

**CHILDREN'S HOSPITAL IN WALES APPEAL
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2010

Charity Number 1069485

CARSTON & CO LIMITED

Chartered Accountants & Statutory Auditor

1st Floor, Tudor House

16 Cathedral Road

Cardiff

CF11 9LJ

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

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CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED
MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name	Children's Hospital in Wales Appeal Limited
Charity number	1069485
Company registration number	03486361
Registered office	Cardiff Royal Infirmary Newport Road Cardiff CF24 0SZ
Trustees	B. A. Thomas MBE L. I. Jones MBE CStJ W. Calvin MBE E. P. Rabaiotti MBE KStG T. S. Thomas MBE OStJ S. Stennett MBE <i>(retired 29 March 2011)</i> Dr. R. Verrier-Jones E. A. Hayward R. Lloyd Griffiths OstG S.E. Morgan
Secretary	Mrs Beverley Ann Thomas MBE
Senior management	Suzanne Mainwaring Director
Honorary Accountant	Alan Siddall
Auditor	Carston & Co Limited Chartered Accountants & Statutory Auditor 1st Floor, Tudor House 16 Cathedral Road Cardiff CF11 9LJ
Bankers	HSBC Bank plc 56 Queen Street Cardiff CF10 2PX
Solicitors	Eversheds 1 Callaghan Square Cardiff CF10 5BT

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2010

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2010.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

THE TRUSTEES

The trustees who served the charity during the period were as follows:

B. A. Thomas MBE
L. I. Jones MBE CStJ
W. Calvin MBE
E. P. Rabaiotti MBE KStG
T. S. Thomas MBE OStJ
S. Stennett MBE *(retired 29 March 2011)*
Dr. R. Verrier-Jones
E. A. Hayward
R. Lloyd Griffiths OstJ
S.E. Morgan

Introduction

The Children's Hospital in Wales Appeal Limited (known as the Noah's Ark Appeal) is the only charity exclusively fundraising for the Children's Hospital for Wales. It remains one of the highest profile charities in Wales with a highly recognised brand.

The charity is independent of the NHS.

For the purposes of this report, The Children's Hospital in Wales Appeal Limited will be referred to as the Noah's Ark Appeal.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee and as such is governed by a Memorandum and Articles of Association. The company was incorporated on December 29 1997 under the Companies Act 1985 and registered as a charity on May 11 1998.

The Noah's Ark Appeal has a Board who are both Trustees and Directors of the charitable company as required by company law. The Trustees meet quarterly to review progress against strategic plans. Some of the Trustees also sit on a separate Finance Group, chaired by Alan Siddall, Honorary Accountant to the Noah's Ark Appeal. An AGM is called annually. The trustees also meet monthly to discuss fundraising and general business.

The trustees are unremunerated. Expenses are reimbursed where claimed.

Trustee Induction and Training

Trustee Induction and Training is the responsibility of the Chair and the General Manager. New trustees will be issued with a set of documents to help them become more familiar with the charity and which should include governing documents, the previous years audited accounts, information on the management structures and all relevant health and safety information. These can then be discussed at meetings with the Chair and Director.

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

The Director is responsible for the strategic plan and the day-to-day operation of the charity and attends the finance, fundraising and trustee meetings where a full brief is given to Trustees.

Risk Management

All policies and procedures are subject to annual review to identify and minimise risk across all areas.

Investment Policy

The Noah's Ark Appeal exercises great caution with the funds we receive. Assets are held in cash with the majority of the funds invested at fixed rates on the London Money Market or on fixed term deposits, all with major British financial institutions. No funds are invested on the Stock Market.

Disclosure

Each Trustee and other Persons of Influence within or linked to the Noah's Ark Appeal are required to formally disclose any outside business interests to ensure there is no conflict of interest.

Related Parties

The Noah's Ark Appeal has a wholly owned trading subsidiary, which is currently dormant. Directors of this trading company are Lyn Jones and Beverley Thomas.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The charity exists to build and further support the Children's Hospital for Wales. All activities and developments that enhance the provision of service to sick children at Cardiff and Vale University Health Board are considered to be within this objective and eligible for support from the charity. The completion of the Children's Hospital for Wales remains the central objective of the charity.

ACHIEVEMENTS AND PERFORMANCE

The Noah's Ark Appeal was launched in 2000 as a capital appeal to raise the funds to build phase one of the Children's Hospital for Wales; providing sick children with a state-of-the-art, child-friendly hospital. One of the highest profile appeals ever seen in Wales, the Noah's Ark Appeal captured the support of many thousands of children, adults, companies, organisations and schools across Wales - and further a field.

Together we initially raised over £8 million for phase one of the Children's Hospital for Wales - a wonderful, colourful, child-friendly state-of-the-art hospital for children needing specialist medical care or treatment for cancer. There are playrooms on each floor and an education room for those well enough to leave their beds to continue with schoolwork. Facilities for parents/carers include rest areas, space to make food or drinks and pull-down beds to enable overnight stays. The artwork and lighting on each floor reflects the theme of the floor: ocean, land, sky and space. Lots of details such as different height windows remind us of the different sizes of our young patients.

The phase one appeal was extended to equip phase one and fund a number of additional projects including the art programme and a covered walkway within this phase, bringing the total raised to £10m.

Since phase one was opened to patients in 2005, the Noah's Ark Appeal has continued to support the Children's Hospital for Wales. Some of the projects we have funded are listed below:

- £300,000 towards the building of a teenage cancer trust unit adjacent to the Children's Hospital for Wales. It is the largest one of its kind in the UK and enables teenagers to be treated with other teenagers rather than with young children or old people. Often the patients stay for months at a time

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

and it is important for them to be able to live a 'normal' life as possible during a time when teenage years are difficult enough.

- £25,000 of further equipment needed at the teenage cancer unit.
- £200,000 worth of state-of-the-art equipment for the paediatric eye department.
- £200,000 was given to fund free bedside TV, radio, games and the internet for patients at the Children's Hospital for Wales.
- We also provide equipment when requested - such as biopsy kits (£5,000) and a bladder scanner (£8,000) which may be taken by a nurse to children's homes so the child does not have to make the trip to the hospital from Mid and West Wales. The scanner, specially designed for children, can aid diagnosis and prevent unnecessary treatment or flag up problems that if untreated at an early stage could lead to kidney problems.
- £150,000 to refurbish the Young Person's Unit

The Children Who Need Us

We help many thousands of sick children each year; they come to the Children's Hospital for Wales from most parts of the Principality when they need specialist medical treatment. Stories of a few of our patients can be found on our website www.noahs-ark-appeal.org

Some of our children are at the hospital for years; some have never left the hospital since they were born but many go home well and happy because of the standard of care received at our world-class hospital. For the rest of us going about our daily lives, we have no idea what these families go through and how important it is to them to have a wonderful, child-friendly place with the best equipment available and much-needed facilities for families as well as the children.

Phase Two of the Children's Hospital for Wales and the Noah's Ark Appeal

Following the green light to complete the Children's Hospital for Wales, after many years of campaigning, the process of decant, demolition and building is now well underway. Whilst the Welsh Assembly Government will meet the capital costs, the demands upon the Noah's Ark Appeal are extensive. Our charity, must find a minimum of £7m for vital equipment including an 'open' MRI scanner, a new critical care unit and a hydrotherapy pool.

In 2008, the Noah's Ark Appeal launched a new £7 million campaign in respect of phase two of the Children's Hospital for Wales.

Management of the Children's Hospital for Wales

The Children's Hospital for Wales is run by Cardiff and Vale University Local Health Board.

FINANCIAL REVIEW AND PLANS FOR FUTURE PERIODS

Despite the difficult economic climate, income generated from fundraising activities rose by £84,638 year on year, and this was despite a significant decline in income generated from the textile recycling schemes which was down by £88,591 in 2010 over 2009. However, voluntary income was down by £197,640 in the year mainly due to reduced income from major gifts and legacies. The increase in income from fundraising activities, excluding the textile recycling schemes, was principally due to the major fundraising event of the year, the Appeal Ball with Catherine Zeta Jones. The event was hugely successful but did involve around £23,000 in exceptional fundraising costs, which contributed significantly to the increase in these costs year on year.

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

Investment income was modestly down in 2010 over 2009 despite increased funds being held. This was because in the early part of 2009 we benefited from the remainder of some higher interest rate money market deposits taken out before the financial crisis in 2008.

A significant investment was made into upgrading the Noah's Ark Appeal server and most importantly the database, both of which were over ten years old. The new database is fit-for-purpose and allows much more efficient tracking of income. Fundraising leaflets and packs were also overhauled and updated for the first time in several years.

In summary, therefore, total income in 2010 was £952,811, down from £1,071,792 in 2009 and net incoming resources was £715,455 in 2010, down from £878,449 the previous year.

Cash held and invested as at 31/12/2010 was £4,333,356, up from £3,458,728 as at 31/12/2009. This has enabled the trustees to increase the fund allocated for phase two of the new Children's Hospital to £4,300,000 towards the £7million target.

Funding Projects in Phase Two

In order to draw attention to the Noah's Ark Appeal and to sustain momentum, press launches are held to release details of the different projects that the Noah's Ark Appeal has committed to fund in phase two of the Children's Hospital.

Campaigns launched to the end of 2010

- An 'open' MRI scanner: This has no sides and a parent can lie by their child during the scan. It will have a screen, colours and music to distract the child and minimise distress. The current estimated cost is around £1.5 million for the scanner.
- Critical Care Unit: The Noah's Ark Appeal will replace all equipment in the Critical Care Unit that will be located in phase two. This unit will merge the current Paediatric Intensive Care with Paediatric High Dependency, which are currently located some distance away and three floors up from each other. Phase two will co-locate these services into a Paediatric Critical Care Unit. In order to provide a Paediatric Critical Care Unit that is clinically effective it is imperative that the most modern of equipment is available for all bed areas. For example, a pendant system should be in place at each bed-head by which all equipment runs through. In order to equip all nine beds to such a specification it would cost approximately £1.2million. This would include ventilators, pumps and pendant systems per bed. In addition this would also provide haemofiltration machines vision CPAP and warming devices available for the whole unit.

The £7m commitment within phase two is provisionally estimated to be spent as below:

MRI scanner	£1.5m
Critical care unit	£1.2m
Hydrotherapy pool	£0.5m
Two integrated theatres	£1.0m
State-of-the-art medical equipment	£2.8m

Equipment provided in 2010

The Noah's Ark Appeal has continued to support the Children's Hospital for Wales with specific requests for equipment. This equipment is brought forward from the list of requirements for phase two as the need becomes urgent.

In 2010, we pledged to provide syringe and volumetric pumps to Paediatric Intensive Care. The syringe pumps are used to deliver medication infusions necessary for managing sick children-sedative drugs, drugs to support patients' hearts etc. The volumetric pumps are used to deliver the correct amount of fluid on a continuing hourly basis to sick children.

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

We presented a critical care trolley to the Paediatric Intensive Care Unit staff. Each critical care trolley costs approximately £11,000 and is vital for the safe movement and treatment of patients before they reach the hospital. The trolley is suitable for babies through to teenagers as old as sixteen. The trolley is kept in the hospital's own vehicle; this means that some strain can be taken off the ambulance service.

Fundraising

2010 was the 10th Anniversary of the Noah's Ark Appeal and a number of events were held in celebration. Our own events included the Noah's Ark Appeal Ball with Catherine Zeta Jones, Ascot Ladies Day Lunch and the Noah's Ark Appeal Race Day at Ffos Las.

The Noah's Ark Appeal textile recycling schemes have been hit hard by theft. Whilst measures are in place to combat theft, reassure donors and provide alternative ways of donating clothes to the Noah's Ark Appeal, income on these schemes in 2010 was down by approximately £88,500. Clothes recycling remains a key income source and we hope to see an upturn in 2011.

We are extremely grateful to those organisations and many individuals who undertake a host of fundraising activities to raise money for the Noah's Ark Appeal. We provide support wherever possible to these wonderful people who work so hard to help us. We also work with a number of key individuals who act as ambassadors and champions and we are grateful for their time. Last year, we welcomed Craig Bellamy and Matthew Rhys to the Noah's Ark Appeal. Both are keen Charity Champions and we look forward to working with them in the future.

The Future

In 2011, the Noah's Ark Appeal is particularly keen to forge partnerships with more corporate organisations.

We will seek to increase awareness of the Noah's Ark Appeal and our work within local communities across Wales. We shall be launching a Be Our Friend recruitment campaign to recruit people who can help us raise funds and spread the word in their local communities and we hope that those that have helped us in the past will once again come and help us support the Children's Hospital for Wales.

The Noah's Ark Appeal is very keen to hear from families who have had a personal experience of the Children's Hospital for Wales and will help us to raise awareness of the hospital. We are starting a Family Club for those who are happy to share their experiences with us and become ambassadors within local communities.

Splish Splosh Splash

We shall also launch our 'Splish Splosh Splash' campaign to fund a hydrotherapy pool within phase two of the Children's Hospital for Wales. The cost of providing a pool complete with hoists and changing facilities will be approximately £500,000.

The hydrotherapy pool in phase two will transform the recovery and rehabilitation service available to our young patients. Currently, borrowing the adult hydrotherapy pool at UHW, only 2 children per week can be helped meaning that there is vast need from inpatients that is not met. It is estimated that currently approximately 500 children each year do not receive hydrotherapy due to the lack of such a facility.

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

Hydrotherapy will help a wide range of patients:

- Neurology (acute head injuries, paediatric stroke, cerebral bleeds)
- Neurosurgical patients (e.g. removal of tumours, revision of shunts)
- Developmental delay patients (Downs syndrome, infant brain injury, failure to thrive, newly diagnosed cerebral palsy)
- Trauma/orthopaedic patients (multi-trauma, spinal injury, septic arthritics)
- Rheumatology
- Oncology
- Respiratory

Over the years we have greatly benefited from donations made In Memoriam and through legacies. We have established Tribute Funds for those that wish to continue celebrating the life of a loved one with their own fund that supports the Children's Hospital for Wales. We are always pleased to provide information on these funds or how to leave a legacy to the Noah's Ark Appeal.

The Noah's Ark Appeal team can be reached on 029 2033 5016

Our full fundraising programme, latest news and events are listed at www.noahs-ark-appeal.org

Thanks

We would like to record our thanks to the committed volunteers and supporters of the Noah's Ark Appeal; to the thousands of individuals, schools, companies and social groups that have so generously given money and time to help us support the Children's Hospital for Wales. We thank our Celebrity Supporters who help us at press events. We also extend our grateful thanks to our Patrons Dame Shirley Bassey CBE, Catherine Zeta Jones CBE and Charlotte Church all of who continue to be very active in their support of the Noah's Ark Appeal. We extend a very warm welcome to long-standing supporter Diane Briere de L'Isle-Engelhardt who was made our fourth patron in 2010.

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of Children's Hospital in Wales Appeal Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

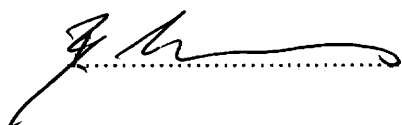
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Carston & Co Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
Cardiff Royal Infirmary
Newport Road
Cardiff
CF24 0SZ

Signed on behalf of the trustees

..... Trustee

B. BOGLEY AWA ZITOMIN Name

27.7.11

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of Children's Hospital in Wales Appeal Limited for the year ended 31 December 2010 on pages 11 to 17, which have been prepared on the basis of the accounting policies set out on page 13.

This report is made solely to the company's members, as a body, in accordance with chapter 3 of section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the trustees (who also act as directors of Children's Hospital in Wales Appeal Limited for the purposes of company law) for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Responsibilities of the Trustees on pages 7 to 8.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

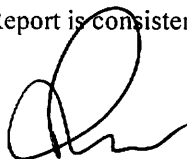
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2010

OPINION

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees Annual Report is consistent with the financial statements.



PHILIPPA KEANE (Senior Statutory Auditor)

For and on behalf of
CARSTON & CO LIMITED
Chartered Accountants
& Statutory Auditor

1st Floor, Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

27 July 2011

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2010

	Note	Total Funds 2010 £	Total Funds 2009 £
INCOMING RESOURCES			
Incoming resources from generating funds:			
Voluntary income	2	598,414	796,054
Activities for generating funds	3	307,913	223,275
Investment income	4	46,484	52,463
TOTAL INCOMING RESOURCES		<u>952,811</u>	<u>1,071,792</u>
RESOURCES EXPENDED			
Costs of generating funds:			
Fundraising costs	5	(118,127)	(77,622)
Charitable activities	6/7	(115,080)	(112,210)
Governance costs	8	(4,149)	(3,509)
Other resources expended	9	-	(2)
TOTAL RESOURCES EXPENDED		<u>(237,356)</u>	<u>(193,343)</u>
NET INCOMING RESOURCES FOR THE YEAR/NET INCOME FOR THE YEAR	10	715,455	878,449
RECONCILIATION OF FUNDS			
Total funds brought forward		3,804,984	2,926,535
TOTAL FUNDS CARRIED FORWARD		<u>4,520,439</u>	<u>3,804,984</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 14 to 18 form part of these financial statements.

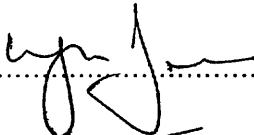
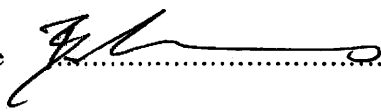
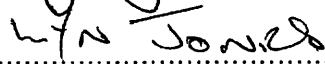
CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

BALANCE SHEET

31 DECEMBER 2010

	Note	2010		2009
		£	£	£
FIXED ASSETS				
Tangible assets	12		23,842	19,333
CURRENT ASSETS				
Debtors	13	229,183		360,299
Cash at bank and in hand		<u>4,333,356</u>		<u>3,458,728</u>
		4,562,539		3,819,027
CREDITORS: Amounts falling due within one year	14	<u>(65,942)</u>		<u>(33,376)</u>
NET CURRENT ASSETS			<u>4,496,597</u>	3,785,651
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,520,439</u>	<u>3,804,984</u>
NET ASSETS			<u>4,520,439</u>	<u>3,804,984</u>
FUNDS				
Unrestricted income funds	15		<u>4,520,439</u>	<u>3,804,984</u>
TOTAL FUNDS			<u>4,520,439</u>	<u>3,804,984</u>

These financial statements were approved by the members of the committee on the 27.12.10 and are signed on their behalf by:

 Trustee		 Trustee
 Name		BEVERLY ANN THOMAS Name

Company Registration Number: 03486361

The notes on pages 14 to 18 form part of these financial statements.

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Donations

Donations are credited to the accounts in the year in which they are notified to the charity. All donations are classified as unrestricted income unless a donor places a restriction on the donation.

Commitments and use of designated funds

The trustees have created a designated fund that will be held for the future costs of phase two of the hospital construction.

Resources expended

Resources expended are included in the statement of financial activities on the accruals basis.

Certain expenditure is directly attributable to specific activities and has been included in the costs relating to that activity. Where costs cannot be directly attributed to a specific activity, they have been allocated on a basis consistent with the use of the resource.

Fixed assets

All fixed assets are initially recorded at cost. Items costing less than £100 are not capitalised but written off directly to the income and expenditure account.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and equipment	- 25% straight line per annum
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CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

2. VOLUNTARY INCOME

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Donations			
Donations	341,071	341,071	367,968
Major gifts	<u>257,343</u>	<u>257,343</u>	428,086
	<u>598,414</u>	<u>598,414</u>	<u>796,054</u>

3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Fundraising events	<u>307,913</u>	<u>307,913</u>	<u>223,275</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Bank interest receivable	<u>46,484</u>	<u>46,484</u>	<u>52,463</u>

The appeal continues to be very active in its support to the Children's Hospital for Wales, supporting requests for significant funds for equipment and furnishings. The cash balances are held to cover any outstanding commitments to the hospital, which are drawn down as required. The funds are invested in the money market and fixed rate term deposits to generate interest that will be used for further vital projects. As the appeal continues to campaign for the completion of the Children's Hospital, the trustees are also aware of the additional requirements that will be made on the charity in the next phase of construction.

5. FUNDRAISING COSTS

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Fundraising costs	<u>118,127</u>	<u>118,127</u>	<u>77,622</u>

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Children's Hospital costs	77,857	77,857	69,789
Support costs	<u>37,223</u>	<u>37,223</u>	42,421
	<u>115,080</u>	<u>115,080</u>	<u>112,210</u>

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE *(continued)*

The building and the land belong to the Cardiff & Vale NHS Trust. The building work carried out and equipment purchased is donated directly to the Trust. The charity writes off the costs of work on the hospital to project costs annually.

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total Funds 2010 £	Total Funds 2009 £
Children's Hospital costs	<u>77,857</u>	<u>37,223</u>	<u>115,080</u>	<u>112,210</u>

8. GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Audit fees	<u>4,149</u>	<u>4,149</u>	<u>3,509</u>

9. OTHER RESOURCES EXPENDED

	Total Funds 2010 £	Total Funds 2009 £
Losses on disposal of tangible fixed assets for charity's own use	<u>-</u>	<u>2</u>

10. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2010 £	2009 £
Depreciation	9,668	9,371
Auditors' remuneration: - audit of the financial statements	<u>4,149</u>	<u>3,509</u>

11. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2010 £	2009 £
Wages and salaries	<u>119,898</u>	<u>115,934</u>
	<u>119,898</u>	<u>115,934</u>

No trustee received any remuneration during the year (2009 nil).

No trustee received expenses for attending meetings during this year (2009 nil).

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

11. STAFF COSTS AND EMOLUMENTS *(continued)*

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2010	2009
	No	No
Number of staff	<u>5</u>	<u>3</u>

No employee received remuneration of more than £60,000 during the year (2009 - Nil).

12. TANGIBLE FIXED ASSETS

	Fixtures & Equipment £
COST	
At 1 January 2010	38,150
Additions	<u>14,177</u>
At 31 December 2010	<u><u>52,327</u></u>
DEPRECIATION	
At 1 January 2010	18,817
Charge for the year	<u>9,668</u>
At 31 December 2010	<u><u>28,485</u></u>
NET BOOK VALUE	
At 31 December 2010	<u><u>23,842</u></u>
At 31 December 2009	<u><u>19,333</u></u>

13. DEBTORS

	2010	2009
	£	£
Debtors and accrued income	<u>229,183</u>	<u>360,299</u>

14. CREDITORS: Amounts falling due within one year

	2010	2009
	£	£
Taxation and social security	2,589	-
Other creditors	28,028	18,053
Accruals	<u>35,325</u>	<u>15,323</u>
	<u><u>65,942</u></u>	<u><u>33,376</u></u>

CHILDREN'S HOSPITAL IN WALES APPEAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

15. UNRESTRICTED INCOME FUNDS

	Balance at 1 January 2010 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 December 2010 £
Hospital Phase II	3,500,000	–	–	800,000	4,300,000
General Funds	304,984	952,811	(237,356)	(800,000)	220,439
	<u>3,804,984</u>	<u>952,811</u>	<u>(237,356)</u>	<u>–</u>	<u>4,520,439</u>

The trustees have designated funds for the anticipated costs of Phase II of the hospital, which is expected to cost at least £7,000,000. This year an additional £800,000 (2009 £1,000,000) has been set-aside for this purpose.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted Income Funds:			
Designated Funds	–	4,300,000	4,300,000
General Funds	23,842	196,597	220,439
	<u>23,842</u>	<u>4,496,597</u>	<u>4,520,439</u>
Total Funds	<u>23,842</u>	<u>4,496,597</u>	<u>4,520,439</u>

17. RELATED PARTY TRANSACTIONS

The charity was under the control of the trustees throughout the current and previous year.

Two of the trustees, in their capacity as trustees, are also shareholders in Noah's Ark Appeal Limited. These shares had no value at the year-end.

18. PENSIONS

The charity has not operated, or contributed to any pension scheme on behalf of its employees.

19. CONTINGENCIES

The trustees have confirmed that there were no contingent liabilities, which should be disclosed at 31 December 2010.

20. CAPITAL COMMITMENTS

The trustees have confirmed that there were no capital commitments at 31 December 2010.