

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

**GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

**NOAH'S ARK – THE CHILDREN'S HOSPICE**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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|--------------------------|---|
| <b>Directors</b>         | Mr Jeremy Isaacs CBE Chairman (Appointed Chairman 27 March 2017)<br>Mrs Mary O'Toole<br>Dr Heather Mackinnon<br>Mr Adam Leigh<br>Mr David Greenhalgh-Todd<br>Mr David Lazarus<br>Mr Nilesh Jethwa<br>Mr Jonathan Rose<br>Mr Adam Levin (Appointed 27 March 2017)<br>Mr Michael McInerney (Resigned 27 March 2017)<br>Mrs Jennifer Israel (Resigned 27 March 2017) |
| <b>Secretary</b>         | Mr Mark Watkins (known as Ru Watkins)   |
| <b>Chief Executive</b>   | Mr Mark Watkins (known as Ru Watkins)   |
| <b>Company Number</b>    | 03901606  |
| <b>Charity Number</b>    | 1081156   |
| <b>Registered Office</b> | 3 Beauchamp Court, 10 Victors Way, Barnet, Hertfordshire EN5 5TZ  |
| <b>Web Address</b>       | <a href="http://www.noahsarkhospice.org.uk">www.noahsarkhospice.org.uk</a>  |
| <b>Auditors</b>          | haysmacintyre: 10 Queen St Pl, London EC4R 1AG  |
| <b>Bankers</b>           | HSBC: 171 Darkes Lane, Potters bar, Hertfordshire, EN6 1BU  |
| <b>Solicitors</b>        | Charity: Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ<br>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 2017**

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The Board is pleased to submit its report and financial statements for the year ended 31 December 2017.

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

The 2011 report by Together for Short Lives<sup>1</sup>, 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 2017. 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.

#### **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 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 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 by a series of briefings by senior management and a visit 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'.

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<sup>1</sup> (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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Following an organisational review of the Board in 2016, the following subcommittees were established in 2017. These subcommittees which meet quarterly, led by Trustees and supported by appropriate members of the Senior Management Team (SMT) are:

- Finance, Audit, Risk and Governance
- Care and Clinical Governance
- Remuneration and People
- Income Generation and Communications
- Investment.

There are up to six full Board meetings per year. 2017 saw the induction of one new member of the Board and the departure of two members. Four honorary Trustees were created; Jennifer Israel, Dr Lara Shaffer, Ronel Lehmann and Honorary Life President, Michael McInerney. The Board and Chair are hugely grateful for the service of these Trustees and thank them for their continued support to Noah's Ark.

### **RISK MANAGEMENT**

Noah's Ark continues to develop its formal risk management process through the identification and management of risk by the SMT and the respective subcommittees. The risk process covers strategic and operational risk and is evidenced by a formal risk matrix. The Trustees review all significant risk and mitigation throughout the year and are satisfied that the processes and systems developed are in place to mitigate identified risks to an acceptable level.

Three 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 ie 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 – NACH 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 clinical staff 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.

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

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#### **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.

2017 saw the continued development and delivery of the Strategic Intent and growth of service delivery across North and Central London and Hertsmere. Our business 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 into the future. As such 2017 proved to be a hugely successful year with our referral rate increasing and our services supporting more families. This has been the best year that the Charity has seen in its history. We continue to use data analysis to inform our service delivery development, with 2017 now providing a benchmark for further data analysis, enabling us to continue to refine our service model in line with child and family needs.

The use of the Environmental Centre (ECentre), constructed in 2016, has enabled NACH to develop wider networks through the use of study days. Combined with our partnership with a local environmental charity, we have enabled over 1,000 children to use and enjoy the ECentre and its environment. This relationship has and continues to prove highly valuable to both organisations.

2017 has also seen the start of the construction of The Ark. This building, a hospice for the 21st Century, will be completed in early 2019 and marks the next step of Noah's Ark's development and enables the Charity to move toward a model of care that is truly holistic.

Financially the Charity continues to grow in line with its strategic plan. 2017 proved successful in developing new partners and new financial streams, not only in our revenue fundraising but also for the Building the Ark Appeal. The Charity will continue this development over the ensuing years, by continuing to develop new donors and support existing donors through outstanding donor care and through seeking 'new markets'.

#### **Staff Remuneration**

The pay of the SMT and staff is reviewed annually and benchmarked against the mid-range point for similar charities. The Remuneration and People subcommittee ensures pay parity for the workforce. Details of Directors' expenses and related party transactions are disclosed in notes 7, 8 and 21.

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

### **DIRECTORS REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **CARE**

##### **Delivery 2017**

The Care Team have worked through year two of an operational plan to support the three year Charity strategy. The focus for Care continues to be delivery of more and different services. In 2017, NACH has delivered a record numbers of referrals and levels of service delivery.

During the second year of implementing our unique Family Reported Outcome Measures, thematic analysis showed that the most frequently cited desire was for more social activities for one or more family members, with the second most popular theme being additional short break support. Evidence such as this informed our strategic planning and recruitment so that we increased the staff team to 30, boosting capacity in each of the three service areas: Nursing and Specialist Care, Family Link and Family Activities.

We shared our learning from Family Reported Outcome Measures at national conferences for Together for Short Lives and the Rainbow Trust. We continued to support student placements for therapists, nurses and social workers, as well as giving lectures at Southbank University and Kings College London. We provided the external examiner for the National University of Ireland Children's Palliative Care courses and research expertise for the Universities of Manchester and Sheffield 'Living Life to the Fullest' project.

In accordance with our strategy, we used evidence of need to identify areas for service development and delivery. An innovative in-reach service to Great Ormond Street Hospital facilitated new service provision for babies, children and young people in intensive care.

##### **Family Link**

The Family Link Team was augmented through two additional Family Link Workers, enabling the delivery of practical and emotional support and advice, including advocacy for housing, benefits and education concerns, to the increasing total number of families we support. The team provide bereavement support to any family bereaved of a child whether or not we have known the child in life. Key successes:

- The Therapies and Specialist Play team was moved from Nursing and Specialist Care into the Family Link Team to ensure provision of these services across the entire caseload.
- 73 new families were referred to Noah's Ark in 2017 with improved reach into our Southern areas.
- The team members participated in 769 interactions with other professionals throughout the year.
- The innovative Family Reported Outcome Measures framework for quantitative and qualitative measurement of family outcomes continued. Families were able to review their outcomes, and 69% of families identified that their outcomes had improved over the year.
- 230 families received support from Noah's Ark during 2017.

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

The Therapies and Specialist Play team continue to develop outcome-focused and time-boundaried support through their specialist input. More groups were created to extend provision, enabling children and families to progress from individual to group work and extending opportunities to develop supportive peer networks. Music Therapy became part of an innovative in-reach service to the intensive care units at Great Ormond Street. In total 83 children received specialist play, music or movement and drama therapeutic support over the year.

##### **Specialist Care**

The team comprises 8 Specialist Carers and 4 Registered Nurses, all managed by a Paediatric Nurse who oversees the development of competences to ensure quality care provision for children with complex needs. In summary:

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### **DIRECTORS REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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- 102 children received Specialist Care in 2017.
- 3,838 hours of individual visits were provided.
- The team also supported children to attend family activities including family days and Noah's Ark Children's Groups.
- Student nurse placements were provided for the University of Hertfordshire, London South Bank University and King's College London.
- The team supported the delivery of training to hospital Neonatal care staff.
- The team started to develop local partnerships to support delivery of 24/7 end of life care in the home.

#### **Home 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 2017:

- 66 families received the home support volunteer service.
- 45 volunteers were matched with families.
- 1,000 hours of home support were provided by volunteers.
- The service completed a national project funded by the Royal Foundation and the True Colours Trust to evaluate home support volunteering. The project strengthened our partnership with statutory Children's Palliative Care services and we continued to fund the Home Support Volunteer Coordinator on completion of the funded project.
- The service established a new in-reach service at Great Ormond Street Hospital, providing sibling crèche services for neonatal, cardiac and general intensive care units.

#### **Family Activities**

All families receive invitations to Noah's Ark Children's Groups, Family Days, Parent groups and Sibling groups. These events enable families, children and young people in similar situations to build a peer network as well as participate in positive new experiences. During 2017:

- The team was augmented with an additional member of staff, reflecting needs identified through Family Reported Outcome Measures.
- 67 Families attended family activity days.
- 51 children and young people with life limiting and life-threatening conditions attended Noah's Ark Children's Groups.
- 75 siblings accessed sibling support groups.

#### **Care Plans for 2018**

The Care Operational Plan will deliver year 3 of the Charity Strategy, focusing on completion of the hospice building, refining and augmenting service delivery and increasing the number of children, young people and families we support. The Care team will:

- Continue regular review of individual family reported outcome measures and twice yearly caseload thematic analysis to ensure our services remain responsive to family need.
- Support more children to attend Noah's Ark Children's Groups.
- Implement additional sibling support groups.
- Continue to develop local partnerships for delivery of 24/7 end of life care.
- Increase referrals through multi-professional networking.

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

### **DIRECTORS REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **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 2017**

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 2017 donors and supporters were kept informed, engaged and involved by:

- Monthly e-news: Take a Moment.
- Biannual printed Newsletter: Aboard the Ark.
- A dynamic programme of Social Media activity across Facebook, Twitter and Instagram.
- An engaging website with a newly created Building The Ark microsite.
- Two integrated fundraising campaigns.
- A full and engaging programme of fundraising events and activities.
- The public phase of the Building The Ark Campaign - which launched in September 2017 and will last for 18 months while The Ark is being constructed.

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

The two year partnership with Tottenham Hotspur Football Club (THFC) has continued to flourish with a number of opportunities for raising awareness of Noah's Ark and in particular the Building The Ark Campaign. Such is the success of the partnership for THFC and NACH that this has been extended to a third year.



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#### **Building the Ark Campaign**

During the year a number of highly successful approaches and applications were made to individual philanthropists and Grant Giving Trusts. Funds and pledges amounting to £3.315 million were secured.

The Campaign has been further supported by the generosity of the construction and development industry. To date, Noah's Ark has received an estimated £560,000 in Pro Bono services/ Gifts in Kind. 2017 also saw the public launch of the Building The Ark Campaign with a number of awareness raising and fundraising initiatives supported by some key corporate backers such as the Express Group and Everyman Cinemas.

#### **Fundraising Plans for 2018**

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.
- Develop regular and reliable income sources by:
  - Operating a lottery scheme through Your Hospice Lottery.
  - Promoting the Friends of Noah's Ark scheme: paying to keep Noah's Ark afloat for a day.
  - Increasing the number of Regular Givers.
- Increase the supporter base by:
  - Delivering exemplary donor care.
  - Promoting TEAM Noah for all challenge events.
  - Holding a number of niche Noah's Ark fundraising events.
  - Working alongside THFC to reach out to more supporters and fans.
- Raise £2m towards the Building The Ark Campaign by:
  - Working alongside the Appeal Chair and lay leaders to achieve high level gifts.
  - Engaging the public in events and fundraising activities.
  - Using a variety of media platforms.

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

### **DIRECTORS REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **RETAIL**

The environment for Retail has changed over the last 24 months and our initial belief that growth in the high street could support NACH's revenue has changed. The strategic decision was made to close both Borehamwood and Finchley Road shops and concentrate on Barnet as well as a small online presence supported by a dedicated supply chain. This will be completed by the second quarter of 2018. Whilst NACH continues to grow its online presence and with the construction of The Ark ongoing, we will review retail options into the future.

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

2017 saw the bedding in of HR processes to ensure that we look after our staff and value our volunteers. The 'one family' concept has continued to be espoused. The development of the Remuneration and People Committee (REMCO) and HR subcommittee has ensured much better understanding of staff and volunteer needs as well as better HR Governance. Key successes have been:

- A staff forum was established to engage both staff and volunteers with internal communication, staff benefits and an overall delivery programme. The forum has already enabled feedback from staff and volunteers and has seen key initiatives introduced such as a 'Flexible holiday buy and sell back scheme' and a Season Ticket travel scheme.
- A coaching programme for middle management, with an external coach has been introduced and will be further rolled out in 2018 as part of our internal DOVE Training Programme. NACH has also used 'Tiger Teams' (cross departmental teams), to help with the development and furnishing of The Ark. This investment by staff and volunteers will ensure that we have a building that is fit for purpose and properly used by team members.
- Revised Volunteer development programme and a Mental Health awareness study, all leading to better HR practice.

2017 also saw the continued growth of the Care team as NACH moves to delivering services both in the community and in The Ark. This growth in the team is also reflected in the number of children and families that NACH is able to look after. Currently, NACH is exploring more innovative ways of developing Care staff careers, specifically, looking to work alongside educational partners to develop nursing teams.

Our volunteers continue to support our families, retail function, support functions and fundraise. The Trustees offer their grateful thanks for all the volunteers who give up their time to help us achieve the goals of Noah's Ark. They act as ambassadors for our work and seen as part of 'the family'. During 2017, our volunteer programme was again strengthened, creating an effective saving of £134,043. Our volunteers across all areas of NACH have again been fundamental to our growth and sustainability.

#### **PARTNERSHIP WORKING**

NACH is very conscious that we cannot engage with all children and families that need our help unless we partner with organisations. Capitalising on our work in 2016, we have embarked on further partnerships to increase our presence and service delivery:

- Working with Great Ormond Street Hospital we have developed an in-reach programme delivering music therapy and a sibling crèche across all intensive care units and are now looking to develop a joint nurse programme.
- Working with children's palliative Care partners such as Rainbow Trust and Haven House to develop a London centric volunteer programme.
- Continued structured programme of Care placements both from the UK and overseas, enabling us to share and gain further knowledge and experience for staff.
- Working closely with Children's Hospices across London to continue pan-London service delivery programmes, including taking the lead and delivering a Burdett sponsored rotational nurse programme by successfully

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#### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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securing a grant of £260,320 over three years.

- Working alongside the construction and supply industries to deliver the Ark at a reduced cost. Key partners are JLL, Pears Property and RPS.

### **THE ARK**

September 2017 saw the start of the construction of The Ark, a purpose-built hospice for the 21<sup>st</sup> Century that will complement our services in the community and take NACH on the next step of its journey. Working in partnership with industry partners, 8build were awarded the contract for construction of The Ark. Industry support for this project has been invaluable in enabling NACH to move to construction at a realistic cost. Supporters include, BTR, Erith, Gensler, HoK, JLL, KuT, Pears Property, Ramboll, RPS, Sellar and Squire and Partners. Further suppliers are showing support for the project and this will enable us to realise the dream of many families and children. The completion date is expected to be late Spring 2019, with an initial operating capability in place by early summer.

### **ORGANISATIONAL PRIORITIES FOR 2018**

- Continue to develop our services across our area of operations and deliver support to the increasing numbers of children and families (estimated at over 1,500) who require our services.
- Prepare the whole organisation for the occupation and delivery of services from The Ark in 2019.
- Develop the growth of voluntary income and the donor programme to fund the operating costs of the Charity in 2018. Further develop the donor programme to ensure that NACH is sustainable into the future.
- Continue with 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 NACH for staff and volunteers as well as extending closer working with Universities, Colleges and community volunteer organisations.
- Deliver strict financial management and continued planning for not only this year, but for the future.

2018 must be seen as a period of preparation. Preparation for occupation of the Ark; preparation for sustainable service delivery to support the needs of children and families in the Charity's operating area and preparation for continued financial sustainability. This period of preparation will allow the Charity to continue to develop NACH to support those children and families who need our help.

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

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FOR THE YEAR ENDED 31 DECEMBER 2017

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#### GROUP FINANCIAL REVIEW

The consolidated results for the year ended 31 December 2017 are set out on page 15.

| Group                         | Total income            | Resources expended      | Transfers between funds | Surplus/ (Deficit)      | 2016                  |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| £                             |                         |                         |                         |                         |                       |
| Charity                       | 1,713,536               | 1,974,752               | 1,563,933               | 1,302,717               | 42,274                |
| Noah's Ark Trading            | 266,970                 | 340,662                 | -                       | (73,692)                | (43,409)              |
| Building the Ark Appeal       | 2,540,614               | 218,642                 | (1,563,933)             | 758,039                 | 899,284               |
| <b>Net incoming resources</b> | <b><u>4,521,120</u></b> | <b><u>2,534,056</u></b> | <b>=</b>                | <b><u>1,987,064</u></b> | <b><u>898,149</u></b> |

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

The overall net surplus for the year amounted to £1,986,393 (2016: £900,392) after taking into account an unrealised loss of £671 (2016: gain £2,243) 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.

#### RESERVES POLICY

Noah's Ark Reserves policy is to maintain a level of reserves of 3 months' operating costs (2017: £472,000) to enable the operating activities of the Charity to continue. It is the intent of NACH to build up greater Reserves over the coming years.

Unrestricted funds of the Charity at the year-end amounted to £2,246,122 of which £517,148 were free reserves. This equates to approximately 3.3 months of operating costs.

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#### **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 2000. 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.

#### **AUDITORS**

haysmacintyre were appointed auditors in accordance with the company's articles.

By order of the Board



Mr Jeremy Isaacs CBE  
Chairman

Date: 30 July 2018

## 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 2017

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#### **Opinion**

We have audited the financial statements of Noah's Ark – The Children's Hospice for the year ended 31 December 2017 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 2017 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 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Conclusions relating to going concern**

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

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

**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 2017**

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

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

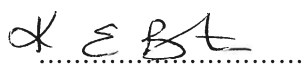
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**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, Statutory Auditor

Date: 30 July 2018

10 Queen Street Place  
London  
EC4R 1AG

NOAH'S ARK – THE CHILDREN'S HOSPICE

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

FOR THE YEAR ENDED 31 DECEMBER 2017

|  | Note | Unrestricted<br>Funds<br>£ | Restricted<br>funds<br>£ | Endowment<br>fund<br>£ | 2017<br>£        | 2016<br>£        |
|--|------|----------------------------|--------------------------|------------------------|------------------|------------------|
| <b>Income from</b>                                     |      |                            |                          |                        |                  |                  |
| <i>Donations &amp; legacies</i>                        |      |                            |                          |                        |                  |                  |
| Donations  |      | 1,098,995                  | 390,964                  | -                      | 1,489,959        | 1,314,405        |
| Building the Ark Appeal                                |      |                            | 2,540,614                | -                      | 2,540,614        | 1,056,083        |
| Legacies   |      | 20,974                     | .                        | -                      | 20,974           | 50,000           |
| Gift aid   |      | 15,182                     | .                        | -                      | 15,182           | 39,376           |
| <i>Investments</i>                                     | 3    | 11,875                     | .                        | -                      | 11,875           | 6,547            |
| <i>Other trading activities</i>                        | 4    | 266,970                    | .                        | -                      | 266,970          | 236,291          |
| <i>Charitable activities</i>                           |      |                            |                          |                        |                  |                  |
| Statutory grants                                       |      | 170,746                    | -                        | -                      | 170,746          | 124,335          |
| Other grants   |      | 4,800                      | -                        | -                      | 4,800            | 5,053            |
| <b>Total</b>   |      | <u>1,589,542</u>           | <u>2,931,578</u>         | <u>-</u>               | <u>4,521,120</u> | <u>2,832,090</u> |
| <b>Expenditure on</b>                                  |      |                            |                          |                        |                  |                  |
| <i>Raising funds</i>                                   |      |                            |                          |                        |                  |                  |
| Costs of generating voluntary income                   |      | 491,312                    | -                        | -                      | 491,312          | 430,778          |
| Costs relating to Building the Ark Appeal              |      | -                          | 218,642                  | -                      | 218,642          | 240,309          |
| Costs of activities generating income                  |      | 41,994                     | -                        | -                      | 41,994           | 40,426           |
| Fundraising trading via subsidiary                     |      | 340,662                    | -                        | -                      | 340,662          | 293,285          |
| <i>Charitable activities</i>                           |      |                            |                          |                        |                  |                  |
| Care services  |      | 1,013,878                  | 427,568                  | -                      | 1,441,446        | 929,143          |
| <b>Total</b>   | 5    | <u>1,887,846</u>           | <u>646,210</u>           | <u>-</u>               | <u>2,534,056</u> | <u>1,933,941</u> |
| <b>Net income before (losses)/gains on investments</b> |      | <u>(298,304)</u>           | <u>2,285,368</u>         | <u>-</u>               | <u>1,987,064</u> | <u>898,149</u>   |
| Net (losses)/gains on investment                       | 11   | <u>-</u>                   | <u>-</u>                 | <u>(671)</u>           | <u>(671)</u>     | <u>2,243</u>     |
| <b>Net income/(expenditure)</b>                        |      | <u>(298,304)</u>           | <u>2,285,368</u>         | <u>(671)</u>           | <u>1,986,393</u> | <u>900,392</u>   |
| Transfers between funds                                |      | <u>1,563,933</u>           | <u>(1,563,933)</u>       | <u>-</u>               | <u>-</u>         | <u>-</u>         |
| <b>Net movement in funds</b>                           |      | <u>1,265,629</u>           | <u>721,435</u>           | <u>(671)</u>           | <u>1,986,393</u> | <u>900,392</u>   |
| <b>Reconciliation of funds</b>                         |      |                            |                          |                        |                  |                  |
| Total funds brought forward                            |      | <u>980,493</u>             | <u>3,142,809</u>         | <u>41,799</u>          | <u>4,165,101</u> | <u>3,264,709</u> |
| <b>Total funds carried forward</b>                     | 18   | <u>2,246,122</u>           | <u>3,864,244</u>         | <u>41,128</u>          | <u>6,151,494</u> | <u>4,165,101</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 2017

|   | Notes | 2017             |                         | 2016             |                         |
|---|-------|------------------|-------------------------|------------------|-------------------------|
|   |       | £                | £                       | £                | £                       |
| <b>FIXED ASSETS</b>                                   |       |                  |                         |                  |                         |
| Tangible fixed assets                                 | 10    |                  | 2,916,402               |                  | 2,102,100               |
| Investments   | 11    |                  | 41,128                  |                  | 41,799                  |
|   |       |                  | <u>2,957,530</u>        |                  | <u>2,143,899</u>        |
| <b>CURRENT ASSETS</b>                                 |       |                  |                         |                  |                         |
| Debtors   | 12    | 586,017          |                         | 178,077          |                         |
| Stock   |       | 250              |                         | 1,312            |                         |
| Cash at bank and in hand                              |       | 2,866,549        |                         | 2,074,421        |                         |
|   |       | <u>3,452,816</u> |                         | <u>2,253,810</u> |                         |
| <b>CREDITORS: amounts falling due within one year</b> | 13    | <u>(258,852)</u> |                         | <u>(232,608)</u> |                         |
| <b>NET CURRENT ASSETS</b>                             |       |                  | <u>3,193,964</u>        |                  | <u>2,021,202</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       |                  | <u>6,151,494</u>        |                  | <u>4,165,101</u>        |
| <b>NET ASSETS</b>                                     |       |                  | <u><u>6,151,494</u></u> |                  | <u><u>4,165,101</u></u> |
| <b>FUNDS</b>  |       |                  |                         |                  |                         |
| Restricted funds                                      | 15    |                  | 3,864,244               |                  | 3,142,809               |
| Endowment funds                                       | 16    |                  | 41,128                  |                  | 41,799                  |
| <b>Unrestricted funds</b>                             | 17    |                  |                         |                  |                         |
| General   |       |                  | 517,148                 |                  | 183,826                 |
| Designated  |       |                  | 1,728,974               |                  | 796,667                 |
|   |       |                  | <u>6,151,494</u>        |                  | <u>4,165,101</u>        |

The charity recorded a surplus of £2,106,657 in the year.

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

30 July 2018



Mr Jeremy Isaacs CBE  
Chairman

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

## CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2017

|   | Notes | 2017             |                         | 2016             |                         |
|---|-------|------------------|-------------------------|------------------|-------------------------|
|   |       | £                | £                       | £                | £                       |
| <b>FIXED ASSETS</b>                                   |       |                  |                         |                  |                         |
| Tangible fixed assets                                 | 10    |                  | 2,961,490               |                  | 648,439                 |
| Investments   | 11    |                  | 41,130                  |                  | 41,801                  |
|   |       |                  | <u>3,002,620</u>        |                  | <u>690,240</u>          |
| <b>CURRENT ASSETS</b>                                 |       |                  |                         |                  |                         |
| Debtors   | 12    | 777,568          |                         | 1,670,653        |                         |
| Cash at bank and in hand                              |       | 2,855,792        |                         | 2,071,750        |                         |
|   |       | <u>3,633,360</u> |                         | <u>3,742,403</u> |                         |
| <b>CREDITORS: amounts falling due within one year</b> | 13    | <u>(234,257)</u> |                         | <u>(137,576)</u> |                         |
| <b>NET CURRENT ASSETS</b>                             |       |                  | <u>3,399,103</u>        |                  | <u>3,604,827</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       |                  | <u>6,401,723</u>        |                  | <u>4,295,067</u>        |
| <b>NET ASSETS</b>                                     |       |                  | <u><u>6,401,723</u></u> |                  | <u><u>4,295,067</u></u> |
| <b>FUNDS</b>  |       |                  |                         |                  |                         |
| Restricted funds                                      | 15    |                  | 3,864,244               |                  | 3,142,809               |
| Endowment funds                                       | 16    |                  | 41,130                  |                  | 41,799                  |
| <b>Unrestricted funds</b>                             |       |                  |                         |                  |                         |
| General   |       |                  | 767,375                 |                  | 313,792                 |
| Designated  |       |                  | 1,728,974               |                  | 796,667                 |
|   |       |                  | <u>6,401,723</u>        |                  | <u>4,295,067</u>        |

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

30 July 2018



Mr Jeremy Isaacs CBE  
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 2017

|   | Total funds<br>2017 |           | Total funds<br>2016 |             |
|---|---------------------|-----------|---------------------|-------------|
|   | £                   | £         | £                   | £           |
| <b>Cash flows from operating activities</b>   |                     | 1,649,691 |                     | 727,979     |
| <b>Cash flows from investing activities:</b>  |                     |           |                     |             |
| Dividends, interest and rents from investments  | 11,875              |           | 6,547               |             |
| Purchase of property, plant and equipment   | (869,438)           |           | (245,495)           |             |
| <b>Net cash provided by (used in) investing activities</b>                            |                     | (857,563) |                     | (238,948)   |
| <b>Increase/(decrease) in cash and cash equivalents in the reporting period</b>       |                     | 792,128   |                     | 489,031     |
| <b>Cash and cash equivalents at the beginning of the reporting period</b>             |                     | 2,074,421 |                     | 1,585,390   |
| <b>Cash and cash equivalents at the end of the reporting period</b>                   |                     | 2,866,549 |                     | 2,074,421   |
|   |                     |           | <b>2017</b>         | <b>2016</b> |
|   |                     |           | £                   | £           |
| <b>Reconciliation of net movement in funds to cash flow from operating activities</b> |                     |           |                     |             |
| Net movement in funds   |                     |           | 1,986,393           | 900,392     |
| Depreciation charges  |                     |           | 55,136              | 15,859      |
| Losses/(gains) on investments   |                     |           | 671                 | (2,243)     |
| Dividends, interest and rents from investments  |                     |           | (11,875)            | (6,547)     |
| Decrease/(increase) in stock  |                     |           | 1,062               | (197)       |
| (Increase)/decrease in debtors  |                     |           | (407,940)           | 41,343      |
| Increase/(decrease) in creditors  |                     |           | 26,244              | (220,628)   |
| <b>Net cash provided by/(used) in investing activities</b>                            |                     |           | 1,649,691           | 727,979     |
|   |                     |           | <b>2017</b>         | <b>2016</b> |
|   |                     |           | £                   | £           |
| <b>Analysis of cash and cash equivalents</b>  |                     |           |                     |             |
| Cash in hand  |                     |           | 2,866,549           | 2,074,421   |
| <b>Total cash and cash equivalents</b>  |                     |           | 2,866,549           | 2,074,421   |

**NOAH'S ARK – THE CHILDREN'S HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 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.

**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**

Donation 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 2017**

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**1. ACCOUNTING POLICIES (continued)**

**Investment Income**

Investment income reflects the amount receivable for the year.

**Gifts in kind**

Gifts donated for resale are included as income when they are sold. Since November 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).

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

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1. ACCOUNTING POLICIES (continued)

**Fund Accounting**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The purposes and uses of the restricted funds are set out in note 15.

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 will be used towards the cost of building or fit out of the 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. 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

|  | 2017              | 2016              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Net (expenditure)/income is stated after charging: |                   |                   |
| Auditor's remuneration                             | 8,160             | 12,000            |
| Depreciation                                       | 55,136            | 15,859            |
| Operating lease rentals                            | 36,356            | 49,077            |
|  | <u>          </u> | <u>          </u> |

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

| 3. INVESTMENT INCOME                      | Unrestricted<br>Funds<br>£                | Restricted<br>Funds<br>£ | 2017<br>£          | 2016<br>£          |
|---|---|--------------------------|--------------------|--------------------|
| Bank interest received                    | 10,384                                    | -                        | 10,384             | 5,056              |
| Common Investment Funds – Fixed interest  | 1,491                                     | -                        | 1,491              | 1,491              |
|   | <u>11,875</u>                             | <u>-</u>                 | <u>11,875</u>      | <u>6,547</u>       |
|   |   |                          |                    |                    |
| 4. OTHER TRADING ACTIVITIES               | Unrestricted<br>Funds<br>£                | Restricted<br>Funds<br>£ | 2017<br>£          | 2016<br>£          |
| Merchandise                               | 2,629                                     | -                        | 2,629              | 389                |
| Shop income – sale of donated goods       | 264,341                                   | -                        | 264,341            | 235,902            |
|   | <u>266,970</u>                            | <u>-</u>                 | <u>266,970</u>     | <u>236,291</u>     |
|   |   |                          |                    |                    |
| 5. EXPENDITURE                            | Direct & directly<br>allocated costs<br>£ | Support<br>Costs<br>£    | Total<br>2017<br>£ | Total<br>2016<br>£ |
| <i>Raising funds</i>                      |   |                          |                    |                    |
| Costs of generating voluntary income      | 369,959                                   | 121,353                  | 491,312            | 430,778            |
| Costs relating to Building the Ark Appeal | 194,372                                   | 24,270                   | 218,642            | 240,309            |
| Costs of activities for generating income | 41,994                                    | -                        | 41,994             | 40,426             |
| Fundraising trading via subsidiary        | 340,662                                   | -                        | 340,662            | 293,285            |
| <i>Charitable activities</i>              |   |                          |                    |                    |
| Care services                             | 1,053,199                                 | 388,247                  | 1,441,446          | 929,143            |
|   | <u>2,000,186</u>                          | <u>533,870</u>           | <u>2,534,056</u>   | <u>1,933,941</u>   |

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

5. EXPENDITURE (continued)

| SUPPORT COSTS                             | Premises<br>£ | Finance and<br>administration<br>£ | IT and<br>communications<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|---|---------------|------------------------------------|-------------------------------|--------------------|--------------------|
| <i>Raising funds</i>                      |               |                                    |                               |                    |                    |
| Costs of generating voluntary income      | 13,412        | 94,978                             | 12,962                        | 121,352            | 121,918            |
| Costs relating to Building the Ark Appeal | 2,682         | 18,996                             | 2,592                         | 24,270             | 27,615             |
| <i>Charitable activities</i>              |               |                                    |                               |                    |                    |
| Care services                             | 42,919        | 303,850                            | 41,479                        | 388,248            | 333,860            |
|   | <u>59,013</u> | <u>417,824</u>                     | <u>57,033</u>                 | <u>533,870</u>     | <u>483,393</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 £190,198. Other significant support costs include: Premises £59,013 and depreciation £47,452.

6. GOVERNANCE COSTS

|                   | Total<br>2017<br>£ | Total<br>2016<br>£ |
|-------------------|--------------------|--------------------|
| Staff costs       | 51,965             | 50,005             |
| Audit fees        | 8,160              | 12,000             |
| Trustees expenses | 1,731              | 5,260              |
|                   | <u>61,856</u>      | <u>67,265</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

|                    | 2017<br>£        | 2016<br>£        |
|--------------------|------------------|------------------|
| Wages and salaries | 1,339,855        | 1,186,078        |
| Employer's NI      | 125,744          | 116,211          |
| Pension costs      | 40,527           | 19,066           |
|                    | <u>1,506,126</u> | <u>1,321,355</u> |

The average number of employees during the year was 44 (2016: 34). On average, 10 (2016: 9) employees were directly employed in fundraising activities and 25 (2016: 17) employees were directly employed in community services. 2 FTE employees were engaged with the Build the Ark Appeal. The remaining employees were involved in all aspects of running the Charity. The actual number of employees as at 31 December 2017 was 59.

One employee was paid in the bracket of £80,000 - £90,000 during the year (2016: £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 £310,474 (2016: £286,967).



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

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

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**8. DIRECTORS' REMUNERATION**

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

**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. After the year end, 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. A summary of the trading results is shown below:

|                          | <b>Noah's Ark Trading Limited</b> |                  |
|--------------------------|-----------------------------------|------------------|
|                          | <b>2017</b>                       | <b>2016</b>      |
|                          | <b>£</b>                          | <b>£</b>         |
| <b>Profit &amp; Loss</b> |                                   |                  |
| Turnover                 | 266,970                           | 235,902          |
| Cost of sales            | (15,782)                          | (11,690)         |
| <b>Gross profit</b>      | <u>251,188</u>                    | <u>224,212</u>   |
| Administrative expenses  | (324,880)                         | (267,621)        |
| <b>Net (Loss)/Profit</b> | <u>(73,692)</u>                   | <u>(43,409)</u>  |
| <b>Balance Sheet</b>     |                                   |                  |
| Fixed Assets             | 22,460                            | 27,397           |
| Current Assets           | 39,134                            | 47,145           |
| Current Liabilities      | (244,273)                         | (183,529)        |
|                          | <u>(182,679)</u>                  | <u>(108,987)</u> |
| Profit & loss account    | (182,680)                         | (108,988)        |
| Called up share capital  | 1                                 | 1                |
| <b>Net Liabilities</b>   | <u>(182,679)</u>                  | <u>(108,987)</u> |

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

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

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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|                                 | <b>Maleberry Limited</b> |                 |
|---------------------------------|--------------------------|-----------------|
|                                 | <b>2017</b>              | <b>2016</b>     |
|                                 | <b>£</b>                 | <b>£</b>        |
| Turnover                        | 1,314,324                | -               |
| Cost of sales                   | (1,246,774)              | -               |
| <b>Gross profit</b>             | <b>67,550</b>            | <b>-</b>        |
| Administrative expenses         | 76                       | (13,973)        |
| Gift Aid                        | (46,653)                 | -               |
| <b>Net profit/(loss)</b>        | <b>20,973</b>            | <b>(13,793)</b> |
| <b>Balance Sheet</b>            |                          |                 |
| Fixed assets                    | -                        | 1,426,263       |
| Current assets                  | 66,511                   | 164             |
| Current liabilities             | (66,510)                 | (1,447,399)     |
|                                 | <u>1</u>                 | <u>(20,972)</u> |
| Profit and loss account         | -                        | (20,973)        |
| Called up share capital         | 1                        | 1               |
| <b>Net Assets/(Liabilities)</b> | <b>1</b>                 | <b>(20,972)</b> |

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

10. FIXED ASSETS

| CONSOLIDATED          | Hospice and ECentre<br>Building project<br>£ | Leasehold<br>Properties<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Total<br>£ |
|-----------------------|--|------------------------------|---|------------|
| <b>Cost</b>           |  |                              |   |            |
| At 1 January 2017     | 1,426,263                                    | 722,164                      | 46,236                                    | 2,194,663  |
| Additions             | 847,225                                      | -                            | 35,030                                    | 882,255    |
| Disposals             | -  | (24,351)                     | (840)                                     | (25,191)   |
| At 31 December 2017   | 2,273,488                                    | 697,813                      | 80,426                                    | 3,051,727  |
| <b>Depreciation</b>   |  |                              |   |            |
| At 1 January 2017     | -  | 56,881                       | 35,682                                    | 92,563     |
| Charge for the year   | 36,417                                       | 10,348                       | 8,371                                     | 55,136     |
| Disposals             | -  | (12,374)                     |   | (12,374)   |
| At 31 December 2017   | 36,417                                       | 54,855                       | 44,053                                    | 135,325    |
| <b>Net Book Value</b> |  |                              |   |            |
| At 31 December 2017   | 2,237,071                                    | 642,958                      | 36,373                                    | 2,916,402  |
| At 31 December 2016   | 1,426,263                                    | 665,283                      | 10,554                                    | 2,102,100  |
| <b>CHARITY</b>        |  |                              |   |            |
| <b>Cost</b>           |  |                              |   |            |
| At 1 January 2017     | -  | 674,081                      | 37,684                                    | 711,765    |
| Additions             | 2,341,038                                    | -                            | 19,465                                    | 2,360,503  |
| At 31 December 2017   | 2,341,038                                    | 674,081                      | 57,149                                    | 3,072,268  |
| <b>Depreciation</b>   |  |                              |   |            |
| At 1 January 2017     | -  | 34,683                       | 28,643                                    | 63,326     |
| Charge for the year   | 36,417                                       | 5,341                        | 5,694                                     | 47,452     |
| At 31 December 2017   | 36,417                                       | 40,024                       | 34,337                                    | 110,778    |
| <b>Net Book Value</b> |  |                              |   |            |
| At 31 December 2017   | 2,304,621                                    | 634,057                      | 22,812                                    | 2,961,490  |
| At 31 December 2016   | -  | 639,398                      | 9,041                                     | 648,439    |

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

11. FIXED ASSET INVESTMENTS

|  | Listed<br>investments | Charity<br>Shares in<br>subsidiary<br>undertakings<br>£ | Total<br>£ | Group<br>Listed<br>investments<br>£ |
|--|-----------------------|---|------------|-------------------------------------|
| <b>Cost or valuation</b>                             |                       |   |            |                                     |
| At 1 January 2017                                    | 41,799                | 2   | 41,801     | 41,799                              |
| Additions  |                       |   |            |                                     |
| Unrealised (loss)/gain on revaluation of Investments | (671)                 | -   | (671)      | (671)                               |
| At 31 December 2017                                  | 41,128                | 2   | 41,130     | 41,128                              |
| At 31 December 2016                                  | 41,799                | 2   | 41,801     | 41,799                              |

**Listed investments**

The Charity's fixed asset investment comprises a holding of 32,415 M&G Charibond units at a market value of £41,128 as at 31 December 2017.

**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   |           |
|---|-----------|-----------|-----------|-----------|
|   | 2017<br>£ | 2016<br>£ | 2017<br>£ | 2016<br>£ |
| Trade debtors                           | 16,690    | -         | 7,565     | -         |
| Amounts owed by subsidiary undertakings | -         | -         | 286,188   | 1,535,899 |
| Prepayments and accrued income          | 344,745   | 104,847   | 342,813   | 91,429    |
| Other debtors                           | 20,537    | 5,810     | 20,537    | 5,810     |
| Other taxation and social security      | 204,045   | 67,420    | 120,465   | 37,515    |
|   | 586,017   | 178,077   | 777,568   | 1,670,653 |

13. CREDITORS: amounts falling due within one year

|                              | Group     |           | Charity   |           |
|------------------------------|-----------|-----------|-----------|-----------|
|                              | 2017<br>£ | 2016<br>£ | 2017<br>£ | 2016<br>£ |
| Trade creditors              | 60,389    | 108,516   | 50,326    | 39,399    |
| Other creditors              | 247       | 4,676     | -         | 3,438     |
| Taxation and social security | 55,385    | 65,109    | 52,487    | 60,929    |
| Accruals                     | 142,831   | 54,307    | 131,444   | 33,810    |
|                              | 258,852   | 232,608   | 234,257   | 137,576   |

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

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

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**14. COMPANY STATUS**

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

| <b>15. RESTRICTED FUNDS</b>         | <b>Balance at<br/>1 January<br/>2017<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>between<br/>funds<br/>£</b> | <b>Balances at<br/>31 December<br/>2017<br/>£</b> |
|-------------------------------------|--|---------------------|--------------------------|--|---|
| 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 2017

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#### 15. RESTRICTED FUNDS (continued)

The Building the Ark Appeal was established to raise funds towards the building and running costs of a children's hospice on land owned by the Charity in Barnet. The transfer in the year represents the e-Centre 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.

| 16. ENDOWMENT FUNDS                    | Balance at<br>1 January<br>2017<br>£ | Income<br>£ | Expenditure<br>£ | Gains/<br>(losses)<br>£ | Balances at<br>31 December<br>2017<br>£ |
|--|--------------------------------------|-------------|------------------|-------------------------|---|
| Resources expendable<br>Endowment fund | 41,799                               | -           | -                | (671)                   | 41,128                                  |

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.

NOAH'S ARK – THE CHILDREN'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

| 17. UNRESTRICTED FUNDS          | Balance at<br>1 January<br>2017<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>between<br>funds<br>£ | Balances at<br>31 December<br>2017<br>£ |
|---------------------------------|--------------------------------------|------------------|--------------------|------------------------------------|---|
| <b>Designated funds</b>         |                                      |                  |                    |                                    |   |
| 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                                 |
| <b>Total unrestricted funds</b> | <b>980,493</b>                       | <b>1,589,542</b> | <b>(1,887,846)</b> | <b>1,563,933</b>                   | <b>2,246,122</b>                        |

**Designated funds**

The fixed asset fund represents funds that the trustees have agreed to set aside as designated funds as these assets are not easily realised into cash and do not form part of the unrestricted general fund.

| 18. ANALYSIS OF NET ASSETS<br>BETWEEN FUNDS | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>funds<br>£ | 2017<br>£        | 2016<br>£        |
|---|----------------------------|--------------------------|-------------------------|------------------|------------------|
| <b>Group</b>                                |                            |                          |                         |                  |                  |
| Fixed assets                                | 1,728,974                  | 1,187,428                | 41,128                  | 2,957,530        | 2,143,899        |
| Stock                                       | 250                        | -                        | -                       | 250              | 1,312            |
| Debtors                                     | 475,623                    | 110,394                  | -                       | 586,017          | 178,077          |
| Bank and cash                               | 200,127                    | 2,666,422                | -                       | 2,866,549        | 2,074,421        |
| Creditors less than one year                | (158,852)                  | (100,000)                | -                       | (258,852)        | (232,608)        |
|   | <b>2,246,122</b>           | <b>3,864,244</b>         | <b>41,128</b>           | <b>6,151,494</b> | <b>4,165,101</b> |

| 19. ANALYSIS OF NET ASSETS<br>BETWEEN FUNDS (continued) | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>funds<br>£ | 2017<br>£        | 2016<br>£        |
|---|----------------------------|--------------------------|-------------------------|------------------|------------------|
| <b>Charity</b>  |                            |                          |                         |                  |                  |
| Fixed assets  | 1,774,062                  | 1,187,428                | 41,130                  | 3,002,620        | 690,240          |
| Debtors   | 667,174                    | 110,394                  | -                       | 777,568          | 1,670,653        |
| Bank and cash   | 189,370                    | 2,666,422                | -                       | 2,855,792        | 2,071,750        |
| Creditors less than one year                            | (134,257)                  | (100,000)                | -                       | (234,257)        | (137,576)        |
|   | <b>2,496,349</b>           | <b>3,864,244</b>         | <b>41,130</b>           | <b>6,401,723</b> | <b>4,295,067</b> |

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

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

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**20. FINANCIAL COMMITMENTS**

At 31 December 2017 the Charity had annual commitments under non-cancellable operating leases as follows:

|                                       | Land and buildings |                | Other    |          |
|---------------------------------------|--------------------|----------------|----------|----------|
|                                       | 2017               | 2016           | 2017     | 2016     |
|                                       | £                  | £              | £        | £        |
| <b>Operating leases which expire:</b> |                    |                |          |          |
| Within one year                       | 36,356             | 39,500         | -        | -        |
| Between two and five years            | -                  | 79,000         | -        | -        |
|                                       | <u>36,356</u>      | <u>118,500</u> | <u>-</u> | <u>-</u> |

**21. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS**

At the year end the company owed £Nil (2016: £Nil) to The J Isaacs Charitable Trust. During the year the company received donations totalling £10,258 (2016: £Nil) 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 £4,300,803 (2016: £2,596,088). Net incoming resources amounted to a surplus of £2,106,657.