and engagement of the construction industry has been vital to our moving this major programme forward. Current intent is to start the build on site in September 2017.

Organisational Priorities for 2017:

- Develop the Care team 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
- Growth of voluntary income and the development of a donor programme to fund the £2m operating cost of the Charity in 2017. Combined with the delivery of a public facing campaign to deliver increased revenue to support the Build.
- Start the construction of 'The Ark' and to include continued partnering with industry to drive down costs of the build.
- Continued ramp up of volunteer recruitment combined with further integration of volunteers to achieve a 'one family concept'. This will include closer working with Universities and Colleges as well as community volunteer organisations.
- Continued investment in and support of our staff through partnering and mentoring programmes with industry and other charities outside the Children's Hospice sector.
- Support and develop the retail programme by expanding the Charity's On-line shop to achieve £50k in net profit for 2017 and further development of an on-line arm

NOAH'S ARK – THE CHILDREN'S HOSPICE

REPORT OF THE BOARD (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

- Strict financial management and planning to ensure intelligent growth to meet need and the creation of a robust reserve.
- Development and integration of new and efficient organisational ICT.

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 31st December 2016 are set out on page 14.

Group	Total Income	Resources Expended	Surplus	2016
Charity	1,540,105	(1,491,237)	48,868	145,825
NA Trading Ltd	235,902	(272,112)	(36,210)	(1,890)
Maleberry Ltd	-	(13,793)	(13,793)	(3,747)
Building the Ark Appeal	1,056,083	(156,799)	899,284	248,577
Net incoming resources	<u>2,832,090</u>	<u>(1,933,941)</u>	<u>898,149</u>	<u>388,765</u>

The overall net surplus for the year amounted to £900,392 (2015 - £386,541) after taking into account an unrealised gain of £2,243 (2015: loss £2,224) 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 2016

RESERVES POLICY

Noah's Ark Children's Hospice's Reserves policy is to maintain a level of reserves of 3 months operating costs - £400,000 - to enable the operating activities of the Charity to continue. It is the intent of NACH to build up a Reserve equivalent to 6 months operating costs.

Unrestricted funds of the Charity at the year-end amounted to £ 980,493 of which £183,826 were free reserves. This equates to approximately 1.37 months of operational costs.

The Board of Trustees remains 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: 10 APRIL 2017

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

We have audited the financial statements of Noah's Ark – The Children's Hospice for the year ended 31 December 2016 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 including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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.

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 2016 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.

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' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

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

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.

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

KEB

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

**26 Red Lion Square
London
WC1R 4AG**

Date: 10 APRIL 2017

NOAH'S ARK – THE CHILDREN'S HOSPICE

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

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted Funds £	Restricted funds £	Endowment fund £	2016 £	2015 £
Income from						
<i>Donations & legacies</i>						
Donations		1,048,961	265,444	-	1,314,405	1,144,993
Building the Ark Appeal		-	1,056,083	-	1,056,083	363,070
Legacies		50,000	-	-	50,000	136,613
Gift aid		39,376	-	-	39,376	35,376
<i>Investments</i>	3	6,547	-	-	6,547	7,342
<i>Other trading activities</i>	4	236,291	-	-	236,291	199,886
<i>Charitable activities</i>						
Statutory grants		-	124,335	-	124,335	124,335
Other grants		-	5,053	-	5,053	15,633
Total		<u>1,381,175</u>	<u>1,450,915</u>	<u>-</u>	<u>2,832,090</u>	<u>2,027,248</u>
Expenditure on						
<i>Raising funds</i>						
Costs of generating voluntary income		430,778	-	-	430,778	502,122
Costs relating to Building the Ark Appeal		-	240,309	-	240,309	114,493
Costs of activities generating income		40,426	-	-	40,426	23,383
Fundraising trading via subsidiary		293,285	-	-	293,285	187,321
<i>Charitable activities</i>						
Care services		605,660	323,483	-	929,143	811,164
Total	5	<u>1,370,149</u>	<u>563,792</u>	<u>-</u>	<u>1,933,941</u>	<u>1,638,483</u>
Net income before (losses)/gains on investments		<u>11,026</u>	<u>887,123</u>	<u>-</u>	<u>898,149</u>	<u>388,765</u>
Net (losses)/gains on investment	11	-	-	2,243	2,243	(2,224)
Net income/(expenditure)		<u>11,026</u>	<u>887,123</u>	<u>2,243</u>	<u>900,392</u>	<u>386,541</u>
Transfers between funds		-	-	-	-	-
Net movement in funds		<u>11,026</u>	<u>887,123</u>	<u>2,243</u>	<u>900,392</u>	<u>386,541</u>
Reconciliation of funds						
Total funds brought forward		969,467	2,255,686	39,556	3,264,709	2,878,168
Total funds carried forward	19	<u>980,493</u>	<u>3,142,809</u>	<u>41,799</u>	<u>4,165,101</u>	<u>3,264,709</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 2015 have been represented under FRS102 (SORP 2016) on the Statement of Financial Activities in Note 24.

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		2,102,100		1,872,464
Investments	11		41,799		39,556
			<u>2,143,899</u>		<u>1,912,020</u>
CURRENT ASSETS					
Debtors	12	178,077		219,420	
Stock		1,312		1,115	
Cash at bank and in hand		2,074,421		1,585,390	
		<u>2,253,810</u>		<u>1,805,925</u>	
CREDITORS: amounts falling due within one year	13	<u>(232,608)</u>		<u>(215,236)</u>	
NET CURRENT ASSETS			<u>2,021,202</u>		<u>1,590,689</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,165,101</u>		<u>3,502,709</u>
CREDITORS: amounts falling due after one year	14		-		(238,000)
NET ASSETS			<u><u>4,165,101</u></u>		<u><u>3,264,709</u></u>
FUNDS					
Restricted funds	16		3,142,809		2,255,686
Endowment funds	17		41,799		39,556
Unrestricted funds	18				
General			183,826		172,800
Designated			796,667		796,667
			<u>4,165,101</u>		<u>3,264,709</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 10/04/2017 and were signed below on its behalf by:


Mr Michael A McInerney
Chairman

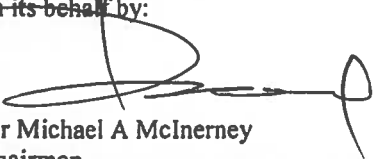
Notes on pages 19 to 31 form an integral part of these accounts.

CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		648,439		651,372
Investments	11		41,801		39,558
			<u>690,240</u>		<u>690,930</u>
CURRENT ASSETS					
Debtors	12	1,670,653		1,400,326	
Cash at bank and in hand		2,071,750		1,584,249	
		<u>3,742,403</u>		<u>2,984,575</u>	
CREDITORS: amounts falling due within one year	13	<u>(137,576)</u>		<u>(100,217)</u>	
NET CURRENT ASSETS			<u>3,604,827</u>		<u>2,884,358</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,295,067</u>		<u>3,575,288</u>
CREDITORS: amounts falling due after one year	14		-		(238,000)
NET ASSETS			<u><u>4,295,067</u></u>		<u><u>3,337,288</u></u>
FUNDS					
Restricted funds	16		3,142,809		2,255,686
Endowment funds	17		41,799		39,556
Unrestricted funds					
General			313,792		245,379
Designated			796,667		796,667
			<u>4,295,067</u>		<u>3,337,288</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 12/01/17 and were signed below on its behalf by:


Mr Michael A McInerney
Chairman

Notes on pages 19 to 31 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 2016

	Total funds 2016		Total funds 2015	
	£	£	£	£
Cash flows from operating activities		727,979		425,584
Cash flows from investing activities:				
Dividends, interest and rents from investments	6,547		7,342	
Purchase of property, plant and equipment	(245,495)		(889,046)	
Net cash provided by (used in) investing activities		(238,948)		(881,704)
Increase/(decrease) in cash and cash equivalents in the reporting period		489,031		(456,120)
Cash and cash equivalents at the beginning of the reporting period		1,585,390		2,041,510
Cash and cash equivalents at the end of the reporting period		2,074,421		1,585,390
			2016	2015
			£	£
Reconciliation of net movement in funds to cash flow from operating activities				
Net movement in funds			900,392	386,541
Depreciation charges			15,859	14,385
Losses/(gains) on investments			(2,243)	2,224
Dividends, interest and rents from investments			(6,547)	(7,342)
(Increase)/decrease in stock			(197)	(1,115)
(Increase)/decrease in debtors			41,343	(48,869)
Increase/(decrease) in creditors			(220,626)	79,760
Net cash provided by/(used) in investing activities			727,981	425,584
			2016	2015
			£	£
Analysis of cash and cash equivalents				
Cash in hand			2,074,421	1,585,390
Total cash and cash equivalents			2,074,421	1,585,390

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016) – (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 2015.

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 2016

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.

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 2016

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

	2016	2015
	£	£
Net (outgoing)/incoming resources is stated after charging:		
Auditor's remuneration	12,000	12,330
Depreciation	15,859	14,385
Operating lease rentals	49,077	59,900
	<u> </u>	<u> </u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Bank interest received	5,056	-	5,056	5,242
Common Investment Funds – Fixed interest	1,491	-	1,491	2,100
	<u>6,547</u>	<u>-</u>	<u>6,547</u>	<u>7,342</u>
	<u><u>6,547</u></u>	<u><u>-</u></u>	<u><u>6,547</u></u>	<u><u>7,342</u></u>
4. OTHER TRADING ACTIVITIES	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Noah's Ark events	-	-	-	7,776
Merchandise	389	-	389	172
Shop income – sale of donated goods	235,902	-	235,902	191,938
	<u>236,291</u>	<u>-</u>	<u>236,291</u>	<u>199,886</u>
	<u><u>236,291</u></u>	<u><u>-</u></u>	<u><u>236,291</u></u>	<u><u>199,886</u></u>
5. EXPENDITURE	Direct & directly allocated costs £	Support Costs £	Total 2016 £	Total 2015 £
<i>Raising funds</i>				
Costs of generating voluntary income	308,860	121,918	430,778	502,122
Costs relating to Building the Ark Appeal	212,694	27,615	240,309	114,493
Costs of activities for generating income	40,426	-	40,426	23,383
Fundraising trading via subsidiary	293,285	-	293,285	187,321
<i>Charitable activities</i>				
Care services	595,283	333,860	929,143	811,164
	<u>1,450,548</u>	<u>483,393</u>	<u>1,933,941</u>	<u>1,638,483</u>
	<u><u>1,450,548</u></u>	<u><u>483,393</u></u>	<u><u>1,933,941</u></u>	<u><u>1,638,483</u></u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

5. RESOURCES EXPENDED (continued)

SUPPORT COSTS	Premises £	Finance and administration £	IT and communications £	Total 2016 £	Total 2015 £
<i>Raising funds</i>					
Costs of generating voluntary income	18,442	102,063	1,413	121,918	159,978
Costs relating to Building the Ark Appeal	4,177	22,725	713	27,615	16,721
<i>Charitable activities</i>					
Care services	50,502	279,487	3,871	333,860	192,946
	<u>73,121</u>	<u>404,275</u>	<u>5,997</u>	<u>483,393</u>	<u>369,645</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 £257,137. Other significant support costs include: Premises £73,121 and depreciation £9,686.

6. GOVERNANCE COSTS

	2016 £	2015 £
Staff costs	50,005	47,151
Audit fees	12,000	12,330
Trustees expenses	5,260	183
Other costs	-	33
	<u>67,265</u>	<u>59,697</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

	2016 £	2015 £
Wages and salaries	1,186,078	923,627
Employer's NI	116,211	88,484
Pension costs	19,066	-
	<u>1,321,355</u>	<u>1,012,111</u>

The average number of employees during the year was 34 (2015: 31). On average, 9 (2015: 8) employees were directly employed in fundraising activities and 17 (2015: 16) 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. The actual number of employees as at 31 December 2016 was 51.

1 employee was paid in the bracket of £80,000 - £90,000 during the year (2015: £80,000 - £90,000: 1).

Key management personnel comprise the senior management team. The total employee benefits of the key management personnel of charity and the group were £286,967 (2015: £247,151).

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

8. DIRECTORS' REMUNERATION

One of the directors, Mrs Mary O'Toole, was reimbursed expenses totalling £0 (2015: £184) in her capacity of providing pro-bono services as a social worker in the year. Her husband Charles O'Toole received £0 (2015 – £134) travel expenses in his capacity as a volunteer. No other director received remuneration from the charity in the year.

9. NET RESULTS OF TRADING SUBSIDIARIES

	Noah's Ark Trading Limited	
	2016	2015
	£	£
Profit & Loss		
Turnover	235,906	191,938
Cost of sales	(11,690)	(9,879)
	<u>224,212</u>	<u>182,059</u>
Gross profit	224,212	182,059
Administrative expenses	(267,621)	(183,949)
	<u>(43,409)</u>	<u>(1,890)</u>
Balance Sheet		
Fixed Assets	27,397	33,312
Current Assets	47,145	39,728
Current Liabilities	(183,529)	(138,617)
	<u>(108,987)</u>	<u>(65,577)</u>
Profit & loss account	(108,988)	(65,578)
Called up share capital	1	1
Net Liabilities	<u>(108,987)</u>	<u>(65,577)</u>
	Maleberry Limited	
	2016	2015
	£	£
Turnover	-	-
Cost of sales	-	-
	<u>-</u>	<u>-</u>
Gross profit	-	-
Administrative expenses	(13,973)	(3,747)
	<u>(13,793)</u>	<u>(3,747)</u>
Net profit/(loss)	<u>(13,793)</u>	<u>(3,747)</u>
Balance Sheet		
Fixed assets	1,426,263	1,187,780
Current assets	164	6
Current liabilities	(1,447,399)	(1,194,786)
	<u>(20,972)</u>	<u>(7,000)</u>
Profit and loss account	(20,973)	(7,001)
Called up share capital	1	1
Net Liabilities	<u>(20,972)</u>	<u>(7,000)</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

10. FIXED ASSETS				
CONSOLIDATED	Hospice and E-Centre Building project	Leasehold properties	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2016	1,187,780	722,164	39,224	1,949,168
Additions	238,483	-	7,012	245,495
At 31 December 2016	<u>1,426,263</u>	<u>722,164</u>	<u>46,236</u>	<u>2,194,663</u>
Depreciation				
At 1 January 2016	-	46,732	29,972	76,704
Charge for the year	-	10,149	5,710	15,859
At 31 December 2016	<u>-</u>	<u>56,881</u>	<u>35,682</u>	<u>92,563</u>
Net Book Value				
At 31 December 2016	<u>1,426,263</u>	<u>665,283</u>	<u>10,554</u>	<u>2,102,100</u>
At 31 December 2015	<u>1,187,780</u>	<u>675,432</u>	<u>9,252</u>	<u>1,872,464</u>
CHARITY		Leasehold property	Fixtures, fittings & equipment	Total
		£	£	£
Cost				
At 1 January 2016		674,081	30,932	705,013
Additions		-	6,752	6,752
At 31 December 2016		<u>674,081</u>	<u>37,684</u>	<u>711,765</u>
Depreciation				
At 1 January 2016		29,343	24,298	53,641
Charge for the year		5,340	4,345	9,685
At 31 December 2016		<u>34,863</u>	<u>28,643</u>	<u>63,326</u>
Net Book Value				
At 31 December 2016		<u>639,398</u>	<u>9,041</u>	<u>648,439</u>
At 31 December 2015		<u>644,738</u>	<u>6,634</u>	<u>651,372</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

11. FIXED ASSET INVESTMENTS	Listed investments	Charity Shares in subsidiary undertakings £	Total £	Group Listed investments £
Cost or valuation				
At 1 January 2016	39,556	2	39,558	39,556
Additions				
Unrealised (loss)/gain on revaluation of Investments	2,243	-	2,243	2,243
At 31 December 2016	<u>41,799</u>	<u>2</u>	<u>41,801</u>	<u>41,779</u>
At 31 December 2015	<u>39,556</u>	<u>2</u>	<u>39,558</u>	<u>39,556</u>

Listed investments

The Charity's fixed asset investment comprises a holding of 32,415 M&G Charibond units at a market value of £41,799 as at 31 December 2016.

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 a children's hospice.

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

12. DEBTORS	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Amounts owed by subsidiary undertakings	-	-	1,535,899	1,218,383
Prepayments and accrued income	104,847	125,749	91,429	108,866
Other debtors	5,810	6,485	5,810	5,792
Other taxation and social security	67,420	87,186	37,515	67,285
	<u>178,077</u>	<u>219,420</u>	<u>1,670,653</u>	<u>1,400,326</u>

13. CREDITORS: amounts falling due within one year	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	108,516	43,635	39,399	30,437
Other creditors	4,676	1,264	3,438	1,236
Taxation and social security	65,109	30,674	60,929	29,195
Accruals	54,307	139,663	33,810	39,349
	<u>232,608</u>	<u>215,236</u>	<u>137,576</u>	<u>100,217</u>

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

14. CREDITORS: amounts falling due after one year	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Loans from related parties	-	238,000	-	238,000

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 was forgiven in December 2016.

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 2016 £	Incoming resources £	Resources expended £	Transfers between funds £	Balances at 31 December 2016 £
Building the Ark Appeal	2,180,037	1,056,083	240,309	-	2,995,811
Community Service					
- Volunteer Programme	-	29,306	29,306	-	-
Community Service					
-Nursing & Specialist Carers Fund	15,000	176,585	98,887	-	92,698
Community Service					
- Home Support Volunteer Fund	20,000	20,000	25,398	-	14,602
Community Service					
- Drama Programme	-	21,400	15,569	-	5,831
Department of Health – S64	31,083	124,335	129,918	-	25,500
Wishes Fund	1,817		400	-	1,417
Noah's Ark Van Fund	1,066		1,066	-	-
Siblings Support	-	8,256	8,256	-	-
Family Link	-	2,700	-	-	2,700
Specialist Carers Equipment	2,097		2,097	-	-
Employee Training	1,000	12,250	9,000	-	4,250
Office Facilities & Equipment	3,097	-	3,097	-	-
Special Support Fund	489	-	489	-	-
	<u>2,255,686</u>	<u>1,450,915</u>	<u>563,792</u>	<u>-</u>	<u>3,142,809</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 2016

16. RESTRICTED FUNDS (continued)

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.

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 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 2015.

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

We will acknowledge the grant in our annual report and accounts and acknowledge City Bridge Trust as the source of the grant. The grant is shown as a restricted fund in these accounts and is not included under general funds.

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

17. ENDOWMENT FUNDS	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Gains/ (losses) £	Balances at 31 December 2016 £
Resources expendable Endowment fund	39,556	-	-	2,243	41,799

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 2016 £	Incoming resources £	Resources expended £	Transfers between funds £	Balances at 31 December 2016 £
Designated funds					
Fixed assets fund	796,667	-	-	-	796,667
Unrestricted general fund	172,800	1,381,175	(1,370,149)	-	183,826
Total unrestricted funds	969,467	1,381,175	(1,370,149)	-	980,493

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.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Endowment funds £	2016 £	2015 £
Group					
Fixed assets	881,113	1,220,987	41,799	2,143,899	1,912,020
Stock	1,312	-	-	1,312	1,115
Debtors	178,077	-	-	178,077	219,420
Bank and cash	152,599	1,921,822	-	2,074,421	1,585,390
Creditors less than one year	(232,608)	-	-	(232,608)	(215,236)
Creditors more than one year	-	-	-	-	(238,000)
	980,493	3,142,809	41,799	4,165,101	3,264,709

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)	Unrestricted funds £	Restricted funds £	Endowment funds £	2016 £	2015 £
Charity					
Fixed assets	648,441	-	41,799	690,240	690,930
Debtors	449,666	1,220,987	-	1,670,653	1,400,326
Bank and cash	149,928	1,921,822	-	2,071,750	1,584,249
Creditors less than one year	(137,576)	-	-	(137,576)	(100,217)
Creditors more than one year	-	-	-	-	(238,000)
	<u>1,110,459</u>	<u>3,142,809</u>	<u>41,799</u>	<u>4,295,067</u>	<u>3,337,288</u>

21. FINANCIAL COMMITMENTS

At 31 December 2016 the Charity had annual commitments under non-cancellable operating loans as follows:

	Land and buildings		Other	
	2016 £	2015 £	2016 £	2015 £
Operating leases which expire:				
Within one year	39,500	56,000	-	-
Between two and five years	79,000	168,000	-	-
	<u>118,500</u>	<u>224,000</u>	<u>-</u>	<u>-</u>

22. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

At the year end the company owed £ Nil (2015: £238,000) to The J Isaacs Charitable Trust. *See note 14.*

During the year the company received donations totalling £Nil (2015: £Nil) 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 (2015: £Nil) 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 (2015: £Nil) to Brookdale Group of companies.

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 £2,596,088 (2015: £1,835,310). Net incoming resources amounted to a surplus of £900,292