THE FORGET ME NOT CHILDREN'S HOSPICE

England & Wales · Charity number 1110457

Details

Other names	THE WEST YORKSHIRE FORGET ME NOT TRUST LIMITED
Status	Registered
Legal form	Charitable company
Company number	05481614
Registered	2005-07-15
Register	View on the Charity Commission register

Contact

Address	Forget Me Not Childrens Hospice Russell House Fell Greave Road Huddersfield HD2 1NH
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Website	www.forgetmenotchild.co.uk

Activities

Objects: THE SUPPORT AND RELIEF OF CHILDREN RESIDENT IN THE UNITED KINGDOM WITH EXTRAORDINARY MEDICAL NEEDS AND THEIR FAMILIES IN PARTICULAR, BUT NOT EXCLUSIVELY, BY THE PROVISION OF CHILDREN'S HOSPICE SERVICES, COMMUNITY BASED CHARITABLE SERVICES AND SUCH OTHER MEANS AS THE TRUSTEES SHALL FROM TIME TO TIME DETERMINE.

Activities: Supporting children with life limiting conditions and their families through Hospice at Home service, and through other core services within our Children's Hospice in Huddersfield.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing
- **Who:** Children/young People, People With Disabilities

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Geography

- **Area of benefit:** UNITED KINGDOM
- Bradford City
- Calderdale
- City Of Wakefield
- Kirklees
- Leeds City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£6,820,268	£6,418,476	£3,954,047	159
2024-03-31	£5,817,178	£5,797,810	£3,552,718	135
2023-03-31	£5,039,496	£4,855,262	£3,533,350	135
2022-03-31	£4,476,297	£4,163,250	£3,351,090	125
2021-03-31	£3,902,259	£3,689,270	£3,038,331	122

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Trustees

Name	Role	Appointed
Jeremy David Cross	Chair	2019-08-23
Adrian Robert Gordon		2020-09-11
Alexandra Louise Clements		2022-03-18
Andrew John Green		2024-09-20
Claire Siobhan Woodford		2020-02-28
Dr David Anderson		2020-09-11
Dr Eilean Gail Crosbie		2024-09-20
Elisabeth Ann Street		2024-06-21
Joanne Ellis		2019-06-07
Paul David Woolston		2024-09-20
Paul Harvey Stead		2021-09-13
Sarah Virginia Ramsey		2019-04-26
Timothy David McBurney		2021-06-11

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THE FORGET ME NOT CHILDREN'S HOSPICE

England & Wales - Charity number 1110457

Accounts

forget me not children's hospice

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
(a company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Company registration number: 05481614
Charity number: 1110457

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED

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Report of the Trustees

The Trustees present their annual report together with the audited financial statements of the Forget Me Not Children's Hospice Limited for the year ended 31 March 2025. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) as amended by Update Bulletin 1 (effective January 2019).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The Charity's objects are specifically restricted to the following: *The support and relief of children resident in the United Kingdom with extraordinary medical needs and their families in particular, but not exclusively, by the provision of children's hospice services, community based charitable services and such other means as the Trustees shall from time to time determine.*

These objectives are fulfilled through the delivery of holistic care and support for families in the community, at our purpose-built hospice – Russell House and in families homes through our hospice at home service.

Public benefit and eligibility criteria

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Forget Me Not Children's Hospice cares for children with life shortening conditions and their families. Public benefit is derived by the free provision of holistic palliative and end of life care services, together with associated bereavement support offered to the whole family.

Every day we have more families who come to us for help. We know that there are many more local families that would benefit from the support we provide, and it is our aim to reach as many of the families most in need within the funds we have available. To enable this, we continue to review our services to ensure we are targeting our efforts where they are most needed.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Objectives and activities

a. Strategies for achieving objectives

We started out the year with a plan to conclude the final year of our Trailblazer Strategy with two key priorities;

1. Continue to adapt and evolve our services to best support the wide and increasingly complex challenges that children and families who access our services face daily. Building on our success so far, using our pioneering and trailblazing approaches to find new, cost-effective ways to reach and support more people.
2. Continue to find ways to strengthen our future financial sustainability, ensuring that our model is 'fit for the future' through a mixture of an improved and more appropriate statutory funding model, growth of existing income streams and commercial diversification.

In addition to the above. We had set key objectives as part of a new Finance and Resilience Strategy for 24/25 to 29/30. These objectives were:

- To ensure our model of care is the most cost-effective way of supporting more people with increasingly complex needs both now and in the future.
- To improve resilience of our systems, facilities, infrastructure and resources to enhance productivity.
- To demonstrate value for money by challenging the way we work.
- To build our reserves to make sure that we have enough money for now and in the future

The start of this financial year also saw us launch the private phase of a capital appeal intended to enable the much-needed future expansion of space at Russell House.

The first half of the year proved challenging with the charity facing a 'perfect storm' of continually increasing costs (including announcements from the government of increases to employers' national insurance payments), an increasingly challenging fundraising and retail climate (exacerbated by a cost-of-living crisis and a volatile economy) and an uncertain statutory funding position relating to funding previously known as the National Children's Hospice Grant. We were not alone in this challenge, with the hospice sector nationally reporting a funding crisis, and the worse financial outlook seen in over 20 years.

A full reforecast was conducted at the half year point, which indicated that by year end, the charity would be facing a significant shortfall. At this stage, the Trustees and Senior Leadership Team (SLT) conducted an options appraisal, supported by West Yorkshire Integrated Care Board (WY ICB) and made a series of decisions which would stabilise the financial outlook, reducing in-year impact to protect reserves and ultimately protecting the future of the charity.

In November 2024, the following actions were taken;

- A plan to reduce the overheads of the charity by £750K. This included a reduction of colleague numbers across various functions within the charity.
- The launch of an urgent appeal to help fill the funding gap which was being faced.
- The re-design of our care and family support models to ensure that we could continue to provide vital services to families within the constraints of financial pressures impacting the charity and the sector.
- Increased national, regional and local campaigning (including extensive media coverage) to highlight the challenges facing our hospice and the sector.

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

By the end of the financial year, these corrective actions had been instrumental in turning around and stabilising the financial position of the charity. The urgent appeal generated £400,708 in donations and increased the commitment from supporters to fundraise in the year ahead. The cost saving programme has been effective, so far resulting in recurrent, annualised savings of 7% (circa £450,000) and we continue to look at other ways of reducing costs through both direct and non-direct actions including the use of systems to automate tasks and increase productivity, procurement reviews and a rolling review of structures as vacancies arise. WY ICB also provided additional (non-recurrent) in-year support of £300,000 which helped to mitigate the actions needed to reduce costs.

The work to re-design the care and family support offer for families (which was already underway) was accelerated in response to these challenges to ensure optimum service efficiency and value moving forward. Throughout this challenging period, support for families remained largely uninterrupted, and we have not removed or stopped any of our services. Unfortunately, we have had to reduce the number of short breaks that we can offer to families, and in the year ahead, a new process for allocating short breaks will be launched alongside other changes to our assessment process and service offers.

Positive and constructive dialogue between the WY ICB and the West Yorkshire Hospice Collaborative (WYHC) has continued, resulting in an increase in recurrent statutory funding in 24/25, and a commitment to move to a more sustainable and equitable funding model moving forward National support through the funding scheme formally known as the 'national children's hospice grant' was awarded again (with a small increase) for 25/26 after an extensive period of national lobbying, although the future of this funding currently remains uncertain once again.

Our Russell House capital appeal has been placed on hold. There was no money raised; however, we had received a few early pledges of support. Whilst we still recognise a pressing need to create more space to meet the increasing and evolving needs of our community, as well as increasing demand - we must remain focussed on ensuring the sustainability of our existing model before progressing this ambition. We will continue to explore the feasibility of this expansion alongside ongoing dialogue on the commissioning of future services with WY ICB and our local authorities.

On 19 December 2024, Department of Health and Social Care (DHSC) Ministers announced that the Government was supporting the hospice sector with a £100 million capital funding boost for adult and children's hospices in England, for 24/25 and 25/26, to ensure they have the best physical environment for care. This funding is administered to hospices via Hospice UK and is to support charitable hospices to improve or maintain their physical estate, which will help hospices this financial year and next to provide the best end of life care to patients and their families in a supportive and dignified physical environment. This funding will help support hospices and deliver much needed funding for improvements including refurbishments, overhauling IT systems and improving facilities for patients and visitors. The £100M has been split with £25M allocated to hospices this financial year, and £75M allocated to 25/26 financial year.

In conclusion, 24/25 was a challenging year for the charity – and for the sector. On reflecting on priorities from the start of the year, in-year action was aligned to these priorities, albeit with changes accelerated in response to the challenges faced. We must remain extremely cautious, as this year we benefitted from one-off income that we cannot repeat (Urgent Appeal) or secure again (One off WY ICB sustainability grant) in the future. Therefore, the surplus position this year must be used to build our reserves so that we remain stable and resilient when faced with financial challenges in the future.

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

We must remain pioneering and courageous in seeking ways to collaborate and create efficiencies to reduce our future cost base, as well as grow our income and reach in a managed way. The future direction of the charity will focus heavily on putting finances on a firmer footing, ensuring that we can be here to provide vital care and support for children and families, today, tomorrow and in the future.

Care Services - a review of the year

This year we have seen integrated care in action and strengthened support for families. This marked a significant step forward in our commitment to delivering holistic, family-centred care. At the heart of this progress was the review of our care model, through meaningful engagement with both families and staff. The new model (which will be rolled out in the year ahead) brings together clinical and family support under a single, integrated framework, ensuring that care is not only medically sound but also emotionally and practically supportive.

A key innovation was the introduction of Family Link Workers, who now play a vital role in guiding families through often complex systems. These dedicated professionals help tailor support to each family's unique circumstances, ensuring that no one feels lost or overwhelmed during their care journey. We also started to expand our volunteer-supported care, by taking steps to increase our volunteer capacity to deliver services both at Russell House and within the wider community. Volunteers will become an essential part of our care and support system, offering practical help and emotional support that enhances the overall experience for families. The Volunteer to Career programme, funded by Hospice UK has allowed us to design and implement structured, meaningful career pathways for volunteers, particularly in clinical and care roles. Volunteers will now be supported through immersive experiences that align with workforce needs, including routes into nursing associate roles and other healthcare careers.

We are proud to have extended our impact in terms of equity and reach through continued success in reaching ethnically diverse communities, and we remain confident that our services are inclusive, accessible, and representative of the populations we serve. This commitment to equity is central to our mission and informs every aspect of our service delivery.

In partnership with Martin House Children's Hospice and the West Yorkshire Integrated Care Board (ICB), we piloted an out of hours telephone advice line. This initiative extended our reach to families who may not currently be receiving palliative care, offering them timely support and guidance when they need it most.

This year also embraced strategic partnerships and research in building our future and saw the launch of a Knowledge Transfer Partnership with the University of Huddersfield, a milestone in our journey toward becoming a research-informed organisation. This collaboration is already supporting strategic development through the eventual creation of a new blueprint for the future of FMN and will also help us to embed evidence-based practice across all areas of care.

We continued to invest in the future of our workforce through the Trainee Nurse Associate, Nurse Degree Apprenticeship and ANP development programmes. These initiatives are not only building internal capacity but also nurturing the next generation of compassionate, skilled professionals.

Poster presentations at conferences (locally, nationally and internationally) and winning awards, specifically in perinatal care, has helped to raise our national profile and credibility within the sector. These activities have helped secure funding and influence policy discussions, while also improving internal learning and service quality.

Objectives and activities (continued)

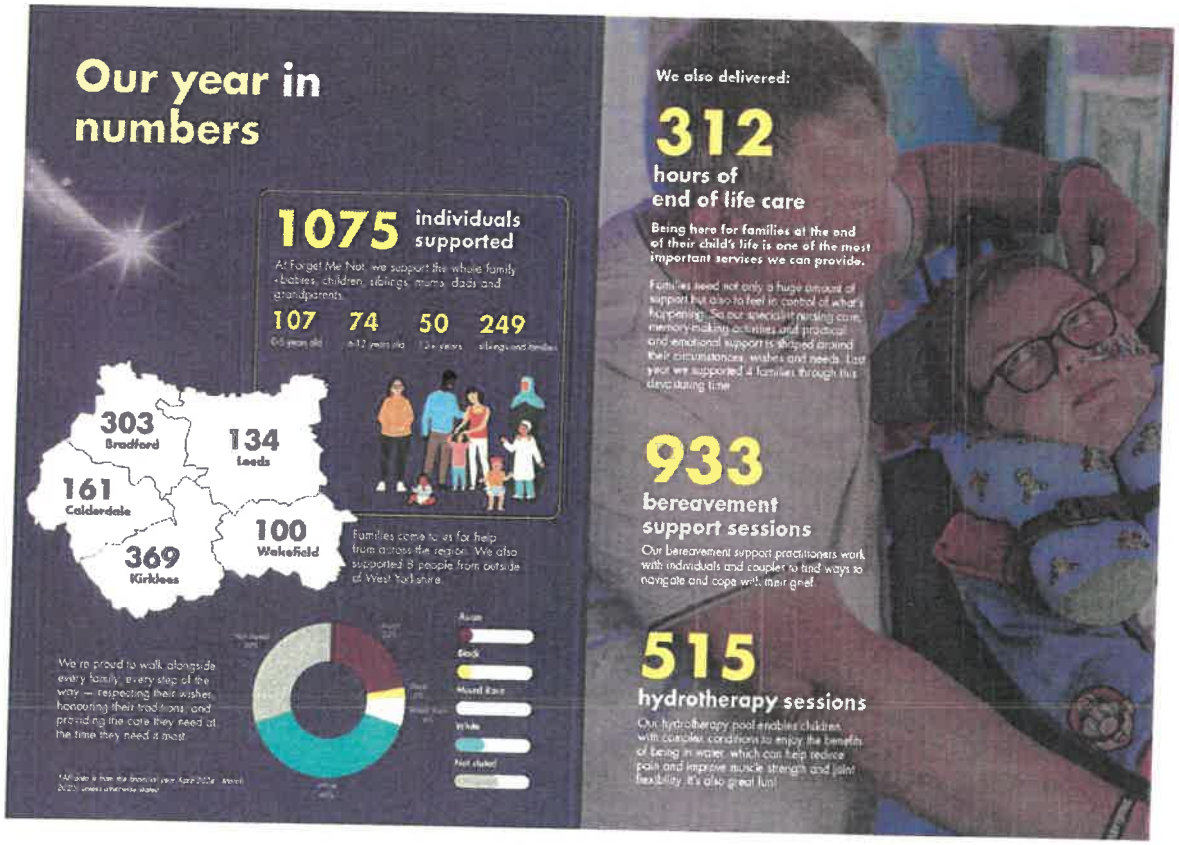
b. Review of activities (continued)

Care Services - a review of the year (continued)

Additionally, they've sparked momentum for research and evaluation, reinforcing the organisation's leadership in compassionate, evidence-based palliative care.

We strengthened our case for support by recognising the importance of demonstrating our impact and value, and we placed a renewed focus on improving our data systems. This work is enabling us to better capture and communicate the impact of our services, particularly in conversations with statutory funders. By aligning data collection with our strategic goals, we are ensuring that our outcomes are visible, measurable, and meaningful.

We value transparency and therefore want to help donors and funders understand more about how their support makes a difference to our children and families across all communities in West Yorkshire;



Income Generation – a review of the year

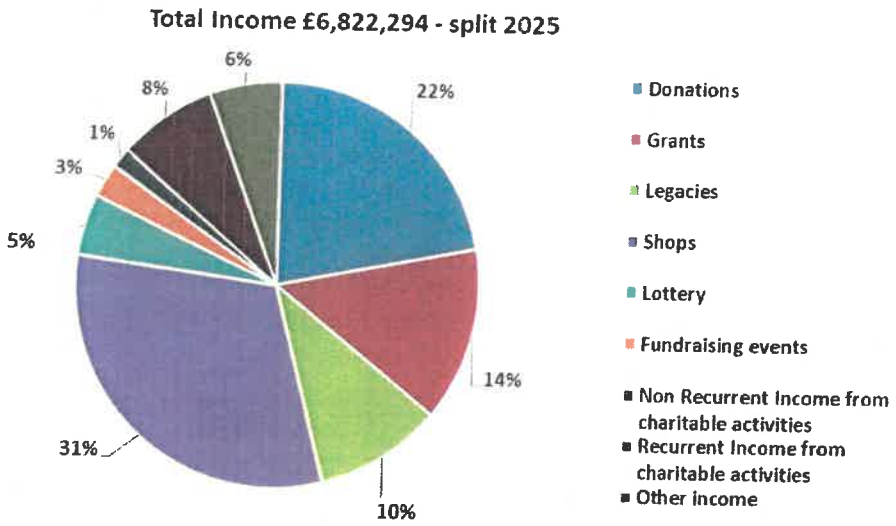
We are very grateful for the amazing generosity of our donors, supporters and funders, especially as we have seen growth from our donors and the community this year.

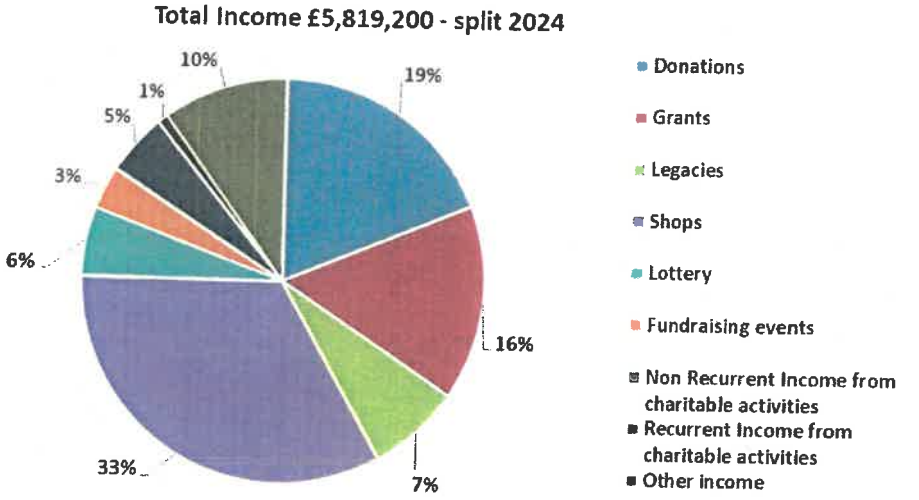
The shape of our income profile has changed only slightly this year to that of the previous year. The 'pie' allocation for 2025 and 2024 is demonstrated below:

Objectives and activities (continued)

b. Review of activities (continued)

Income Generation – a review of the year (continued)





Total fundraising income this year, made up of donations, grants and legacies was £3,129,601 (2024: £2,428,735). This increase reflects the positive impact of the urgent appeal and a record year in legacy income.

Donations this year of £1,495,587 (2024: £1,090,735) are ahead of the prior year. This is largely due to the urgent appeal which launched in December 2024 and closed 31 March 2025, raising £400,708.

Total grant income of £943,120 (2024: £906,502) was received. This includes the government capital grant of £75,232. We received just 8.3% (prior year 9.5%) of total income from The Children's Hospice Funding (funding previously known as the Children's Palliative Care Grant).

Objectives and activities (continued)

b. Review of activities (continued)

Income Generation - a review of the year

We received legacies of £690,895 (2024: £431,499 and 2023: £275,722). This includes legacy accruals at year end of £189,151 (2024: £1,000). Our Legacy income this year is the highest we have ever received in one year.

In Trading, we have seen another strong income performance seeing shop sales increase by 9.6%. Trading income in total increased to £2,131,118 (2024: £1,944,350) as we had a full year of trading in our Wakefield store and implemented initiatives to boost shop sales across the retail estate.

Income from our charity lottery has increased by 3.7% (due to the positive impact of our lottery growth campaign activity in 2024) and generated income of £332,632 (2024: £320,859). Unfortunately, due to resource constraints experienced by the external canvassing agency in 2024 we could not run our canvassing campaign for most of this financial year, meaning that the player base has now grown as anticipated during this period

Fundraising events income has decreased this year to £181,951 (2024: £198,660). This is due to the special event ball being biennial and will be next held in the 25/26 financial year.

Income from charitable activities during the year was £650,927 (2024: £337,438). Our charitable income has increased in 2025 due to non-recurrent support received from West Yorkshire Integrated Care Board (ICB) of £300,000. In addition, this year for the first time we received recurrent funding of £192,000 which has increased to 8% (2024: 1%) of total income as a result the commitment of WY ICB (through dialogue with the West Yorkshire Hospice Collaborative) to work towards a more sustainable funding model for hospices (previous funding prior to 2024 was a non-recurrent grant of £200,000). Total public sector recurrent funding increased to 11.9% of total income.

This year we were successful with two pilot projects funded by local NHS providers. West Yorkshire ICB funded an Out of Hours telephone advice line totalling £59,088 from October 2024 to March 2025 and NHS Greater Manchester funded specialist Out of Hours support of £30,240 from October 2024 to September 2025 (£15,120 this financial year).

Other income this year of £395,310 (2024: £587,135) has decreased, largely due to continuing care income decreasing to £332,500 (2024: £543,669). In the prior year, we had ongoing long-term placements, whereas this was not the case this year.

Following an award in the previous financial year, recognising our community capacity building work, particularly within South Asian communities, this has continued to grow through the development of relationships with key influencers across the community.

People and Resources – a review of the year

Some of the plans we set out to achieve this year have been delayed due to our change process that drew on the capacity of our small Human Resources team. However, despite the challenges huge progress has still been made during the year, and we have strategies in place to take hold of and embed into next year.

We started working on developing our' Forget Me Not Way' culture and drafted an intranet employee handbook for our employees as a single source of truth; this incorporates our core values, our People Promise, our Leadership traits, our commitment to Equality, Diversity and Inclusion (ED&I) and how we work at Forget Me Not.

Objectives and activities (continued)

b. Review of activities (continued)

People and Resources – a review of the year (continued

We have created an overarching People Statement, and this encompasses both our employees and volunteers. Within this, we have built our People strategies (an Employee Strategy and a Volunteer Strategy) and each strategy is supported by plans which we will embed over the next 3 years.

The plans of our Employee People Strategy are focussed on:

- Attract and Retain
- Growth and Development
- Diversity and Belonging
- Wellbeing and Resilience

The plans of our Volunteer People Strategy are focussed on:

- Attract and Retain
- Tools and Resources
- Inclusive and Enjoyable
- Fit for the Future

We have kept our 'People Promise' alive:

- **Attract:** We introduced an inclusive recruitment strategy and have worked with recruiting managers to create a suite of values and competency-based interview questions, more options around interview techniques to create consistency around the process. A huge amount of improvement has been made in our Trading team
- **At Your Side:** We continue to focus on mental, physical, emotional and financial wellbeing offering resilience sessions, access to our Employee Assistance Programme, additional training on stress in the workplace, neurodiversity in the workplace and sexual harassment in the workplace. In addition, we embrace flexible working and do our best to accommodate these requests. During the year we introduced improved benefits, including pension contributions through salary exchange and an additional day's holiday for birthdays.
- **Aiding Growth:** Continued to invest in growth and development of our people through the apprenticeship levy. This year we are supporting seven people to achieve formal qualifications relevant to their roles which range from Level 3 to Level 7 as well as growing our own nurses. All employees, managers and leaders have been trained on 'Speaking Up, Listening Up and Acting Up' at the appropriate level and there is guidance and support available to all employees.
- **Advocacy:** Considering the challenging year we have had we are proud to see high staff satisfaction rate this year of 80% even though this is slightly lower than the prior year of 84%. This is based on the percentage of staff who would recommend a friend to work at Forget Me Not. The strength and power of advocacy has been demonstrated perfectly this year with colleagues, volunteers and supporters standing by us, helping to amplify our messages as we faced challenging times.

We have ensured that equality, diversity and inclusion run throughout all our organisational strategies and continue to measure our performance against targets through staff and volunteer ED&I surveys, new starters and inclusive recruitment practices.

We continued to engage across wider teams embracing our distributed leadership approach through numerous 'task force' groups successfully resolving organisational challenges and

Objectives and activities (continued)

b. Review of activities (continued)

People and Resources – a review of the year (continued

working together to make a real impact in making decisions, solving problems and moving projects and strategies forward.

We believe in recognising and celebrating the hard work and dedication of our workforce. We share our gratitude through sending informal thank you nominations to each other on our HR system, the senior management team nominate individuals for recognition every quarter who receive a personal thank you card, and we celebrate length of service milestones with personalised cards from our CEO, badges and certificates at our annual all team away day.

We're incredibly proud to share that our midwife has been honoured with two prestigious awards: the Excellence in Infant Feeding Education Award for her pioneering work on Lactation After Loss, and the SOFT UK Outstanding Compassionate Care Award. These accolades recognise her exceptional dedication, empathy, and expertise in supporting families through some of their most vulnerable moments.

Momentum has continued in enhancing systems and automating processes to improve efficiencies and sustain the volume of workflow, ensuring compliance and excellent governance is in place. We introduced a new volunteer system which has substantially enhanced the whole volunteer experience. We introduced a new risk management system which has streamlined and automated our incident reporting process and risk management process. We continued to use further automation of processes, such as moving our expenses process to our HR system and using our care rota system to produce automated payroll information. We launched our new supporter database in fundraising this year, creating substantial efficiencies and resilience being cloud based and AI (Artificial Intelligence) compatible.

We have fully reviewed our IT support and services this year, working in collaboration with The Kirkwood and did a substantial amount of work to transition our IT support desk to a new provider as from April 2025. We have also trialled and tested CoPilot amongst the Senior Leadership Team with full buy in and support to introduce to a select wider team.

Our priority this year has been around the efficiencies and resilience of our buildings, equipment, systems and resources to ensure that we are fit for the future. We have invested and will continue to invest in our care activity data to ensure it is robust and reliable, our systems are fit for purpose and that we embrace emerging technology.

Governance – a review of the year

The board continue to drive a culture of continual improvement through the board effectiveness and review program which includes an annual review of both the main board and each trustee sub-committee and an appraisal of each trustee. This approach continues to work well and promotes a good flow of conversation and challenge.

Meetings during the year have been held both in person and online, and trustees are encouraged and supported to interact with colleagues across the organisation outside of this.

Governance – a review of the year (continued)

Regular trustee induction and deep-dive sessions have continued, allowing new and existing trustees the opportunity to learn more about different parts of the organisation. Some trustees have also spent a 'day in care' during this year which has been invaluable in helping them to get closer to the work that we do. Trustees continue to support in other ways like attending events at Russell House and in the community.

Objectives and activities (continued)

b. Review of activities (continued)

Governance – a review of the year

We have continued to evolve our Governance and Assurance Framework, encompassing all areas of the organisation. This is a working document that includes all regulations that we must comply with and how we can demonstrate or evidence compliance, providing assurance to the board.

In addition, this year we introduced our Integrated Governance Framework which incorporates our clinical governance and our corporate governance into one streamlined document.

Risks across the organisation are reviewed on an ongoing basis by SMT and SLT. Risks are escalated to trustee sub-committees and the main board depending on their risk score. Risks are discussed at every trustee meeting.

In 24/25 we continued to review the skills mix amongst our trustees to ensure that all of the skills required to form an effective board were covered. This is done using a structured skills matrix and audit and the same tool is used during trustee recruitment. Our trustee board was strengthened during the year through the recruitment of new trustees into our Clinical Governance, Audit Finance and Risk, and Trading sub-committees. In the year ahead, we will add further skills to the charity by introducing and actively recruiting to the volunteer role of Independent Advisor. This role allows us to recruit new volunteers with specific skills to help support the current direction of the charity, input into specific projects and create succession should opportunities arise to become a Trustee or Trading Director in the future.

Clinical Governance – a review of the year

A robust and well embedded clinical governance process has been in place for several years. This includes a combined Quality and Assurance meeting encompassing, safeguarding, medicines management, incident management, infection prevention and control, education and research and clinical audit, and feeds into the trustee led clinical governance committee. We also have a system by which we can ensure all staff have access to all clinical policies and must sign to say they have read and understood new policies or changes to existing ones. We have continued to work with the regulator, The Care Quality Commission (CQC) to ensure we are meeting the CQC domains of safe, effective, responsive, caring and well-led care and working within the new assessment framework.

We were extremely proud to have received a maintained Outstanding rating from the CQC in January 2024 which we carried into this financial year.

Our Clinical Audit schedule is reviewed on an annual basis and confirmed by the Clinical Governance Committee, ensuring that we continually focus our audits on the areas that we need to continuously improve.

Plans for future periods

The year ahead will see us refresh our organisational strategy. Our strategy will be built on 4 key strategic pillars;

- We will strengthen our foundations, allowing us to thrive and built on the strength of our people and the power of our data.
- We will continue to provide exemplary, personalised care and support to children and families who need our help today, tomorrow and in the future.
- We will increase our financial sustainability and resilience by putting the charity on a firmer financial footing so that our future is truly protected.
- We will ensure that our facilities and infrastructure are resilient and fit for the future.

Each of the above pillars will consist of a clear set of goals which will guide the direction of the organisation for the next three years. To deliver these goals, we will develop and implement a series of tactics and initiatives, and we will monitor and review the effectiveness of our new strategy through a series of robust outcome and KPI focussed measures.

Alongside this new strategy, we will work with the University of Huddersfield through a Knowledge Transfer Partnership to create a 'blueprint' for the future – looking beyond the next three years to understand how the organisation will need to evolve to remain sustainable and to best support families in the future.

We will continue to focus on the embedding of changes made in the prior year including the implementation of our new holistic assessment framework, link worker approach, new short breaks model and new model of care and support for families. All these changes are designed to ensure optimum return on funds generated and the best possible outcomes for children and families.

Dialogue with ICB's and local authorities will continue as will our advocacy and campaigning for a better, more sustainable recurrent funding model to sustain our core and specialist hospice services.

We will continue to focus on building our reserves, extending our reach, growing and diversifying our income (trading and commercial growth is funded through the Key Fund loan and grant), and plan to complete capital works and projects using our allocated amount of £225,696 in 25/26 from the government capital grant to enhance our building, IT equipment and systems improving our organisational resilience.

We will continue to embed our Values and make bring them to life:

Caring: We are one team and will always be kind, considerate and supportive.
Courageous: Together we have the strength and confidence to make brave choices.
Positive: We are passionate about making a difference and being the best, we can be.
Pioneering: We challenge the status quo to make things better for children and families.
Genuine: We are true to ourselves and others.

Care Services – Looking ahead

Looking ahead, the coming year presents a pivotal opportunity to deepen the impact of our Care Strategy and bring our vision for inclusive, family-centred support to life.

We will continue to embed the tiered Model of Care across all services, ensuring it is fully aligned with workforce capabilities and service delivery pathways. A strong focus will be placed on measuring outcomes and demonstrating impact, ensuring that our work remains evidence-based and responsive. The transformation of our Short Breaks offer will be fully realised, with equitable access, transparent governance, and family-led planning at its core.

Plans for future periods (continued)

Care Services – Looking ahead (continued)

We will strengthen our workforce through targeted planning, role redesign, and succession strategies, while also expanding our volunteer base to enhance the family experience. Cross-sector collaboration will be a key driver of innovation and integration, supported by a shared learning framework that promotes continuous education across our network.

The 'Link Worker' model will further support families to access holistic, tailored support which will include navigation and signposting. The development of our SystmOne roadmap will enable more effective digital coordination, increased efficiency and data capture.

Underpinning all of this will be a robust governance framework that ensures we meet and exceed regulatory expectations, particularly in preparation for future CQC inspections.

This year, we are focused not only on delivering vital services to children and families, but also on building the infrastructure, partnerships, and culture that will sustain and grow our impact for years to come.

Income generation – looking ahead

In fundraising, we will continue to rollout growth plans that underpin the areas already identified as having opportunities to grow aligned to our strategy. Our key strategic aim of growing income from regular, reliable income streams will continue in the year ahead. One of the biggest strategic focuses is growing our income from gifts in Wills. We are investing in our Legacy programme internally, upgrading our Free Wills offer, creating new materials and face-to-face events to engage supporters, as well as participating in a multi-year national campaign run by Hospice UK to increase legacy awareness.

Growth is budgeted across all income streams and will be achieved through a combination of organic and targeted growth strategies. Investment in fundraising will be carefully controlled and gradual with robust ROI calculations applied.

In 24/25, we invested in the implementation of a new supporter database which went live 1st April 2025. This will allow us to better steward and communicate supporters and lay foundations for significantly increasing the size of our supporter base over the next 5-years.

In Retail, we will continue to strengthen profit generated by our existing shop portfolio by optimising efficiency and productivity and maximising the return from sales of donated goods. We will also pursue growth plans to extend our retail estate. We anticipate that this will include the acquisition and opening of up to three new retail locations in 25/26.

In the year ahead, we will also refresh our retail strategy to align with the new organisational strategy, this will form the direction of travel for retail over the next three years.

We will also continue our income diversification journey through the rollout of new commercial concepts that will form the starting point of a new income stream through a newly formed, second trading subsidiary. This diversification is vital whilst we continue to navigate the uncertainty of statutory funding for Children's Hospice services.

In support of all the above, we will continue to deliver our Marketing, Communications and Engagement strategy using key channels like our new website, investment into our social media platforms, the promotion of an advocacy-based approach and growing our supporter base.

Plans for future periods (continued)

Income generation – looking ahead (continued)

This year, we also started to implement a new commercial strategy. This work has enabled us to identify opportunities to diversify income. We also grew our promotions around facilities hire and professional training as ways to generate additional commercial income.

Supporting our people, resources and resilience – looking ahead

We will continue developing our' Forget Me Not Way' culture and plan to launch our Employee Handbook as an intranet in September 2025 which will incorporate all the information that employees may need in one easily accessible place and serve as a single source of truth.

We will look at our core values and ensure that all employees can relate and feel connected in terms of what our values mean to them. We plan to embed our Leadership traits framework through facilitation and bring them to life. as part of leadership development.

We plan to improve our wellbeing offer further by introducing a Compassionate Cultures Project that will focus on creative health and mental wealth, addressing women in the workplace, men's health and generational culture differences.

We will keep our People Promise alive ensuring that we attract the best people, we are at the side of our people so that they feel valued and supported, we aid growth so that our people can achieve their full potential and our people are advocates by feeling proud to work at Forget Me Not and inspired to share our story with others.

We will embed the first year of our people related strategies (employees and volunteers) with robust plans that sit behind each strategy. Ultimately, we will create a culture and environment where employees can thrive, and where their skills and contributions drive us forward.

We will be embedding our Volunteer Strategy. By increasing our volunteering contribution and diversity there will be increased capacity to support our families in line with our new model of care and more support to help generate income both through direct fundraising and through our retail estate. This strategy helps us deliver our promise by showing that we are serious about volunteering and how we will continue to improve the volunteering experience for everyone who gives their time to support us.

Robust five-year workforce planning will take place across all departments in line with our Strategic Plan and departmental strategies. We will focus on our model of care, ensuring that we maintain a sustainable and holistic care strategy. We will continue to invest in people in income generation and trading with a focus on growing our reach and diversifying our income in a balanced and managed way, whilst ensuring that we have the most efficient resources to support resilience and grow our reserves.

We will capture learning and development opportunities through our organisational Training Matrix and do our best to support the learning and growth of our people, capitalising on the apprenticeship levy.

There will be a continued focus on our IT systems and automating processes to improve efficiencies and sustain the volume of workflow, ensuring compliance and excellent governance is in place. We are introducing a new finance system which will radically improve resilience as we will be able to move our servers to the cloud. In addition, the new finance system will automate manual processes and substantially reduce paper and therefore support our carbon strategy as well as bring in real time efficiencies. We will continue to develop the

Plans for future periods (continued)

Income generation – looking ahead (continued)

Vantage system to automate processes including risk management, organisational policies, Care Quality Commission (CQC) compliance, HR processes such as risk assessments and recruitment forms and retail estate leases which will ultimately streamline our internal processes further.

We have resilience plans in place for our buildings, equipment, systems and resources which will continue to be implemented. We have an AI Workforce plan in place that will ensure that we provide the right support and tools to key stakeholders and inhouse masterclasses to develop skills. At the same time, we are encouraging employees to become 'AI Champions' by completing professional qualifications through the apprenticeship scheme.

We are developing a three-year Data Strategy that will incorporate a data roadmap for the organisation, with the focus next year being around ensuring that our care data is robust, reliable and fit for purpose.

Investment powers and policy

The Board review the investment policy on an annual basis. The key elements to the policy are below.

In accordance with the Articles of Association, the Charity has the power to deposit or invest funds, and employ a professional fund manager, in the same manner and subject to the same conditions as the Trustees of a Trust are permitted to do by the Trustee Act 2000. In summary:

- Trustees have a duty to maximise the return of the Charity's fund;
- Trustees have a duty not to risk the fund in hazardous or speculative investment;
- Trustees must consider the suitability of investments and the need for diversification;
- Trustees are required to act honestly and with prudence;
- Trustees have the power to invest in the same range of investments as an absolute owner (unless there are restrictions in the governing document).

The Board of Trustees have delegated investment decisions to the Audit, Finance and Risk Committee. The Audit, Finance and Risk Committee have responsibility for recommending strategy and managing and monitoring the investment assets, in line with this investment policy. The committee will review the investment information provided at each quarterly meeting. We currently have a low-risk investment of £250,000 in a CAF Flagstone portfolio which are in fixed term deposits and managed and monitored by the Finance and Corporate Services Director.

Financial review

a. Financial performance

During the year net incoming resources of £401,329 (2024: £19,368) were added to reserves. Within total incoming resources of £6,820,268 (2024: £5,817,178), was £3,129,601 which equates to 45.9% (2024: £2,428,736 – 41.8%) received by way of donations, grants and legacies. The sources of this voluntary fundraising income have been broadened to avoid reliance in any one area.

Income from trading activities was £2,645,702 (2024: £2,463,859 – 42%) which equates to 38.8% received through our shops, lottery and fundraising events. This area of income has substantially increased this year largely due to improved shop income performance and steady lottery growth.

Net profit from shop activities has seen a further decline in performance to date of £316,123 (2024: £362,489) because of increased pay costs due to national living wage rises and ongoing cost pressures across the estate. The Online shop could not trade for over half of the year due to resource challenges, and this has adversely impacted net profit.

Net profit for the lottery increased to £227,492 (2024: £117,996) largely due to the ongoing canvasser campaign in the prior year which is funded by an investor. This year has proved challenging for our lottery canvassing with no canvassing between April 24 and July 24. A new contract for lottery canvassing commenced in July 2024, however they struggled to recruit canvassers and provided limited new lottery lines. This led to a further stagnation of canvassing, with no leads generated within the final six months of the financial year. This has therefore meant cost savings were made this year.

The Charity receives income from the generosity of the public, raised in many ways such as through support from corporate companies, trusts and foundations, major donors, community supporters, legacies, lottery, fundraising events and from the public sector (NHS & Local Authority). This year the government committed capital funding for hospices, and we received an amount of £75,232 via Hospice UK as our distribution of the £25M based on a set and consistent calculation. We evidenced the full 24/25 allocation within our capital expenditure during the year.

Other income of £394,039 (2024: £587,135 includes income raised through continuing care packages, redeployment of skills, professional training and interest received. This area of income generation has substantially reduced because of our continuing care offer and the challenges we experienced this year around resource and capacity, alongside creating a more flexible and sustainable short breaks offer.

Charitable activities, includes restricted funding of £109,208 which includes non-recurrent funding from Wakefield Place (NHS) for Maternal Mental Health services of £35,000 (2024: £88,556) although, unfortunately there is no longer further funding available for this service. In addition, this year we have received restricted non recurrent funding for two pilot projects, a recurrent grant and a one off non recurrent grant from WY ICB. See the note 7 to the accounts for more detail on funding sources.

The NHSE Children's Palliative Care grant equates to just 8.3% (2024: 9.5%) of consolidated income and 15.3% (2024: 16.8%) of charitable activities costs. NHS England announced that funding for children's hospices will remain in place into 2025/26 however the grant is being distributed in the system via the Integrated Care Board (ICB).

Staff costs have increased by 14.6% since last year. Staff costs for the year were £4,718,420 (2024: £4,116,541). Staff costs as a percentage of total costs were 73.5% during the year (2024: 71%).

Financial review (continued)

a. Financial performance (continued)

Average staff FTE numbers have increased to 119 (2024:111) largely due to investing in expanding our retail estate seeing an additional 7 FTE this year.

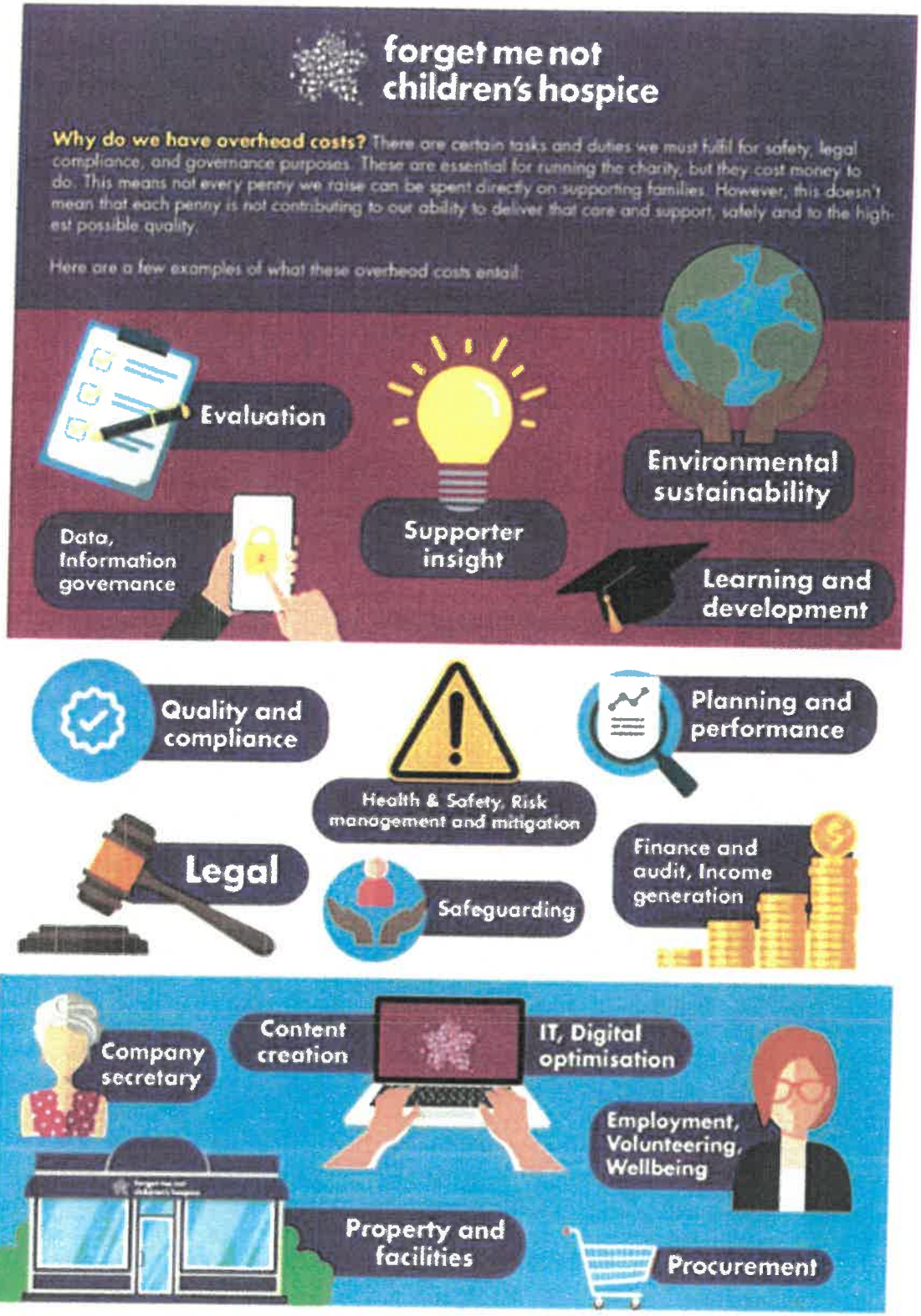
Auto enrolment employer contributions are a basic 3%, managers receive 5% matching contributions, and we introduced a matching contribution of 7.5% for charity staff this year, subject to salary exchange rules. Most staff contribute to the People's Pension Scheme. In addition, we operate an NHS Pension Scheme under a directive and for the past 2 years we have seen the employer's contribution rise from 14.38% to 20.68%, however the increase continues to be funded by NHS England. There is still no confirmation from NHS England beyond 2026 of how hospices might be supported to afford these pension increases and as such the NHS Pension scheme has been closed to new members since October 2019 as a way of controlling costs. There is also a challenge in that some staff are receiving a substantial pension benefit, whilst the majority are on the most basic pension benefit. We started to address this issue as part of the annual budgeting process and introduced an option in 23/24 for staff to increase their employee contribution by 1% (or more) and then we will increase employer contributions to 4%. This year we introduced the higher matching 7.5% contribution (subject to salary exchange rules) to continue to address pension inequalities.

Total costs have increased substantially to £6,418,476 (2024: £5,797,810). Hospice UK have predicted that on average hospice costs will increase by £500k per annum for many years to come due to wage inflation and the impact of the cost-of-living crisis – this year we have seen our costs increase by £620,666 (2024: £942,548). The majority of this is pay costs and investment in roles to prepare for growth and diversification of all our income streams including costs directly related to expanding our retail estate.

The work of volunteers within the Charity is fundamental to the growth and sustainability of funds. Without their continued support it is envisaged that costs of employing support staff and fundraisers would amount to an additional annualised cost of over £595,000 (2024: £521,000) based on an average of 52,064 (2024: 50,000) volunteer hours at national living wage, given during an average year. The Trustees wish to express their sincere gratitude to every volunteer for their generosity and the gift of time.

Spending on charitable activities was £3,697,604 (2024: £3,276,065). The percentage spend on charitable activities versus consolidated costs (includes retail costs) is 57.6% (2024: 56.5%). In the Charity, the percentage spend on charitable activities (excluding retail costs) is 80.3% (2024: 77.7%).

We value transparency and therefore want to help donors and funders understand more about how their money is spent and why it is spent that way;


forget me not children's hospice
Why do we have overhead costs? There are certain tasks and duties we must fulfil for safety, legal compliance, and governance purposes. These are essential for running the charity, but they cost money to do. This means not every penny we raise can be spent directly on supporting families. However, this doesn't mean that each penny is not contributing to our ability to deliver that care and support, safely and to the highest possible quality.
Here are a few examples of what these overhead costs entail:
Evaluation
Environmental sustainability
Data, Information governance
Supporter insight
Learning and development
Quality and compliance
Planning and performance
Health & Safety, Risk management and mitigation
Legal
Safeguarding
Finance and audit, Income generation
Company secretary
Content creation
IT, Digital optimisation
Employment, Volunteering, Wellbeing
Property and facilities
Procurement

Financial review (continued)

b. Reserves policy

The total unrestricted and restricted reserves held on 31 March 2025 was £3,954,047 (2024: £3,552,718).

The current level of cash/investments held by Forget Me Not Children's Hospice is £1,414,578 (2024: £904,560). However true cash, after loan liabilities due within one year of £30,000 (2024: £30,000) (note 18) and loan liabilities falling due in more than one year of £197,897 (2024: £105,500) (note 19) is £1,186,681 (2024: £769,060) and is allocated for emergency reserves.

The balance of unrestricted reserves held is £3,804,047 (2024: £3,428,395) which is maintained to ensure that there are sufficient funds to provide care and continue to reach more children and families that need our support.

There is a designated reserve allocated this year of £50,000 (2024: nil) which is for addressing pay gaps in 2025/26 should our financial performance allow it and to ensure that we can recruit and retain staff in terms of market changes and competition
The reserve funds policy is to have sufficient reserves to cover expenditure on charitable activities for one year and set aside for emergency purposes only. In addition, there should be available cash reserves of three months of charitable expenditure.

The immediate strategy to build reserves and financial strength is being addressed, and assurance measures can be demonstrated as follows:

Continued campaigning and lobbying for a sustainable funding model for children's hospices.

Allocating legacy income to build reserve funds:

- Robust management and control of our resources and service model
- Building our capacity to generate and diversify our income portfolio
- Improving efficiencies and cost saving measures through collaboration opportunities
- Targeted, cause led grant applications

The aim of our 3-year reserves building roadmap (2025 to 2028) is to build and maintain true emergency cash reserves of 6 months of charity running costs and success in 2028 will be to hold £3 million in cash reserves. True emergency reserves at 31 March 2025 were £1,186,681 which fell above target of £1 million due to the urgent appeal and one-off support during the year. We have a finance strategy in place that aims to build reserves so that we have enough money for now and in the future. This focus aligns clearly with our strategic pillar to place our finances on a firmer footing.

Reserve Funds are reviewed at each AFR committee meeting as part of the financial reporting process and supporting cash flow forecast. Reserve levels will be reset appropriately, after consideration of cost challenges set and achieved and confirmation of successful income in the pipeline, to ensure that the levels meet the needs of the strategic direction of the Hospice.

The Trustees consider it prudent that reserves other than restricted and designated should be sufficient:

- To avoid the necessity of realising fixed assets held for the Charity's use;
- To provide protection against any possible decline in future income from fundraising and donations in general.

Financial review (continued)

b. Reserves policy (continued)

Emergency Reserves
Forget Me Not Children's Hospice needs emergency reserves to protect its current activities. The Board of Trustees had set emergency reserves target for the financial year 2024/25 at a realistic level of £1,000,000 after agreeing a deficit budget of £163k (achieved £1,186,681) to ensure business continuity due to unforeseen events, considering the needs, risks and challenges faced by the Charity in the short to medium term. The level of reserves is reviewed at each AFR meeting and the reserves policy will be reviewed annually.

Capital Reserves
Forget Me Not Children's Hospice has been operating from Russell House since 2011 and whilst it is still a fairly new building, it is now 14 years old and there will be an ongoing need to ensure that all capital equipment is fit for future purpose and that there is a robust Capital Replacement Plan in place for the building, grounds and equipment and as such we have prepared a Resilience action plan. The majority of capital works completed during this financial year have been funded through capital grants and gifts in kind.

The Capital Reserve will be calculated as the balance left after allocated Emergency Reserves.

Development Reserves
There are no development reserves allocated for the financial year 2024/25 as the business plan is aimed at protecting the existing resources. Any new investments to be made in 2025/26 financial year will be supported by robust income generation plans and funded through high level supporter funds or loans that ensure future returns on the investment.

Restricted Funds
Restricted funds will be maintained and accounted for in accordance with the appropriate regulations and only used for the purposes for which they are provided.

Designated Funds
Forget Me Not Children's Hospice may occasionally need to save or accumulate funds in order to finance a particular project. These monies will come from unrestricted funds and will be earmarked for a particular project but may be designated as a separate fund. However, this designation will only be for administrative purposes and these funds will remain under the control of Trustees and may be redirected to meet running costs should circumstances require.

c. Going concern

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the cost-of-living crisis on the UK economy and the worst ever funding crisis that the hospice sector has experienced to assess the potential impact on the financial sustainability of the Charity and Group. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered any remaining available government schemes and interventions in making their assessment.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity and Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note 2.2.

Financial review (continued)

d. Fundraising and compliance

Forget Me Not Children's Hospice is reliant on the goodwill and support of the local community to provide its charitable services to children with life shortening conditions and their families without charge. The hospice has an excellent reputation, however with this comes a responsibility to ensure the very highest of fundraising standards are in practice.

Income generation is not simply a way of raising funds, but it is also a conduit to developing and maintaining key supporter and donor relationships, ensuring that supporters are very much a part of our Forget Me Not journey and their input and feedback shape the charity to ensure it is fit for the future.

It is not always possible to assess whether supporters are 'vulnerable' or to coordinate activities with other charities, so our approach is to focus on our fundraising activities and relationships and conduct these and our contact with donors in line with the law, relevant governance and our own high standards.

All income generation activities are undertaken within charity law, Charity Commission regulations, HMRC rules, The Fundraising Regulator, The Gambling Act, local licencing laws, Advertising Standards Authority rules and data protection laws. This list is not exhaustive. We are registered with the Fundraising Regulator and continue to work towards full compliance with the Fundraising Code of Practice and strive to adopt best practice in all that we do.

We operate an ethical fundraising policy as well as other policies specifically created to underpin, support and monitor the above.

We support and encourage our fundraisers to achieve qualifications through the Chartered Institute of Fundraising or Corndel, and some members within the team are actively engaged in training and support through these organisations.

e. Donor management

We continue to ensure that GDPR is effectively implemented, monitored and audited across all areas of income generation and assessing the opportunities within recent legislative changes on data reform.

f. External fundraisers

We use the services of Sterling Lotteries who manage and run our weekly prize draw. Sterling is licenced and regulated by the Gambling Commission to promote a non-remote and remote lottery and also supply, install and adapt gambling software to promote a lottery.

All Sterling representatives receive Gambling Commission training (including vulnerable persons training) and representatives are also trained in line with the Fundraising Regulators Rule Book for Face-to-Face Fundraising. Sterling is audited annually on the Gambling Commission subset of ISO27001:2013. The audit report is available on request.

There were no reportable complaints relating to the activity undertaken by Sterling on behalf of the Hospice in 24/25 (23/24: none).

In 24/25 we used "Lottery Fundraising Services (LFS)" and "Dedicated Fundraising" as external agencies (canvasser) to acquire new lottery players. We are satisfied that their colleagues undergo in house training which covers all the necessary points relating to governance and compliance when representing the charity publicly.

Financial review (continued)

f. External fundraisers (continued)

We also employ QTS as a telesales agent to conduct both administration and sales calls on behalf of the charity. We are satisfied that they carry out the correct checks on contact records and that their telesales operators are trained sufficiently in the governance and rules associated with telesales activity.

g. Principal risks and uncertainties

The Trustees and Senior Leadership Team have assessed, and regularly review, the major risks to which Forget Me Not Children's Hospice is exposed, particularly, those related to the finance, operations, people and compliance. The main risks facing the charity will continue to be the inconsistent and inadequate approach to statutory funding for core and specialist services, including the uncertainty surrounding the scheme formally known as the national children's hospice grant. Other risks include disproportionately rising costs, particularly relating to employment which in turn will result in recruitment and retention challenges. We continue to closely monitor these, and other risks and in turn evolve our plans to be fit for the future, recognising the importance of living within our means and ensuring that we not only maintain but grow reserves to protect the charity in the future.

The Hospice's principal financial instruments comprise bank balances, creditors and debtors. The main purpose of these instruments is to raise funds to finance the operations of the Hospice.

Due to the nature of the financial instruments used by the Hospice, there is no exposure to price risk. The Hospice's approach to managing risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining credit balances. The Hospice makes use of money market facilities when funds are available.

Trade debtors are managed by regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due and ensuring that suppliers are not paid early.

In FMNT Trading Ltd (A wholly owned subsidiary of the charity) there remains one Coronavirus Business Interruption Loan Scheme (CBILS) through Lloyd's bank with a capital balance of £37,500 at year end. In addition, this year we were successful in securing a Key Fund loan of £115,400 and grant of £34,600 specifically for trading and commercial growth which is being invested in 2025/26 to expand our retail estate and grow our income. There is a loan of £100,000 from an investor which is funding our lottery campaign and growth.

Structure, governance and management

a. Constitution

The Forget Me Not Children's Hospice Limited is registered as a charitable company limited by guarantee incorporated on 15 June 2005 and registered as a charity on 15 July 2005. The Charity modernised its governing document on the 13th November 2015 and is governed by its Articles of Association. In the event of the Charity being wound up members are required to contribute an amount not exceeding £10.

b. Methods of appointment or election of Trustees

As set out in the Articles of Association adopted on the 13th November 2015, the governing body is the Board of Trustees whose members are appointed either by the Charity in a general meeting or by the other Trustees.

The Board of Trustees seek to ensure that the needs of the ultimate user group are appropriately reflected through the diversity of the Trustee body. Trustees are recruited using a robust selection process from a group of interested people who have responded to adverts.

c. Policies adopted for the induction and training of Trustees

New Trustees are invited to take part in induction provided both by the charity and by external sources including facilitated learning activity. This induction ensures the Trustees understand their roles and responsibilities, understand the workings of the hospice and the charity, can identify key risks, hold the management team to account and work together to build a sustainable future for the organisation. There have been 4 new trustees join us during this financial year.

d. Statement on senior salaries and pay

As a leading charity, we recognise our responsibilities towards our staff, volunteers and beneficiaries. We are committed to ensuring full accountability and transparency in all aspects of our work and are determined to do our best to support people with their wellbeing, including financial wellbeing.

Securing the right people and supporting them to thrive in their roles to deliver our ambitious plans is key to our strategy. One of the many ways we do this is through a competitive reward structure. We believe that although the charity sector can't, and shouldn't, compete with the commercial sector on pay, we must offer a fair salary for the skills and the experience we need to run a high performing, cost-effective and successful charity, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives.

The Board of Trustees is responsible for defining pay policy and deciding on the salaries of the CEO and Directors. The salaries of all staff across the organisation are set out within a formal banding framework where job roles have been evaluated and benchmarked to ensure that we are paying at the market rate for the sector. Information about senior level pay is made available in our annual accounts.

The organisation's Pay and Reward Policy sets out to provide equality to all employees. We are committed to having a fair remuneration policy that meets our pay and reward principles, and is sustainable financially and operationally, whilst attracting the best people.

In addition, we are proud to say that in 23/24 we became a Real Living Wage Employer in the Charity and remained so in 24/25.

Structure, governance and management (continued)

e. Organisation structure

Forget Me Not is committed to investing in internal progression and development opportunities for all staff where possible.

The Board of Trustees, which must consist of not less than three Trustees but shall not be subject to any maximum, helps to administer the Charity by providing the overall strategic direction and ensuring the highest standards of governance is maintained throughout all aspects of the operation. They meet quarterly and in addition have 2 away days. There are four Board subcommittees, each comprising of a minimum of three Trustees, (or in the case of the trading board 1 trustee and several directors) which meet at least four times a year and cover all aspects of the Charity's business:

- Audit, Finance and Risk Committee (AFR)
- People, Culture and Governance Committee (PCG)
- Clinical Governance Committee (CGC)
- Trading board

Day to day running of the Charity is delegated to the Chief Executive who discharges their responsibilities through the Senior Leadership Team.

f. Related party relationships

The West Yorkshire Forget Me Not Trust was founded in 2000 as a charitable organisation. However, a decision was taken by the Trustees in early 2005 that the objects of the Charity Trust Deed could be better served if the Trust became an incorporated company. Thus, following incorporation of the company, the reserves of the West Yorkshire Forget Me Not Trust were transferred to the Charity on its cessation on 31 December 2005. A special resolution to change the name of the Charity from the West Yorkshire Forget Me Not Trust Limited to The Forget Me Not Children's Hospice Limited was passed by members in July 2011.

The Charity has a subsidiary company, FMNT Trading Limited, through which it runs a chain of Charity shops. The Charity has another subsidiary company, FMN Commercial Ltd which has not started trading.

g. Risk management

The assessment of hazards and risks in the physical environment and in clinical and nonclinical working practices is undertaken on a regular basis to protect the health and welfare of staff, children/young people and their families.

Successful risk management at the Charity is based on the following philosophy:

- The identification of risk is considered in all areas of work and is included in all operational activities.
- The success of a risk management program is dependent upon a committed approach by the Board of Trustees, Chief Executive, Senior Leadership Team, Senior Management Team and all staff.
- The identification and management of risks requires active involvement of operational staff within the Charity as these staff are best placed to perform this function if there are robust communication and support systems.
- The promotion of an open, objective culture for incident reporting and the identification of risk and consistency in managing those risks are essential to the success of the Risk Management Policy. This is supported by all levels of management
-

Structure, governance and management (continued)

g. Risk management (continued)

- Across all occupational groups and staff in all areas of the charity have had training around incident reporting.
- All staff receive training in defined and agreed elements of risk management including risk reduction, incident reporting and investigation.

A comprehensive process for identifying, assessing and monitoring risk at multiple levels is in operation and is regularly reviewed by the Senior Management Team (SMT) and updated as new or emerging risks arise. There is a process in place for high scoring risks (over a pre-determined threshold) to be escalated to trustee sub committees and the main trustee board. Strategic and organisational risks are monitored and managed by the Senior Leadership Team (SLT). Risks are reported to and discussed at all subcommittee and board meetings.

There is Trustee and Senior Team Indemnity Insurance Cover in place. As well as internal controls and processes we are externally audited on an annual basis for Health and Safety, and for Finance. The Board receive annual Health and safety and Information Governance Assurance reports in addition to regular updates. There are robust information governance processes and controls in place to mitigate risk.

Structure, governance and management (continued)

Reference and administrative details of the charity, its Trustees and advisers

Jeremy David Cross, Chair
Joanne Justine Ellis
Dr David Anderson
Adrian Robert Gordon
Timothy David McBurney
Paul Harvey Stead
Margaret Falconer (resigned 1st December 2024)
Alexandra Louise Clements
Claire Siobhan Woodford
Sarah Virginia Ramsey
Alison Needham (resigned 12th August 2024)
Elisabeth Ann Street (appointed 21st June 2024)
Dr Eilean Gail Crosbie (appointed 20th September 2024)
Andrew John Green (appointed 20th September 2024)
Paul David Woolston (appointed 20th September 2024)

Company registered number	05481614
Charity registered number	1110457
Registered office	Russell House Fell Greave Road Huddersfield West Yorkshire HD2 1NH
Company secretary	Nicola O'Dowd
Chief executive officer	Gareth Pierce
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS
Bankers	Lloyds Bank Commercial PO Box 1000 BX1 1LT
Solicitors	Schofield Sweeney Springfield House 76 Wellington Street Leeds West Yorkshire LS1 2AY

Structure, governance and management (continued)

Reference and administrative details of the charity, its Trustees and advisers (continued)

Directors of FMNT Trading Limited

Paul Harvey Stead (Chair)
Gareth Pierce (resigned 16th August 2024)
Matthew James Lees (appointed 9th September 2024)
Mike Robinson (resigned 16th August 2024)
Marek Laskowski (appointed 9th September 2024)
Laura Ann Green
Philip Hamilton O'Loughlin (appointed 9th June 2024)
Rakesh Mohindra (appointed 9th September 2024)

Directors of FMN Commercial Ltd

Matthew James Lees (appointed 24th November 2024)
Laura Ann Green (appointed 24th November 2024)
Philip Hamilton O'Loughlin (appointed 24th November 2024)

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

Structure, governance and management (continued)

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, have been appointed during the year and have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 26/9/2025 and signed on their behalf by:

J Cross
Chair

N O'Dowd
Company Secretary

REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of The Forget Me Not Children's Hospice (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2024 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 March 2024 and of the Group's incoming resources and application of resources, including its 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 United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. 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.

Other information (continued)

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.

Opinion 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 including the Group Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report including the Group Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report included within the trustees' 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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns;
- 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement on page 22, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and parent charitable company through discussions with trustees, directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group and the parent charitable company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2.18 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Use of our 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

HWNicholls

Huw Nicholls (Senior statutory auditor)

for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors

Leeds

Date: 7 October 2025

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025

Income:	Notes	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Designated Funds 2025 £	Total Funds 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Designated Funds 2024 £	Total Funds 2024 £
Donations and legacies:									
Donations	4	1,466,751	28,836	-	1,495,587	1,013,124	77,611	-	1,090,735
Grants	5	6,273	936,847	-	943,120	24,363	882,139	-	906,502
Legacies	6	690,895	-	-	690,895	431,499	-	-	431,499
Income from other trading activities:									
Shops		2,131,118	-	-	2,131,118	1,944,350	-	-	1,944,350
Lottery		332,632	-	-	332,632	320,859	-	-	320,859
Fundraising events		181,951	-	-	181,951	198,660	-	-	198,660
Income from charitable activities	7	541,719	109,208	-	650,927	248,882	88,556	-	337,438
Other income	8	394,039	-	-	394,039	587,135	-	-	587,135
Total income		5,745,377	1,074,891	-	6,820,268	4,768,872	1,048,306	-	5,817,178
					1				
Costs of raising voluntary income		617,652	-	-	617,652	554,329	-	-	554,329
Fundraising trading: costs of goods sold and other costs		1,814,996	-	-	1,814,996	1,581,861	-	-	1,581,861
Fundraising trading: costs of events		288,224	-	-	288,224	385,555	-	-	385,555
Costs of raising funds	9	2,720,872	-	-	2,720,872	2,521,745	-	-	2,521,745
Expenditure on charitable activities		2,598,390	1,099,214	-	3,697,604	2,250,179	1,102,886	(77,000)	3,276,065
Total expenditure	9	5,319,262	1,099,214	-	6,418,476	4,771,924	1,102,886	(77,000)	5,797,810
Loss on disposal of fixed assets		463	-	-	463	-	-	-	-
Net movement in funds before other recognised gains brought forward		425,652	(24,323)	-	401,329	(3,052)	(54,580)	77,000	19,368
Net movement in funds		425,652	(24,323)	-	401,329	(3,052)	(54,580)	77,000	19,368
Reconciliation of funds									
Total funds brought forward		3,428,395	124,323	-	3,552,718	3,431,447	178,903	(77,000)	3,533,350
Net movement in funds		375,652	(24,323)	50,000	401,329	(3,052)	(54,580)	77,000	19,368
Total funds carried forward		3,804,047	100,000	50,000	3,954,047	3,428,395	124,323	-	3,552,718

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 35 to 50 form part of these financial statements

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Fixed assets					
Intangible assets	13	-	-	-	-
Tangible assets	14	2,530,051	2,494,421	2,426,170	2,444,964
Investments	15	150,000	151,669	150,001	151,671
		2,680,051	2,646,090	2,576,171	2,596,635
Current assets					
Stock	16	17,735	17,132	1,500	1,500
Debtors	17	494,005	413,499	379,559	324,508
Cash at bank and in hand - Unrestricted fund		1,314,578	780,237	992,884	603,812
- Restricted fund		100,000	124,323	100,000	124,323
		1,926,319	1,335,191	1,473,943	1,054,143
Current liabilities					
Creditors: amounts falling due within one year	18	(454,425)	(323,063)	(303,826)	(271,693)
Net current assets		1,471,893	1,012,128	1,170,118	782,450
Total assests less current liabilities		4,151,944	3,658,218	3,746,289	3,379,085
Creditors : amounts falling due after more than one year	19	(197,897)	(105,500)	(100,000)	(68,000)
Total net assets		3,954,047	3,552,718	3,646,289	3,311,085
Charity funds					
Unrestricted funds	21	3,804,047	3,428,395	3,496,289	3,186,762
Restricted income funds	21	100,000	124,323	100,000	124,323
Designated Funds	21	50,000	-	50,000	-
Total funds		3,954,047	3,552,718	3,646,289	3,311,085

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 26th September 2025 and signed on their behalf by:

J Cross
Chair

N O'Dowd
Company Secretary

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Group 2025 £	2024 £
Cash flows from operating activities:			
Net cash from operating activities	24	743,979	197,332
Cash flows from investing activities:			
Purchase of property, plant and equipment		(235,630)	(351,429)
CAF FlagstoneFixed Term Deposit Account		1,669	(151,669)
Lloyds 12 month fixed term notice deposit account matured Dec 2023			100,000
Net cash used in investing activities		(233,961)	(403,098)
Change in cash and cash equivalents in the reporting period		510,018	(205,766)
Cash and cash equivalents at the beginning of the reporting period		904,560	1,110,326
Change in cash and cash equivalents		510,018	(205,766)
Cash and cash equivalents at the end of the reporting period	25	1,414,578	904,560

The notes on pages 35 to 50 form part of these financial statements.

1. General information

The organisation is a charitable company limited by guarantee, incorporated in England and Wales. The address of its registered office is Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH. The charitable company's registered number is 05481614.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Forget Me Not Children's Hospice Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going Concern

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the impact the UK economy and its potential impact on the financial sustainability of the Charity and the group as a whole. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered remaining available government schemes and interventions in making their assessment. The Trustees have received a 12 month rolling cash flow forecast, together with mitigation plans and a full understanding of the financial performance in order to make a going concern decision.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

2. Accounting policies (continued)

2.3 Income (continued)

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes, but not expended during the period, is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services or items are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. Donated fixed assets are included in income at the estimated value of the gift to the Charity when received, based on the amount that the Charity would have been prepared to pay for these services or facilities had it been required to purchase them, with a corresponding entry being capitalised in fixed assets for the same amount. There were gifts in kind of £28,836 recorded this year (2024: £77,291).

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading. Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets such as website costs are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

- Amortisation is provided on patents over 3 years.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

The land was bought for a notional amount from the council and has restrictions within the deeds, therefore no revaluation has been done. The building is valued at cost

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- Nil
Russell House (freehold)	- 2% straight line from 1 November 2011
Grace's Place (leasehold)	- over the life of the lease (99 years)
Medical equipment	- 20% straight line
Motor vehicles	- 20% straight line basis
Fixtures and fittings	- 15% straight line
Computer equipment	- 20% straight line
Leasehold improvements	- over the life of the asset or 20%

The need for any impairment of a fixed asset is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investments in subsidiaries are valued at cost less provision for impairment.

2. Accounting policies (continued)

2.9 Stocks

Stocks of retail goods are valued at the lower of cost and net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the Charity which far outweigh the benefits. Stocks are valued using the first in, first out (FIFO) method.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Concessionary loan

The Charity has taken advantage of section 34 of FRS102 to recognise the loan to/from its trading subsidiary and the Charity form a public benefit entity group. As such the Charity initially recognises and measured the loan at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. No interest is being charged on this loan.

2.15 Operating leases

Operating leases are recognised over the period of which the lease falls due. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease.

2. Accounting policies (continued)

2.16 Pensions

Employees of the Charity are entitled to join a defined contribution 'money purchase' scheme. The Charity contribution is restricted to the contribution disclosed in note 27. The costs of the defined contribution scheme are included with the associated staff costs and allocated therefore to raising funds, charitable activities and support costs and charges to the unrestricted funds of the Charity. Pensions are allocated to activities and funds in line with staff pay costs

The money purchase plan is managed by Peoples Pension and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. Employees that have previously been on the NHS pension scheme before joining the Charity, have an option to continue this scheme provided the criteria have been met. The Charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.18 Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from actual results. They are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts

Useful economic lives of tangible assets:
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economical utilisation and the physical condition of the assets.

Useful economic lives of intangible assets:
The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation.

2. Accounting policies (continued)

2.18 Key accounting estimates and assumptions (continued)

Valuation of gifts in kind:
Gifts in kind are included within the accounts at an estimated value. The estimated value is based on the value the Charity would have been required to pay for equivalent services.

3. Critical accounting estimates and areas of judgment

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

4 Donations

	2025			2024		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
General donations	941,674	-	941,674	906,213	-	906,213
Urgent Appeal	400,708	-	400,708	-	320	320
Fixby Friends	-	-	-	2,300	-	2,300
Friends of Forget Me Not Support Group	6,215	-	6,215	10,685	-	10,685
Gift Aid on donations	118,154	-	118,154	93,926	-	93,926
Value of gifts in kind and donated services	-	28,836	28,836	-	77,291	77,291
	1,466,751	28,836	1,495,587	1,013,124	77,611	1,090,735

5 Grants

	2025			2024		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
Bernard Sunley	-	-	-	-	15,000	15,000
BBC Children in Need	-	37,387	37,387	-	22,867	22,867
CRASH Charity	-	-	-	-	45,000	45,000
Hospice UK - Masonic Charitable Foundation	-	35,000	35,000	-	14,735	14,735
Hospice UK - Capital	-	75,232	75,232	-	-	-
National Lottery	-	-	-	-	94,487	94,487
The James Tudor Foundation	-	10,000	10,000	-	-	-
National Lottery Community Fund	-	80,698	80,698	-	-	-
NHS England Annual Grant	-	567,418	567,418	-	551,849	551,849
The Albert Hunt Trust	-	22,500	22,500	15,000	-	15,000
Together for Short Lives	-	-	-	-	37,650	37,650
Wooden Spoon	-	-	-	-	13,400	13,400
Various grants less than £10,000	6,273	108,612	114,885	9,363	87,151	96,514
	6,273	936,847	943,120	24,363	882,139	906,502

6 Legacies

	2025		2024	
	Unrestricted	Total Group	Unrestricted	Total Group
	£	£	£	£
Legacies	690,895	690,895	431,499	431,499
	690,895	690,895	431,499	431,499

Actual legacies received during the year amounted to £690,895 (2024: £431,499) and include ten legacy accruals of £189,151 (2024: £1,000). There were no (2024: none) legacies at the year end that are to be treated as contingent assets.

7 Charitable Activities

	2025			2024		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£		£
NHS Kirklees CCG	34,206	-	34,206	33,638	-	33,638
NHS Wakefield CCG	15,513	-	15,513	15,244	88,556	103,800
NHS Leeds	-	59,088	59,088	-	-	-
South West Yorkshire Partnership	-	35,000	35,000	-	-	-
NHS Greater Manchester ICB	-	15,120	15,120	-	-	-
West Yorkshire ICB	492,000	-	492,000	200,000	-	200,000
	541,719	109,208	650,927	248,882	88,556	337,438

8 Other Income

	2025 Unrestricted	2024 Unrestricted
	£	£
Training income	15,442	9,396
Care - other income	-	4,612
Central - other income	4,620	2,200
Continuing Care funds	332,500	543,669
Redeployment of staff	34,914	22,988
Interest received	6,563	4,270
	394,039	587,135

9 Analysis of Resources Expended

	Direct Costs 2025	Allocated Costs 2025	Total Costs 2025
	£	£	£
Cost of raising voluntary income	469,571	148,081	617,652
Fundraising trading: costs of goods sold and other costs	1,814,996	-	1,814,996
Fundraising trading: costs of events	148,056	140,168	288,224
	2,432,623	288,249	2,720,872
Charitable activities - care services	2,718,310	979,294	3,697,604
Total 31 March 2025	5,150,933	1,267,543	6,418,476

	Direct Costs 2024	Allocated Costs 2024	Total Costs 2024
	£	£	£
Cost of raising voluntary income	421,410	132,919	554,329
Fundraising trading: costs of goods sold and other costs	1,581,861	-	1,581,861
Fundraising trading: costs of events	257,538	128,017	385,555
	2,260,809	260,936	2,521,745
Charitable activities - care services	2,394,838	881,227	3,276,065
Total 31 March 2024	4,655,647	1,142,163	5,797,810

10 Net outgoing resources for the year

This is stated after charging:-	2025	2024
	£	£
Depreciation of owned tangible fixed assets	199,537	134,392
Auditor's remuneration	18,000	13,800
Operating Leases	162,666	184,650

11 Board of Trustees/Directors' remuneration

The Board of Trustees during the year served on a voluntary basis and received no remuneration for their services to the company (2024: nil)
The Charity reimbursed nil (2024: nil) Trustees for travel expenditure in order for the Trustees to attend meetings.

12 Staff costs and numbers

Staff costs were as follows:	**2025 £**	**2024 £**
Salaries and wages	3,992,963	3,485,350
Social security costs	320,294	300,224
Pension costs	405,163	330,967
Total	4,718,420	4,116,541

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2025 Number	**2024 Number**
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 -£90,000	-	-

Two employees earned between £60,000 - £70,000 , one of which participated in the People's Pension Scheme with 5% employer contributions and one employee is in the NHS Pension Scheme with employer contributions of 14.38%. The employee earning more than £70,000 participated in the Peoples Pension scheme and contributions were based on 5% matching.

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

	2025 Average Number	**2024 Average Number**	**2025 Average FTE**	**2024 Average FTE**
Care Services	63	64	47	47
Income Generation - Charity	20	20	16	16
Income Generation - Trading	56	47	40	33
Corporate Services (Finance, HR, IT and Estates)	20	19	16	15
Total	159	150	119	111

The hospice considers that the key management personnel comprise the Trustees and the Senior Leadership Team (SLT). The SLT is made up of the Chief Executive and three key Directors. The total employee benefits of the key management personnel of the Group was £301,651 (2024 : £333,732)

The Board of Trustees is responsible for defining pay policy and deciding on the salaries of the CEO and Directors. The salaries of all staff across the organisation are set out within a formal banding framework where job roles have been evaulated using the Croner job evaluation tool and all roles have been benchmarked against at least four other data sources such as the NHS, other local charities, local hospices, the charity retail sector and the local market to ensure that we are paying at the market rate. The Organisation's Pay and Reward Policy sets out to provide equality to all employees. We are committed to having a fair remuneration policy that meets our pay and reward principles, and is sustainable financially and operationally, whilst attracting the best people. Our policy allows a full benchmarking exercise to take place every 3 years and any cost of living pay increases are awarded based on organisational performance. In addition, we are proud to say that in 24/25 we were a Real Living Wage Employer and continue to be in 25/26 in the Charity.

Securing the right people and supporting them to thrive in their roles to deliver our ambitious plans is key to our strategy. One of the many ways we do this is through a competitive reward structure. We believe that although the charity sector can't, and shouldn't, compete with the commercial sector on pay, we must offer a fair salary for the skills and the experience we need to run a high performing, cost-effective and successful charity, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives.

13 Intangible Assets

Group

	Intangible Assets £	Total £
Cost		
At 31 March 2024	33,077	33,077
Additions	-	-
Disposals	-	-
At 31 March 2025	33,077	33,077
Depreciation		
At 31 March 2024	(33,077)	(33,077)
Charge for the year	-	-
Disposals	-	-
At 31 March 2025	(33,077)	(33,077)
Net book value		
At 31 March 2025	-	-
At 31 March 2024	-	-

Charity

	Intangible Assets £	Total £
Cost		
At 31 March 2023	33,077	33,077
Additions	-	-
Disposals	-	-
At 31 March 2024	33,077	33,077
Depreciation		
At 31 March 2023	(33,077)	(33,077)
Charge for the year	-	-
Disposals	-	-
At 31 March 2024	(33,077)	(33,077)
Net book value		
At 31 March 2024	-	-
At 31 March 2023	-	-

14 Tangible Fixed Assets

Group

	Freehold land £	Russell House (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2024	89,354	2,500,733	163,095	299,524	528,433	88,555	33,995	3,703,689
Additions	-	9,984	44,303	54,615	77,633	24,095	25,000	235,630
Disposals	-	-	-	(21,255)	(58,641)	-	-	(79,896)
At 31 March 2025	89,354	2,510,717	207,398	332,884	547,425	112,650	58,995	3,859,423
Depreciation								
At 31 March 2024	-	(570,190)	(153,951)	(142,928)	(260,802)	(47,402)	(33,995)	(1,209,268)
Charge for the year	-	(50,445)	(15,669)	(54,478)	(61,031)	(14,164)	(3,750)	(199,537)
Disposals	-	-	-	20,985	58,448	-	-	79,433
At 31 March 2025	-	(620,635)	(169,620)	(176,421)	(263,385)	(61,566)	(37,745)	(1,329,372)
Net book value								
At 31 March 2025	89,354	1,890,082	37,778	156,463	284,040	51,084	21,250	2,530,051
At 31 March 2024	89,354	1,930,543	9,144	156,596	267,631	41,153	-	2,494,421

Charity

	Freehold land £	Hospice (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2024	89,354	2,500,733	-	278,638	451,465	88,555	33,995	3,442,740
Additions	-	9,984	-	49,469	41,059	24,095	25,000	149,607
Disposals	-	-	-	(21,255)	(58,641)	-	-	(79,896)
At 31 March 2025	89,354	2,510,717	-	306,851	433,883	112,650	58,995	3,512,451
Depreciation								
At 31 March 2024	-	(570,190)	-	(129,568)	(216,621)	(47,402)	(33,995)	(997,776)
Charge for the year	-	(50,445)	-	(52,287)	(47,291)	(14,164)	(3,750)	(167,937)
Disposals	-	-	-	20,985	58,448	-	-	79,433
At 31 March 2025	-	(620,635)	-	(160,870)	(205,464)	(61,566)	(37,745)	(1,086,280)
Net book value								
At 31 March 2025	89,354	1,890,082	-	145,981	228,419	51,084	21,250	2,426,170
At 31 March 2024	89,354	1,930,543	-	149,070	234,844	41,153	-	2,444,964

15 Investment in trading subsidiary

	2025 Group £	2025 Charity £	2024 Group £	2024 Charity £
At start of the year	-	1	-	1
At end of the year	-	1	-	1
CAF Flagstone Account	150,000	**150,000**	151,669	151,669
Total Investments	**150,000**	**150,001**	151,669	151,670

16 Stocks

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Finished goods and goods for resale	**17,735**	15,707	**1,500**	1,500

17 Debtors

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Prepayments and accrued income	443,970	338,430	341,319	270,146
Amounts owed by group undertakings	-	-	3,989	-
Trade debtors	16,927	51,912	16,927	51,912
Other debtors	33,109	23,157	17,325	2,450
	494,005	413,499	379,559	324,508

The loan to FMNT Trading Limited from the Charity is an unsecured, interest free loan which is repayable on demand.

18 Creditors: Amounts falling due within one year

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Amounts owed to subsidiary undertaking	-	-		
CBILs loan	30,000	30,000	-	54,301
Key Fund Loan	23,080	-	-	-
Trade creditors	120,796	100,428	54,359	64,261
Other creditors	39,206	29,837	35,560	26,191
Taxation and social security	72,610	79,678	57,289	64,459
Accruals and deferred income	168,733	83,120	156,618	62,481
	454,425	323,063	303,826	271,693

The CBILs Loan was taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and was capital and interest free for the first 12 months'repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment is £2,500 and interest is 2.03%+ base rate per annum, therefore the amount due within one year is £30,000.

The Key Fund Loan was taken out in January 2025. The loan is £115,400 which will be paid back over 60 months. The monthly capital repayment is £1,923.34 and the monthly interest payable is £625.08 which is 6.5% per year. The amount due in one year is £23,080.

19 Creditors: Amounts falling due after more than one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
CBILs loans and other	**197,897**	105,500	**100,000**	68,000

The CBILs Loan was taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and was capital and interest free for the first 12 months'repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment is £2,500 and interest is 2.03%+ base rate per annum.

The outstanding balance of CBILs loan at year end was £37,500 (2024: £67,500), the amount falling due after more than one year is £7,500. The Key Fund Loan was taken out in the Charity for the purpose of Commercial and Trading activity. A loan of £115,400 was taken out in January 2025. The loan is repayable over 60 months and the monthly capital payment is £1,923.34 and the monthly interest payment is £625.08 which is 6.5% per year. The loan balance at year end was £113,477, therefore the amount payable in more than a year is £90.397.

The charity received an additional £32,000 in March 2025 bringing the investment loan to a total of £100,000. This is towards a lottery campaign which is unsecured, interest free and repayable under favourable terms depending on the return on investment.

20

Deferred Income	**Charitable Activities**	**Fundraising Events**	**Other activities**	**Total**
	£	£	£	£
Group & Charity				
Deferred income at 1 April 2024	9,070	-	-	9,070
Released from previous years	(9,070)	-	-	(9,070)
Deferred in the current year	36,034	14,930	83,750	134,714
Deferred income at 31 March 2025	36,034	14,930	83,750	134,714

Deferred Income	**Charitable Activities**	**Fundraising Events**	**Other activities**	**Total**
	£	£	£	£
Group & Charity				
Deferred income at 1 April 2023	261,835	4,435	25,799	292,069
Released from previous years	(261,835)	(4,435)	(25,799)	(292,069)
Deferred in the current year	9,070	-	-	9,070
Deferred income at 31 March 2024	9,070	-	-	9,070

21 Group Funds

	Brought forward £	Incoming resources £	Outgoing resources £	Movement in Funds £	Carried forward £
Unrestricted funds	3,428,395	5,745,377	(5,319,725)	(50,000)	3,804,047
Restricted funds					
Medical Equipment	-	18,809	(18,809)	-	-
Family activities and services	-	64,599	(64,599)	-	-
Decoration and Refurbishment	-	5,000	(5,000)	-	-
Bedroom 5 Refurbishment	1,400	-	(1,400)	-	-
Heating/Household fund	-	10,500	(10,500)	-	-
EV Charging Ports	-	4,508	(4,508)	-	-
Fire Door Replacements	-	3,000	(3,000)	-	-
Care and Nursing costs - Perinatal Service	-	1,000	(1,000)	-	-
Care and Nursing Costs - Palliative Care	-	115,875	(115,875)	-	-
Care and Nursing Costs - End of Life Service	-	7,750	(7,750)	-	-
SUDIC	-	45,182	(45,182)	-	-
Hospice Uk - Capital Fund	-	75,232	(75,232)	-	-
Improving quality and diversity	-	22,549	(22,549)	-	-
NHS England - Children's Palliative Care Grant	-	567,418	(567,418)	-	-
The Brook Charitable Trust - Russell House capital improvements	100,000	-	-	-	100,000
Lottery - Reaching Communities	-	65,963	(65,963)	-	-
Family Services Pay Costs	-	14,735	(14,735)	-	-
Garden Counselling Room	22,923	-	(22,923)	-	-
Training/Education Volunteers to Career	-	7,500	(7,500)	-	-
Music Therapy	-	1,000	(1,000)	-	-
Memory making	-	5,434	(5,434)	-	-
PerinatalService Pay costs	-	10,000	(10,000)	-	-
Gifts in Kind	-	28,836	(28,836)	-	-
	124,323	1,074,891	(1,099,214)	-	100,000
Designated Funds	-	-	-	50,000	50,000
Total Funds	3,552,718	6,820,268	(6,418,939)	-	3,954,047

Summary of Funds - current year	Brought forward £	Incoming resources £	Outgoing resources £	Movements £	Carried forward £
Unrestricted funds	3,428,395	5,745,377	(5,319,725)	(50,000)	3,804,047
Restricted funds	124,323	1,074,891	(1,099,214)	-	100,000
Designated funds				50,000	50,000
	3,552,718	6,820,268	(6,418,939)	-	3,954,047

We received restricted funds of £18,809 which was all spent on essential equipment.

Grant amounts of £64,599 were received for family activities and all spent during the year.

Grant amount of £5,000 for internal furnishings was received and all spent during the year.

Grants carried forward of £1,400 was all spent during the year on essential bedroom 5 refurbishment

We received 2 grants for heating, and this was spent during the year

A grant received for EV charging points of £4,508 was spent during the year

We received a grant of £3,000 towards the cost of Fire Door replacement and this was spent during the year

During the year we received a grant of £1,000 for Perinatal support and this was all spent during the year

We received grants towards the Palliative Care service of £115,875 which was all spent during the year

During the year we received £7,750 towards our End-of-Life service which has all been spent during the year.

21. Group Funds (continued)

We received several grants towards our SUDIC service of £45,182 which has all been spent during the year.

We received £75,232 from Hospice UK to fund capital items. This was all spent during the year.

The NHS England annual grant of £567,418 is for children's palliative care costs and was all spent on activities during the year.

We carried forward a grant of £100,000 from The Brook Charitable Trust this year, restricted for capital improvements at Russell House. This has not been spent during the year and will be carried forward towards car park works in 2025/26.

We received a grant of £20,265 towards improving equality and diversity in Hospice Care which has all been spent during the year.

We received a claim to support equality and diversity for capital equipment of £2,284 which was all spent during the year.

We received a Lottery – Reaching Communities grant for £65,963 which was all spent during the year.

During the year we received a grant to support our Family Services of £14,735 which was all spent during the year

There were numerous grants for therapy services such as music therapy, memory making and EMDR all spent during the year.

We received £9,837 for care learning and development which was all spent during the year.

We received a grant of £14,735 to fund pay costs in our family services team which was all spent during the year.

We carried over a grant of £22,923 to build our garden counselling room which has been spent during the year

We received a grant for engaging volunteers into careers for £7,500 which was spent during the year

We received a grant of £1,000 for our music therapy services which was all spent during the year.

We received a grant of £5,434 during the year for our memory making activities, which was all spent during the year.

During the year, we received a grant of £10,000 for our Perinatal Services and it was all spent during the year

During the year. We received various gifts in kind of £28,836, restricted for specific purposes and as such all spent during the year.

Trustees agreed to designate a fund of £50,000 this financial year for addressing pay gaps and the challenges this might bring in 25/26, specifically around recruitment and retention.

22 Summary of funds

Summary of funds current year

	Balance at 1 April 2024	Income	Expenditure	Movements	Balance at 31 March 2025
	£	£	£	£	£
General funds	3,428,395	5,745,377	(5,319,725)	(50,000)	3,804,047
Restricted funds	124,323	1,074,891	(1,099,214)	-	100,000
Designated funds	-	-	-	50,000	50,000
	3,552,718	6,820,268	(6,418,939)	-	3,954,047

Summary of funds prior year

	Balance at 1 April 2023	*Income*	*Expenditure*	*Gains/ (Losses)*	*Balance at 31 March*
	£	*£*	*£*	*£*	*£*
General funds	*3,431,447*	*4,768,872*	*(4,771,924)*	-	*3,428,395*
Restricted funds	*178,903*	*1,048,306*	*(1,102,886)*	-	*124,323*
Designated funds	*(77,000)*	*0*	*77,000*	-	*0*
	3,533,350	*5,817,178*	*(5,797,810)*	-	*3,552,718*

23 Analysis of net assets between funds

Group

	2025			2024		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Tangible fixed assets	2,530,051	-	2,530,051	2,494,421	-	2,494,421
Investment	150,000	-	150,000	151,669	-	151,669
Current assets	1,826,319	100,000	1,926,319	1,210,868	124,323	1,335,191
Current liabilities	(454,425)	-	(454,425)	(323,063)	-	(323,063)
Creditors amonts falling due after more than one year	(197,897)	-	(197,897)	(105,500)	-	(105,500)
Net assets	3,854,047	100,000	3,954,047	3,428,395	124,323	3,552,718

24 Reconciliation of net income to net cash flow from operating activities

	Group	
	2025	2024
	£	£
Net income for the reporting period (as per the statement of financial activities)	401,329	21,368
Adjustments for:		
Depreciation charges	199,537	134,392
Amortisation	-	-
Disposals	463	
(Increase)/Decrease in stocks	(603)	(1,425)
(Increase)/Decrease in debtors	(80,506)	347,349
Increase in creditors	223,759	(304,352)
Net cash provided by operating activities	**743,979**	**197,332**

25 Analysis of cash and cash equivalents

	Group	
	2025	2024
	£	£
Cash in hand	1,414,578	904,560
Total cash and cash equivalents	**1,414,578**	**904,560**

26 Operating lease commitments

As at 31 March 2025 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

Group

	2025		2024	
	Land and buildings £	Other £	Land and buildings £	Other £
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Leases which terminate within one year	82,750	2,680	124,523	1,920
In more than one year but not more than five years	185,333	4,810	292,266	2,720
Over 5 years	-	-	18,750	-

Charity

	2025		2024	
	Land and buildings £	Other £	Land and buildings £	Other £
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Leases which terminate within one year	-	2,680	-	1,920
Leases which terminate in more than one year but not more than five years	-	4,810	-	2,720
Leases which terminate in more than 5 years	-	-	-	-

27 Pension commitments

The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost represents contributions payable by the Charity to the funds and amounted to £405,163 (2024: £330,967). Contributions amounting to £26,027 (2024: £33,151) payable at the yearend are included in other creditors.

The Charity operates two different pension schemes, the rates payable by the Charity vary between the NHS Scheme with employers' contribution rates of 14.38% (the additional 6.3% is being funded centrally by NHS England as the total Employers contribution are 20.68%) and the Peoples Pension Scheme whereby contributions of 3% to 7.5% are payable by the employer.

28 Related party transactions

Advantage has been taken of the exemption in Financial Reporting Standard 102 ('The Financial Reporting Standard applicable in the UK and Republic of Ireland') from the requirement to disclose the transaction with group companies on the grounds that they are wholly owned.

29 Surplus / (Deficit) of the Charity

The Charity has reported a loss for the financial year of £32,949 (2024 loss: £381,857). The loss is stated before dividends of £250,000 (2024: £310,000) have been received from FMNT Trading, resulting in a surplus of £217,051 (2024: loss £71,857). The parent Charity's statement of financial activities has been excluded under section 408 of the Companies Act 2006.

30 Controlling party

The Charity is controlled by the Board of Trustees. No one trustee has ultimate control.

31 Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
FMNT Trading Limited	06332306	Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH	Management and operation of Charity shops

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
FMNT Trading Limited	**2,131,118**	**1,814,995**	**316,123**	**307,408**

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
FMN Commercial Ltd	16100255	Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH	Commercial activity to support charity

Class of shares	Holding	Included in consolidation
Ordinary	100%	No

The subsidiary was incorporated on 25th November 2024 but has not commenced trading during the year.

THE FORGET ME NOT CHILDREN'S HOSPICE

England & Wales - Charity number 1110457

Accounts

forget me not children's hospice

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED

(a company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Company registration number: 05481614

Charity number: 1110457

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED

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Report of the Trustees

The Trustees present their annual report together with the audited financial statements of the Forget Me Not Children's Hospice Limited for the year ended 31 March 2024. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) as amended by Update Bulletin 1 (effective January 2019).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The Charity's objects are specifically restricted to the following: *The support and relief of children resident in the United Kingdom with extraordinary medical needs and their families in particular, but not exclusively, by the provision of children's hospice services, community based charitable services and such other means as the Trustees shall from time to time determine.*

This is fulfilled through the delivery of a community-based care service (Hospice at Home) a fit for purpose hospice and short breaks facility, and extensive family services focussed on grief and loss.

Public benefit and eligibility criteria

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Forget Me Not Children's Hospice cares for children with life shortening conditions and their families. Public benefit is derived by the free provision of holistic palliative and end of life care services, together with associated bereavement support offered to the whole family.

Every day we have more families who come to us for help. We know that there are many more local families that would benefit from the support we provide, and it is our aim to reach as many of the families most in need within the funds we have available. To enable this, we continue to review our services to ensure we are targeting our efforts where they are most needed.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Objectives and activities

a. Strategies for achieving objectives

Our Strategic Aims for 23/24 were built around our Trailblazer Strategy and two key pillars:

1. A family focussed approach to the design and delivery of our services

Babies, children and families are at the heart of everything we do. Focussed on the needs of the whole family, we will design and develop services that are holistic and integrated, are inclusive and accessible to all who need them, and enable us to be available whenever families need us, whatever their future holds.

2. Strengthening our organisation

To achieve our aspirations for babies, children and families we will continue to deliver the following:

Work together for families
Inspirational things are achieved for families when we work together as one team. Through collaboration and support, we continue to build a culture that enables us to deliver our best work, whatever our role, knowing the difference that work makes to the children and families we're all here to support.

Protect our future
Our families need us to be here, not just today but for years to come. To build a sustainable future that ensures children and families continue to get the high-quality care they need, we need to anticipate demand, and develop a diverse approach to raising funds whilst taking good care of our resources.

In 2023/24 we launched 'Thrive-25' - a transitional plan that would bridge from our existing strategy to a new strategy beyond 2025. This programme of work would focus on the final pillar of our trailblazer strategy – acting now to protect our future. As this piece of work has evolved, we have renamed the programme internally to 'Protecting Our Future, Delivering Our Promise'.

The key objectives in our financial strategy for 23/24 were to:

- Grow and develop sustainable income now and in the future to ensure that we are always able to serve the needs of local children and families;
- Measured growth in fundraising through a mixture of diversification and the development of existing income streams including the introduction of new tactics to increase regular, predictable income.
- Continue to grow income and profit from Trading through investment in online infrastructure, resource and 3 new shops.
- Build a robust balance sheet with sufficient cash reserves to meet our financial obligations;
- Manage and control costs to match income generated and ensure spend is focused on core charitable activities.

We have made huge progress against our objectives and have achieved the following this year:

- 78% of our total charity costs are spent on charitable activities, demonstrating that our care model is cost effective and serving the needs of our children and families.
- We have made positive steps toward diversification of our income by starting to develop a commercial strategy and the work to diversify income through funded placements and facilities hire.

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

2 Strengthening our organisation (continued)

- We have a Contract, Commissioning and Statutory Funding Strategy in place, to secure system money into recurrent funding for our core and specialist care services and thereby build reliable and sustainable income – protecting our most important services.
- We've started to lay clear, solid foundations by identifying the income streams that have the potential to grow, continuing to develop regular, reliable income streams with success in our lottery and regular giving growth.
- This has been a record year for trading income. However, our planned new shop openings were delayed due to timing issues. Net profit in trading was slightly behind due to the delay in shop openings and disproportionate increases in pay costs.
- Reserves remain stable and we have had a record year for legacy income.
- We continue to closely monitor all costs and have launched a new programme of work to ensure that we are "fit for the future" by demonstrating value for money and ensuring maximum productivity.
- We end the year with a healthy balance sheet and hold an account with CAF Flagstone where we can invest in short term fixed deposits with competitive interest rates.
- We continue to work as founder members of the West Yorkshire Hospice Collaborative, working with the wider health system to create future financial sustainability for the sector locally.

3 Overall Performance

This year has ended in a good position financially and we are pleased with our performance, but we are very mindful of the sector challenges and our own rising cost base and so growing and diversifying our income further and protecting our future remains our number one priority if we are to deliver on our promise to support families across West Yorkshire now and in the future.

We continue to provide the highest quality care and support to children and families. This has been recognised through our latest CQC inspection where we were rated once again 'Outstanding'. This is an incredible achievement and is testament to the hard work, commitment and dedication of everyone across the whole charity.

Sheila Grant, CQC deputy director of operations in the north, said: "When we inspected Forget Me Not Children's Hospice, we found a service where managers and staff went the extra mile to ensure children and their families received the best possible care. The service understood what children and their families needed, both clinically, and emotionally at a really difficult time in their lives.

"We heard that families were made to feel like they were the only family the staff were working with at any moment in time, and all feedback was overwhelmingly positive about the kind and discreet nature of staff.

"We were also impressed that the service was working in collaboration with local hospitals to provide more support to families who had experienced the devastating loss of a child through stillbirth.

"All staff should be extremely proud of the care they're providing to children and their families. They clearly work hard to provide exceptional care and other providers should look at this report to see if there's anything they can learn."

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

2 Strengthening our organisation (continued)

We would like to thank our staff, volunteers, supporters and customers who have continued to be our best advocates, allowing us to be visible across the whole of West Yorkshire to families who need us. We are very proud of what we have achieved during the year and believe this has stood us in good stead for the 12 months ahead.

b. Review of activities

Care Services - a review of the year

This year saw us achieving an outstanding award in our CQC inspection, testament to the excellent care that is provided. Families and other stakeholders contributed to the inspection and reflected the caring environment that the hospice provides.

Families continue to access us for short breaks, and this continues to increase in line with demand. Our senior care team continue to ensure that all the children on the caseload are offered an advance care plan, including the documentation of their preferred place of death. This year, we have been able to support 99% of deaths within the families preferred place.

We are at 99% complement of clinical staff and have increased our number of qualified children's nurses since the opening of our fifth bedroom, Rowan. Our retention of staff has improved, and we have introduced opportunities to grow our workforce by introducing the Trainee Nurse Associate programme and recently the Nurse Degree Apprenticeship.

We have continued to grow our offer and have introduced new roles within the Family Support Service, including our Family Support Manager who is leading on the transformation work to develop our model of care delivery, ensuring it is holistic and focused on the whole family.

Our new approach to delivering our model will start with a pilot group of families being supported by a link worker who will carry out a holistic assessment that is offered to all members of the family. Alongside this work, we are developing a model to increase volunteer capacity, which will enhance the menu of support available to all families.

A project funded by the National Lottery 'Reaching Communities' fund has enabled growth in the number of peer groups available for families post bereavement. The aim of the peer groups is to empower family members to develop a community of support when active hospice services come to an end.

A large percentage of our service users come from ethnically diverse communities which provides confidence that we are reaching all the population that we serve.

Feedback from service users was something that we focused on over the year, we have seen an increase in feedback since the introduction of a variety of methods to capture the voice of the child and their family. Feedback is extremely positive, and where suggestions for improvements are captured, follow up plans are created, and actions monitored.

Our pioneering and trailblazing approach continues to be recognised across the sector and beyond as we share our work and best practice in both the UK and internationally at conferences and other events.

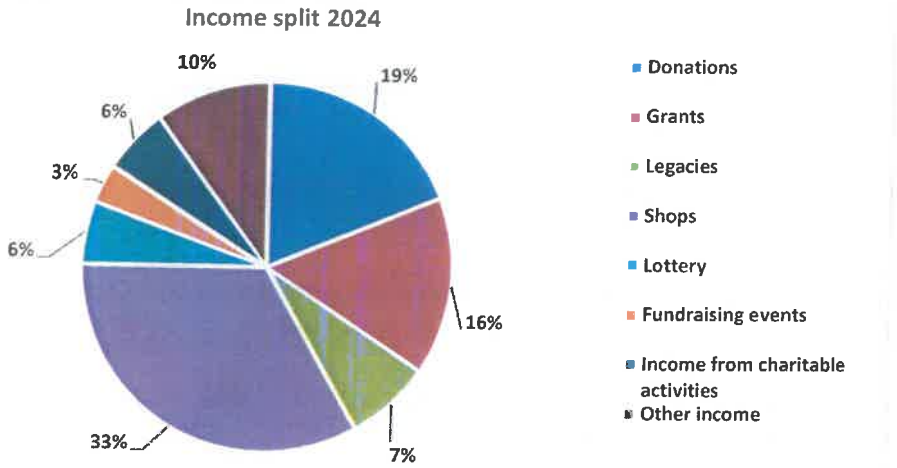
Objectives and activities (continued)

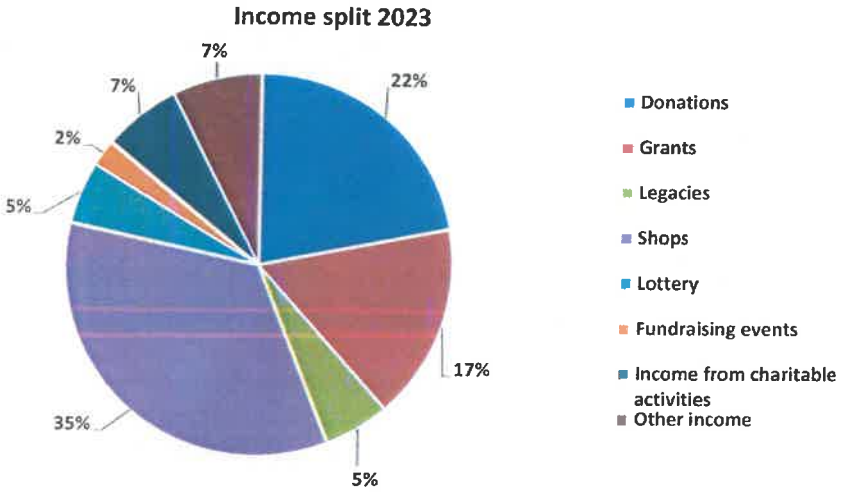
b. Review of activities (continued)

3. Overall performance (continued)

Income Generation – a review of the year

The shape of our income profile remains similar this year to that of the previous year. The 'pie' allocation for 2024 and 2023 is demonstrated below:





We are very grateful for the amazing generosity of our donors and supporters. We received only **9.5%** (prior year 9.2%) of total income from the NHS England Children's Palliative Care grant. The rest of our income is generated largely through donations, grants, fundraising events, the lottery, legacies, continuing care funds and through our retail shops.

Donations this year of £1,090,735 (2023: £1,103,629) are slightly behind the prior year, however in 2023 we ran the 'Every Minute Matters' match funding campaign which generated £300k to support the running costs of our pioneering perinatal service. We were also fortunate to receive £77,291 (2023: £31,625) of gifts in kind towards essential refurbishment and garden costs. Grants of £906,502 (2023: £834,674), have increased this year as we continue to focus on capital projects in the garden and hospice facility, supporting our SUDIC and perinatal services, and supporting our Equality, Diversity and

Objectives and activities (continued)

b. Review of activities (continued)

3. Overall performance (continued)

Income Generation - a review of the year (continued)

Inclusion (ED&I) strategy. In addition, our NHSE Children's Palliative care grant increased by 19% this year to £551,849 (2023: £462,772).

We received legacies of £431,499 (2023: £275,722). This includes one legacy accrual at year end of £1,000 (2023: £141,394).

In Trading, we have had the strongest shop income performance to date. Trading income increased to £1,944,350 (2023: £1,739,029).

The lottery has increased through the year due to our lottery growth campaign and generated income of £320,859 (2023: £265,595).

Fundraising events have increased this year to £198,660 (2023: £114,334) due to a more targeted approach to our own events in terms of return on investment.

Income from charitable activities during the year was £337,438 (2023: £329,498). The increase is largely due to small annual uplifts.

Other income this year of £587,135 (2023: £377,015) has increased overall largely due to continuing care income increasing to £543,669 (2023: £338,477).

During the year we continued our community capacity building work, particularly with South Asian communities. This has grown organically through the development of relationships with key influencers across the community. During the current year we have won an award recognising this approach to our work and the success we are having.

People and Resources – a review of the year

We continue to develop our people, focussing on growing our own talent and investing in learning and development, as well as mental, physical, emotional and financial wellbeing.

We have kept our 'People Promise' alive and completed the work on our distributed leadership approach, seeing numerous 'task force' groups successfully resolving organisational challenges and working together to make a real impact in making decisions, solving problems and moving projects and strategies forward.

One of the successful taskforces we created this year was a Volunteer Services Stakeholder Group chaired by our Head of People and with representation across all departments. This group has been key in developing improved processes and building our Volunteer Strategy. We are also proud to be part of the Kirklees Volunteering award scheme.

We worked collaboratively on developing our leadership development framework and are proud of the leadership traits that we expect our leaders to lead by:

- Empathy – so that our people feel supported, respected and listened to
- Purpose – to have a clear direction and inspire people to do their best
- Integrity – to build trust with all our stakeholders
- Inclusivity – so everyone can collaborate and contribute to the success of the organisation
- Curiosity – to continue to challenge the status quo and pioneer better ways of doing things

Objectives and activities (continued)

b. Review of activities (continued)

3. Overall performance (continued)

Income Generation - a review of the year (continued)

During the year we completed a full pay and reward review as per our policy which states that we do this every 3 years. All roles were benchmarked against at least three similar roles to ensure that we remain competitive in terms of market and cost of living pressures and new market related pay was implemented as from 1st April 2024. We also introduced improved benefits, including pension contributions through salary exchange.

We have new 'Speaking Up' Policy which all staff have now signed and have appointed a Freedom To Speak Up Guardian. Leaders have been briefed on Speaking Up and training for all staff, managers and leaders will commence from 01 July 2024 along with updated guidance and support available to all staff.

We are proud to see our staff satisfaction rate improve this year to 84% (2023: 73%). This is based on the percentage of staff who would recommend a friend to work at Forget Me Not.

Governance – a review of the year

The board have continued to drive a culture of continual improvement through the board effectiveness program which includes an annual review of each trustee sub-committee and an appraisal of each trustee. This approach continues to work well and promotes a good flow of conversation and challenge.

Meetings during the year have been held both in person and online, and trustees are encouraged and supported to interact with colleagues across the organisation outside of this. Ways of interacting include a very successful speed dating event where trustees were able to meet different staff from the care team to promote their understanding of the work of the hospice and trustees being included in our 'Coffee Connect' scheme where staff and volunteers are 'matched' to have a half hour conversation monthly. Regular trustee 'deep-dive' sessions have recently launched, giving both new and existing trustees the opportunity to learn more about different parts of the organisation. Some trustees have spent a 'day in care' during this year which has been invaluable in helping them to get closer to the work that we do.

We have continued to evolve our Governance and Assurance Framework that encompasses all areas of the organisation. This is a working document that lists every regulation that we must comply with and how we can demonstrate or evidence compliance and provide assurance to the board.

A full review of risk has been conducted and is discussed at every trustee board and sub-committee meeting.

In 24/25 we will look to strengthen our governance by recruiting additional Trustees and Trading Directors to fill critical skills gaps which have been lost in 23/24 and to strengthen the governance requirements relating to our future strategic plans.

Objectives and activities (continued)

b. Review of activities (continued)

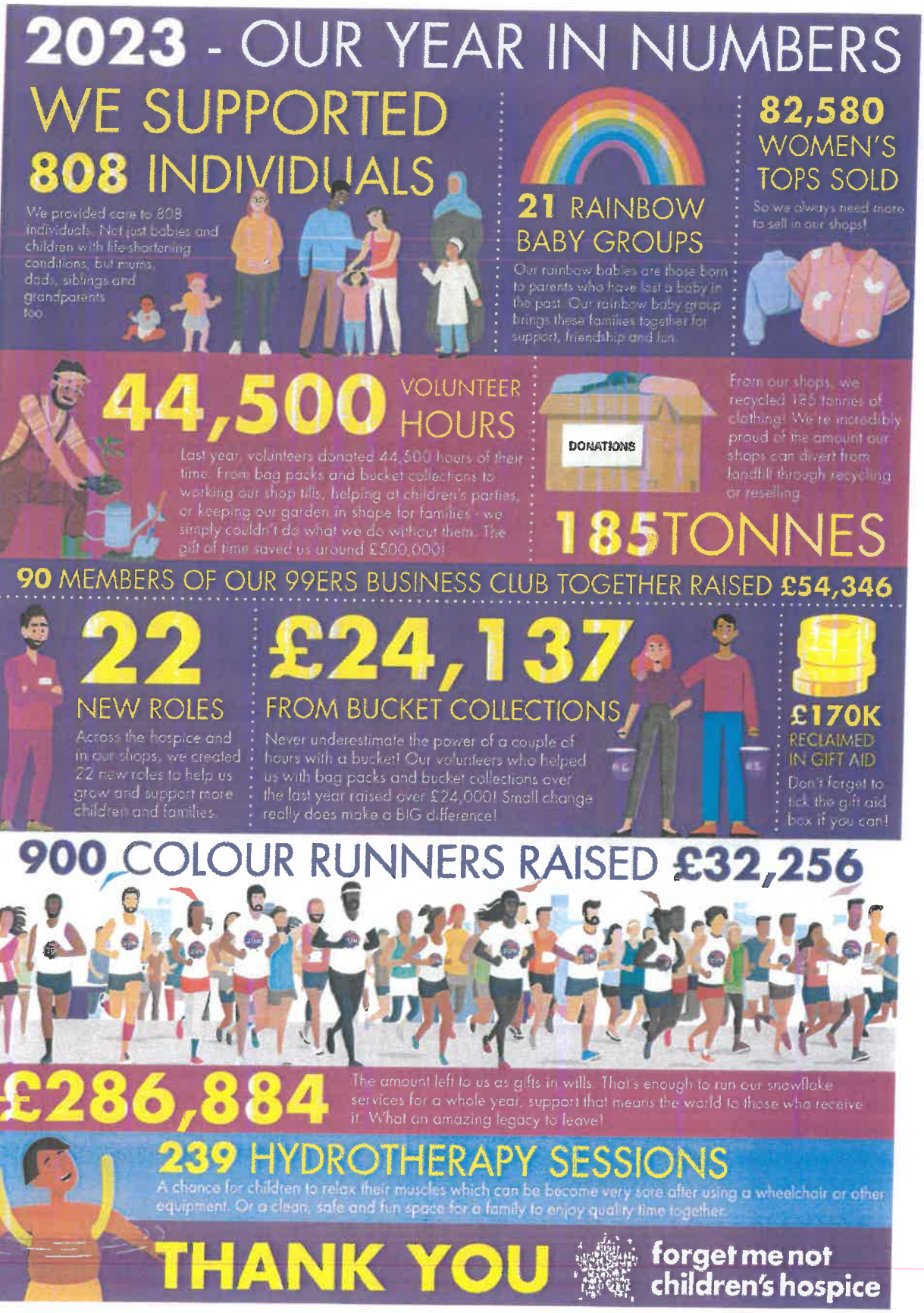
3. Overall performance (continued)

Clinical Governance – a review of the year

A robust and well embedded clinical governance process has been in place for several years. This includes safeguarding, medicines management, incident management, infection prevention and control, education and research and clinical audit. Each of these areas has its own staff led committee which feeds into reporting at the trustee led clinical governance committee. We have also designed a system by which we can ensure all staff have access to all clinical policies and must sign to say they have read and understood new policies or changes to existing ones.
We have continued to work with the regulator, The Care Quality Commission (CQC) and have retained our outstanding rating.

Our Clinical Audit schedule is reviewed on an annual basis and confirmed by the Clinical Governance Committee, ensuring that we continually focus our audits on the areas that we need to continuously improve.

We value transparency and therefore want to help donors and funders understand more about how their money is spent and why it is spent that way. The following infographic might help.


2023 - OUR YEAR IN NUMBERS
WE SUPPORTED
808 INDIVIDUALS
We provided care to 808 individuals. Not just babies and children with life-shortening conditions, but mums, dads, siblings and grandparents too.
21 RAINBOW BABY GROUPS
Our rainbow babies are those born to parents who have lost a baby in the past. Our rainbow baby group brings these families together for support, friendship and fun.
82,580 WOMEN'S TOPS SOLD
So we always need more to sell in our shops!
44,500 VOLUNTEER HOURS
Last year, volunteers donated 44,500 hours of their time. From bag packs and bucket collections to working our shop tills, helping at children's parties, or keeping our garden in shape for families - we simply couldn't do what we do without them. The gift of time saved us around £500,000!
DONATIONS
From our shops, we recycled 185 tonnes of clothing! We're incredibly proud of the amount our shops can divert from landfill through recycling or reselling.
185TONNES
90 MEMBERS OF OUR 99ERS BUSINESS CLUB TOGETHER RAISED £54,346
22 NEW ROLES
Across the hospice and in our shops, we created 22 new roles to help us grow and support more children and families.
£24,137 FROM BUCKET COLLECTIONS
Never underestimate the power of a couple of hours with a bucket! Our volunteers who helped us with bag packs and bucket collections over the last year raised over £24,000! Small change really does make a BIG difference!
£170K RECLAIMED IN GIFT AID
Don't forget to tick the gift aid box if you can!
900 COLOUR RUNNERS RAISED £32,256
£286,884
The amount left to us as gifts in wills. That's enough to run our snowflake services for a whole year, support that means the world to those who receive it. What an amazing legacy to leave!
239 HYDROTHERAPY SESSIONS
A chance for children to relax their muscles which can be become very sore after using a wheelchair or other equipment. Or a clean, safe and fun space for a family to enjoy quality time together.
THANK YOU
forget me not children's hospice

Plans for future periods

As we approach the conclusion of our current (trailblazer) strategy in 2025, we now look to create our new 5-year strategic plan that will take the charity on the next part of its journey.

Our vision is to deliver pioneering care through pregnancy, childhood and loss, whenever families need us, whatever their future holds and in 2023, we created a brand promise for our charity; **for as long as we are here, no family in West Yorkshire will have to face the loss of their child alone**.

To deliver this vision and promise, we must continue to focus on two key priorities;

Firstly, continuing to adapt and evolve our services so that we can best support the wide and increasingly complex challenges that children and families who access our services face on a daily basis. To do this, we will build on our success so far, using our pioneering and trailblazing approaches to find new, cost-effective ways to reach and support more people.

And secondly, we will continue to find ways to strengthen our future financial sustainability, ensuring that our model is 'fit for the future' through a mixture of an improved and more appropriate statutory funding model, growth of existing income streams and commercial diversification.

The key objectives in our Finance and Corporate Strategy for 24/25 to 29/30 are:

- Ensure our model of care is the most cost-effective way of supporting more people with increasingly complex needs both now and in the future.
- Improve resilience of our systems, facilities, infrastructure and resources to enhance productivity.
- Demonstrate value for money by challenging the way we work.
- Build our reserves to make sure that we have enough money for now and in the future

We will do this by:

- Delivering key organisational strategies and plans and managing interdependencies between those strategies effectively.
- Improving our resilience by maximising the investments made in our systems and creating the 'Forget Me Not Way' of working and internal culture
- Demonstrating value for money through divergent thinking, automation, controlling costs and ensure that 70%+ of expenditure is for core charitable activities
- Growing and diversifying our income streams
- Continue to demonstrate robust and reliable financial reporting, governance and compliance

In 24/25 we are launching the private phase of a capital appeal that will pave the way for extending Russell House, our hospice in Huddersfield. This project is in the very early stages and, if successful, will see an extension being built within the next 3 years. This additional space will allow us to increase capacity for short breaks and respite care, multi-functional activity space, training and development space, an independent living space, additional "snowflake" care pace and new therapy space. In the year ahead, we aim to secure our first £1M towards this project.

Importantly, in the year ahead, we will continue to work with system partners across West Yorkshire, including the West Yorkshire Hospice Collaborative and West Yorkshire ICB to ensure that services are designed, developed and delivered to meet the needs of the local community and population.

Plans for future periods (continued)

We will continue to embed our Values:

Caring: We are one team and will always be kind, considerate and supportive.
Courageous: Together we have the strength and confidence to make brave choices.
Positive: We are passionate about making a difference and being the best, we can be.
Pioneering: We challenge the status quo to make things better for children and families.
Genuine: We are true to ourselves and others.

Care Services – looking ahead

Evolving the approach to delivering our services sees the recruitment of Family Link Workers that will support families and navigate them through the complex maze of systems that they face in day-to-day life. This will in turn evolve the offer of support and ensure it meets individual needs as opposed to one size fits all. Our plan to recruit care volunteers, will mean that more support can be offered both within Russell House and within the community, a more varied and tailored support package may mean that there is less demand for short breaks. Our Family Services Manager will lead this transformation work to ultimately reach more families. Our services will continue to be trauma informed and needs led. This model will be co-produced with families and staff and is based around a different assessment process and a broader, more holistic service offer encompassing both clinical and family support elements under one integrated model.

The above model and work will be underpinned and supported by collaborations and partnerships with other organisations and third sector partners.

We will continue to promote our funded placement offer where families choose to come to us for a short break which is either paid for from a personal budget fund assigned by the Local Authority or via the Clinical Commissioning Group/Integrated Care Provider (CCG / ICP). This offer supports the local health and social care system, increases the quality of care and support available to the children who stay with us and allows us to diversify our income.

Collaboration with Martin House Children's Hospice and West Yorkshire ICB will see a pilot of a 24/7 telephone advice line mid-way through the year. This will increase our reach to families who may not be receiving a palliative care service, providing them with on call support from specialist palliative care staff.

We will continue to be pioneering and trailblazing in our approach through the development of existing and new pathways working in partnership with the local healthcare system. We will also work with local and national charities on research and programmes that will improve access to support for our local population. In 24/25 we will also embark on an exciting new project in partnership with the University of Huddersfield where we will host a Knowledge Transfer Partnership on a 3-year placement to support our future strategic development and to help us become a research led organisation.

We will continue to make changes to our staffing and future workforce plan in order to maintain a safe staffing level both now and in the future. This will include evolving our existing staffing calculator tool and ensuring that we have programmes in place to develop colleagues into roles in the future.

We recognise the critical importance of data in demonstrating the impact of our work, particularly relating to statutory funding discussions. In 24/25 we will ensure that our processes and systems for collecting, storing, analysing and sharing data are effective and consistent.

Plans for future periods (continued)

Income generation – looking ahead

In Fundraising, we will continue to rollout growth plans that underpin the areas already identified as having opportunities to grow – aligned to our strategy of doubling income over the next 5-years. Our key strategic aim of growing income from regular, reliable income streams will continue in the year ahead.

Growth is budgeted across all income streams and will be achieved through a combination of organic and targeted growth strategies. Investment in Fundraising will be carefully controlled and gradual with robust ROI calculations applied.

In the year ahead, we will also invest in the implementation of a new supporter database – this will allow us to better steward and communicate supporters and lay foundations for significantly increasing the size of our supporter base over the next 5-years.

In Trading, we will focus on embedding a consistent online structure to maintain income from that area. We expect to see some growth from the existing estate with a more significant increase coming from new shops that will be added to the estate in the forthcoming year. We will trial a new, larger store format and will use an external agent to support with new site acquisitions.

In support of all the above, we will continue to deliver our Marketing, Communications and Engagement strategy, including the implementation of a brand-new website, the promotion of an advocacy-based approach and growing our supporter base.

In the forthcoming year, we will start to implement a new commercial strategy. This strategy will see us look for opportunities to diversify income. We will also continue to promote facilities and training as ways to generate additional commercial income.

Supporting our people – looking ahead

We are working on developing a' Forget Me Not Way' culture and expectation framework for our staff; this will incorporate our promise, our values, our people promise, our leadership traits and our Speak up, Listen up and Follow Up procedure and culture.

We will keep our People Promise alive ensuring that we attract the best people, we are at the side of our people so that they feel valued and supported, we aid growth so that our people can achieve their full potential and our people are advocates by feeling proud to work at Forget Me Not and inspired to share our story with others. This is underpinned through our leadership development framework which we are in the process of launching in 24/25.

We have worked on all our people related strategies to combine these into one overarching People Strategy. and plan to embed this in 24/25.

The aims of our People Strategy are that:

- We will attract and recruit the best people now and into the future
- We will support our people to develop and reach their potential
- We will value diversity and people will feel they belong
- We will support our people so that their wellbeing is looked after, and we build resilience

We will ensure that equality, diversity and inclusion run throughout all our organisational strategies and continue to measure our performance against targets through staff and volunteer ED&I surveys, new starters and inclusive recruitment practices.

Plans for future periods (continued)

Supporting our people – looking ahead (continued)

We will be embedding our Volunteer Strategy. By increasing our volunteering contribution and diversity there will be increased capacity to support our families in line with our direction of travel and more support to help us generate income both through direct fundraising and through our retail estate. This strategy helps us deliver our promise by showing that we are serious about volunteering and how we will continue to improve the volunteering experience for everyone who gives their time to support us.

The aims of our Volunteer Strategy are that:

- We will attract, recruit and retain the best and most diverse volunteers
- We will have the tools and resources to support and engage our volunteers
- We will be recognised as an inclusive and enjoyable place to volunteer
- We will have a volunteering model that is fit for the future of Forget Me Not

Workforce planning will take place across all departments in line with our Finance and Resilience strategy which takes us to 2029/2030 and individual departmental strategies. We will focus on our model of care, using our workforce calculator and care strategy. The other key areas of workforce planning will take place in our retail estate as we plan to grow each year in line with our Trading strategy, and our income generation team in line with our Fundraising strategy.

We plan to embed our Leadership traits framework and are using a self-assessment tool to build a development plan for our leaders, as well as through feedback and 360-degree appraisals.

We will capture learning and development opportunities through our Training Needs Analysis process and do our best to support the learning and growth of our people.

There will be a continued focus on systems and automating processes to improve efficiencies and sustain the volume of workflow, ensuring compliance and excellent governance is in place. In particular, we are introducing a new volunteer system which will enhance the whole volunteer experience. We are also introducing a risk management system which will streamline and automate our incident reporting process.

We have resilience plans in place for our buildings, equipment, systems and resources which will start to be implemented. We now have an intermediate 18-month IT and Data Strategy in place which will focus primarily on ensuring that our care activity data is robust and reliable, our systems are fit for purpose, we embrace emerging technology and staff are upskilled and trained in the use of IT and equipment.

Investment powers and policy

The Board review the investment policy on an annual basis.

The key elements to the policy are below.

In accordance with the Articles of Association, the Charity has the power to deposit or invest funds, and employ a professional fund manager, in the same manner and subject to the same conditions as the Trustees of a Trust are permitted to do by the Trustee Act 2000. In summary:

- Trustees have a duty to maximise the return of the Charity's fund;
- Trustees have a duty not to risk the fund in hazardous or speculative investment;
- Trustees must consider the suitability of investments and the need for diversification;

Investment powers and policy (continued)

- Trustees are required to act honestly and with prudence;
- Trustees have the power to invest in the same range of investments as an absolute owner (unless there are restrictions in the governing document).

The Board of Trustees have delegated investment decisions to the Audit, Finance and Risk Committee. The Audit, Finance and Risk Committee have responsibility for recommending strategy and managing and monitoring the investment assets, in line with this investment policy. The committee will review the investment information provided at each quarterly meeting. We currently have a low-risk investment of £150,000 in a CAF Flagstone account which is managed and monitored by the Finance and Corporate Services Director.

Financial review

a. Financial performance

During the year net incoming resources of £19,368 (2023: £182,260) were added to reserves. Within total incoming resources of £5,817,178 (2023: £5,039,496), was £2,428,736 which equates to 41.8% (2023: £2,215,025 – 43.9%) received by way of donations, grants and legacies. The sources of this voluntary fundraising income have been broadened to avoid reliance in any one particular area.

Income from trading activities was £2,463,859 (2023: £2,118,959 – 42%) which equates to 42% received through our shops, lottery and fundraising events. This area of income has substantially increased this year largely due to excellent shop income performance, lottery growth and successful events.

Net profit from shop activities has seen a slight decline in performance to date of £362,489 (2023: £389,102) as a result of increased pay costs due to national living wage rises and also timings of new stores being delayed.

Net profit for the lottery has increased for the year to £117,996 (2023: £97,289) due to the ongoing canvasser campaign. We received an interest free loan in the prior year of £68,000 from an investor specifically to fund this business initiative which has run at a profit this year of £16,983 vs a budget loss of £34,626.(2023: loss £45,823, therefore the campaign as at 31 March 2024 is running at an overall loss of £28,840) but fully funded by the investment and ahead of plan as retention is high.

The Charity receives income from the generosity of the public, raised in many ways such as through support from corporates, trusts and foundations, major donors, community supporters, legacies, lottery, fundraising events and from the public sector (local CCGs). Other income includes income raised through continuing care packages and training funding. Charitable activities, includes restricted funding from Wakefield CCG for Maternal Mental Health services of £88,556 (2023: £74,390) and various non recurrent grants. See the notes to the accounts for more detail on funding sources.

The NHSE Children's Palliative Care grant equates to just 9.5% (2023: 9.2%) of consolidated income and 16.8% (2023: 16.9%) of charitable activities costs. NHS England announced that funding for children's hospices will remain in place into 2024/25 however the grant is being distributed in the system via the Integrated Care Board (ICB).

Financial review (continued)

a. Financial performance (continued)

Staff costs have increased since last year. Staff costs for the year were £4,116,541 (2023: £3,389,746). Staff costs as a percentage of total costs were 71% during the year (2023: 69.8%). Average staff FTE numbers have increased to 111 (2023:107) largely due to investing in key roles to ensure that we can achieve our ambitious growth plans to ensure that we protect our future.

Auto enrolment employer contributions are 3%, however managers receive 5% matching contributions, and most staff contribute to the People's Pension Scheme. In addition, we operate an NHS Pension Scheme under a directive and for the past 2 years we have seen the employer's contribution rise from 14.38% to 20.68%, however the increase continues to be funded by NHS England. There is still no confirmation from NHS England beyond 2025 of how hospices might be supported to afford these pension increases and as such the NHS Pension scheme has been closed to new members since October 2019 as a way of controlling costs. There is also a challenge in that some staff are receiving a substantial pension benefit, whilst the majority are on the most basic pension benefit. We started to address this issue as part of the annual budgeting process and introduced an option in 23/24 for staff to increase their employee contribution by 1% (or more) and then we will increase employer contributions to 4%. In 24/25 we have introduced a matching contribution of 7.5% for charity staff, subject to salary exchange rules.

Total costs have increased substantially to £5,797,810 (2023: £4,855,262). Hospice UK have predicted that on average hospice costs will increase by £500k per annum for many years to come due to wage inflation and the impact of the cost-of-living crisis – this year we have seen our costs increase by a phenomenal £942,548. The majority of this is pay costs and investment in roles to prepare for growth and diversification of all our income streams.

The work of volunteers within the Charity is fundamental to the growth and sustainability of funds. Without their continued support it is envisaged that costs of employing support staff and fundraisers would amount to an additional annualised cost of over £521,000 based on an average of 50,000 volunteer hours at national living wage, given during an average year. The Trustees wish to express their sincere gratitude to every volunteer for their generosity and the gift of time.

Spending on charitable activities was £3,276,065 (2023: £2,739,081). The percentage spend on charitable activities versus consolidated costs (includes retail costs) is 56.5% (2023: 56.4%). In the Charity, the percentage spend on charitable activities (excluding retail costs) is 77.7% (2023: 78.1%). We value transparency and therefore want to help donors and funders understand more about how their money is spent and why it is spent that way. The following infographic might help.

forget me not children's hospice
Why do we have overhead costs? There are certain tasks and duties we must fulfil for safety, legal compliance, and governance purposes. These are essential for running the charity, but they cost money to do. This means not every penny we raise can be spent directly on supporting families. However, this doesn't mean that each penny is not contributing to our ability to deliver that care and support, safely and to the highest possible quality.
Here are a few examples of what these overhead costs entail:
Evaluation
Environmental sustainability
Data, Information governance
Supporter insight
Learning and development
Quality and compliance
Planning and performance
Health & Safety, Risk management and mitigation
Legal
Safeguarding
Finance and audit, Income generation
Company secretary
Content creation
IT, Digital optimisation
Employment, Volunteering, Wellbeing
Property and facilities
Procurement

Financial review (continued)

b. Reserves policy

The total unrestricted and restricted reserves held as at 31 March 2024 was £3,552,718 (2023: £3,533,350).

The current level of cash/investments held by Forget Me Not Children's Hospice is £904,560 (2023: £1,110,326). However true cash, after loan liabilities due within one year of £30,000 (2023: £30,000) (note 18) and loan liabilities falling due in more than one year of £105,500 (2023: £135,500) (note 19) is £769,060 (2023: £944,826) and is allocated for emergency reserves.

The balance of unrestricted reserves held is £3,428,395 (2023: £3,431,447) which is maintained to ensure that there are sufficient funds to provide care and continue to reach more children and families that need our support.

The designated reserve allocated in 22/23 of £77,000 which was for the impact of the cost-of-living crisis and to ensure that we can recruit and retain staff in terms of market changes and competition, has all been spent in 23/24.

The reserve funds policy is to have sufficient reserves to cover operating costs for one year and set aside for emergency purposes only. In addition, there should be available cash reserves of three months of operating costs.

The immediate strategy to build reserves and financial strength is being addressed and assurance measures can be demonstrated as follows:

- Sourcing additional public sector and CCG funding (preferably recurrent)
- Allocating legacy income to build reserve funds
- Robust management and control of our resources
- Building our capacity to generate more income

The aim is to build true emergency cash reserves to £1 million by March 2025. True emergency reserves as at 31 March 2024 was £769,060 which fell below target due to an amount of £172k of accrued income in the charity at year end. We have a finance strategy in place that aims to build reserves so that we have enough money for now and in the future.

Reserve Funds are reviewed at each AFR committee meeting as part of the financial reporting process and supporting cash flow forecast. Reserve levels will be reset appropriately, after consideration of cost challenges set and achieved and confirmation of successful income in the pipeline, to ensure that the levels meet the needs of the strategic direction of the Hospice.

The Trustees consider it prudent that reserves other than restricted and designated should be sufficient:

- To avoid the necessity of realising fixed assets held for the Charity's use;
- To provide protection against any possible decline in future income from fundraising and donations in general.

Financial review (continued)

b. Reserves policy (continued)

Emergency Reserves
Forget Me Not Children's Hospice needs emergency reserves to protect its current activities. The Board of Trustees had set emergency reserves target for the financial year 2023/24 at a realistic level of £800,000 after agreeing a deficit budget of £215k (achieved £769,060) to ensure business continuity due to unforeseen events, considering the needs, risks and challenges faced by the Charity in the short to medium term. The level of reserves is reviewed at each AFR meeting and reserves policy will be reviewed annually. Reserves will be built to ensure that we build a sustainable future for local children and families living and dying with life limiting conditions.

Capital Reserves
Forget Me Not Children's Hospice has been operating from Russell House since 2011 and whilst it is still a fairly new building, it is now 13 years old and there will be an ongoing need to ensure that all capital equipment is fit for future purpose and that there is a robust Capital Replacement Plan in place for the building, grounds and equipment and as such we have prepared a Resilience action plan. The majority of capital works completed during this financial year have been funded through capital grants and gifts in kind.

The Capital Reserve will be calculated as the balance left after allocated Emergency Reserves.

Development Reserves
There are no development reserves allocated for the financial year 2023/24 as the business plan is aimed at protecting the existing resources. Any new investments to be made in 2024/25 financial year will be supported by robust income generation plans and funded through high level supporter funds or loans that ensure future returns on the investment.

Restricted Funds
Restricted funds will be maintained and accounted for in accordance with the appropriate regulations and only used for the purposes for which they are provided.

Designated Funds
Forget Me Not Children's Hospice may occasionally need to save or accumulate funds in order to finance a particular project. These monies will come from unrestricted funds and will be earmarked for a particular project but may be designated as a separate fund. However, this designation will only be for administrative purposes and these funds will remain under the control of Trustees and may be redirected to meet running costs should circumstances require.

c. Going concern

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the cost of living crisis on the UK economy and its potential impact on the financial sustainability of the Charity and Group. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered any remaining available government schemes and interventions in making their assessment.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity and Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note 2.2.

Financial review (continued)

d. Fundraising and compliance

Forget Me Not Children's Hospice is reliant on the goodwill and support of the local community in order to provide its charitable services to children with life shortening conditions and their families without charge. The hospice has an excellent reputation, however with this comes a responsibility to ensure the very highest of fundraising standards are in practice.

Income generation is not simply a way of raising funds, but it is also a conduit to developing and maintaining key supporter and donor relationships, ensuring that supporters are very much a part of our Forget Me Not journey.

It is not always possible to assess whether supporters are 'vulnerable' or to coordinate activities with other charities, so our approach is to focus on our fundraising activities and relationships and conduct these and our contact with donors in line with the law, relevant governance and our own high standards.

All income generation activities are undertaken within charity law, Charity Commission regulations, HMRC rules, The Fundraising Regulator, The Gambling Act, local licencing laws, Advertising Standards Authority rules and data protection laws. This list is not exhaustive. We are registered with the Fundraising Regulator and continue to work towards full compliance with the Fundraising Code of Practice and strive to adopt best practice in all that we do.

We operate an ethical fundraising policy as well as other policies specifically created in order to underpin, support and monitor the above.

We support and encourage our fundraisers to achieve qualifications through the Chartered Institute of Fundraising or Corndel, and some members within the team are actively engaged in training and support through these organisations.

e. Donor management

We continue to ensure that GDPR is effectively implemented, monitored and audited across all areas of income generation.

f. External fundraisers

We use the services of Sterling Lotteries who manage and run our weekly prize draw. Sterling is licenced and regulated by the Gambling Commission to promote a non-remote and remote lottery and also supply, install and adapt gambling software to promote a lottery.

All Sterling representatives receive Gambling Commission training (including vulnerable persons training) and representatives are also trained in line with the Fundraising Regulators Rule Book for Face-to-Face Fundraising. Sterling is audited annually on the Gambling Commission subset of ISO27001:2013. The audit report is available on request.

There were no reportable complaints relating to the activity undertaken by Sterling on behalf of the Hospice in 23/24 (22/23: none).

In 23/24 we used "The Fundraising Partnership" as an external agency (canvasser) to acquire new lottery players. This will change in 24/25 as we transition to a new canvassing agency – Lottery Fundraising Services (LFS). We are satisfied that their colleagues undergo in house training which covers all the necessary points relating to governance and compliance when representing the charity publicly.

Financial review (continued)

f. External fundraisers (continued)

We also employ QTS as a telesales agent to conduct both administration and sales calls on behalf of the charity. We are satisfied that they carry out the correct checks on contact records and that their telesales operators are trained sufficiently in the governance and rules associated with telesales activity.

g. Principal risks and uncertainties

The Trustees and Senior Leadership Team have assessed, and regularly review, the major risks to which Forget Me Not Children's Hospice is exposed, in particular, those related to the finance, operations, people and compliance. The main risk that the Hospice faces going forward is around funding uncertainty, particularly around the National Children's Hospice Grant beyond 24/25. We have developed a plan to be fit for the future and recognised the increased costs needed just to stand still. Our plan to protect our future addresses these issues, together with a shortage of sector wide care staff and will see us overcome these challenges and build a more sustainable future for the hospice and so the families we exist to serve.

The Hospice's principal financial instruments comprise bank balances, creditors and debtors. The main purpose of these instruments is to raise funds to finance the operations of the Hospice.

Due to the nature of the financial instruments used by the Hospice, there is no exposure to price risk. The Hospice's approach to managing risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining credit balances. The Hospice makes use of money market facilities when funds are available.

Trade debtors are managed by regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due and ensuring that suppliers are not paid early.

As a result of retail lockdowns during the pandemic, FMNT Trading Ltd (A wholly owned subsidiary of the charity) took advantage of two Coronavirus Business Interruption Loan schemes (CBILS) through Lloyd's bank. An amount of £150,000 was taken out in June 2020, and then a further loan of £150,000 in December 2020. The loan rates are favourable, and the terms were both 12 months interest free and no capital repayments. Both loans were repayable over 72 months, however the second CBILS loan was settled in full in September 2022 and therefore there remains one CBILS loan in place as mitigation to support our retail estate growth plans.

Structure, governance and management

a. Constitution

The Forget Me Not Children's Hospice Limited is registered as a charitable company limited by guarantee incorporated on 15 June 2005 and registered as a charity on 15 July 2005. The Charity modernised its governing document on the 13th November 2015 and is governed by its Articles of Association. In the event of the Charity being wound up members are required to contribute an amount not exceeding £10.

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

As set out in the Articles of Association adopted on the 13th November 2015, the governing body is the Board of Trustees whose members are appointed either by the Charity in a general meeting or by the other Trustees.

The Board of Trustees seek to ensure that the needs of the ultimate user group are appropriately reflected through the diversity of the Trustee body. Trustees are recruited using a robust selection process from a group of interested people who have responded to adverts.

c. Policies adopted for the induction and training of Trustees

New Trustees are invited to take part in induction provided both by the charity and by external sources including facilitated learning activity. This induction ensures the Trustees understand their roles and responsibilities, understand the workings of the hospice and the charity, can identify key risks, hold the management team to account and work together to build a sustainable future for the organisation. There have been no new trustees join us last year.

d. Statement on senior salaries and pay

As a leading charity, we recognise our responsibilities towards our staff, volunteers and beneficiaries. We are committed to ensuring full accountability and transparency in all aspects of our work and are determined to do our best to support people with their wellbeing, including financial wellbeing.

Securing the right people and supporting them to thrive in their roles to deliver our ambitious plans is key to our strategy. One of the many ways we do this is through a competitive reward structure. We believe that although the charity sector can't, and shouldn't, compete with the commercial sector on pay, we must offer a fair salary for the skills and the experience we need to run a high performing, cost-effective and successful charity, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives.

The Board of Trustees is responsible for defining pay policy and deciding on the salaries of the CEO and Directors. The salaries of all staff across the organisation are set out within a formal banding framework where job roles have been evaluated and benchmarked to ensure that we are paying at the market rate for the sector. Information about senior level pay is made available in our annual accounts.

The organisation's Pay and Reward Policy sets out to provide equality to all employees. We are committed to having a fair remuneration policy that meets our pay and reward principles, and is sustainable financially and operationally, whilst attracting the best people.

In addition, we are proud to say that in 23/24 we became a Real Living Wage Employer in the Charity.

Forget Me Not is committed to investing in internal progression and development opportunities for all staff where possible.

Structure, governance and management (continued)

e. Organisation structure

The Board of Trustees, which must consist of not less than three Trustees but shall not be subject to any maximum, helps to administer the Charity by providing the overall strategic direction and ensuring the highest standards of governance is maintained throughout all aspects of the operation. They meet quarterly and in addition have 2 away days. There are four Board subcommittees, each comprising of a minimum of three Trustees, (or in the case of the trading board 1 trustee and several directors) which meet at least four times a year and cover all aspects of the Charity's business:

- Audit, Finance and Risk Committee (AFR)
- People, Culture and Governance Committee (PCG)
- Clinical Governance Committee (CGC)
- Trading board

Day to day running of the Charity is delegated to the Chief Executive who discharges their responsibilities through the Senior Leadership Team.

Our previous CEO, Luen Thompson, retired in September 2023 and was succeeded by Gareth Pierce, previously the Director of Income Generation. This succession included a thorough handover period.

f. Related party relationships

The West Yorkshire Forget Me Not Trust was founded in 2000 as a charitable organisation. However, a decision was taken by the Trustees in early 2005 that the objects of the Charity Trust Deed could be better served if the Trust became an incorporated company. Thus, following incorporation of the company, the reserves of the West Yorkshire Forget Me Not Trust were transferred to the Charity on its cessation on 31 December 2005. A special resolution to change the name of the Charity from the West Yorkshire Forget Me Not Trust Limited to The Forget Me Not Children's Hospice Limited was passed by members in July 2011.

The Charity has a subsidiary company, FMNT Trading Limited, through which it runs a chain of Charity shops.

g. Risk management

The assessment of hazards and risks in the physical environment and in clinical and nonclinical working practices is undertaken on a regular basis to protect the health and welfare of staff, children/young people and their families.

Successful risk management at the Charity is based on the following philosophy:

- The identification of risk is considered in all areas of work and is included in all operational activities.
- The success of a risk management program is dependent upon a committed approach by the Board of Trustees, Chief Executive, Senior Leadership Team and all staff.
- The identification and management of risks requires active involvement of operational staff within the Charity as these staff are best placed to perform this function if there are robust communication and support systems.
- The promotion of an open, objective culture for incident reporting and the identification of risk and consistency in managing those risks are essential to the success of the Risk Management Policy. This is supported by all levels of management

Structure, governance and management (continued)

g. Risk management (continued)

- across all occupational groups and staff in all areas of the charity have had training around incident reporting.
- All staff receive training in defined and agreed elements of risk management including risk reduction, incident reporting and investigation.

A comprehensive Departmental Risk Assessment Tool covering the Charity, operations, financial, compliance and people risks is in operation and reviewed by the Senior Management Team (SMT) regularly and updated as new or emerging risks arise. There is a process for moving any departmental risks that score above a threshold or are not accepted to the Strategic Risk Register. The Strategic Risk Register is monitored and managed by the Senior Leadership Team (SLT) regularly and updated at least quarterly and used to report risks to the relevant Board Sub-Committees. The highest scoring risks are reported to the full Board. All the Trustees have access to the Strategic Risk Register and assess the risks faced by the organisation on an ongoing and regular basis.

There is Trustee and Senior Team Indemnity Insurance Cover in place. As well as internal controls and processes we are externally audited on an annual basis for Health and Safety, and for Finance. The Board receive annual Health and safety and Information Governance Assurance reports in addition to regular updates. There are robust information governance processes and controls in place to mitigate risk.

Structure, governance and management (continued)

Reference and administrative details of the charity, its Trustees and advisers

Jeremy Cross, Chair
Jo Ellis
Dr David Anderson
Adrian Gordon
Tim McBurney
Darryl Britto (resigned 23rd June 2023)
Paul Harvey Stead
Sofia Gohir (resigned 15th March 2024)
Margaret Falconer
Alexandra Clements
Claire Woodford
Sarah Virginia Ramsey
Alison Needham (appointed 25th September 2023, resigned 12th August 2024)
Elisabeth Ann Street (appointed 21st June 2024)
Dr Eilean Gail Crosbie (appointed 20th September 2024)
Andrew John Green (appointed 20th September 2024)
Paul David Woolston (appointed 20th September 2024)

Company registered number	05481614
Charity registered number	1110457

Registered office	Russell House Fell Greave Road Huddersfield West Yorkshire HD2 1NH
Company secretary	Nicola O'Dowd
Chief executive officer	Luen Thompson (retired 31st August 2023) Gareth Pierce (appointed 1st September 2023)
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS
Bankers	Lloyds Bank Commercial PO Box 1000 BX1 1LT

Structure, governance and management (continued)

Reference and administrative details of the charity, its Trustees and advisers (continued)

Solicitors	Schofield Sweeney Springfield House 76 Wellington Street Leeds West Yorkshire LS1 2AY

Directors of FMNT Trading

Paul Harvey Stead (Chair)
Gareth Pierce (resigned 9th September 2024)
David Ashton (resigned 1st January 2024)
Mike Robinson (resigned 16th August 2024)
Dan Quinn (resigned 21st August 2023)
Laura Green
Philip Hamilton O'Loughlin (appointed 9th June 2024)
Marek Laskowski (appointed 9th September 2024)
Matthew James Lees (appointed 9th September 2024)
Rakesh Mohindra (appointed 9th September 2024)

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

Structure, governance and management (continued)

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, have been appointed during the year and have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 20/9/24 and signed on their behalf by:

J Cross
Chair

N O'Dowd
Company Secretary

Opinion

We have audited the financial statements of The Forget Me Not Children's Hospice (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2024 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 March 2024 and of the Group's incoming resources and application of resources, including its 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 United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. 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.

Other information (continued)

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.

Opinion 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 including the Group Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report including the Group Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report included within the trustees' 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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns;
- 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement on page 22, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and parent charitable company through discussions with trustees, directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group and the parent charitable company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2.18 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Use of our 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Huw Nicholls (Senior statutory auditor)

for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors

Leeds

Date: 23 September 2024

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Designated Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Designated Funds 2023 £	Total Funds 2023 £
Income:									
Donations and legacies:									
Donations	4	1,013,124	77,611	-	1,090,735	1,071,690	31,939	-	1,103,629
Grants	5	24,363	882,139	-	906,502	16,750	817,924	-	834,674
Legacies	6	431,499	-	-	431,499	275,722	-	-	275,722
Income from other trading activities:									-
Shops		1,944,350	-	-	1,944,350	1,739,029	-	-	1,739,029
Lottery		320,859	-	-	320,859	265,595	-	-	265,595
Fundraising events		198,660	-	-	198,660	114,334	-	-	114,334
									-
Income from charitable activities	7	248,882	88,556	-	337,438	255,108	74,390	-	329,498
									-
Other income	8	587,135	-	-	587,135	377,015	-	-	377,015
Total income		4,768,872	1,048,306	-	5,817,178	4,115,243	924,253	-	5,039,496
Costs of raising voluntary income		554,329	-	-	554,329	454,434	-	-	454,434
and other costs		1,581,861	-	-	1,581,861	1,349,928	-	-	1,349,928
Fundraising trading: costs of events		385,555	-	-	385,555	311,819	-	-	311,819
Costs of raising funds	9	2,521,745	-	-	2,521,745	2,116,181	-	-	2,116,181
Expenditure on charitable activities		2,250,179	1,102,886	(77,000)	3,276,065	1,820,386	841,695	77,000	2,739,081
Total expenditure	9	4,771,924	1,102,886	(77,000)	5,797,810	3,936,567	841,695	77,000	4,855,262
Loss on disposal of fixed assets		-	-	-	-	1,974	-	-	1,974
Net movement in funds before other recognised gains brought forward		(3,052)	(54,580)	77,000	19,368	176,702	82,558	(77,000)	182,260
Net movement in funds		(3,052)	(54,580)	77,000	19,368	176,702	82,558	(77,000)	182,260
Reconciliation of funds									
Total funds brought forward		3,431,447	178,903	(77,000)	3,533,350	3,254,745	96,345	-	3,351,090
Net movement in funds		(3,052)	(54,580)	77,000	19,368	176,702	82,558	(77,000)	182,260
Total funds carried forward		3,428,395	124,323	-	3,552,718	3,431,447	178,903	(77,000)	3,533,350

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 34 to 48 form part of these financial statements

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2024

		Group		Charity	
	Notes	2024 £	2023 £	2024 £	2023 £
Fixed assets					
Intangible assets	13	-	-	-	-
Tangible assets	14	2,494,421	2,277,384	2,444,964	2,234,483
Investments	15	151,669	100,000	151,671	100,001
		2,646,090	2,377,384	2,596,635	2,334,484
Current assets					
Stock	16	17,132	15,707	1,500	1,500
Debtors	17	413,499	762,848	324,508	649,613
Cash at bank and in hand - Unrestricted fund		780,237	931,423	603,812	753,611
- Restricted fund		124,323	178,903	124,323	178,903
		1,335,191	1,888,881	1,054,143	1,583,627
Current liabilities					
Creditors: amounts falling due within one year	18	(323,063)	(597,415)	(271,693)	(505,909)
Net current assets		1,012,128	1,291,466	782,450	1,077,718
Total assests less current liabilities		3,658,218	3,668,850	3,379,085	3,412,202
Creditors : amounts falling due after more than one year	19	(105,500)	(135,500)	(68,000)	(68,000)
Total net assets		3,552,718	3,533,350	3,311,085	3,344,202
Charity funds					
Unrestricted funds	21	3,428,395	3,431,447	3,186,762	3,242,299
Restricted income funds	21	124,323	178,903	124,323	178,903
Designated Funds	21	-	(77,000)	-	(77,000)
Total funds		3,552,718	3,533,350	3,311,085	3,344,202

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 20th September 2024 and signed on their behalf by:

J Cross

Chair

N O'Dowd

Company Secretary

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Group 2024 £	2023 £
Cash flows from operating activities:			
Net cash from operating activities	24	197,332	13,888
Cash flows from investing activities:			
Purchase of property, plant and equipment		(351,429)	(194,779)
CAF FlagstoneFixed Term Deposit Account		(151,669)	-
Lloyds 12 month fixed term notice deposit account matured Dec 2023		100,000	(100,000)
			-
Net cash used in investing activities		(403,098)	(294,779)
Change in cash and cash equivalents in the reporting period		(205,766)	(280,891)
Cash and cash equivalents at the beginning of the reporting period		1,110,326	1,391,217
Change in cash and cash equivalents		(205,766)	(280,891)
Cash and cash equivalents at the end of the reporting period	25	904,560	1,110,326

The notes on pages 34 to 48 form part of these financial statements.

1. General information

The organisation is a charitable company limited by guarantee, incorporated in England and Wales. The address of its registered office is Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH. The charitable company's registered number is 05481614.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Forget Me Not Children's Hospice Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going Concern

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the impact the UK economy and its potential impact on the financial sustainability of the Charity and the group as a whole. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered remaining available government schemes and interventions in making their assessment. The Trustees have received a 12 month rolling cash flow forecast, together with mitigation plans and a full understanding of the financial performance in order to make a going concern decision.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

2. Accounting policies (continued)

2.3 Income (continued)

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes, but not expended during the period, is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services or items are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. Donated fixed assets are included in income at the estimated value of the gift to the Charity when received, based on the amount that the Charity would have been prepared to pay for these services or facilities had it been required to purchase them, with a corresponding entry being capitalised in fixed assets for the same amount. There were gifts in kind of £77,291 recorded this year (2023: £31,625).

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading. Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets such as website costs are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

- Amortisation is provided on patents over 3 years.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

The land was bought for a notional amount from the council and has restrictions within the deeds, therefore no revaluation has been done. The building is valued at cost

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- Nil
Russell House (freehold)	- 2% straight line from 1 November 2011
Grace's Place (leasehold)	- over the life of the lease (99 years)
Medical equipment	- 20% straight line
Motor vehicles	- 20% straight line basis
Fixtures and fittings	- 15% straight line
Computer equipment	- 20% straight line
Leasehold improvements	- over the life of the asset or 20%

The need for any impairment of a fixed asset is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investments in subsidiaries are valued at cost less provision for impairment.

2. Accounting policies (continued)

2.9 Stocks

Stocks of retail goods are valued at the lower of cost and net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the Charity which far outweigh the benefits. Stocks are valued using the first in, first out (FIFO) method.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Concessionary loan

The Charity has taken advantage of section 34 of FRS102 to recognise the loan to/from its trading subsidiary and the Charity form a public benefit entity group. As such the Charity initially recognises and measured the loan at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. No interest is being charged on this loan.

2.15 Operating leases

Operating leases are recognised over the period of which the lease falls due. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease.

2. Accounting policies (continued)

2.16 Pensions

Employees of the Charity are entitled to join a defined contribution 'money purchase' scheme. The Charity contribution is restricted to the contribution disclosed in note 27. The costs of the defined contribution scheme are included with the associated staff costs and allocated therefore to raising funds, charitable activities and support costs and charges to the unrestricted funds of the Charity. Pensions are allocated to activities and funds in line with staff pay costs

The money purchase plan is managed by Peoples Pension and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. Employees that have previously been on the NHS pension scheme before joining the Charity, have an option to continue this scheme provided the criteria have been met. The Charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.18 Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from actual results. They are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts

Useful economic lives of tangible assets:
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economical utilisation and the physical condition of the assets.

Useful economic lives of intangible assets:
The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation.

2. Accounting policies (continued)

2.18 Key accounting estimates and assumptions (continued)

Valuation of gifts in kind:
Gifts in kind are included within the accounts at an estimated value. The estimated value is based on the value the Charity would have been required to pay for equivalent services.

3. Critical accounting estimates and areas of judgment

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

4 Donations

	2024			2023		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
General donations	906,213	-	906,213	881,247	-	881,247
Shooting Star Appeal	-	320	320	-	314	314
Liz & Terry Bramall Foundation	-	-	-	100,000	-	100,000
Fixby Friends	2,300	-	2,300	750	-	750
Friends of Forget Me Not Support Group	10,685	-	10,685	13,618	-	13,618
Gift Aid on donations	93,926	-	93,926	76,075	-	76,075
Value of gifts in kind and donated services	-	77,291	77,291	-	31,625	31,625
	1,013,124	77,611	1,090,735	1,071,689	31,939	1,103,628

5 Grants

	2024			2023		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
Bernard Sunley	-	15,000	15,000	-	-	-
BBC Children in Need	-	22,867	22,867	-	-	-
CRASH Charity	-	45,000	45,000	-	-	-
Hospice UK - Masonic Charitable Foundation	-	14,735	14,735	-	10,560	10,560
National Lottery	-	94,487	94,487	-	126,402	126,402
National Lottery Community Fund	-	-	-	-	10,000	10,000
NHS England Annual Grant	-	551,849	551,849	-	462,772	462,772
PPG Architectural Coatings UK Ltd	-	-	-	-	-	-
The Albert Hunt Trust	15,000	-	15,000	-	20,000	20,000
The Brook Charitable Trust	-	-	-	-	100,000	100,000
Together for Short Lives	-	37,650	37,650	-	-	-
Wooden Spoon	-	13,400	13,400	-	25,000	25,000
Various grants less than £10,000	9,363	87,151	96,514	16,750	63,190	79,940
	24,363	882,139	906,502	16,750	817,924	834,674

6 Legacies

	2024		2023	
	Unrestricted	Total Group	Unrestricted	Total Group
	£	£	£	£
Legacies	431,499	431,499	275,722	275,722
	431,499	431,499	275,722	275,722

Actual legacies received during the year amounted to £431,499 (2023: £275,722) and include one legacy accrual of £1,000 (2023 £141,394). There were no (2023: none) legacies at the year end that are to be treated as contingent assets.

7 Charitable Activities

	2024			2023		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£		£
Kirklees Council	-	-	-	30,000	-	30,000
NHS Kirklees CCG	33,638	-	33,638	33,108	-	33,108
NHS Wakefield CCG	15,244	88,556	103,800	15,000	74,390	89,390
West Yorkshire & Humber ICS	-	-	-	15,000	-	15,000
West Yorkshire ICB	200,000	-	200,000	162,000	-	162,000
	248,882	88,556	337,438	255,108	74,390	329,498

8 Other Income	2024 Unrestricted	2023 Unrestricted
	£	£
Training income	9,396	12,270
Care - other income	4,612	24,401
Central - other income	2,200	551
Continuing Care funds	543,669	338,477
Redeployment of staff	22,988	1,316
Interest received	4,270	-
	587,135	377,015

9 Analysis of Resources Expended

	Direct Costs 2024	Allocated Costs 2024	Total Costs 2024
	£	£	£
Cost of raising voluntary income	421,410	132,919	554,329
Fundraising trading: costs of goods sold and other costs	1,581,861	-	1,581,861
Fundraising trading: costs of events	257,538	128,017	385,555
	2,260,809	260,936	2,521,745
Charitable activities - care services	2,394,838	881,227	3,276,065
Total 31 March 2024	4,655,647	1,142,163	5,797,810

	Direct Costs 2023	Allocated Costs 2023	Total Costs 2023
	£	£	£
Cost of raising voluntary income	340,525	113,909	454,434
Fundraising trading: costs of goods sold and other costs	1,349,928	-	1,349,928
Fundraising trading: costs of events	227,569	84,250	311,819
	1,918,022	198,159	2,116,181
Charitable activities - care services	2,009,346	729,735	2,739,081
Total 31 March 2023	3,927,368	927,894	4,855,262

10 Net outgoing resources for the year

	2024	2023
This is stated after charging:-	**£**	**£**
Depreciation of owned tangible fixed assets	134,392	118,732
Auditor's remuneration	13,800	13,280
Operating Leases	184,650	198,918

11 Board of Trustees/Directors' remuneration

The Board of Trustees during the year served on a voluntary basis and received no remuneration for their services to the company (2023: nil)
The Charity reimbursed nil (2023: nil) Trustees for travel expenditure in order for the Trustees to attend meetings.

12 Staff costs and numbers

	2024	2023
Staff costs were as follows:	**£**	**£**
Salaries and wages	3,485,350	2,970,343
Social security costs	300,224	252,809
Pension costs	330,967	166,594
Total	4,116,541	3,389,746

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2024 Number	2023 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	1	-
£80,001 -£90,000	-	1

Two employees earned between £60,000 - £70,000 , one of which participated in the People's Pension Scheme with 5% employer contributions and one employee is in the NHS Pension Scheme with employer contributions of 14.38%. The employee earning more than £70,000 participated in the Peoples Pension scheme and contributions were based on 5% matching.

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

	2024 Average Number	2023 Average Number	2024 Average FTE	2023 Average FTE
Care Services	64	62	47	54
Income Generation - Charity	20	18	16	14
Income Generation - Trading	47	42	33	28
Corporate Services (Finance, HR, IT and Estates)	19	13	15	11
Total	150	135	111	107

The hospice considers that the key management personnel comprise the Trustees and the Senior Leadership Team (SLT). The SLT is made up of the Chief Executive and three key Directors. The total employee benefits of the key management personnel of the Group was £333,732 (2023 : £334,908)

The Board of Trustees is responsible for defining pay policy and deciding on the salaries of the CEO and Directors. The salaries of all staff across the organisation are set out within a formal banding framework where job roles have been evaulated using the Croner job evaluation tool and all roles have been benchmarked against at least four other data sources such as the NHS, other local charities, local hospices, the charity retail sector and the local market to ensure that we are paying at the market rate. The Organisation's Pay and Reward Policy sets out to provide equality to all employees. We are committed to having a fair remuneration policy that meets our pay and reward principles, and is sustainable financially and operationally, whilst attracting the best people. Our policy allows a full benchmarking exercise to take place every 3 years and any cost of living pay increases are awarded based on organisational performance. In addition, we are proud to say that in 23/24 we were a Real Living Wage Employer and continue to be in 24/25 in the Charity.

Securing the right people and supporting them to thrive in their roles to deliver our ambitious plans is key to our strategy. One of the many ways we do this is through a competitive reward structure. We believe that although the charity sector can't, and shouldn't, compete with the commercial sector on pay, we must offer a fair salary for the skills and the experience we need to run a high performing, cost-effective and successful charity, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives.

13 Intangible Assets

Group

	Intangible Assets £	Total £
Cost		
At 31 March 2023	33,077	33,077
Additions	-	-
Disposals	-	-
At 31 March 2024	33,077	33,077
Depreciation		
At 31 March 2023	(33,077)	(33,077)
Charge for the year	-	-
Disposals	-	-
At 31 March 2024	(33,077)	(33,077)
Net book value		
At 31 March 2024	-	-
At 31 March 2023	-	-

Charity

	Intangible Assets £	Total £
Cost		
At 31 March 2023	33,077	33,077
Additions	-	-
Disposals	-	-
At 31 March 2024	33,077	33,077
Depreciation		
At 31 March 2023	(33,077)	(33,077)
Charge for the year	-	-
Disposals	-	-
At 31 March 2024	(33,077)	(33,077)
Net book value		
At 31 March 2024	-	-
At 31 March 2023	-	-

14 Tangible Fixed Assets

Group

	Freehold land £	Russell House (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2023	89,354	2,485,645	160,579	179,233	333,736	69,718	33,995	3,352,260
Additions	-	15,088	2,516	120,291	194,697	18,837	-	351,429
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	89,354	2,500,733	163,095	299,524	528,433	88,555	33,995	3,703,689
Depreciation								
At 31 March 2023	-	(519,943)	(145,239)	(117,003)	(222,511)	(38,206)	(31,974)	(1,074,876)
Charge for the year	-	(50,247)	(8,712)	(25,925)	(38,291)	(9,196)	(2,021)	(134,392)
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	-	(570,190)	(153,951)	(142,928)	(260,802)	(47,402)	(33,995)	(1,209,268)
Net book value								
At 31 March 2024	89,354	1,930,543	9,144	156,596	267,631	41,153	-	2,494,421
At 31 March 2023	89,354	1,965,702	15,340	62,230	111,225	31,512	2,021	2,277,384

Charity

	Freehold land £	Hospice (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2023	89,354	2,485,645	-	162,267	273,436	69,718	33,995	3,114,415
Additions	-	15,088	-	116,371	178,029	18,837	-	328,325
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	89,354	2,500,733	-	278,638	451,465	88,555	33,995	3,442,740
Depreciation								
At 31 March 2023	-	(519,943)	-	(104,472)	(185,337)	(38,206)	(31,974)	(879,932)
Charge for the year	-	(50,247)	-	(25,096)	(31,284)	(9,196)	(2,021)	(117,844)
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	-	(570,190)	-	(129,568)	(216,621)	(47,402)	(33,995)	(997,776)
Net book value								
At 31 March 2024	89,354	1,930,543	-	149,070	234,844	41,153	-	2,444,964
At 31 March 2023	89,354	1,965,702	-	57,795	88,099	31,512	2,021	2,234,483

15 Investment in trading subsidiary

	2024 Group £	2024 Charity £	2023 Group £	2023 Charity £
At start of the year	-	1	-	1
At end of the year	-	1	-	1
CAF Flagstone Account	151,669	151,669		
Lloyds 12 month fixed term notice deposit account at 2.6% interest	-	-	100,000	100,000
Total investments	**151,669**	**151,670**	100,000	100,001

16 Stocks

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Finished goods and goods for resale	**17,132**	15,707	**1,500**	1,500

17 Debtors

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Prepayments and accrued income	338,430	284,435	270,146	225,821
Trade debtors	51,912	393,962	51,912	393,962
Other debtors	23,157	84,451	2,450	29,830
	413,499	762,848	324,508	649,613

18 Creditors: Amounts falling due within one year

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Amounts owed to subsidiary undertaking	-	-	54,301	28,707
CBILs loan	30,000	30,000	-	-
Trade creditors	100,428	102,788	64,261	54,770
Other creditors	29,837	25,575	26,191	21,929
Taxation and social security	79,678	62,290	64,459	52,829
Accruals and deferred income	83,120	376,762	62,481	347,674
	323,063	597,415	271,693	505,909

The loan from FMNT Trading Limited to the Charity is an unsecured, interest free loan which is repayable on demand.

The CBILs Loan was taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and was capital and interest free for the first 12 months'repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment is £2,500 and interest is 2.03%+ base rate per annum, therefore the amount due within one year is £30,000.

19 Creditors: Amounts falling due after more than one year

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
CBILs loans and other	**105,500**	135,500	**68,000**	68,000

The CBILs Loan was taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and was capital and interest free for the first 12 months'repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment is £2,500 and interest is 2.03%+ base rate per annum.
The outstanding balance of CBILs loan at year end was £67,500 (2023: £97,500), the amount falling due after more than one year is £37,500.
The charity received an investment loan of £68,000 towards a lottery campaign which is unsecured, interest free and repayable under favourable terms depending on the return on investment.

20 Deferred Income	Charitable Activities £	Fundraising Events £	Other activities £	Total £
Group & Charity				
Deferred income at 1 April 2023	261,835	4,435	25,799	292,069
Released from previous years	(261,835)	(4,435)	(25,799)	(292,069)
Deferred in the current year	9,070	-	-	9,070
Deferred income at 31 March 2024	9,070	-	-	9,070

Deferred Income	Charitable Activities £	Fundraising Events £	Other activities £	Total £
Group & Charity				
Deferred income at 1 April 2022	134,857	-	-	134,857
Released from previous years	(134,857)	-	-	(134,857)
Deferred in the current year	261,835	4,435	25,799	292,069
Deferred income at 31 March 2023	261,835	4,435	25,799	292,069

21 Group Funds

	Brought forward £	Incoming resources £	Outgoing resources £	Carried forward £
Unrestricted funds	3,431,447	4,768,872	(4,771,924)	3,428,395
Restricted funds				
Medical Equipment	10,361	2,285	(12,646)	-
Family activities and services	-	24,867	(24,867)	-
Decoration and Refurbishment	66,583	-	(66,583)	-
Bedroom 5 Refurbishment	-	68,413	(67,013)	1,400
LED Lighting	1,959	-	(1,959)	-
Care and Nursing costs - Maternal Mental Health	-	88,876	(88,876)	-
SUDIC	-	5,000	(5,000)	-
Lottery - Hear 4 You	-	94,487	(94,487)	-
Improving Evality and Diversity in Hospice Care	-	19,804	(19,804)	-
NHS England - Children's Palliative Care Grant	-	551,849	(551,849)	-
The Brook Charitable Trust - Russell House capital improvements	100,000	-	-	100,000
Garden Project	-	14,742	(14,742)	-
Sensory Equipment	-	2,782	(2,782)	-
Aircon in bedrooms	-	9,500	(9,500)	-
Music Therapy	-	3,000	(3,000)	-
Memory making	-	2,788	(2,788)	-
EMDR sessions	-	5,000	(5,000)	-
Care - Learning and development	-	9,837	(9,837)	-
Family Services Pay costs	-	14,735	(14,735)	-
Garden Counselling Room	-	37,650	(14,727)	22,923
Soft play room	-	13,400	(13,400)	-
Fundraising events	-	2,000	(2,000)	-
Gifts in Kind	-	77,291	(77,291)	-
	178,903	1,048,306	(1,102,886)	124,323
Designated Funds	(77,000)	-	77,000	-
Total Funds	3,533,350	5,817,178	(5,797,810)	3,552,718

Summary of Funds - current year	Brought forward £	Incoming resources £	Outgoing resources £	Gains/ Losses £	Carried forward £
Unrestricted funds	3,431,447	4,768,872	(4,771,924)	-	3,428,395
Restricted funds	178,903	1,048,306	(1,102,886)	-	124,323
Designated funds	(77,000)		77,000	-	-
	3,533,350	5,817,178	(5,797,810)	-	3,552,718

21. Group Funds (continued)

We received further capital grants for medical equipment of £2,285 and the restricted funds of £12,646 was all spent on essential equipment.

Grant amounts of £24,867 were received for family activities and all spent during the year.

Grants carried forward of £66,583 for decoration and refurbishment was all spent during the year for the decoration and other essential refurbishment works planned.

We received numerous grants towards the conversation of our store room into an additional bedroom (Bedroom 5) during the year and there is £1,400 carried forward for further essential work.

The grant for LED lighting carried forward £1,959 was all spent during the year.

We received a grant from Wakefield CCG of £88,876 for maternal mental health services which has all been spent during the year on care and family services costs.

During the year we received £5,000 towards our SUDIC service which has all been spent during the year.

We received a grant from The Lottery of £94,487 for 'Hear 4 You' which has all been spent during the year.

We received 3 grants totalling £19,804 towards improving equality and diversity in hospice care which has all been spent during the year within pay costs.

The NHS England annual grant of £551,849 is for children's palliative care costs and was all spent on activities during the year.

We carried forward a grant of £100,000 from The Brook Charitable Trust this year, restricted for capital improvements at Russell House. This has not been spent during the year and will be carried forward towards car park works in 2024/25.

We received numerous grants for our garden project of £14,742 which was all spent during the year.

There were numerous grants for sensory equipment and air conditioning all spent during the year.

There were numerous grants for therapy services such as music therapy, memory making and EMDR all spent during the year.

We received £9,837 for care learning and development which was all spent during the year.

We received a grant of £14,735 to fund pay costs in our family services team which was all spent during the year.

During the year we received a grant of £37,650 to build our garden counselling room. We spent £14,727 during the year and carried over £22,923 as the work was completed in June 2024.

We received a grant of £13,400 for our soft play room which was all spent during the year.

We received a grant of £2,000 during the year for our colour run paint packs, which was all spent during the year.

During the year, we received various gifts in kind of £77,291 restricted for specific purposes and as such all spent during the year.

Trustees agreed to designate a fund of £77,000 for the impact of the cost-of-living crisis during the last financial year towards the challenges this might bring in 23/24, specifically around recruiting and retaining care staff. The designated fund is fully spent this year.

22 Summary of funds

Summary of funds current year

	Balance at 1 April 2023	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2024
	£	£	£	£	£
General funds	3,431,447	4,768,872	(4,771,924)	-	3,428,395
Restricted funds	178,903	1,048,306	(1,102,886)	-	124,323
Designated funds	(77,000)	-	77,000	-	0
	3,533,350	5,817,178	(5,797,810)	-	3,552,718

Summary of funds prior year

	Balance at 1 April 2022	*Income*	*Expenditure*	*Gains/ (Losses)*	*Balance at 31 March 2023*
	£	£	£	£	£
General funds	*3,254,745*	*4,115,243*	*(3,936,567)*	*(1,974)*	*3,431,447*
Restricted funds	*96,345*	*924,253*	*(841,695)*	-	*178,903*
Designated funds	-	-	*(77,000)*	-	*(77,000)*
	3,351,090	*5,039,496*	*(4,855,262)*	-	*3,533,350*

23 Analysis of net assets between funds

Group

	2024			2023		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Tangible fixed assets	2,494,421	-	2,494,421	2,277,384	-	2,277,384
Investment	151,669	-	151,669	100,000	-	100,000
Current assets	1,210,868	124,323	1,335,191	1,709,978	178,903	1,888,881
Current liabilities	(323,063)	-	(323,063)	(597,415)	-	(597,415)
Creditors amonts falling due after more than one year	(105,500)	-	(105,500)	(135,500)	-	(135,500)
Net assets	3,428,395	124,323	3,552,718	3,354,447	178,903	3,533,350

24 Reconciliation of net income to net cash flow from operating activities

	Group 2024	2023
	£	£
Net income for the reporting period (as per the statement of financial activities)	19,368	182,260
Adjustments for:		
Depreciation charges	134,392	118,732
Amortisation	-	-
Disposals		2,476
(Increase)/Decrease in stocks	(1,425)	2,065
(Increase)/Decrease in debtors	349,349	(162,711)
Increase in creditors	(304,352)	(128,934)
Net cash provided by operating activities	**197,332**	**13,888**

25 Analysis of cash and cash equivalents

	Group 2024	2023
	£	£
Cash in hand	904,560	1,110,326
Total cash and cash equivalents	**904,560**	**1,110,326**

26 Operating lease commitments

As at 31 March 2024 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

Group	2024		2023	
	Land and buildings £	Other £	Land and buildings £	Other £
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Leases which terminate within one year	127,644	2,680	124,523	2,050
In more than one year but not more than five years	329,506	4,810	292,266	4,640
Over 5 years	-	-	18,750	-

Charity	2024		2023	
	Land and buildings £	Other £	Land and buildings £	Other £
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Leases which terminate within one year	-	2,680	-	2,050
Leases which terminate in more than one year but not more than five years	-	4,810	-	4,640
Leases which terminate in more than 5 years	-	-	-	-

27 Pension commitments

The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost represents contributions payable by the Charity to the funds and amounted to £330,967 (2023: £166,594). Contributions amounting to £33,151 (2023: £26,883) payable at the year-end are included in other creditors.

The Charity operates two different pension schemes, the rates payable by the Charity vary between the NHS Scheme with employers' contribution rates of 14.38% (the additional 6.3% is being funded centrally by NHS England as the total Employers contribution are 20.68%) and the Peoples Pension Scheme whereby contributions of 3% to 5% are payable by the employer.

28 Related party transactions

Advantage has been taken of the exemption in Financial Reporting Standard 102 ('The Financial Reporting Standard applicable in the UK and Republic of Ireland') from the requirement to disclose the transaction with group companies on the grounds that they are wholly owned.

29 Surplus / (Deficit) of the Charity

The Charity has reported a loss for the financial year of £381,857 (2023 loss: £206,843). The loss is stated before dividends of £310,000 have been received from FMNT Trading, resulting in a loss of £71,857 (2023: surplus £173,157). The parent Charity's statement of financial activities has been excluded under section 408 of the Companies Act 2006.

30 Controlling party

The Charity is controlled by the Board of Trustees. No one trustee has ultimate control.

31 Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
FMNT Trading Limited	06332306	Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH	Management and operation of Charity shops

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
FMNT Trading Limited	**1,944,350**	**1,581,861**	**362,489**	**241,285**

THE FORGET ME NOT CHILDREN'S HOSPICE

England & Wales - Charity number 1110457

Accounts

forget
me
not
children's
hospice

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
(a company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Company registration number: 05481614
Charity number: 1110457

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED

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Report of the Trustees

The Trustees present their annual report together with the audited financial statements of the Forget Me Not Children's Hospice Limited for the year ended 31 March 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) as amended by Update Bulletin 2 (effective January 2019).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The Charity's objects are specifically restricted to the following: *The support and relief of children resident in the United Kingdom with extraordinary medical needs and their families in particular, but not exclusively, by the provision of children's hospice services, community based charitable services and such other means as the Trustees shall from time to time determine.*

This is fulfilled through the delivery of a community-based care service (Hospice at Home) a fit for purpose hospice and short breaks facility and an extensive family services offer focussed on grief and loss.

Public benefit and eligibility criteria

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Forget Me Not Children's Hospice cares for children with life shortening conditions and their families. Public benefit is derived by the free provision of holistic palliative and end of life care services, together with associated bereavement support offered to the whole family.

Every day we have more families who come to us for help. We know that there are many more local families that would benefit from the support we provide, and it is our aim to reach as many of the families most in need within the funds we have available. To enable this, we continue to review our services to ensure we are targeting our efforts where they are most needed.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Objectives and activities

a. Strategies for achieving objectives

Our Strategic Aims for 22/23 were built around our Trailblazer Strategy and two key pillars:

1. A family focussed approach to the design and delivery of our services

Babies, children and families are at the heart of everything we do. Focussed on the needs of the whole family, we will design and develop services that are holistic and integrated, are inclusive and accessible to all who need them, and enable us to be available whenever families need us, whatever their future holds.

2. Strengthening our organisation

To achieve our aspirations for babies, children and families we will continue to deliver the following:

Work together for families
Inspirational things are achieved for families when we work together as one team. Through collaboration and support, we continue to build a culture that enables us to deliver our best work, whatever our role, knowing the difference that work makes to the children and families we're all here to support.

Protect our future
Our families need us to be here, not just today but for years to come. To build a sustainable future that ensures children and families continue to get the high-quality care they need, we need to anticipate demand, and develop a diverse approach to raising funds whilst taking good care of our resources.

The key objectives in our financial strategy for 22/23 were to:

- Grow and develop sustainable income now and in the future to ensure that we are always able to serve the needs of local children and families;
- Deliver a largely "normal" year of fundraising with a full calendar of events and challenges;
- Return trading to a pre-pandemic income and net profit position whilst implementing phase 1 of our new 5-year trading strategy;
- Identify and maximise opportunities for new areas of profitable income;
- Build a robust balance sheet with sufficient cash reserves to meet our financial obligations;
- Manage and control costs to match income generated and ensure spend is focused on core charitable activities.

The above financial objectives have all been achieved this year as we have seen overall income increase. Net trading profits have increased, we have continued to build regular and sustainable income, controlled costs and build our cash reserves. In addition, we have repaid 2 of our loans, made an investment and demonstrated a healthy balance sheet.

Become the leading light in baby and children's hospice care
Blazing a trail is what we do best. We can now claim to be an award winning trailblazing charity with a history of building on our plans and delivering on our ideas in line with our values. We're justly proud of our pioneering nurse and therapy led approach and unique services. We want to build on our strengths to become the model for children's hospice care that others will follow, and in doing so, transform the lives of children and families. Our vision is to deliver pioneering care through pregnancy, childhood and loss, whenever families need us, whatever their future holds. We have introduced a brand promise during the year which is:

for as long as we are here, no family in West Yorkshire will have to face the loss of their child alone.

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

2. Strengthening our organisation (continued)

We will make our vision a reality by:

- offering high quality, bespoke, specialist services for mums and dads to be, babies, children, and their families, coping with life-limiting conditions and living with loss;
- being inclusive, accessible and available 24/7 in our hospice, at home, in hospital and in our communities;
- ensuring every penny raised and every minute gifted is focused on the needs of the families we support.

Delivering safe and sustainable care

Our care workforce has been shaped and developed to deliver the services we know families want and need. This includes being able to offer effective care in Russell House, in the community, in hospitals and at home, virtually and in person. Pathways are in place to ensure families can benefit from a holistic view of their needs, including resilience and spirituality in all stages of their journey with us. We have tools in place to help us match demand whilst meeting the highest levels of need at all times.

Progress within our trailblazer plan has been excellent despite all the challenges that the cost-of-living crisis have created, and the team remain agile and responsive to ongoing change and opportunity.

Our trailblazer plan continues to be built on and our key focus for the year ahead is around long-term sustainability. We have agreed a long-term plan that sees us diversify our income further by looking at the contracted and earned income spaces, whilst also growing our share of the gift economy and income from retail. To support this, we have delivered our people promise with staff and have started to build a leadership framework.

3. Overall performance

This last year has remained difficult, but we have risen to the challenge and have continued to provide a wide range of support to the NHS ensuring early discharge for children who did not need to be in hospital, but couldn't be at home, and the avoidance of admissions by continuing to support the many families referred to us and on our existing caseload. We have been able to continue to offer choice of place of death to families and supported their needs through advanced care planning. Our award winning SUDIC (Sudden Unexpected Death in a Child) service has gone from strength to strength with an excellent partnership with West Yorkshire Police and our work is being increasingly informed through our trauma informed lens.

We have taken the opportunity during the year to continue to build our local collaborative of hospices within the Integrated Care System. The collaborative is now one of 4 provider collaboratives and is well respected as an important provider within the system and externally.

During the year we have taken the time to deliver our people promise with staff and start to build our leadership framework, which we will underpin our promise. We have also built a new strategy for fundraising and reviewed the potential for more diverse income generation through our Thrive 25 project.

Our work around equality, diversity and inclusion has seen us set benchmarks around staff, volunteers and trustees. But our greatest success here has been around our community capacity building work which culminated in us holding our first ever Iftar event at the hospice. We have also been the charity partner of the Mayor of Kirklees and The Asian Standard both of whom have helped us take great strides forwards in working within Asian communities, in particular.

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

3. Overall performance (continued)

We would like to thank our staff, volunteers, supporters and customers who have continued to be our best advocates, allowing us to be visible across the whole of West Yorkshire to families who need us. We are very proud of what we have achieved during the year and believe this has stood us in good stead for the 12 months ahead.

b. Review of activities

Care Services - a review of the year

Over the past year in care, we continued to manage our service delivery in line with the Government Covid guidelines.

Families continued to access us for short breaks, and this increased steadily. We currently run at 96% capacity, which demonstrates a good take up in this service, and that families benefit from having a break. During the year we introduced a physiotherapy service which has proved beneficial to those children with respiratory and muscular issues.

Senior care team worked on ensuring that all the children on the caseload were offered an advance care plan and that we documented where their preferred place of death is. We have been able to support 96% of deaths within the families preferred place.

We are currently at full complement of care staff and have increased our number of qualified children's nurses.

Our family support service continued to support increasing numbers of families, SUDIC referrals increased significantly since partnership working with West Yorkshire Police and SUDIC professionals. During the year we were pleased to win a prestigious charity award for our SUDIC service as pioneers in this respect with a replicable service. Other hospices are now considering how they build and integrate a similar service within their broad service offer.

We continue to run two funded projects; Maternal Mental Health pilot and Reaching Communities, a peer led bereavement support project. Maternal Mental Health pilot, which ends January 2024, has been positively evaluated through the University of Huddersfield. We have secured a further three months of funding.

Our garden has developed over the previous few months, allowing for protected space for families to remember their child who has died. This is a reflective space which is also used for biannual memory events.

We continue to offer funded placements, which are in demand by Local Authorities looking for safe temporary placements. As a result of the success of offering this provision, we are adapting a storage space to become a fifth bedroom, allowing for more charitable and funded placements.

Our families and other external professionals continue to feedback that they are extremely happy with the care that is provided.

Objectives and activities (continued)

b. Review of activities (continued)

3. Overall performance (continued)

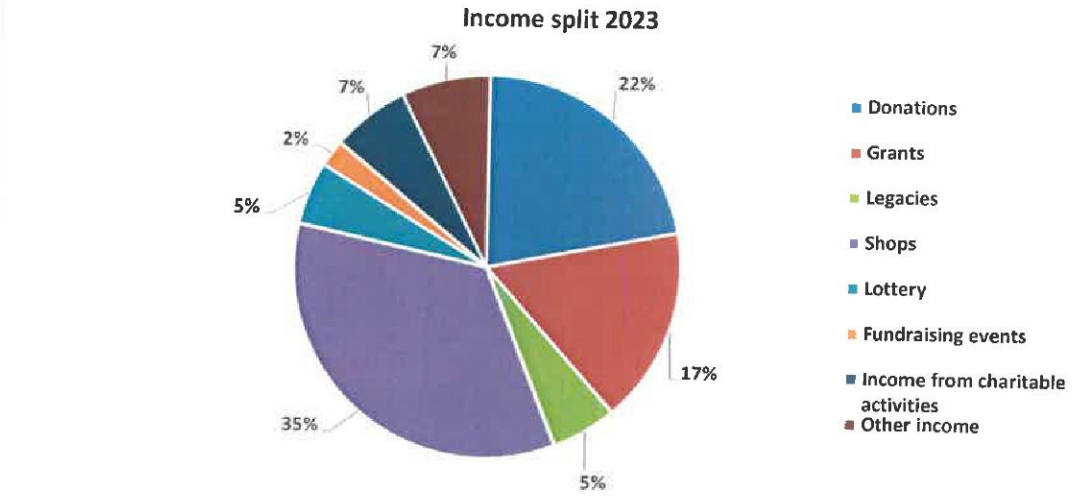
Care Services - a review of the year (continued)

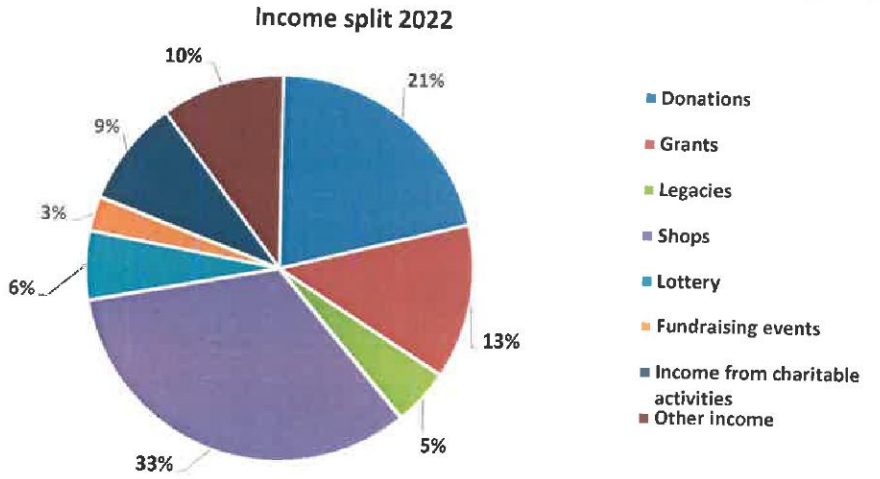
We continue to work to ensure our services are inclusive and accessible. Over 55% of our service users are from ethnic minority communities and all our families need our services to be personalised and inclusive for their children and their complex needs. During the year, mirroring our successful work in Asian communities we introduced an Eastern European support worker to build our presence in local

Eastern European communities We continue to provide breaks at home for those families who cannot access the hospice, we continue to transport children who have no suitable transport, we continue to support all rituals around death and dying, no matter what the cultural imperatives of the family are and we continue to develop tools and resources that children with limited communication skills can use.

Income Generation – a review of the year

The shape of our income profile remains similar this year to that of the previous year. The 'pie' allocation for 2023 and 2022 is demonstrated below:





Objectives and activities (continued)

b. Review of activities (continued)

3. Overall performance (continued)

Income Generation – a review of the year (continued)

We are very grateful for the amazing generosity of our donors and supporters. We received only **9.2%** of total income from the NHS England Children's Palliative Care grant. The rest of our income is generated largely through donations, grants, fundraising events, the lottery, legacies, continuing care funds and through our retail shops,

Donations this year of £1,103,629 (2022: £945,163) have improved substantially as we recovered from the pandemic and for the first time held an 'Every Minute Matters' match funding campaign which generated £300k to support the running costs of our perinatal service. We were also fortunate to receive £31,625 (2022: £92,260) of gifts in kind towards essential refurbishment and garden costs. Grants of £834,674 (2022: £579,763), have increased this year as we continue to focus on capital projects in the garden and hospice facility, supporting our SUDIC and perinatal services, and supporting our Equality, Diversity and Inclusion (ED&I) strategy. In addition, our NHSE Children's Palliative care grant increased by 61% this year to £462,772 (2022: £287,188).

We received legacies of £275,722 (2022: £212,874). This includes four legacy accruals at year end of £141,394 (2022: £126,000).

In Trading, we have had the strongest shop sales performance to date. Trading income increased to £1,739,029 (2022: £1,491,315).

The lottery has increased through the year due to our lottery campaign and generated income of £265,595 (2022: £257,365).

Fundraising events have decreased this year to £114,334 (2022: £129,600) due to fewer challenge events and a more targeted approach to our own events in terms of return on investment.

Income from charitable activities during the year was £329,498 (2022: £397,645). The decrease is largely due to the one-off funding from the National Health Service England (NHSE) that we received in 2022.

Other income this year of £377,015 (2022: £462,572) has decreased overall largely due to less training income secured and continuing care income decreased to £338,477 (2022: £379,074). There were also a few smaller Covid -19 emergency grants and furlough claims last year.

During the year we started some community capacity building work with South Asian communities in particular. This has grown organically through the development of relationships with key influencers from the community. During this current year we have won an award recognising this work and the success we are having.

People and Resources – a review of the year

We continue to invest in our people, having developed a clear focus on wellbeing, equality diversity and inclusion and employer brand. We launched our People Promise with a focus on attracting the right people, supporting their aspirations when in post, a focus on wellbeing and a desire to promote advocacy. We were delighted during the year to have won the Yorkshire Post wellbeing award which demonstrates the support offered to our staff to enable their wellbeing.

Objectives and activities (continued)

b. Review of activities (continued)

3. Overall performance (continued)

People and Resources – a review of the year (continued)

We promoted our well-being package and introduced a financial well-being tool to support our people with planning their financial goals and maximising their financial health. In addition, we introduced salary exchange for pensions as a way to help our people get more money in their pay packet.

Governance – a review of the year

The board have continued to work through a board effectiveness program including a review of each committee and an appraisal of each trustee. This is working well and promotes a good flow of conversation and challenge.

Meetings during the year have been held both in person and online, and trustees have enjoyed being able to come back into the hospice. A very successful speed dating event was held where trustees were able to meet different staff from the care team to promote their understanding of the work of the hospice.

We have continued the work on developing our Governance and Assurance Framework that encompasses all areas of the organisation. This is a working document that lists every regulation that we must comply with and how we can demonstrate or evidence compliance and provide assurance to the board.

Clinical Governance – a review of the year

A robust and well embedded clinical governance process has been in place for several years. This includes safeguarding, medicines management, incident management, infection prevention and control, education and research and clinical audit. Each of these areas has its own staff led committee which feeds into reporting at the trustee led clinical governance committee. We have also designed a system by which we can ensure all staff have access to all clinical policies and must sign to say they have read and understood new policies or changes to existing ones. This has been very useful during the fast-paced changes we have been required to make to deliver safe services during the pandemic.

We have continued to work with the regulator, The Care Quality Commission (CQC) and have retained our outstanding rating.

forget me not children's hospice 2022 Our year in numbers
We have cared for 592 individuals.
We provided over 14,000 hours of care to 592 individuals. Babies and children with life-shortening conditions, siblings, mums, dads, grandparents – the whole family.
3 memory events
We've held 3 memory events at Russell House. Our Afternoon of Memories and Little Lights events for all our bereaved families, and one for those families we've supported who have lost a baby.
1938 people raised £304,706 across 342 teams in just 48 hours
Our ambitious Every Minute Matters campaign raised enough to help 100 families affected by baby loss
181 splash sessions in our hydrotherapy pool
326 lucky people have won prizes in our lottery or raffles, which have raised a whopping £220,211
41 cinema visits
41 families have enjoyed watching a film in our cinema room!
84 support groups
We've brought together 84 support groups, from our rainbow baby group (for families who've had a baby having previously lost a child) and our baby bumps group (for those pregnant with a rainbow baby), to our grandparents group, walking groups, sibling support group, spice and sparkle get-togethers and our little stars group for pre-schoolers.
For every £1 we spent on fundraising, we raised £4.38
6%
We raised £4.4 million (year end March 2023). Just 6.4% of our funding came from the government or NHS. The rest of our income came from grants and foundations, our shops and from our wonderful supporters.
1918 people took part in our events and challenges, raising an amazing £158,221
10 Platinum Partners
Our 10 business partners raised £60,637
163 tonnes of textiles recycled
Not everything donated to our shops can be sold, but often it can be recycled.
In our shops we sold:
57k items of toys
74k items of women's clothing
101k items of bric-a-brac
...generating £718,202 in sales!
Our volunteers together donated an incredible 49,000 hours Saving us nearly £450,000!
£11,406
The cost to run our hospice for 24 hours.
russell house
thank you

Plans for future periods

In 2019 we launched our vision, mission and a new strategy – Trailblazer Plan 2019-2025.

Our vision is to deliver pioneering care through pregnancy, childhood and loss, whenever families need us, whatever their future holds.

Our Trailblazer Plan is ambitious and focused on the future. By 2025 we aim to be a trailblazing organisation delivering high quality, accessible and innovative services to those who need us most. Setting the standard for nurse and therapy led care; we will take full advantage of our pioneering and specialist services to support babies, children and families living with life-limiting conditions in the communities we serve. And by taking steps to protect our future, we will strive to continue to be here for families for years to come.

Our trailblazer plan continues to be built on and our key focus for the year ahead is around service transformation and diversification of income through a bedrock piece of work called Thrive 25. Our ambition here is to ensure that all the foundations are in place to ensure both the families we work with and the hospice, can thrive into the future. One of the foundations to this is the development of our people via a new leadership development framework. We have also appointed to some key posts to assist with service transformation, improving our facilities and developing our capacity to secure income from contracts and commissions. We have given ourselves the next two years to make this step change, hence Thrive 25.

The key objectives in our financial strategy for 23/24 are:

- Grow and develop sustainable income now and in the future to ensure that we are always able to serve the needs of local children and families;
- Measured growth in fundraising through a mixture of diversification and the development of existing income streams including the introduction of new tactics to increase regular, predictable income.
- Continue to grow income and profit from Trading through investment in online infrastructure, resource and 3 new shops.
- Build a robust balance sheet with sufficient cash reserves to meet our financial obligations;
- Manage and control costs to match income generated and ensure spend is focused on core charitable activities.

We will continue to embed our Values:

Caring: We are one team and will always be kind, considerate and supportive.
Courageous: Together we have the strength and confidence to make brave choices.
Positive: We are passionate about making a difference and being the best, we can be.
Pioneering: We challenge the status quo to make things better for children and families.
Genuine: We are true to ourselves and others.

Care Services – looking ahead

Thrive 25 in our clinical area includes the provision of an additional bedroom so we can contribute to the organisation's financial health, by providing more funded placements.

Our Family Services Manager will transform our current delivery model so that we are reaching more beneficiaries and ensure that what we provide is trauma informed and needs led. This model will be co-produced and is based around a different assessment activity and a broader service offer which encompasses both clinical and family support elements.

Plans for future periods (continued)

Care Services – looking ahead (continued)

The care strategy is working well. Each staff member's appraisal objectives are aligned with the care strategy and Thrive 25 project.

We will continue to promote our funded placement offer where families choose to come to us for a short break which is either paid for from a personal budget fund assigned by the council or via the Clinical Commissioning Group/Integrated Care Provider (CCG / ICP). Ongoing work will be around developing a pipeline of commissioned placements for the additional bedroom.

Our family support service will grow and will include a new role, Care Navigator. This role will be key in supporting families navigate their way through a complex web of health and social care services.

We continue to pioneer new ways of working including a national partnership with SUDC for our SUDIC work and further development around our perinatal support with clinics as and milk gifting.

Our new contracts and commissioning manager will be developing a training portfolio where we will identify gaps and build a training offer to fill those gaps based on our niche expertise.

Income generation – looking ahead

In Fundraising, we continue to develop existing income streams, specifically those that produce regular, predictable income; this includes introducing new tactics to grow the business club, regular giving, and payroll giving whilst continuing to acquire new lottery players through the canvassing programme started last year. We will also introduce new tactics to increase the percentage of donations eligible for gift aid. We will have a focus on the development of high value income streams, particularly through the corporate partnerships scheme and the development of projects in collaboration with the care and family support teams which are eligible for trust and foundation funding.

The community elements of our income, remain important and we have seen strong signs of recovery during 22/23. We will apply targeted resource into regional fundraising and continue our highly successful work in diverse communities.

Our approach for all areas of Income Generation, includes looking for new and innovative ways to develop income. In 23/24 this will include the introduction of more digital fundraising activity and the review of our challenges and events strategy for the future.

Finally, we will continue to develop in memory income through our gifts in wills scheme and tribute fund platform development.

In Trading, we will implement a new online strategy which will support an increase in income and profit in parallel with the growth of the trading estate which will start this year with the planned opening of 3 new shops.

In marketing and communications, we will rollout updated messaging from the "brand refresh".

Plans for future periods (continued)

Supporting our people – looking ahead

We will communicate and engage with staff and develop a culture where we explore opportunities for development and progression from within the organisation. We will build on the ongoing development of our distributed leadership approach, taking the successes of task force groups we have set up to empower staff across the organisation to work together in solving problems, creating new ways of working, seeing through projects and so building confidence in our staff that everyone can be a leader.

We will keep our People Promise alive ensuring that we attract the best people, we are at the side of our people so that they feel valued and supported, we aid growth so that our people can achieve their full potential and our people are advocates by feeling proud to work at Forget Me Not and inspired to share our story with others. This will all be underpinned when we launch our leadership development framework.

We will continue to work on our Equality, Diversity and Inclusion (ED&I) Strategy and as part of this we will deliver an Inclusive Recruitment Framework and build on our ED&I data and measures through staff and volunteer ED&I surveys. We will aim to seek accreditation to be a disability confident employer.

Across all areas of the charity, but particularly in income generation, we will focus on the recruitment of new volunteers. We recognise the potential that this has in significantly increasing our ability to grow and sustain our income generation. We recognise that this is particularly important in our Trading team.

There will be a continued focus on systems and automating processes to improve efficiencies and sustain the volume of workflow, ensuring compliance and excellent governance is in place.

Investment powers and policy

The Board review the investment policy on an annual basis.

The key elements to the policy are below.

In accordance with the Articles of Association, the Charity has the power to deposit or invest funds, and employ a professional fund manager, in the same manner and subject to the same conditions as the Trustees of a Trust are permitted to do by the Trustee Act 2000. In summary:

- Trustees have a duty to maximise the return of the Charity's fund;
- Trustees have a duty not to risk the fund in hazardous or speculative investment;
- Trustees must consider the suitability of investments and the need for diversification;
- Trustees are required to act honestly and with prudence;
- Trustees have the power to invest in the same range of investments as an absolute owner (unless there are restrictions in the governing document).

The Board of Trustees have delegated investment decisions to the Audit, Finance and Risk Committee. The Audit, Finance and Risk Committee have responsibility for recommending strategy and managing and monitoring the investment assets, in line with this investment policy. The committee will review the investment information provided at each quarterly meeting. We currently have a low risk investment of £100,000 with Lloyds Bank in a 12 month fixed term deposit account earning 2.6% interest which matures in December 2023.

Financial review

a. Financial performance

During the year net incoming resources of £182,260 (2022: £312,759) were added to reserves. Within total incoming resources of £5,039,497 (2022: £4,476,297), was £2,214,025 which equates to 43.9% (2022: £1,737,800 – 38.8%) received by way of donations, grants and legacies. The sources of this voluntary fundraising income have been broadened to avoid reliance in any one particular area.

Income from trading activities was £2,118,959 (2022: £1,878,280 – 42%) which equates to 42% received through our shops, lottery and fundraising events. This area of income has substantially increased this year largely due to excellent shop income performance.

Net profit from shop activities has seen the best performance to date of £389,102 (2022: £282,384) as a result of pushing forward with our trading strategy.

Net profit for the lottery has decreased for the year to £97,289 (2022: £159,832) due to a canvasser campaign to sign up new players. We have received an interest free loan of £68,000 to date from an investor specifically to fund this business initiative which in its first year has run at a loss of £45,823 (budgeted loss £80,935). If this loss which is attached to a longer-term growth plan is removed from original lottery performance, then the net profit this year would have been £143,112 which is a decrease on the prior year due to cancellations, hence the need to invest in a growth campaign.

The Charity receives income from the generosity of the public, raised in many ways such as through support from corporates, trusts and foundations, major donors, community supporters, legacies, lottery, fundraising events and from the public sector (local CCGs). Other income includes income raised through continuing care packages and training funding. Charitable activities, includes restricted funding from Wakefield CCG for Maternal Mental Health services of £74,390 and various non recurrent grants. See the notes to the accounts for more detail on funding sources.

The NHS England Palliative Care annual grant equates to just 9.2% (2022: 6.4%) of consolidated income and 9.5% (2022: 12.2%) of charitable activities. NHS England have announced that funding for children's hospices will remain in place for another year into 2024/25 as we have reached our peak contribution in 2023/24.

Staff costs have increased since last year. Staff costs for the year were £3,389,746 (2022: £2,887,086). Staff costs as a percentage of total costs were 69.8% during the year (2022: 69.4%). Average staff FTE numbers have increased to 107 (2022: 99) largely due to filling key vacancies that were carried in the prior year and some key roles to ensure that we can achieve our ambitious 5–10-year growth plans to ensure that we thrive into the future.

Auto enrolment employer contributions are 3%, however managers receive 5% matching contributions, and most staff contribute to the People's Pension Scheme. In addition, we operate an NHS Pension Scheme under a directive and for the past 2 years we have seen the employer's contribution rise from 14.38% to 20.68%, however the increase continues to be funded by NHS England. There is still no confirmation from NHS England beyond 2024 of how hospices might be supported to afford these pension increases and as such the NHS Pension scheme has been closed to new members since October 2019 as a way of controlling costs. There is also a challenge in that some staff are receiving a substantial pension benefit, whilst the majority are on the most basic pension benefit. We are starting to address this issue as part of the annual budgeting process and introduced an option in 23/24 for staff to increase their employee contribution by 1% (or more) and then we will increase employer contributions to 4%.

Financial review (continued)

a. Financial performance (continued)

Total costs have increased to £4,855,262 (2022: £4,163,250). The work of volunteers within the Charity is fundamental to the growth and sustainability of funds. Without their continued support it is envisaged that costs of employing support staff and fundraisers would amount to an additional annualised cost of over £475,000 based on an average of 50,000 volunteer hours at national living wage, given during an average year. The Trustees wish to express their sincere gratitude to every volunteer for their generosity and the gift of time.

Spending on charitable activities was £2,739,081 (2022: £2,358,558). The percentage spend on charitable activities versus consolidated costs (includes retail costs) is 56.4% (2022: 56.7%). In the Charity, the percentage spend on charitable activities (excluding retail costs) is 78.1% (2022: 80%).

We are very concerned about transparency. We want to help donors and funders understand more about how their money is spent and why it is spent that way. The following infographic might help.

forget me not children's hospice
Why do we have overhead costs? There are certain tasks and duties we must fulfil for safety, legal compliance, and governance purposes. These are essential for running the charity, but they cost money to do. This means not every penny we raise can be spent directly on supporting families. However, this doesn't mean that each penny is not contributing to our ability to deliver that care and support, safely and to the highest possible quality.
Here are a few examples of what these overhead costs entail:
Evaluation
Environmental sustainability
Data, Information governance
Supporter insight
Learning and development
Quality and compliance
Planning and performance
Health & Safety, Risk management and mitigation
Legal
Finance and audit, Income generation
Safeguarding
Company secretary
Content creation
IT, Digital optimisation
Employment, Volunteering, Wellbeing
Property and facilities
Procurement

Financial review (continued)

b. Reserves policy

The total unrestricted and restricted reserves held as at 31 March 2023 was £3,533,350 (2022: £3,351,090).

The current level of cash/investments held by Forget Me Not Children's Hospice is £1,110,326 (2022: £1,391,217). However true cash, after loan liabilities due within one year of £30,000 (2022: £142,429) (note 18) and loan liabilities falling due in more than one year of £135,500 (2022: £335,131) (note 19) is £944,826 (2022: £913,657) and is allocated for emergency reserves.

The balance of unrestricted reserves held is £3,431,447 (2022: £3,254,745) which is maintained to ensure that there are sufficient funds to provide care and continue to reach more children and families that need our support.

There is a designated reserve allocated this year of £77,000 which is set aside by Trustees for the impact of the cost-of-living crisis to ensure that we can recruit and retain staff in terms of market changes and competition.

The reserve funds policy is to have sufficient reserves to cover operating costs for one year and set aside for emergency purposes only. In addition, there should be available cash reserves of three months of operating costs.

The immediate strategy to build reserves and financial strength is being addressed and assurance measures can be demonstrated as follows:

- Sourcing additional public sector and CCG funding
- Allocating legacy income to build reserve funds
- Robust management and control of our resources
- Building our capacity to generate more income

The aim is to build true emergency cash reserves to £1 million by March 2024. True emergency reserves as at 31 March 2023 was £944,826 which remains on target, and we aim to build reserves by achieving a steady increase each year.

Reserve Funds are reviewed at each AFR committee meeting as part of the financial reporting process and supporting cash flow forecast. Reserve levels will be reset appropriately, after consideration of cost challenges set and achieved and confirmation of successful income in the pipeline, to ensure that the levels meet the needs of the strategic direction of the Hospice.

The Trustees consider it prudent that reserves other than restricted and designated should be sufficient:

- To avoid the necessity of realising fixed assets held for the Charity's use;
- To provide protection against any possible decline in future income from fundraising and donations in general.

Financial review (continued)

b. Reserves policy (continued)

Emergency Reserves

Forget Me Not Children's Hospice needs emergency reserves to protect its current activities. The Board of Trustees had set emergency reserves target for the financial year 2022/23 at a realistic level of £1,000,000 (achieved £944,826) to ensure business continuity due to unforeseen events, considering the needs, risks and challenges faced by the Charity in the short to medium term. The level of reserves is reviewed at each AFR meeting and reserves policy will be reviewed annually. Reserves will be built to ensure that we build a sustainable future for local children and families living and dying with life limiting conditions.

Capital Reserves

Forget Me Not Children's Hospice has been operating from Russell House since 2011 and whilst it is still a fairly new building, it is now 12 years old and there will be an ongoing need to ensure that all capital equipment is fit for future purpose and that there is a robust Capital Replacement Plan in place for the building, grounds and equipment. The majority of capital works completed during this financial year have been funded through capital grants and gifts in kind.

The Capital Reserve will be calculated as the balance left after allocated Emergency Reserves.

Development Reserves

There are no development reserves allocated for the financial year 2023/24 as the business plan is aimed at protecting the existing resources. Any new investments to be made in 2023/24 financial year will be supported by robust income generation plans and funded through high level supporter funds or loans that ensure future returns on the investment.

Restricted Funds

Restricted funds will be maintained and accounted for in accordance with the appropriate regulations and only used for the purposes for which they are provided.

Designated Funds

Forget Me Not Children's Hospice may occasionally need to save or accumulate funds in order to finance a particular project. These monies will come from unrestricted funds and will be earmarked for a particular project but may be designated as a separate fund. However, this designation will only be for administrative purposes and these funds will remain under the control of Trustees and may be redirected to meet running costs should circumstances require.

c. Going concern

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the impact of COVID-19 and the cost of living crisis on the UK economy and its potential impact on the financial sustainability of the Charity and Group. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered any remaining available government schemes and interventions in making their assessment.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity and Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note 2.2.

Financial review (continued)

d. Fundraising and compliance

Forget Me Not Children's Hospice is reliant on the goodwill and support of the local community in order to provide its charitable services to children with life shortening conditions and their families without charge. The hospice has an excellent reputation, however with this comes a responsibility to ensure the very highest of fundraising standards are in practice.

Income generation is not simply a way of raising funds, but it is also a conduit to developing and maintaining key supporter and donor relationships, ensuring that supporters are very much a part of our Forget Me Not journey.

It is not always possible to assess whether supporters are 'vulnerable' or to coordinate activities with other charities, so our approach is to focus on our fundraising activities and relationships and conduct these and our contact with donors in line with the law and our own high standards.

All income generation activities are undertaken within charity law, Charity Commission regulations, HMRC rules, The Fundraising Regulator, The Gambling Act, local licencing laws, Advertising Standards Authority rules and data protection laws. This list is not exhaustive. We are registered with the Fundraising Regulator and continue to work towards full compliance with the Fundraising Code of Practice and strive to adopt best practice in all that we do.

We support and encourage our fundraisers to achieve qualifications through the Chartered Institute of Fundraising, and some members within the team are actively engaged in training and support through this organisation.

Forget Me Not Children's Hospice has an open and accessible complaints policy and has had no reportable complaints relating to our fundraising practices during the year ended 31 March 2023.

e. Donor management

We continue to ensure that GDPR is effectively implemented, monitored and audited across all areas of income generation.

f. External fundraisers

We use the services of Sterling Lotteries who manage and run our weekly prize draw. Sterling is licenced and regulated by the Gambling Commission to promote a non-remote and remote lottery and also supply, install and adapt gambling software to promote a lottery.

All Sterling representatives receive Gambling Commission training (including vulnerable persons training) and representatives are also trained in line with the Fundraising Regulators Rule Book for Face-to-Face Fundraising. Sterling is audited annually on the Gambling Commission subset of ISO27001:2013. The audit report is available on request.

There were no reportable complaints relating to the activity undertaken by Sterling on behalf of the Hospice in 2023 (2022: none).

We use "The Fundraising Partnership" as an external agency (canvasser) to acquire new lottery players. We are satisfied that their colleagues undergo in house training which covers all the necessary points relating to governance and compliance when representing the charity publicly.

Financial review (continued)

f. External fundraisers (continued)

We also employ QTS as a telesales agent to conduct both administration and sales calls on behalf of the charity. We are satisfied that they carry out the correct checks on contact records and that their telesales operators are trained sufficiently in the governance and rules associated with telesales activity.

g. Principal risks and uncertainties

The Trustees and Senior Leadership Team have assessed, and regularly review, the major risks to which Forget Me Not Children's Hospice is exposed, in particular, those related to the finance, operations, people and compliance. The main risk that the Hospice faces going forward is around funding. We have developed a 10 year forward plan and recognised the increased costs needed just to stand still. Our Thrive 25 project addresses these issues, together with a shortage of sector wide care staff and will see us overcome these challenges and build a more sustainable future for the hospice and so the families we exist to serve.

The Hospice's principal financial instruments comprise bank balances, creditors and debtors. The main purpose of these instruments is to raise funds to finance the operations of the Hospice.

Due to the nature of the financial instruments used by the Hospice, there is no exposure to price risk. The Hospice's approach to managing risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining credit balances. The Hospice makes use of money market facilities when funds are available.

Trade debtors are managed by regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due and ensuring that suppliers are not paid early.

As a result of retail lockdowns during the pandemic, FMNT Trading Ltd (A wholly owned subsidiary of the charity) took advantage of two Coronavirus Business Interruption Loan schemes (CBILS) through Lloyd's bank. An amount of £150,000 was taken out in June 2020, and then a further loan of £150,000 in December 2020. The loan rates are favourable, and the terms were both 12 months interest free and no capital repayments. Both loans were repayable over 72 months, however the second CBILS loan has been settled in full in September 2022.

Structure, governance and management

a. Constitution

The Forget Me Not Children's Hospice Limited is registered as a charitable company limited by guarantee incorporated on 15 June 2005 and registered as a charity on 15 July 2005. The Charity modernised its governing document on the 13th November 2015 and is governed by its Articles of Association. In the event of the Charity being wound up members are required to contribute an amount not exceeding £10.

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

As set out in the Articles of Association adopted on the 13th November 2015, the governing body is the Board of Trustees whose members are appointed either by the Charity in a general meeting or by the other Trustees.

The Board of Trustees seek to ensure that the needs of the ultimate user group are appropriately reflected through the diversity of the Trustee body. Trustees are recruited using a robust selection process from a group of interested people who have responded to adverts.

c. Policies adopted for the induction and training of Trustees

New Trustees are invited to take part in induction provided both by the charity and by external sources including facilitated learning activity. This induction ensures the Trustees understand their roles and responsibilities, understand the workings of the hospice and the charity, can identify key risks, hold the management team to account and work together to build a sustainable future for the organisation. There have been no new trustees join us last year.

d. Statement on senior salaries and pay

As a leading charity, we recognise our responsibilities towards our staff, volunteers and beneficiaries. We are committed to ensuring full accountability and transparency in all aspects of our work and are determined to do our best to support people with their wellbeing, including financial wellbeing.

Securing the right people and supporting them to thrive in their roles to deliver our ambitious plans is key to our strategy. One of the many ways we do this is through a competitive reward structure. We believe that although the charity sector can't, and shouldn't, compete with the commercial sector on pay, we must offer a fair salary for the skills and the experience we need to run a high performing, cost-effective and successful charity, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives.

The Board of Trustees is responsible for defining pay policy and deciding on the salaries of the CEO and Directors. The salaries of all staff across the organisation are set out within a formal banding framework where job roles have been evaluated and benchmarked to ensure that we are paying at the market rate for the sector. Information about senior level pay is made available in our annual accounts.

The organisation's Pay and Reward Policy sets out to provide equality to all employees. We are committed to having a fair remuneration policy that meets our pay and reward principles, and is sustainable financially and operationally, whilst attracting the best people.

In addition, we are proud to say that in 23/24 we became a Real Living Wage Employer.

Forget Me Not is committed to investing in internal progression and development opportunities for all staff where possible.

Structure, governance and management (continued)

e. Organisation structure

The Board of Trustees, which must consist of not less than three Trustees but shall not be subject to any maximum, helps to administer the Charity by providing the overall strategic direction and ensuring the highest standards of governance is maintained throughout all aspects of the operation. They meet quarterly and in addition have 2 away days. There are four Board subcommittees, each comprising of a minimum of three Trustees, (or in the case of the trading board 1 trustee and several directors) which meet at least four times a year and cover all aspects of the Charity's business:

- Audit, Finance and Risk Committee (AFR)
- HR & Governance Committee (HR&G)
- Clinical Governance Committee (CGC)
- Trading board

Day to day running of the Charity is delegated to the Chief Executive who discharges their responsibilities through the Senior Leadership Team.

Our CEO, Luen Thompson, gave notice to trustees early in the year about her intention to retire. This early warning enabled trustees to take stock and consider the process they wanted to follow to appoint a new CEO. Given the strength of the senior leadership team that Luen has developed together with the future plan, 'Thrive 25' that the team have been the architects of, trustees decided to look internally as their first port of call. Following a robust process where the voice of families shone through, supported by the engagement of a neighbouring hospice CEO, trustees decided to appoint Gareth Pierce, currently Director of Income Generation, who started his new role in September 2023.

Trustees would like to thank Luen for her first-class leadership, steering Forget Me Not successfully through some very difficult times. Trustees appreciate the way in which Luen has pursued her retirement which has ensured a smooth and seamless handover. Gareth will now be able to build on the legacy Luen leaves behind ensuring the hospice can look forward to a successful and sustainable future whilst being rooted in the communities it so ably serves.

f. Related party relationships

The West Yorkshire Forget Me Not Trust was founded in 2000 as a charitable organisation. However, a decision was taken by the Trustees in early 2005 that the objects of the Charity Trust Deed could be better served if the Trust became an incorporated company. Thus, following incorporation of the company, the reserves of the West Yorkshire Forget Me Not Trust were transferred to the Charity on its cessation on 31 December 2005. A special resolution to change the name of the Charity from the West Yorkshire Forget Me Not Trust Limited to The Forget Me Not Children's Hospice Limited was passed by members in July 2011.

The Charity has a subsidiary company, FMNT Trading Limited, through which it runs a chain of Charity shops.

Structure, governance and management (continued)

g. Risk management

The assessment of hazards and risks in the physical environment and in clinical and nonclinical working practices is undertaken on a regular basis to protect the health and welfare of staff, children/young people and their families.

Successful risk management at the Charity is based on the following philosophy:

- The identification of risk is considered in all areas of work and is included in all operational activities.
- The success of a risk management program is dependent upon a committed approach by the Board of Trustees, Chief Executive, Senior Leadership Team and all staff.
- The identification and management of risks requires active involvement of operational staff within the Charity as these staff are best placed to perform this function if there are robust communication and support systems.
- The promotion of an open, objective culture for incident reporting and the identification of risk and consistency in managing those risks are essential to the success of the Risk Management Policy. This is supported by all levels of management across all occupational groups and staff in all areas of the charity have had training around incident reporting.
- All staff receive training in defined and agreed elements of risk management including risk reduction, incident reporting and investigation.

A comprehensive Risk Assessment Tool covering the Charity, operations, financial, compliance and people risks is in operation and reviewed at least quarterly. The Trustees have access to a strategic risk register and assess the risks faced by the organisation on an ongoing and regular basis.

There is Trustee and Senior Team Indemnity Insurance Cover in place. As well as internal controls and processes we are externally audited on an annual basis for Health and Safety, and for Finance. The Board receive annual Health and safety and Information Governance reports in addition to regular updates. There are robust information governance processes and controls in place to mitigate risk.

Structure, governance and management (continued)

Reference and administrative details of the charity, its Trustees and advisers

Jeremy Cross, Chair (appointment of Chair reconfirmed 10th June 2022)
Jo Ellis
David Anderson
Adrian Gordon
Tim McBurney
Darryl Britto (resigned 9th June 2023)
Paul Harvey Stead
Sofia Gohir
Margaret Falconer
Alexandra Clements
Claire Woodford
Sarah V Ramsey

Company registered number 05481614

Charity registered number 1110457

Registered office
Russell House
Fell Greave Road
Huddersfield
West Yorkshire
HD1 2HG

Company secretary Nicola O'Dowd

Chief executive officer
Luen Thompson (retired 31st August 2023)
Gareth Pierce (appointed 1st September 2023)

Independent auditors
Armstrong Watson Audit Limited
Chartered Accountants
Third Floor
10 South Parade
Leeds
West Yorkshire
LS1 5QS

Bankers
Lloyds Bank Commercial
PO Box 1000
BX1 1LT

Solicitors
Schofield Sweeney
Springfield House
76 Wellington Street
Leeds
West Yorkshire
LS1 2AY

Directors of FMNT Trading

Gareth Pierce
David Ashton
Paul Harvey Stead (Chair)
Mike Robinson
Dan Quinn (resigned 21st August 2023)
Laura Green
Philip Hamilton O'Loughlin (appointed 9th June 2023)

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

Structure, governance and management (continued)

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, have been appointed during the year and have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 22.9.23 and signed on their behalf by:

J Cross

Chair

N O'Dowd

Company Secretary

Opinion

We have audited the financial statements of The Forget Me Not Children's Hospice (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 March 2023 and of the Group's incoming resources and application of resources, including its 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 United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. 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.

Other information (continued)

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.

Opinion 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 including the Group Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report including the Group Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Group Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement on page 22, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and parent charitable company through discussions with trustees, directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group and the parent charitable company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2.18 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Use of our 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Turner (Senior statutory auditor)

for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors

Leeds

Date: 22 September 2023

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

Income:	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Designated Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Donations and legacies:								
Donations	4	1,071,690	31,939		1,103,629	852,039	93,124	945,163
Grants	5	16,750	817,924		834,674	28,037	551,726	579,763
Legacies	6	275,722	-		275,722	212,874	-	212,874
Income from other trading activities:								
Shops		1,739,029	-		1,739,029	1,491,315	-	1,491,315
Lottery		265,595	-		265,595	257,365	-	257,365
Fundraising events		114,334	-		114,334	129,600	-	129,600
Income from charitable activities	7	255,108	74,390		329,498	236,320	161,325	397,645
Other income	8	377,015	-		377,015	462,572	-	462,572
Total income		4,115,243	924,253	-	5,039,496	3,670,122	806,175	4,476,297
Costs of raising voluntary income		454,434	-		454,434	372,992	-	372,992
Fundraising trading: costs of goods sold and other costs		1,349,928	-		1,349,928	1,214,560	-	1,214,560
Fundraising trading: costs of events		311,819	-		311,819	217,140	-	217,140
Costs of raising funds	9	2,116,181	-	-	2,116,181	1,804,692	-	1,804,692
Expenditure on charitable activities		1,820,386	841,695	77,000	2,739,081	1,560,424	798,134	2,358,558
Total expenditure	9	3,936,567	841,695	77,000	4,855,262	3,365,116	798,134	4,163,250
Loss on disposal of fixed assets		1,974	-		1,974	288	-	288
Net movement in funds before other recognised gains brought forward		176,702	82,558	(77,000)	182,260	304,718	8,041	312,759
Net movement in funds		176,702	82,558	(77,000)	182,260	304,718	8,041	312,759
Reconciliation of funds								
Total funds brought forward		3,254,745	96,345	-	3,351,090	2,950,027	88,304	3,038,331
Net movement in funds		176,702	82,558	(77,000)	182,260	304,718	8,041	312,759
Total funds carried forward		3,431,447	178,903	(77,000)	3,533,350	3,254,745	96,345	3,351,090

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 32 to 46 form part of these financial statements.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity As restated 2022 £
Fixed assets					
Intangible assets	13	-	-	-	-
Tangible assets	14	2,277,384	2,203,813	2,234,483	2,177,495
Investments	15	100,000	-	100,001	1
		2,377,384	2,203,813	2,334,484	2,177,496
Current assets					
Stock	16	15,707	17,772	1,500	1,500
Debtors	17	762,848	600,137	649,613	683,370
Cash at bank and in hand - Unrestricted fund		931,423	1,294,872	753,611	751,720
- Restricted fund		178,903	96,345	178,903	96,345
		1,888,881	2,009,126	1,583,627	1,532,935
Current liabilities					
Creditors: amounts falling due within one year	18	(597,415)	(526,718)	(505,909)	(414,256)
Net current assets		1,291,466	1,482,408	1,077,718	1,118,679
Total assests less current liabilities		3,668,850	3,686,221	3,412,202	3,296,175
Creditors : amounts falling due after more than one year	19	(135,500)	(335,131)	(68,000)	(125,131)
Total net assets		3,533,350	3,351,090	3,344,202	3,171,044
Charity funds					
Unrestricted funds	21	3,431,447	3,254,745	3,242,299	3,066,657
Restricted income funds	21	178,903	96,345	178,903	104,387
Designated Funds	21	(77,000)	-	(77,000)	-
Total funds		3,533,350	3,351,090	3,344,202	3,171,044

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 22nd September 2023 and signed on their behalf by:

J Cross

Chair

N O'Dowd

Company Secretary

The notes on pages 32 to 46 form part of these financial statements.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Group 2023 £	2022 £
Cash flows from operating activities:			
Net cash from operating activities	24	13,888	309,860
Cash flows from investing activities:			
Purchase of property, plant and equipment		(194,779)	(159,249)
Lloyds 12 month fixed term notice deposit account		(100,000)	-
Net cash used in investing activities		**(294,779)**	**(159,249)**
Change in cash and cash equivalents in the reporting period		**(280,891)**	**150,611**
Cash and cash equivalents at the beginning of the reporting period		1,391,217	1,240,606
Change in cash and cash equivalents		(280,891)	150,611
Cash and cash equivalents at the end of the reporting period	25	**1,110,326**	**1,391,217**

The notes on pages 32 to 46 form part of these financial statements.

1. General information

The organisation is a charitable company limited by guarantee, incorporated in England and Wales. The address of its registered office is Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH. The charitable company's registered number is 05481614.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (effective 1 January 2019) as amended by Update Bulletin 2 (effective January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Forget Me Not Children's Hospice Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going Concern

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the impact of the cost of living crisis on the UK economy and its potential impact on the financial sustainability of the Charity and the group as a whole. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered remaining available government schemes and interventions in making their assessment. The Trustees have received a 12 month rolling cash flow forecast, together with mitigation plans and a full understanding of the financial performance in order to make a going concern decision.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

2. Accounting policies (continued)

2.3 Income (continued)

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes, but not expended during the period, is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services or items are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. Donated fixed assets are included in income at the estimated value of the gift to the Charity when received, based on the amount that the Charity would have been prepared to pay for these services or facilities had it been required to purchase them, with a corresponding entry being capitalised in fixed assets for the same amount. There were gifts in kind of £31,625 recorded this year (2022: £92,260).

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading. Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets such as website costs are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

- Amortisation is provided on patents over 3 years.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

The land was bought for a notional amount from the council and has restrictions within the deeds, therefore no revaluation has been done. The building is valued at cost

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- Nil
Russell House (freehold)	- 2% straight line from 1 November 2011
Grace's Place (leasehold)	- over the life of the lease (99 years)
Medical equipment	- 20% straight line
Motor vehicles	- 20% straight line basis
Fixtures and fittings	- 15% straight line
Computer equipment	- 20% straight line
Leasehold improvements	- over the life of the asset or 20%

The need for any impairment of a fixed asset is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investments in subsidiaries are valued at cost less provision for impairment.

2. Accounting policies (continued)

2.9 Stocks

Stocks of retail goods are valued at the lower of cost and net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the Charity which far outweigh the benefits. Stocks are valued using the first in, first out (FIFO) method.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Concessionary loan

The Charity has taken advantage of section 34 of FRS102 to recognise the loan to/from its trading subsidiary and the Charity form a public benefit entity group. As such the Charity initially recognises and measured the loan at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. No interest is being charged on this loan.

2.15 Operating leases

Operating leases are recognised over the period of which the lease falls due. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease.

2. Accounting policies (continued)

2.16 Pensions

Employees of the Charity are entitled to join a defined contribution 'money purchase' scheme. The Charity contribution is restricted to the contribution disclosed in note 27. The costs of the defined contribution scheme are included with the associated staff costs and allocated therefore to raising funds, charitable activities and support costs and charges to the unrestricted funds of the Charity. Pensions are allocated to activities and funds in line with staff pay costs

The money purchase plan is managed by Peoples Pension and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. Employees that have previously been on the NHS pension scheme before joining the Charity, have an option to continue this scheme provided the criteria have been met. The Charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

A designated fund has been set up by Trustees during this financial year specifically to address the cost of living crisis and the impact this is having on staff retention and remaining competitive in the market regarding pay pressures.

Investment income, gains and losses are allocated to the appropriate fund.

2.18 Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from actual results. They are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts

Useful economic lives of tangible assets:
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economical utilisation and the physical condition of the assets.

2. Accounting policies (continued)

2.18 Key accounting estimates and assumptions (continued)

Useful economic lives of intangible assets:
The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation.

Valuation of gifts in kind:
Gifts in kind are included within the accounts at an estimated value. The estimated value is based on the value the Charity would have been required to pay for equivalent services.

3. Critical accounting estimates and areas of judgment

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

4 Donations

	2023			2022		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
General donations	881,247	-	881,247	679,051	-	679,051
Shooting Star Appeal	-	314	314	-	864	864
Liz & Terry Bramall Foundation	100,000	-	100,000	100,000	-	100,000
Fixby Friends	750	-	750	800	-	800
Friends of Forget Me Not Support Group	13,618	-	13,618	20,236	-	20,236
Gift Aid on donations	76,075	-	76,075	51,952	-	51,952
Value of gifts in kind and donated services	-	31,625	31,625	-	92,260	92,260
	1,071,690	31,939	1,103,629	852,039	93,124	945,163

5 Grants

	2023			2022		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
Annandale Charitable Trust	-	-	-	-	10,000	10,000
BBC Children in Need - Perinatal grant	-	-	-	-	26,671	26,671
BBC Children in Need	-	-	-	-	37,500	37,500
Cares4Kids	-	-	-	-	10,000	10,000
Garfield Weston Foundation	-	-	-	-	15,000	15,000
Hospice UK - Masonic Charitable Foundation	-	10,560	10,560	-	-	-
National Lottery	-	126,402	126,402	-	17,713	17,713
National Lottery Community Fund	-	10,000	10,000	-	-	-
NHS England Annual Grant	-	462,772	462,772	-	287,188	287,188
PPG Architectural Coatings UK Ltd	-	-	-	-	18,500	18,500
The Albert Hunt Trust	-	20,000	20,000	-	10,000	10,000
The Brook Charitable Trust	-	100,000	100,000	-	-	-
The Mark Benevolent Fund	-	-	-	-	10,000	10,000
The Wolfson Foundation	-	-	-	-	50,000	50,000
Wooden Spoon	-	25,000	25,000	-	-	-
Various grants less than £10,000	16,750	63,190	79,940	28,037	59,154	87,191
	16,750	817,924	834,674	28,037	551,726	579,763

6 Legacies

	2023		2022	
	Unrestricted	Total Group	Unrestricted	Total Group
	£	£	£	£
Legacies	275,722	275,722	212,874	212,874
	275,722	275,722	212,874	212,874

Actual legacies received during the year amounted to £275,722 (2022: £212,874) and include legacy accruals of £141,394 (2022: £126,000). There were no (2022: none) legacies at the year end that are to be treated as contingent assets.

7 Charitable Activities

	2023			2022		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£		£
Kirklees Council	30,000	-	30,000	30,000	-	30,000
NHSE government	-	-	-	-	143,325	143,325
NHS Kirklees CCG	33,108	-	33,108	31,320	-	31,320
NHS Wakefield CCG	15,000	74,390	89,390	15,000	18,000	33,000
NHS Greater Huddersfield CCG	-	-	-	85,000	-	85,000
NHS Calderdale CCG	-	-	-	50,000	-	50,000
West Yorkshire & Humber ICS	15,000	-	15,000	25,000	-	25,000
West Yorkshire ICB	162,000	-	162,000	-	-	-
	255,108	74,390	329,498	236,320	161,325	397,645

8 Other Income

	2023 Unrestricted	2022 Unrestricted
	£	£
Training income	12,270	42,807
Care - other income	24,401	22,931
Central - other income	551	2,772
Continuing Care funds	338,477	379,074
Redeployment of staff	1,316	1,263
Furlough Claims	-	7,975
Covid-19 Emergency grants	-	5,750
	377,015	462,572

9 Analysis of Resources Expended

	Direct Costs 2023	Allocated Costs 2023	Total Costs 2023
	£	£	£
Cost of raising voluntary income	340,525	113,909	454,434
Fundraising trading: costs of goods sold and other costs	1,349,928	-	1,349,928
Fundraising trading: costs of events	227,569	84,250	311,819
	1,918,022	198,159	2,116,181
Charitable activities - care services	2,009,346	729,735	2,739,081
Total 31 March 2023	3,927,368	927,894	4,855,262

	Direct Costs 2022	Allocated Costs 2022	Total Costs 2022
	£	£	£
Cost of raising voluntary income	272,654	100,338	372,992
Fundraising trading: costs of goods sold and other costs	1,214,560	-	1,214,560
Fundraising trading: costs of events	137,747	79,393	217,140
	1,624,961	179,731	1,804,692
Charitable activities - care services	1,737,809	620,749	2,358,558
Total 31 March 2022	3,362,770	800,480	4,163,250

10 Net outgoing resources for the year

This is stated after charging:-	**2023** **£**	**2022** **£**
Depreciation of owned tangible fixed assets	118,732	146,291
Amortisation of owned intangible assets	-	-
Auditor's remuneration	13,280	12,200
Operating Leases	198,918	161,077

11 Board of Trustees/Directors' remuneration

The Board of Trustees during the year served on a voluntary basis and received no remuneration for their services to the company (2022: nil) The Charity reimbursed nil (2022: nil) Trustees for travel expenditure in order for the Trustees to attend meetings.

12 Staff costs and numbers

Staff costs were as follows:	**2023** **£**	**2022** **£**
Salaries and wages	2,970,343	2,550,775
Social security costs	252,809	206,640
Pension costs	166,594	129,671
Total	3,389,746	2,887,086

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2023 **Number**	**2022** **Number**
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£80,001 -£90,000	1	-

Three employees earned between £60,000 - £70,000 , two of which participated in the People's Pension Scheme with 5% employer contributions and one employee is in the NHS Pension Scheme with employer contributions of 14.38%. The employee earning more than £80,000 participated in the Peoples Pension scheme and contributions were based on 5% matching.

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

	2023 **Average Number**	**2022** **Average Number**	**2023** **Average FTE**	**2022** **Average FTE**
Care Services	62	56	54	49
Income Generation - Charity	18	17	14	13
Income Generation - Trading	42	41	28	27
Corporate Services (Finance, HR, IT and Estates)	13	11	11	10
Total	135	125	107	99

The hospice considers that the key management personnel comprise the Trustees and the Senior Leadership Team (SLT). The SLT is made up of the Chief Executive and three key Directors. The total employee benefits of the key management personnel of the Group was £334,098 (2022 : £313,510)

The Board of Trustees is responsible for defining pay policy and deciding on the salaries of the CEO and Directors. The salaries of all staff across the organisation are set out within a formal banding framework where job roles have been evaulated using the Croner job evaluation tool and all roles have been benchmarked against at least four other data sources such as the NHS, other local charities, local hospices, the charity retail sector and the local market to ensure that we are paying at the market rate. The Organisation's Pay and Reward Policy sets out to provide equality to all employees. We are committed to having a fair remuneration policy that meets our pay and reward principles, and is sustainable financially and operationally, whilst attracting the best people. Our policy allows a full benchmarking exercise to take place every 3 years and any cost of livingpay increases are awarded based on organisational performance. In addition, we are proud to say that in 23/24 we are a Real Living Wage Employer.

Securing the right people and supporting them to thrive in their roles to deliver our ambitious plans is key to our strategy. One of the many ways we do this is through a competitive reward structure. We believe that although the charity sector can't, and shouldn't, compete with the commercial sector on pay, we must offer a fair salary for the skills and the experience we need to run a high performing, cost-effective and successful charity, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives.

13 Intangible Assets

Group

	Intangible Assets £	Total £
Cost		
At 31 March 2022	33,077	33,077
Additions	-	-
Disposals	-	-
At 31 March 2023	33,077	33,077
Depreciation		
At 31 March 2022	(33,077)	(33,077)
Charge for the year	-	-
Disposals	-	-
At 31 March 2023	(33,077)	(33,077)
Net book value		
At 31 March 2023	-	-
At 31 March 2022	-	-

Charity

	Intangible Assets £	Total £
Cost		
At 31 March 2022	33,077	33,077
Additions	-	-
Disposals	-	-
At 31 March 2023	33,077	33,077
Depreciation		
At 31 March 2022	(33,077)	(33,077)
Charge for the year	-	-
Disposals	-	-
At 31 March 2023	(33,077)	(33,077)
Net book value		
At 31 March 2023	-	-
At 31 March 2022	-	-

14 Tangible Fixed Assets

Group

	Freehold land £	Russell House (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2022	90,104	2,401,441	156,145	157,491	287,055	48,593	33,995	3,174,824
Additions	-	85,193	8,460	23,755	55,890	21,481	-	194,779
Disposals	(750)	(989)	(4,026)	(2,013)	(9,209)	(356)	-	(17,343)
At 31 March 2023	89,354	2,485,645	160,579	179,233	333,736	69,718	33,995	3,352,260
Depreciation								
At 31 March 2022	-	(470,827)	(139,741)	(92,587)	(210,023)	(31,391)	(26,442)	(971,011)
Charge for the year	-	(49,263)	(9,381)	(26,117)	(21,291)	(7,148)	(5,532)	(118,732)
Disposals	-	147	3,883	1,701	8,803	333	0	14,867
At 31 March 2023	0	(519,943)	(145,239)	(117,003)	(222,511)	(38,206)	(31,974)	(1,074,876)
Net book value								
At 31 March 2023	89,354	1,965,702	15,340	62,230	111,225	31,512	2,021	2,277,384
At 31 March 2022	90,104	1,930,614	16,404	64,904	77,032	17,202	7,553	2,203,813

Charity

	Freehold land £	Hospice (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2022	90,104	2,401,441	-	140,293	242,748	48,593	33,995	2,957,174
Additions	-	85,193	-	23,473	31,208	21,481	-	161,355
Disposals	(750)	(989)	-	(1,499)	(520)	(356)	-	(4,114)
At 31 March 2023	89,354	2,485,645	-	162,267	273,436	69,718	33,995	3,114,415
Depreciation								
At 31 March 2022	-	(470,827)	-	(81,196)	(169,823)	(31,391)	(26,442)	(779,679)
Charge for the year	-	(49,263)	-	(24,583)	(15,685)	(7,148)	(5,532)	(102,211)
Disposals	-	147	-	1,307	171	333	-	1,958
At 31 March 2023	-	(519,943)	-	(104,472)	(185,337)	(38,206)	(31,974)	(879,932)
Net book value								
At 31 March 2023	89,354	1,965,702	-	57,795	88,099	31,512	2,021	2,234,483
At 31 March 2022	90,104	1,930,614	-	59,097	72,925	17,202	7,553	2,177,495

15 Investment in trading subsidiary

	2023 Group £	2023 Charity £	2022 Group £	2022 Charity £
At start of the year	-	1	-	1
At end of the year	-	1	-	1
Lloyds 12 month fixed term notice deposit account at 2.6% interest	100,000	100,000	-	-
Total Investments	100,000	100,001	-	1

16 Stocks

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Finished goods and goods for resale	15,707	17,772	1,500	1,500

17 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Prepayments and accrued income	284,435	347,883	225,821	296,403
Amounts owed by group undertakings	-	-	-	164,701
Trade debtors	393,962	198,905	393,962	198,905
Other debtors	84,451	53,349	29,830	23,361
	762,848	600,137	649,613	683,370

18 Creditors: Amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	As restated 2022 £
Amounts owed to subsidiary undertaking	-	-	28,707	-
Key Fund Investment, CBILs loans and other	30,000	142,429	-	82,429
Trade creditors	102,788	86,222	54,770	70,147
Other creditors	25,575	46,596	21,929	42,950
Taxation and social security	62,290	60,231	52,829	48,016
Accruals and deferred income	376,762	191,240	347,674	170,714
	597,415	526,718	505,909	414,256

The loan from FMNT Trading Limited to the Charity is an unsecured, interest free loan which is repayable on demand.

The Key Fund Investment Loan has been fully repaid early in June 2022 but it was unsecured, over a 66 month period at 6.5% interest per annum. Monthly repayments were £6,869 made up of £5,244 capital and £1,625 interest per month. The original loan was for £300,000 and commenced in January 2019 and would have been fully paid up in July 2024.

The CBILs Loans were taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and then a further £150,000 in December 2020. Both CBILs loans were capital and interest free for 12 months and repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment on both loans is £2,500 and interest on the first loan is 2.03%+ base rate per annum and 2.34% + base rate per annum on the second loan. The second CBILs was repaid in full in September 2022.

The prior year figures in the Charity have been restated as per note 32 to the accounts.

19 Creditors: Amounts falling due after more than one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Key Fund Investment, CBILs loans and other	**135,500**	335,131	**68,000**	125,131

The Key Fund Investment Loan has been fully repaid early in June 2022 but it was unsecured, over a 66 month period at 6.5% interest per annum. Monthly repayments were £6,869 made up of £5,244 capital and £1,625 interest per month. The original loan was for £300,000 and commenced in January 2019 and would have been fully paid up in July 2024.

The CBILs Loans were taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and then a further £150,000 in December 2020. Both CBILs loans were capital and interest free for 12 months and repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment on both loans is £2,500 and interest on the first loan is 2.03%+ base rate per annum and 2.34%+base rate per annum on the second loan. The second CBILs loan was repaid in full in September 2022. The outstanding balance in terms of CBILs loan at year end was £97,500 (2022: £270,000).

The charity received an investment loan of £68,000 towards a lottery campaign which is unsecured, interest free and repayable under favourable terms depending on the return on investment.

20 Deferred Income

	Charitable Activities	Fundraising Events	Other activities	Total
	£	£	£	£
Group & Charity				
Deferred income at 1 April 2022	134,857	-	-	134,857
Released from previous years	(134,857)	-	-	(134,857)
Deferred in the current year	261,835	4,435	25,799	292,069
Deferred income at 31 March 2023	261,835	4,435	25,799	292,069

Charitable activities include the amount of £54,000 relating to funding from NHS Wakefield CCG for the perinatal services across the 2021/22, 2022/23 and 2023/24 financial years. It also includes £200,000 from the West Yorkshire ICB for services during 2023/2024.

Deferred Income

	Charitable Activities	Fundraising Events	Total
	£	£	£
Group & Charity			
Deferred income at 1 April 2021	-	-	-
Released from previous years	-	-	-
Deferred in the current year	134,857	-	134,857
Deferred income at 31 March 2022	134,857	-	134,857

21 Group Funds

	Brought forward £	Incoming resources £	Outgoing resources £	Carried forward £
Unrestricted funds	3,254,745	4,115,243	(3,938,541)	3,431,447
Restricted funds				
Medical Equipment	14,102	17,740	(21,481)	10,361
Family activities	-	5,060	(5,060)	-
Decoration and Refurbishment	81,043	38,365	(52,825)	66,583
LED Lighting	-	6,000	(4,041)	1,959
Care and Nursing costs - Maternal Mental Health	-	74,704	(74,704)	-
Snowflake furniture	-	5,681	(5,681)	-
Lottery - Hear 4 You	1,200	126,402	(127,602)	-
Improving Euality and Diversity in Hospice Care	-	10,560	(10,560)	-
NHS England - Children's Palliative Care Grant	-	462,772	(462,772)	-
The Brook Charitable Trust - Russell House capital improvements	-	100,000	-	100,000
Garden Project	-	45,344	(45,344)	-
Gifts in Kind	-	31,625	(31,625)	-
	96,345	924,253	(841,695)	178,903
Designated Funds	-	-	(77,000)	(77,000)
Total Funds	3,351,090	5,039,496	(4,857,236)	3,533,350

Summary of Funds - current year	Brought forward £	Incoming resources £	Outgoing resources £	Gains/ Losses £	Carried forward £
Unrestricted funds	3,254,745	4,115,243	(3,936,567)	(1,974)	3,431,447
Restricted funds	96,345	924,253	(841,695)	-	178,903
Designated funds	-	-	(77,000)	-	(77,000)
	3,351,090	5,039,496	(4,855,262)	(1,974)	3,533,350

We received further capital grants for medical equipment of £17,740 and there is an amount of £10,361 of restricted funds carried forward for essential equipment.

Grant amounts of £5,060 were received for family activities and all spent during the year.

Grants carried forward for decoration and refurbishment of £81,043 and additional grants received this year of £38,365 have resulted in an amount of £66,583 of restricted funds carried forward for the decoration, conservatory and other essential refurbishment works planned.

We received a grant for LED lighting of £6,000, of which £1,959 is carried forward as restricted funds.

We received a grant from Wakefield CCG of £74,390 for maternal mental health services which has all been spent during the year on care and family services costs. In addition we received £314 from the Shooting Star Appeal which has all been spent on care and family costs.

During the year we received £5,681 towards furniture for the Snowflake Suite which has all been spent during the year.

We received a grant from The Lottery of £126,402 for 'Hear 4 You' and the £1,200 brought forward as restricted reserves has all been spent during the year.

We received a grant from the Masonic Charitable Foundation of £10,560 towards improving equality and diversity in hospice care which has all been spent during the year within pay costs.

The NHS England annual grant of £462,772 is for children's palliative care costs and was all spent on activities during the year.

21. Group Funds (continued)

We received a grant of £100,000 from The Brook Charitable Trust during the year, restricted for capital improvements at Russell House. This has not been spent during the year and will be carried forward.

We received numerous grants for our garden project of £45,344 which was all spent during the year.

During the year, we received various gifts in kind of £31,625 restricted for specific purposes and as such all spent during the year.

Trustees have agreed to designate a fund of £77,000 for the impact of the cost-of-living crisis and the challenges this might bring in 23/24, specifically around recruiting and retaining care staff.

22 Summary of funds

Summary of funds current year

	Balance at 1 April 2022	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2023
	£	£	£	£	£
General funds	3,254,745	4,115,243	(3,936,567)	(1,974)	3,431,447
Restricted funds	96,345	924,253	(841,695)	-	178,903
Designated funds	-	-	(77,000)	-	(77,000)
	3,351,090	5,039,496	(4,855,262)	(1,974)	3,533,350

Summary of funds prior year

	Balance at 1 April 2021	*Income*	*Expenditure*	*Gains/ (Losses)*	*Balance at 31 March 2022*
	£	*£*	*£*	*£*	*£*
General funds	*2,950,027*	*3,670,122*	*(3,365,116)*	*(288)*	*3,254,745*
Restricted funds	*88,304*	*806,175*	*(798,134)*	-	*96,345*
	3,038,331	*4,476,297*	*(4,163,250)*	-	*3,351,090*

23 Analysis of net assets between funds

Group

	Unrestricted funds	2023 Restricted funds	Total funds	Unrestricted funds	2022 Restricted funds	Total funds
	£	£	£	£	£	£
Tangible fixed assets	2,277,384	-	2,277,384	2,203,813	-	2,203,813
Investment	100,000	-	100,000			
Current assets	1,709,978	178,903	1,888,881	1,912,781	96,345	2,009,126
Current liabilities	(597,415)	-	(597,415)	(526,718)	-	(526,718)
Creditors amonts falling due after more than one year	(135,500)	-	(135,500)	(335,131)	-	(335,131)
Net assets	3,354,447	178,903	3,533,350	3,254,745	96,345	3,351,090

24 Reconciliation of net income to net cash flow from operating activities

	Group 2023	2022
	£	£
Net income for the reporting period (as per the statement of financial activities)	182,260	312,759
Adjustments for:		
Depreciation charges	118,732	146,291
Amortisation	-	-
Disposals	2,476	101
(Increase)/Decrease in stocks	2,065	1,005
(Increase)/Decrease in debtors	(162,711)	(243,009)
Increase in creditors	(128,934)	92,713
Net cash provided by operating activities	**13,888**	**309,860**

25 Analysis of cash and cash equivalents

	Group 2023 £	2022 £
Cash in hand	1,110,326	1,391,217
Total cash and cash equivalents	**1,110,326**	**1,391,217**

26 Operating lease commitments

As at 31 March 2023 the Group and the Charity had commitments to make future minimum lease payments under non cancellable operating leases as follows:

Group

	2023 Land and buildings £	2023 Other £	2022 Land and buildings £	2022 Other £
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Leases which terminate within one year	124,523	2,050	125,056	1,748
In more than one year but not more than five years	292,266	4,640	221,531	130
Over 5 years	18,750	-	43,695	-

Charity

	2023 Land and buildings £	2023 Other £	2022 Land and buildings £	2022 Other £
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Leases which terminate within one year	-	2,050	-	1,748
Leases which terminate in more than one year but not more than five years	-	4,640	-	130
Leases which terminate in more than 5 years	-	-	-	-

27 Pension commitments

The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost represents contributions payable by the Charity to the funds and amounted to £166,594 (2022: £129,671). Contributions amounting to £26,883 (2022: £20,677) payable at the year-end are included in other creditors.

The Charity operates two different pension schemes, the rates payable by the Charity vary between the NHS Scheme with employers' contribution rates of 14.38% (the additional 6.3% is being funded centrally by NHS England as the total Employers contribution are 20.68%) and the Peoples Pension Scheme whereby contributions of 3% to 5% are payable by the employer.

28 Related party transactions

Advantage has been taken of the exemption in Financial Reporting Standard 102 ('The Financial Reporting Standard applicable in the UK and Republic of Ireland') from the requirement to disclose the transaction with group companies on the grounds that they are wholly owned.

29 Surplus / (Deficit) of the Charity

The Charity has reported a loss for the financial year of £206,843(2022 surplus: £36,003). The loss is stated before dividends of £380,000 have been received from FMNT Trading Ltd for the year, resulting in a surplus of £173,157. The parent Charity's statement of financial activities has been excluded under section 408 of the Companies Act 2006.

30 Controlling party

The Charity is controlled by the Board of Trustees. No one trustee has ultimate control.

31 Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
FMNT Trading Limited	06332306	Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH	Management and operation of Charity shops

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
FMNT Trading Limited	**1,739,029**	**1,349,927**	**389,102**	**188,796**

32 Prior year restatement

The effect of the restatement on the balance sheet are as follows:

	2022 as previously stated	Restatement	**2022 as restated**
Fixed assets	2,177,496	-	**2,177,496**
Current assets	1,532,935	-	**1,532,935**
Current liabilities	(664,256)	250,000	**(414,256)**
Net current assets	**868,679**	**250,000**	**1,118,679**
Total assets less current liabilities	3,046,175	250,000	**3,296,175**
Creditors falling over one year	(125,131)	-	**(125,131)**
Total net assets	**2,921,044**	**250,000**	**3,171,044**
Funds			
Unrestricted funds	2,824,699	250,000	**3,074,699**
Restricted funds	96,345	-	**96,345**
Total funds	**2,921,044**	**250,000**	**3,171,044**

The prior year figures in the Charity have been restated due to an incorrect presentation entry made where intercompany was credited by £250,000 and charity reserves reduced by £250,000 as a result of dividends paid from the Trading company to the charity. This has been corrected and restated, but has no impact on the group accounts as at 31 March 2022.

THE FORGET ME NOT CHILDREN'S HOSPICE

England & Wales - Charity number 1110457

Accounts

forget
me
not
children's
hospice

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
(a company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Company registration number: 05481614
Charity number: 1110457

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED

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Report of the Trustees

The Trustees present their annual report together with the audited financial statements of the Forget Me Not Children's Hospice Limited for the year ended 31 March 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The Charity's objects are specifically restricted to the following: *The support and relief of children resident in the United Kingdom with extraordinary medical needs and their families in particular, but not exclusively, by the provision of children's hospice services, community based charitable services and such other means as the Trustees shall from time to time determine.*

This is fulfilled through the delivery of a community based care service (Hospice at Home) and a fit for purpose hospice and respite facility.

Public benefit and eligibility criteria

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Forget Me Not Children's Hospice cares for children with life shortening conditions and their families. Public benefit is derived by the free provision of holistic palliative and end of life care services, together with associated bereavement support offered to the whole family.

Every day we have more families who come to us for help. We know that there are many more local families that would benefit from the support we provide, and it is our aim to reach as many of the families most in need within the funds we have available. To enable this, we continue to review our services to ensure we are targeting our efforts where they are most needed.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Objectives and activities

a. Strategies for achieving objectives

Our Strategic Aims for 21/22 were built around our Trailblazer Strategy and two key pillars:

1. A family focussed approach to the design and delivery of our services

Babies, children and families are at the heart of everything we do. Focussed on the needs of the whole family, we will design and develop services that are holistic and integrated, are inclusive and accessible to all who need them, and enable us to be available wherever and whenever families need us, whatever their future holds.

2. Strengthening our organisation

To achieve our aspirations for babies, children and families we will continue to deliver the following:

Work together for families
Inspirational things are achieved for families when we work together as one team. Through collaboration and support, we continue to build a culture that enables us to deliver our best work, whatever our role, knowing the difference that work makes to the children and families we're all here to support.

Protect our future
Our families need us to be here, not just today but for years to come. To build a sustainable future that ensures children and families continue to get the high-quality care they need, we need to anticipate demand, and develop a diverse approach to raising funds whilst taking good care of our resources.

The key objectives in our financial strategy for 21/22 were to:

- Maximise and develop sustainable income now and in the future to ensure that we are always able to serve the needs of local children and families;
- Grow income generation following the impact of COVID-19;
- Maximise net profit from trading operations;
- Identify and maximise opportunities for new areas of profitable income;
- Build a robust balance sheet with sufficient cash reserves to meet our financial obligations;
- Manage and control costs to match income generated and ensure spend is focused on core charitable activities

The above financial objectives have all been achieved this year as we have seen overall income increase, net trading profits increase, we have continued to build regular and sustainable income, controlled costs, built our cash reserves and demonstrated a healthy balance sheet.

Become the leading light in baby and children's hospice care
Blazing a trail is what we do best. We're justly proud of our pioneering nurse led approach and unique services. We want to build on our strengths to become the model for children's hospice care that others will follow, and in doing so, transform the lives of children and families. Our vision is to deliver pioneering care through pregnancy, childhood and loss, whenever families need us, whatever their future holds.

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

2. Strengthening our organisation (continued)

We will make our vision a reality by:

- offering high quality, bespoke, specialist services for mums and dads to be, babies, children, and their families, coping with life-limiting conditions and living with loss;
- being inclusive, accessible and available 24/7 in our hospice, at home, in hospital and in our communities;
- ensuring every penny raised and every minute gifted is focused on the needs of the families we support.

Delivering safe and sustainable care

Our care workforce has been shaped and planned to deliver the services we know families want and need. This includes being able to offer effective care in Russell House, in the community and at home, virtually and in person. Pathways are in place to ensure families can benefit from a holistic view of their needs, including resilience and spirituality in all stages of their journey with us. We have tools in place to match demand whilst meeting the highest levels of need at all times.

Progress within our trailblazer plan has been good despite all the challenges that the pandemic and cost of living crisis have created and the team remain agile and responsive to ongoing change and opportunity.

3. Overall performance

This last year has been extremely challenging on every level, but we have risen to the challenge and were able to provide a wide range of support to the NHS ensuring early discharge for children who did not need to be in hospital, but couldn't be at home, and the avoidance of admissions by continuing to support the many families referred to us and on our existing caseload. Our hospice delivered services throughout the pandemic, including respite care for families who had not been able to get breaks, 24/7 advice line for families needing support, end of life services and our perinatal service for mums to be. All of our family support services, including bereavement support and counselling continued but were sometimes delivered virtually or over the phone. Keeping close to families ensured we understood their needs and could respond to them appropriately, at times in very different ways.

We have taken the opportunity during the year to continue to build our local collaborative of hospices within the Integrated Care System and ensure the collaborative is positioned sufficiently to take advantage of legislative changes to NHS structures coming in 2022.

During the year we have taken the time to develop a new strategy for trading, an investment program for our lottery, the launch of our platinum partners scheme in fundraising and continuous work on the development of our brand, ensuring its always fresh in the eyes of key stakeholders, including in the recruitment market with the development of a recruitment pack and our employer brand. It has been brilliant to see the return of some of our community fundraising activity and we remain truly humbled by the local support we have received during these last 2 very difficult years.

Our hospice building was 10 years old this year and we celebrated with a visit from our royal patron, Princess Beatrice who planted a time capsule in the garden. During the year we had a number of capital works completed, many as gifts in kind, including a new cinema room, a new memorial garden, decorating, flooring and other smaller but very beneficial projects.

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

3. Overall performance (continued)

Our work around equality, diversity and inclusion has seen us set benchmarks around staff, volunteers and trustees, provide a wide variety of training for people and complete an access and inclusion audit for the hospice and its grounds. We also secured grants to help with community capacity building work in our local Asian communities.

We would like to thank our staff, volunteers and supporters who have been incredibly resilient through this difficult time. We are very proud of what we have achieved during the year and believe this has stood us in good stead for the 12 months ahead.

b. Review of activities

Care Services - a review of the year

Over the past year in care, we have continued to manage our service delivery in line with the Government Covid guidelines.

Families have continued to access us for short breaks. We have reviewed our dependency tool and developed a workforce calculator, which allows us to manage breaks more efficiently with the workforce we have. Volunteers have returned to the hospice and we have developed a pool of people that can support the care team to provide activities to more families, for example cinema and playroom visits.

Senior care team have been working on re-engaging with acute and primary healthcare providers to raise awareness of how palliative care can benefit those children with life limiting conditions and this work has seen an increase in referrals to the hospice.

We have recognised that capacity needs close monitoring as it is becoming harder to recruit to the clinical workforce at all levels, a nationally recognised issue, and as such have used the workforce calculator to provide intelligence around what capacity looks like.

Our family support service has been reorganised and now operates a tiered approach model. We have two funded projects; Maternal Mental Health pilot and Reaching Communities. These sit alongside a partnership with West Yorkshire Police supporting the delivery of a Sudden Unexpected Death In A Child (SUDIC) service. Our SUDIC service has been recognised nationally and has won a premium charity award. The team continues to develop recognising the need to reach other communities within the region, and has recruited an Eastern European support worker. Referrals into our family support service have increased significantly over the past 12 months.

We communicated regularly with our CCG's and social care providers to offer the hospice as a safe place for freeing up hospital beds, which led to the development of a funded placement tariff. We have now had 9 children in for paid stepdown care since the start of the Pandemic. The majority of the funded placements have been spot purchased, however, there are now three children with commissioned placements. This is helpful as we can plan the breaks more effectively.

Our families and other external professionals continue to feedback that they are extremely happy with the care that is provided.

Objectives and activities (continued)

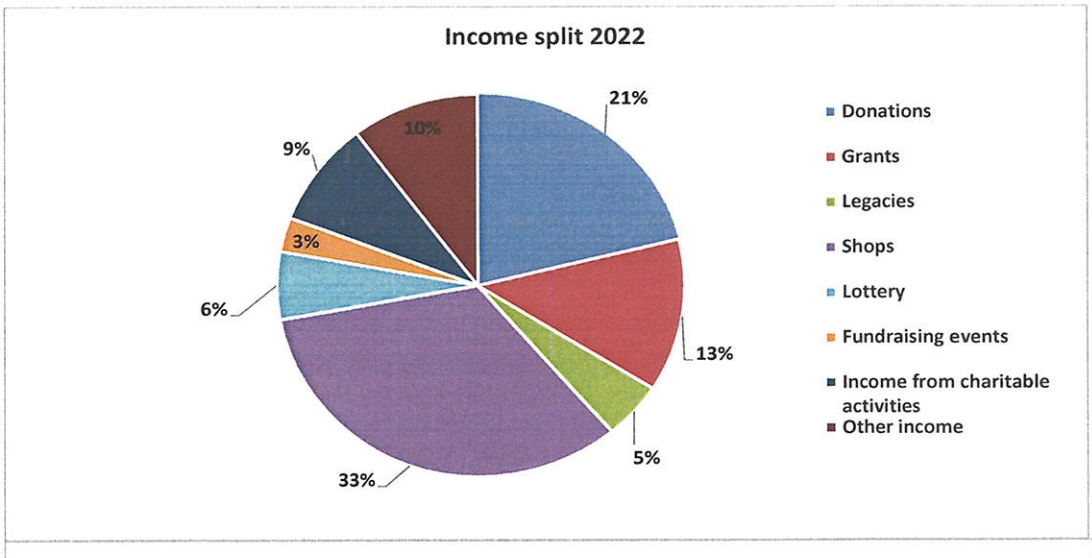
b. Review of activities (continued)

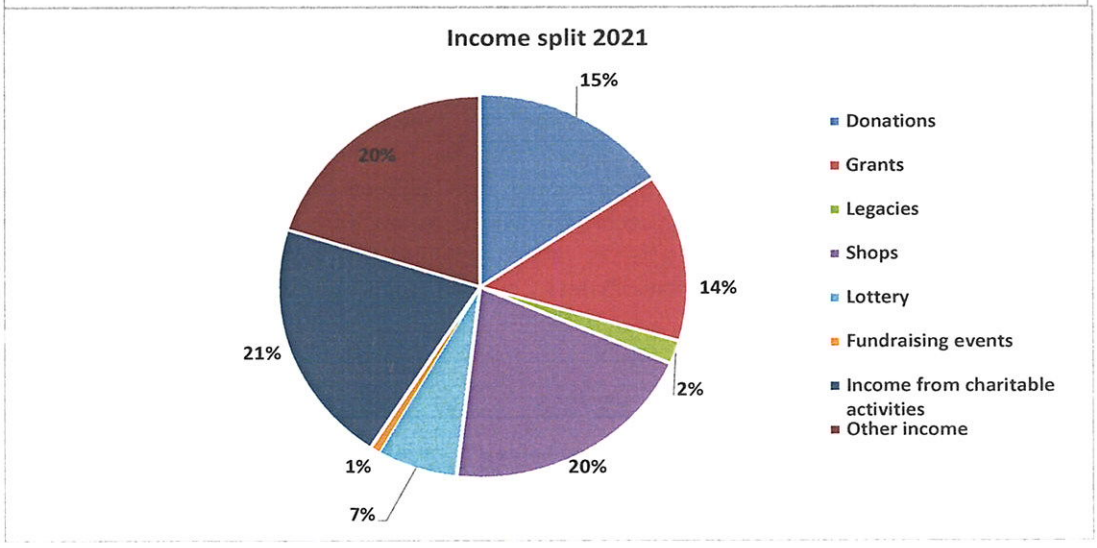
Care Services - a review of the year (continued)

We continue to work to ensure our services are inclusive and accessible. Over 60% of our service users are from ethnic minority communities and all of our families need our services to be personalised and inclusive for their children and their complex needs. We continue to provide breaks at home for those families who cannot access the hospice, we continue to transport children who have no suitable transport, we continue to support all rituals around death and dying, no matter what the cultural imperatives of the family are and we continue to develop tools and resources that children with limited communication skills can use.

Income Generation – a review of the year

Once again the shape of our income profile has changed this year. Areas that were radically affected by the pandemic last year such as trading, donations and fundraising events have bounced back though we have not had access to the same level of emergency funding grants from the government. The 'pie' allocation for 2022 and 2021 is demonstrated below:





Objectives and activities (continued)

b. Review of activities (continued)

Income Generation – a review of the year (continued)

We are very grateful for the amazing generosity of our donors and supporters. We only receive **6.9%** of total income from the NHS England Children's Palliative Care grant. The rest of our income is generated largely through donations, grants, fundraising events, the lottery, legacies, continuing care funds and through our retail shops,

Donations this year of £945,164 (2021: £603,808) have improved substantially as we slowly came out of the pandemic. We were also fortunate to receive £92,260 of gifts in kind towards essential refurbishment and decoration costs. Grants of £579,763 (2021: £551,188), have increased slightly this year as we continue to focus on capital projects in the garden and hospice facility, supporting care activity packages, resilience for families during the pandemic, and supporting our SUDIC services.

We received legacies of £212,874 (2021: £77,691). This includes two legacy accruals at year end of £126,000 subject to the sale of property.

In Trading, we have seen a strong bounce back from the pandemic with sales recovering well once shops reopened in May 2021. Trading income increased to £1,491,315 (2021: £790,780).

The lottery managed to remain steady through the year and generated income of £257,365 (2021: £255,600).

Fundraising has taken longer to recover to previous levels with events and challenges impacted significantly during the year due to postponements and cancellations and the threat of further restrictions over the Christmas period. However, event income still overall increased to £129,600 (2021: £29,546).

This year saw the hospice celebrate its ten-year anniversary which enabled us to deliver a number of awareness raising events, plus a very successful capital improvement campaign which resulted in higher than regular levels of capital funding, particularly through trust and foundation applications.

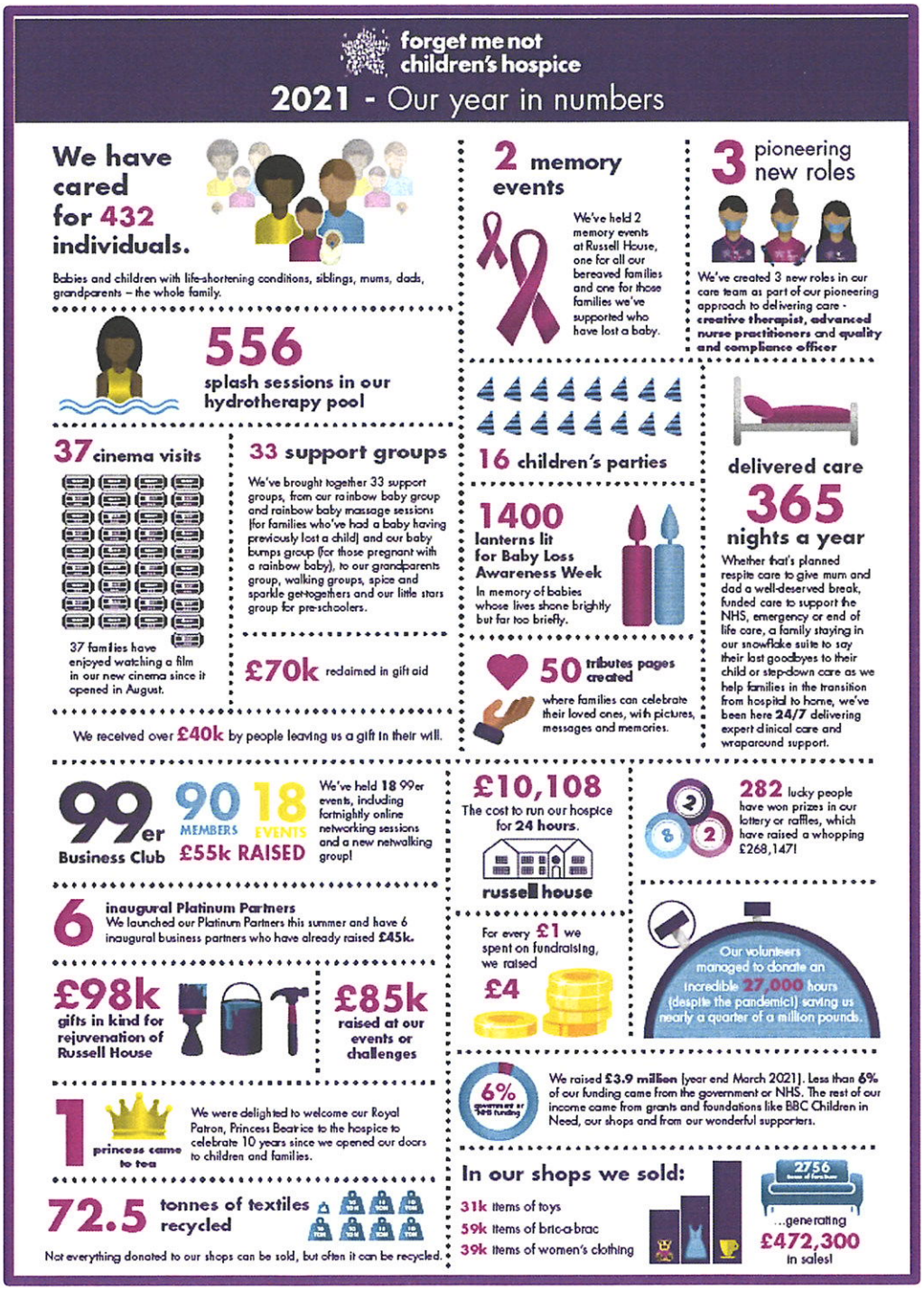
Income from charitable activities during the year was £397,645 (2021: £807,723). The decrease is largely due to the funding of £581,673 from the National Health Service England (NHSE) that we received in 2021, whereas this year we received £143,325. The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

Other income is an area that continues to develop directly as a result of being proactive and innovative in our approach to plugging the fundraising gaps during the pandemic, but also securing a more sustainable approach to future income generation through continuing care funds. Other income this year of £462,572 (2021: £785,923) has only decreased overall as we were no longer able to generate income through the government furlough scheme, redeployment of staff was minimal due to our own resource need and naturally we saw substantially less Covid emergency grants than we did in the prior year.

Objectives and activities (continued)

b. Review of activities (continued)

Income Generation – a review of the year (continued)



Objectives and activities (continued)

b. Review of activities (continued)

People and Resources – a review of the year

We continue to invest in our people, having developed a clear focus on wellbeing, equality diversity and inclusion and employer brand. We launched a recruitment pack to help people to understand what it is like to work here and encourage more people to join us. Staff and volunteer surveys help us to identify the things that matter to them and we have invested further in Employee Voice, the vehicle through which we consult with staff about the development of the organisation. Employee Voice were integral to the successful delivery of the pay and reward review which ensures our roles are benchmarking competitively with similar roles in both the sector and local market.

A manager's forum has been set up following investment in management development training, and work on the manager's toolkit is ongoing.

Despite significant changes during the year, we have continued to develop and support our teams and are very proud of just some of the following achievements that support our strategy of developing a highly effective team of remarkable people:

- One of our nurses is undertaking an Advanced Paediatric Nurse Practitioner master's course at Sheffield University. This will add to the three nurses who already hold this qualification. Further members of the care team are undertaking the nurse prescriber course to become non-medical prescribers and there are development plans in place for others in our nursing team. We also have care team members who are undertaking the nurse associate training in partnership with The University of Huddersfield;
- We continue to present at national and regional conferences about the perinatal and SUDIC work we lead on;
- We are supporting various people across the organisation to obtain qualifications in finance, management and leadership, marketing and fundraising;
- All of our senior leadership team have coaching arrangements in place to develop their leadership skills;
- Our Trustees have participated in Board Development days to improve their knowledge in terms of their responsibilities and effective board performance;
- We have won an award for our Sudden Unexpected Death In a Child (SUDIC) service.

Governance – a review of the year

The board have introduced a board effectiveness program including a review of each committee and an appraisal of each trustee. This is working well and promotes a good flow of conversation and challenge.

Meetings during the year have mainly been held online and trustees have decided to keep to online meetings for their subcommittee meetings, but board meetings are now back to being in person at the hospice.

During the year we focussed on trustee retention and have agreed that 12 trustees is the maximum number required, with each trustee assigned to a committee, including our trading board according to their skills. This ensures scrutiny, challenge and accountability.

We have continued the work on developing our Governance and Assurance Framework that encompasses all areas of the organisation. This is a working document that lists every regulation that we must comply with and how we can demonstrate or evidence compliance and provide assurance to the board.

Objectives and activities (continued)

b. Review of activities (continued)

Clinical Governance – a review of the year

A robust and well embedded clinical governance process has been in place for a number of years. This includes safeguarding, medicines management, incident management, infection prevention and control, education and research and clinical audit. Each of these areas has its own staff led committee which feeds into reporting at the trustee led clinical governance committee. We have also designed a system by which we can ensure all staff have access to all clinical policies and must sign to say they have read and understood new policies or changes to existing ones. This has been very useful during the fast-paced changes we have been required to make to deliver safe services during the pandemic.

We have continued to work with the regulator, The Care Quality Commission (CQC) and have retained our outstanding rating.

Plans for future periods

The key objectives in our financial strategy for 22/23 are:

- Grow and develop sustainable income now and in the future to ensure that we are always able to serve the needs of local children and families;
- Deliver a largely "normal" year of fundraising with a full calendar of events and challenges;
- Return trading to a pre-pandemic income and net profit position whilst implementing phase 1 of our new 3-year trading strategy;
- Identify and maximise opportunities for new areas of profitable income;
- Build a robust balance sheet with sufficient cash reserves to meet our financial obligations;
- Manage and control costs to match income generated and ensure spend is focused on core charitable activities.

We will continue to embed our Values:

Caring: We are one team and will always be kind, considerate and supportive.
Courageous: Together we have the strength and confidence to make brave choices.
Positive: We are passionate about making a difference and being the best we can be.
Pioneering: We challenge the status quo to make things better for children and families.
Genuine: We are true to ourselves and others.

In 2019 we launched our vision, mission and a new strategy – Trailblazer Plan 2019-2025.

Our vision is to deliver pioneering care through pregnancy, childhood and loss, whenever families need us, whatever their future holds.

Plans for future periods (continued)

Our Trailblazer Plan is ambitious and focused on the future. By 2025 we aim to be a trailblazing organisation delivering high quality, accessible and innovative services to those who need us most. Setting the standard for nurse and therapy led care; we will take full advantage of our pioneering and specialist services to support babies, children and families living with life-limiting conditions in the communities we serve. And by taking steps to protect our future, we will strive to continue to be here for families for years to come.

Our trailblazer plan continues to be built on and our key focus for the year ahead is around culture. We have been working on a people engagement promise and will be launching that later in the year to all staff. We recognise that our people are our most important asset, that our people may be impacted by the cost of living crisis, wellbeing issues and the volatility of the recruitment market and so we are taking steps to mitigate these issues as far as we can to continually enable the best services to the families that need us.

Care Services – looking ahead

The care strategy is now in place. The first year will focus on strengthening the foundations we have in place and will work across the team to describe the part each member/team will play in the implementation of the strategy.

We will continue to promote our funded placement offer where families choose to come to us for a short break which is either paid for from a personal budget fund assigned by the council or via the Clinical Commissioning Group/Integrated Care Provider (CCG / ICP). Ongoing work will be around developing a pipeline of commissioned placements.

Our Maternal Mental Health Pilot will continue to run for the next 12 months. We will be raising awareness across healthcare providers to ensure that those mum's that have experienced baby loss can access the support available. Whilst running this pilot we will be evaluating our impact using validated outcome measures, and working with University of Huddersfield to formally evaluate at the end of the pilot, January 2024.

Within family support we will be implementing a trauma informed policy growing the trauma therapies available to families and the knowledge of all staff in relation to trauma.

Alongside this we recognise that our sibling support offer needs to grow as we are operating a waiting list for siblings requiring emotional support following bereavement.

We will be presenting the work in relation to our south Asian community engagement at a national conference and are currently involved in two research programmes running from University of Bradford and Kings College London.

Our Director of Service Delivery and Development will commence a PhD programme this year, which will contribute to research around perinatal mental health.

Our new education and training framework will provide us with the information required to ensure all staff working within care have the right knowledge and skills to be able to support children with palliative care needs and their families. This will be used to assess the gaps in knowledge and skills which we can support through learning and development. This framework can be used to support external health providers and HEIs in their learning and will add to our diverse income generation.

Plans for future periods (continued)

Care Services – looking ahead (continued)

Development of a Forget Me Not outcome tool will enable us to support families in their resilience as carers, and identify what is important to them as individuals. Through this we can gain knowledge of how to tailor support specific to their needs.

Income generation – looking ahead

In Fundraising, we will continue to embed new fundraising initiatives which have been successfully launched in the last financial year. This includes the growth of our corporate partnership scheme, regular giving, gifts in wills pipeline and tribute funds.

The year ahead will also see us run a campaign to fund and drive awareness of a specific service and we will successfully complete year one of our lottery growth project.

We will continue to develop the community elements of our income, which have been slowest to recover post-pandemic – this includes bringing our regional fundraising resource back to full strength and continuing to build on our already successful community engagement work. We will also continue to drive growth from tributes, in memory and gifts in wills, all of which are in line with our fundraising strategy.

In Trading, we will look to recover sales and net profit to pre pandemic levels. We will also implement year one of the new three-year trading strategy. This includes the development of our online function and a full cost review. Our new donation centre will also open during this new year.

We will continue to develop a diverse approach for all areas of Income Generation, looking for new and innovative ways to develop income and develop existing areas where budgets allow.

In the year ahead, we will conduct a "brand refresh" which will include new and updated key messages and the creation of a new brand promise. We will also continue our journey to support an advocacy-based approach to increasing awareness across our communities.

Supporting our people – looking ahead

We will continue to be inspirational in working together as one team, and this has been paramount in managing the impact of agile working as a result of COVID-19 on our people. We will continue to promote our well-being package and introduce a financial well-being tool to support our people with planning their financial goals and maximising their financial health. In addition, we will introduce salary exchange for pensions as a way to help our people get more money in their pay packet. We will communicate and engage with staff and develop a culture where we explore opportunities for development and progression from within the organisation. This will enable our people to deliver their best work, whatever their role, knowing the difference that work makes to the children and families we're all here to support.

We will continue to work on our Equality, Diversity and Inclusion (ED&I) Strategy and as part of this we will develop an Inclusive Recruitment Framework and build on our ED&I data and measures through staff and volunteer ED&I surveys.

Through ongoing staff surveys, we will continue to develop our Manages Forum which brings all of our managers together every month to look at key issues which affect everyone. The key focus for this forum will be to own and deliver our People Promise and this will be launched in September 2022 at an all staff event.

Plans for future periods (continued)

Supporting our people – looking ahead (continued)

Our People Promise has 4 pillars:

- **Attract**; the recruitment and onboarding journey
- **At your side**; supporting our people
- **Aiding growth**; investing in our people
- **Advocacy**; enabling our people to embody our cause

In Care we aim to consolidate our foundation within our teams to strengthen our position of delivering safe, responsive and effective care that is well led. In real terms this means supporting our existing teams to work more collaboratively internally and externally and improve processes to make sure we are maximizing our efficiencies without negative impact on the teams. We also ensure that clinical supervision is in place for all of our qualified staff.

In Fundraising, we will continue to ensure that our resource is channelled effectively to the income streams that will deliver the greatest returns for the organisation. We will continue to develop our people, which will including placing one colleague each year through the CIOF certificate in Fundraising. Emerging areas of income will see resource directed to them in the new year.

In Trading we will start to develop the "great people" strand of our new strategy. This will include the creation of a new development pathway, and the introduction of specific training modules.

In Marketing & Communications, we will restructure the team slightly to react to the current needs of the organisation, resulting in the recruitment of a new post.

Across all areas of income generation, we will focus on the recruitment of new volunteers. We recognise the potential that this has in significantly increasing our ability to grow and sustain our income generation over the next 12 months.

In Finance and Corporate Services, we will continue to focus on systems and automating processes to improve efficiencies and sustain the volume of workflow, ensuring compliance and excellent governance is in place. As part of protecting our future, teams will ensure value for money by reviewing all contracts to create savings, whether that be costs, efficiencies or added value. We developed a new three-year IT and Data Strategy which will focus on data collection particularly using SystmOne to demonstrate activity and report on targets within care service delivery as well as creating data dashboards across all departments.

Investment powers and policy

The Board review the investment policy on an annual basis.

The key elements to the policy are below.

In accordance with the Articles of Association, the Charity has the power to deposit or invest funds, and employ a professional fund manager, in the same manner and subject to the same conditions as the Trustees of a Trust are permitted to do by the Trustee Act 2000. In summary:

Investment powers and policy (continued)

- Trustees have a duty to maximise the return of the Charity's fund;
- Trustees have a duty not to risk the fund in hazardous or speculative investment;
- Trustees must consider the suitability of investments and the need for diversification;
- Trustees are required to act honestly and with prudence;
- Trustees have the power to invest in the same range of investments as an absolute owner (unless there are restrictions in the governing document).

The Board of Trustees have delegated investment decisions to the Audit, Finance and Risk Committee. The Audit, Finance and Risk Committee have responsibility for recommending strategy and managing and monitoring the investment assets, in line with this investment policy. The committee will review the investment information provided at each quarterly meeting, however there are no investments held currently.

Financial review

a. Financial performance

During the year net incoming resources of £312,758 (2021: £212,989) were added to reserves. Within total incoming resources of £4,476,297 (2021: £3,902,259), was £1,737,801 which equates to 38.8% (2021: £1,232,687 – 31.6%) received by way of donations, grants and legacies. The sources of this voluntary fundraising income have been broadened to avoid reliance in any one particular area.

Income from trading activities was £1,878,280 (2021: £1,075,926 – 27.6%) which equates to 42% received through our shops, lottery and fundraising events. This area of income has been substantially increased after the impact as a result of lockdowns and the pandemic in 2021.

Net profit from shop activities has increased to £276,756 (2021 loss: £166,566) as a result of COVID-restrictions being lifted during the year.

Net profit for the lottery has improved for the year to £159,832 (2021: £152,105) due to a campaign to stop cash collections and convert these players to direct debit, saving costs. In addition, the prize fund was revised which has also reduced costs.

The Charity receives income from the generosity of the public, raised in many ways such as through support from corporates, trusts and foundations, major donors, community supporters, legacies, lottery, fundraising events and from the public sector (local CCGs). As a result of Covid various new income streams were generated as other income, which included income raised through continuing care packages and training funding. Charitable activities, includes restricted funding from NHSE for purchasing hospice capacity. See the notes to the accounts for more detail on funding sources. The NHS England Children's Palliative Care grant equates to just 6.4% (2021: 5.2%) of consolidated income and 12.2% (2021: 9.3%) of charitable activities. NHS England have announced that funding will increase steadily each year reaching its peak contribution in 2023/24 which is very promising news for the future.

Staff costs have increased since last year. Staff costs for the year were £2,887,087 (2021: £2,597,972). Staff costs as a percentage of total costs were 69.4% during the year (2021: 70.4%). Average staff FTE numbers have increased to 99 (2021: 90) largely due to filling key vacancies that were carried in the prior year.

Financial review (continued)

a. Financial performance (continued)

Auto enrolment employer contributions are 3% and the majority of staff contribute to the People's Pension Scheme. In addition, we operate an NHS Pension Scheme under a directive and for the past 2 years we have seen the employer's contribution rise from 14.38% to 20.68%, however the increase continues to be funded by NHS England. There is still no confirmation from NHS England beyond 2023 of how hospices might be supported to afford these pension increases and as such the NHS Pension scheme has been closed to new members since October 2019 as a way of controlling costs. There is also a challenge in that some staff are receiving a substantial pension benefit, whilst the majority are on the most basic pension benefit. We are starting to address this issue as part of the annual budgeting process.

Total costs have increased to £4,163,250 (2021: £3,689,270). The work of volunteers within the Charity is fundamental to the growth and sustainability of funds. Without their continued support it is envisaged that costs of employing support staff and fundraisers would amount to an additional annualised cost of over £445,000 based on an average of 50,000 volunteer hours at national living wage, given during an average year. The Trustees wish to express their sincere gratitude to every volunteer for their generosity and the gift of time.

Spending on charitable activities was £2,358,558 (2021: £2,176,288). The percentage spend on charitable activities versus consolidated costs is 56.7% (2021: 59%).

b. Reserves policy

The total unrestricted and restricted reserves held as at 31 March 2022 was £3,351,090 (2021: £3,038,331).

The current level of cash/investments held by Forget Me Not Children's Hospice is £1,391,217 (2021: £1,240,606). However true cash, after loan liabilities due within one year of £142,429 (note 18) and loan liabilities falling due in more than one year of £335,131 (note 19) is £913,657 (2021: £710,606), and is allocated for emergency reserves.

The balance of unrestricted reserves held is £3,254,745 (2021: £2,950,027) which is maintained to ensure that there are sufficient funds to provide care and continue to reach more children and families that need our support.

The reserve funds policy is to have sufficient reserves to cover operating costs for one year and set aside for emergency purposes only. In addition, there should be available cash reserves of three months of operating costs.

Forget Me Not Children's Hospice is building true free cash reserves at a steady pace, which can remain untouched and held for emergency purposes, however at this stage and due to being in a strong going concern position we settled our Key fund investment in June 2022 reducing our debt as a result. Other loans will be reviewed regularly in terms of their viability to settle earlier.

The immediate strategy to build reserves and financial strength is being addressed and assurance measures can be demonstrated as follows:

- Sourcing additional public sector and CCG funding
- Allocating legacy income to build reserve funds
- Robust management and control of our resources
- Building our capacity to generate more income

Financial review (continued)

b. Reserves policy (continued)

The aim is to build true emergency cash reserves to £1 million by March 2023. True emergency reserves as at 31 March 2022 was £913,657 which remains on target and we aim to build reserves by achieving a steady increase each year.

Reserve Funds are reviewed at each AFR committee meeting as part of the financial reporting process and supporting cash flow forecast. Reserve levels will be reset appropriately, after consideration of cost challenges set and achieved and confirmation of successful income in the pipeline, to ensure that the levels meet the needs of the strategic direction of the Hospice.

The Trustees consider it prudent that reserves other than restricted and designated should be sufficient:

- To avoid the necessity of realising fixed assets held for the Charity's use;
- To provide protection against any possible decline in future income from fundraising and donations in general.

Emergency Reserves
Forget Me Not Children's Hospice needs emergency reserves to protect its current activities. The Board of Trustees had set emergency reserves target for the financial year 2021/22 at a realistic level of £800,000 (achieved £913,657) to ensure business continuity due to unforeseen events, taking into account the needs, risks and challenges faced by the Charity in the short to medium term. The level of reserves is reviewed at each AFR meeting and reserves policy will be reviewed annually. Reserves will be built to ensure that we build a sustainable future for local children and families living and dying with life limiting conditions.

Capital Reserves
Forget Me Not Children's Hospice has been operating from Russell House since 2011 and whilst it is still a fairly new building, it is now 10 years old and there will be an ongoing need to ensure that all capital equipment is fit for future purpose and that there is a robust Capital Replacement Plan in place for the building, grounds and equipment. The majority of capital works completed during this financial year have been funded through capital grants and gifts in kind.

The Capital Reserve will be calculated as the balance left after allocated Emergency Reserves.

Development Reserves
There are no development reserves allocated for the financial year 2021/22 as the business plan is aimed at protecting the existing resources. Any new investments to be made in 2022/23 financial year will be supported by robust income generation plans and funded through high level supporter funds or loans that ensure future returns on the investment.

Restricted Funds
Restricted funds will be maintained and accounted for in accordance with the appropriate regulations and only used for the purposes for which they are provided.

Designated Funds
Forget Me Not Children's Hospice may occasionally need to save or accumulate funds in order to finance a particular project. These monies will come from unrestricted funds and will be earmarked for a particular project but may be designated as a separate fund. However, this designation will only be for administrative purposes and these funds will remain under the control of Trustees and may be redirected to meet running costs should circumstances require.

Financial review (continued)

c. Going concern

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the impact of COVID-19 on the UK economy and its potential impact on the financial sustainability of the Charity and Group. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered any remaining available government schemes and interventions in making their assessment.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity and Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note 2.2.

d. Fundraising and compliance

Forget Me Not Children's Hospice is reliant on the goodwill and support of the local community in order to provide its charitable services to children with life shortening conditions and their families without charge. The hospice has an excellent reputation, however with this comes a responsibility to ensure the very highest of fundraising standards are in practice.

Income generation is not simply a way of raising funds, but it is also a conduit to developing and maintaining key supporter and donor relationships, ensuring that supporters are very much a part of our Forget Me Not journey.

It is not always possible to assess whether supporters are 'vulnerable' or to coordinate activities with other charities, so our approach is to focus on our fundraising activities and relationships and conduct these and our contact with donors in line with the law and our own high standards.

All income generation activities are undertaken within charity law, Charity Commission regulations, HMRC rules, The Gambling Act, local licencing laws, Advertising Standards Authority rules and data protection laws. This list is not exhaustive. We are registered with the Fundraising Regulator and continue to work towards full compliance with the Fundraising Code of Practice and strive to adopt best practice in all that we do.

We support and encourage our fundraisers to achieve qualifications through the Chartered Institute of Fundraising, and some members within the team are actively engaged in training and support through this organisation.

Forget Me Not Children's Hospice has an open and accessible complaints policy and has had no reportable complaints relating to our fundraising practices during the year ended 31 March 2022.

e. Donor management

The new General Data Protection Regulation effective from 25th May 2018 has meant that we have had to focus on our approach to compliance in this area. We have supported the consent and legitimate interest rules as our legal reason for processing information so that we have an opportunity to reconnect and reappraise our relationship with donors by refreshing their communication preferences and positive consent, or not as the case may be. As a result, we have now got a database of engaged contacts who have told us how they wish to engage with Forget Me Not.

Financial review (continued)

e. Donor management (continued)

Historically, we have practised traditional methods of fundraising which has supported the consent rule as it is very clear and transparent, and also drives trust. We do not conduct activities such as wealth screening, and we take pride in our approach within our values demonstrating respect and integrity. We are especially careful and sensitive when engaging with anyone who may be vulnerable, elderly, bereaved or affected by illness. This is supported by a number of relevant policies and procedures.

f. External fundraisers

We use the services of Sterling Lotteries who manage and run our weekly prize draw. Sterling is licenced and regulated by the Gambling Commission to promote a non-remote and remote lottery and also supply, install and adapt gambling software to promote a lottery.

All Sterling representatives receive Gambling Commission training (including vulnerable persons training) and representatives are also trained in line with the Fundraising Regulators Rule Book for Face-to-Face Fundraising. Sterling is audited annually on the Gambling Commission subset of ISO27001:2013. The audit report is available on request.

There were no reportable complaints relating to the activity undertaken by Sterling on behalf of the Hospice in 2021 (2020: none).

In the new financial year, we will start to use external lottery canvassers through "The Fundraising Partnership". A stringent tendering process has been followed in selecting this agency and we are satisfied that their colleagues undergo in house training which covers all of the necessary points relating to governance and compliance when representing the charity publically.

g. Principal risks and uncertainties

The Trustees and Senior Leadership Team have assessed, and regularly review, the major risks to which The Forget Me Not Children's Hospice is exposed, in particular those related to the finance, operations, people and compliance. The main risk that the Hospice faces going forward is around staffing, including access to qualified and non-qualified care staff. The hospice senior leadership team have been providing evidence around this issue to a variety of organisations who have been leading campaigns at government level to address a sector wide shortage. On a local level, discussions are taking place with workforce leads within the Integrated Care Systems (ICS) around access to placements, rotational shifts, overseas recruitment and retirement markets to promote the visibility of the hospice within the local health and social care economy as a great place to work.

The Hospice's principal financial instruments comprise bank balances, creditors and debtors. The main purpose of these instruments is to raise funds to finance the operations of the Hospice.

Due to the nature of the financial instruments used by the Hospice, there is no exposure to price risk. The Hospice's approach to managing risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining credit balances. The Hospice makes use of money market facilities when funds are available.

Trade debtors are managed by the regular monitoring of amounts outstanding for both time and credit limits.

Financial review (continued)

g. Principal risks and uncertainties (continued)

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due and ensuring that suppliers are not paid early.

Further mitigation was put in place to protect cash flow pinch points anticipated in the form of securing an unsecured Key Fund investment of £300,000 in January 2019. The investment was linked to social impact and requires regular monitoring. The investment was repayable over 66 months but has been settled in full in June 2022.

As a result of retail lockdowns during the pandemic, FMNT Trading Ltd (A wholly owned subsidiary of the charity) took advantage of two Coronavirus Business Interruption Loan schemes (CBILS) through Lloyds bank. An amount of £150,000 was taken out in June 2020, and then a further loan of £150,000 in December 2020. The loan rates are favourable, and the terms were both 12 months interest free and no capital repayments. Both loans are repayable over 72 months.

Structure, governance and management

a. Constitution

The Forget Me Not Children's Hospice Limited is registered as a charitable company limited by guarantee incorporated on 15 June 2005 and registered as a charity on 15 July 2005. The Charity modernised its governing document on the 13th November 2015 and is governed by its Articles of Association. In the event of the Charity being wound up members are required to contribute an amount not exceeding £10.

b. Methods of appointment or election of Trustees

As set out in the Articles of Association adopted on the 13th November 2015, the governing body is the Board of Trustees whose members are appointed either by the Charity in a general meeting or by the other Trustees. The Board of Trustees seek to ensure that the needs of the ultimate user group are appropriately reflected through the diversity of the Trustee body. Trustees are recruited using a robust selection process from a group of interested people who have responded to adverts.

c. Policies adopted for the induction and training of Trustees

New Trustees have been invited to take part in induction provided both by the charity and by external sources including facilitated learning activity. This induction ensures the Trustees understand their roles and responsibilities, understand the workings of the hospice and the charity, can identify key risks, hold the management team to account and work together to build a sustainable future for the organisation.

The publication 'The Essential Trustee' is also distributed to new Trustees to assist them in identifying the principles behind being a Charity Trustee, and their legal obligations under Charity and Company Law.

Structure, governance and management (continued)

d. Organisation structure

The Board of Trustees, which must consist of not less than three Trustees but shall not be subject to any maximum, helps to administer the Charity by providing the overall strategic direction and ensuring the highest standards of governance is maintained throughout all aspects of the operation. They meet quarterly and in addition have 2 away days. There are three Board subcommittees, each comprising of a minimum of three Trustees, which meet at least four times a year and cover all aspects of the Charity's business:

- Audit, Finance and Risk Committee (AFR)
- HR & Governance Committee (HR&G)
- Clinical Governance Committee (CGC)
- Trading board

Day to day running of the Charity is delegated to the Chief Executive who discharges their responsibilities through the Senior Leadership Team.

e. Related party relationships

The West Yorkshire Forget Me Not Trust was founded in 2000 as a charitable organisation. However, a decision was taken by the Trustees in early 2005 that the objects of the Charity Trust Deed could be better served if the Trust became an incorporated company. Thus, following incorporation of the company, the reserves of the West Yorkshire Forget Me Not Trust were transferred to the Charity on its cessation on 31 December 2005. A special resolution to change the name of the Charity from the West Yorkshire Forget Me Not Trust Limited to The Forget Me Not Children's Hospice Limited was passed by members in July 2011.

The Charity has a subsidiary company, FMNT Trading Limited, through which it runs a chain of Charity shops.

f. Risk management

The assessment of hazards and risks in the physical environment and in clinical and nonclinical working practices is undertaken on a regular basis to protect the health and welfare of staff, children/young people and their families.

Successful risk management at the Charity is based on the following philosophy:

- The identification of risk is considered in all areas of work and is included in all operational activities.
- The success of a risk management program is dependent upon a committed approach by the Board of Trustees, Chief Executive, Senior Leadership Team and all staff.
- The identification and management of risks requires active involvement of operational staff within the Charity as these staff are best placed to perform this function if there are robust communication and support systems.
- The promotion of an open, objective culture for incident reporting and the identification of risk and consistency in managing those risks are essential to the success of the Risk Management Policy. This is supported by all levels of management across all occupational groups and staff in all areas of the charity have had training around incident reporting.
- All staff will receive training in defined and agreed elements of risk management including risk reduction, incident reporting and investigation.

Structure, governance and management (continued)

f. Risk management (continued)

A comprehensive Risk Assessment Tool covering the Charity, operations, financial, compliance and people risks is in operation and reviewed at least quarterly. The Trustees have access to an organisational risk register and assess the risks faced by the organisation on an ongoing and regular basis.

There is Trustee and Senior Team Indemnity Insurance Cover in place. As well as internal controls and processes we are externally audited on an annual basis for Health and Safety, and for Finance. The Board receive annual Health and safety and Information Governance reports in addition to regular updates. There are robust information governance processes and controls in place to mitigate risk.

Reference and administrative details of the charity, its Trustees and advisers

Rebecca Chaloner (resigned 18th March 2022)
Jeremy Cross, Chair (appointment of Chair reconfirmed 10th June 2022)
Jo Ellis (reappointed 18th March 2022)
Sarah Fothergill (resigned 20th July 2021)
Harry Granger (resigned 4th June 2021)
Simon Parkinson (resigned 18th March 2022)
Sarah V Ramsey (reappointed 18th March 2022)
Gill A Sharpe (resigned 10th December 2021)
Niesha Snarr (resigned 17th April 2021)
Claire Warner (resigned 13th July 2021)
Claire Woodford (appointed13th December 2019)
David Anderson (appointed 11th September 2020)
Lisa Leighton (resigned 9th August 2021)
Adrian Gordon (appointed 11th September 2020)
Tim McBurney (appointed 11th June 2021)
Darryl Britto (appointed 11th June 2021)
Paul Harvey Stead (appointed 13th September 2021)
Sofia Gohir (appointed 13th September 2021)
Margaret Falconer (appointed 10th December 2021)
Alexandra Clements (appointed 18th March 2022)

Company registered number	05481614
Charity registered number	1110457
Registered office	Russell House Fell Greave Road Huddersfield West Yorkshire HD1 2HG

Structure, governance and management (continued)

Reference and administrative details of the charity, its Trustees and advisers (continued)

Company secretary	Nicola O'Dowd
Chief executive officer	Luen Thompson
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS
Bankers	Lloyds Bank Commercial PO Box 1000 BX1 1LT
Solicitors	Schofield Sweeney Springfield House 76 Wellington Street Leeds West Yorkshire LS1 2AY

Directors of FMNT Trading

Gareth Pierce
Sarah Fothergill (resigned 20th July 2021)
David Ashton (appointed 22nd April 2021)
Paul Harvey Stead (appointed Chair 16th December 2021)
Mike Robinson
Dan Quinn (appointed 22nd April 2021)
Laura Green (appointed 6th May 2021)

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

Structure, governance and management (continued)

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, have been appointed during the year and have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 9.9.22 and signed on their behalf by:

J Cross Chair	**N O'Dowd** Company Secretary

REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of The Forget Me Not Children's Hospice (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 March 2022 and of the Group's incoming resources and application of resources, including its 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 United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. 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.

Other information (continued)

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.

Opinion 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 including the Group Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report including the Group Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Group Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement on page 22, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and parent charitable company through discussions with trustees, directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group and the parent charitable company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2.18 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Use of our 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ross Preston (Senior statutory auditor)

for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors

Leeds

Date: 14 September 2022

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Income:							
Donations and legacies:							
Donations	4	852,039	93,124	945,163	597,248	6,560	603,808
Grants	5	28,037	551,726	579,763	8,280	542,908	551,188
Legacies	6	212,874	-	212,874	77,691	-	77,691
Income from other trading activities:							
Shops		1,491,315	-	1,491,315	790,780	-	790,780
Lottery		257,365	-	257,365	255,600	-	255,600
Fundraising events		129,600	-	129,600	29,546	-	29,546
Income from charitable activities	7	236,320	161,325	397,645	226,050	581,673	807,723
Other income	8	462,572	-	462,572	785,923	-	785,923
Total income		3,670,122	806,175	4,476,297	2,771,118	1,131,141	3,902,259
Costs of raising voluntary income		372,992	-	372,992	375,527	-	375,527
Fundraising trading: costs of goods sold and other costs		1,214,560	-	1,214,560	957,346	-	957,346
Fundraising trading: costs of events		217,140	-	217,140	180,109	-	180,109
Costs of raising funds	9	1,804,692	-	1,804,692	1,512,982	-	1,512,982
Expenditure on charitable activities		1,560,424	798,134	2,358,558	1,062,381	1,113,907	2,176,288
Total expenditure	9	3,365,116	798,134	4,163,250	2,575,363	1,113,907	3,689,270
Loss on disposal of fixed assets		288	-	288			
Net movement in funds before other recognised gains brought forward		304,718	8,041	312,759	195,755	17,234	212,989
Net movement in funds		304,718	8,041	312,759	195,755	17,234	212,989
Reconciliation of funds							
Total funds brought forward		2,950,027	88,304	3,038,331	2,754,272	71,070	2,825,342
Net movement in funds		304,718	8,041	312,759	195,755	17,234	212,989
Total funds carried forward		3,254,745	96,345	3,351,090	2,950,027	88,304	3,038,331

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 44 form part of these financial statements.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2022

		Group		Charity	
	Notes	2022 £	2021 £	2022 £	2021 £
Fixed assets					
Intangible assets	13	-	-	-	-
Tangible assets	14	2,203,813	2,190,956	2,177,495	2,136,761
Investments	15	-	-	1	1
		2,203,813	2,190,956	2,177,496	2,136,762
Current assets					
Stock	16	17,772	18,777	1,500	1,500
Debtors	17	600,137	357,128	683,370	276,939
Cash at bank and in hand - Unrestricted fund		1,294,872	1,152,302	751,720	947,974
- Restricted fund		96,345	88,304	96,345	88,304
		2,009,126	1,616,511	1,532,935	1,314,717
Current liabilities					
Creditors: amounts falling due within one year	18	(526,718)	(351,136)	(664,256)	(415,821)
Net current assets		1,482,408	1,265,375	868,679	898,896
Total assests less current liabilities		3,686,221	3,456,331	3,046,175	3,035,658
Creditors : amounts falling due after more than one year	19	(335,131)	(418,000)	(125,131)	(150,500)
Total net assets		3,351,090	3,038,331	2,921,044	2,885,158
Charity funds					
Unrestricted funds	21	3,254,745	2,950,027	2,824,699	2,796,854
Restricted income funds	21	96,345	88,304	96,345	88,304
Total funds		3,351,090	3,038,331	2,921,044	2,885,158

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 9th September 2022 and signed on their behalf by:

J Cross

Chair

N O'Dowd

Company Secretary

The notes on pages 30 to 44 form part of these financial statements.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Group 2022 £	2021 £
Cash flows from operating activities:			
Net cash from operating activities	24	309,860	880,453
Cash flows from investing activities:			
Purchase of property, plant and equipment		(159,249)	(54,973)
Net cash used in investing activities		**(159,249)**	**(54,973)**
Change in cash and cash equivalents in the reporting period		**150,611**	**825,480**
Cash and cash equivalents at the beginning of the reporting period		1,240,606	415,126
Change in cash and cash equivalents		150,611	825,480
Cash and cash equivalents at the end of the reporting period	25	**1,391,217**	**1,240,606**

The notes on pages 30 to 44 form part of these financial statements.

1. General information

The organisation is a charitable company limited by guarantee, incorporated in England and Wales. The address of its registered office is Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH. The charitable company's registered number is 05481614.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Forget Me Not Children's Hospice Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going Concern

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the impact of Covid-19 on the UK economy and its potential impact on the financial sustainability of the Charity and the group as a whole. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered remaining available government schemes and interventions in making their assessment. The Trustees have received a 12 month rolling cash flow forecast, together with mitigation plans and a full understanding of the financial performance in order to make a going concern decision.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

2. Accounting policies (continued)

2.3 Income (continued)

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes, but not expended during the period, is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services or items are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. Donated fixed assets are included in income at the estimated value of the gift to the Charity when received, based on the amount that the Charity would have been prepared to pay for these services or facilities had it been required to purchase them, with a corresponding entry being capitalised in fixed assets for the same amount. There were gifts in kind of £92,260 recorded this year (2021: £0).

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading. Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets such as website costs are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

- Amortisation is provided on patents over 3 years.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

The land was bought for a notional amount from the council and has restrictions within the deeds, therefore no revaluation has been done. The building is valued at cost

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- Nil
Russell House (freehold)	- 2% straight line from 1 November 2011
Grace's Place (leasehold)	- over the life of the lease (99 years)
Medical equipment	- 20% straight line
Motor vehicles	- 20% straight line basis
Fixtures and fittings	- 15% straight line
Computer equipment	- 20% straight line
Leasehold improvements	- over the life of the asset or 20%

The need for any impairment of a fixed asset is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investments in subsidiaries are valued at cost less provision for impairment.

2. Accounting policies (continued)

2.9 Stocks

Stocks of retail goods are valued at the lower of cost and net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the Charity which far outweigh the benefits. Stocks are valued using the first in, first out (FIFO) method.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Concessionary loan

The Charity has taken advantage of section 34 of FRS102 to recognise the loan to/from its trading subsidiary and the Charity form a public benefit entity group. As such the Charity initially recognises and measured the loan at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. No interest is being charged on this loan.

2.15 Operating leases

Operating leases are recognised over the period of which the lease falls due. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

2. Accounting policies (continued)

2.16 Pensions

Employees of the Charity are entitled to join a defined contribution 'money purchase' scheme. The Charity contribution is restricted to the contribution disclosed in note 27. The costs of the defined contribution scheme are included with the associated staff costs and allocated therefore to raising funds, charitable activities and support costs and charges to the unrestricted funds of the Charity. Pensions are allocated to activities and funds in line with staff pay costs

The money purchase plan is managed by Peoples Pension and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employees normal retirement age which is defined as when they are eligible for a state pension. Employees that have previously been on the NHS pension scheme before joining the Charity, have an option to continue this scheme provided the criteria have been met. The Charity has no liability beyond making its contributions and paying across the deductions for the employees contributions.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.18 Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from actual results. They are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts

Useful economic lives of tangible assets:
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economical utilisation and the physical condition of the assets.

Useful economic lives of intangible assets:
The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation.

2. Accounting policies (continued)

2.18 Key accounting estimates and assumptions (continued)

Valuation of gifts in kind:
Gifts in kind are included within the accounts at an estimated value. The estimated value is based on the value the Charity would have been required to pay for equivalent services.

3. Critical accounting estimates and areas of judgment

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

4 Donations

	2022			2021		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
General donations	679,051	-	679,051	428,236	-	428,236
Shooting Star Appeal	-	864	864	-	6,560	6,560
Liz & Terry Bramall Foundation	100,000	-	100,000	100,000	-	100,000
Fixby Friends	800	-	800	1,450	-	1,450
Friends of Forget Me Not Support Group	20,236	-	20,236	7,000	-	7,000
Gift Aid on donations	51,952	-	51,952	60,562	-	60,562
Value of gifts in kind and donated services	-	92,260	92,260	-	-	0
	852,039	93,124	945,163	597,248	6,560	603,808

5 Grants

	2022			2021		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
Annandale Charitable Trust	-	10,000	10,000	-	-	-
BBC Children in Need - Perinatal grant	-	26,671	26,671	-	40,504	40,504
BBC Children in Need	-	37,500	37,500	-	37,500	37,500
Cares4Kids	-	10,000	10,000	-	10,000	10,000
Community Foundation for Calderdale	-		-	-	10,000	10,000
Garfield Weston Foundation	-	15,000	15,000			
National Lottery	-	17,713	17,713	-	90,332	90,332
NHS England Annual Grant	-	287,188	287,188	-	203,457	203,457
PPG Architectural Coatings UK Ltd	-	18,500	18,500	-	-	-
Rank Foundation	-		-	-	25,000	25,000
The Albert Hunt Trust	-	10,000	10,000	-	10,000	10,000
The Mark Benevolent Fund	-	10,000	10,000	-	16,585	16,585
The Wolfson Foundation	-	50,000	50,000	-	-	-
West Yorkshire Police and Crime Commissioner	-		-	-	10,000	10,000
Various grants less than £10,000	28,037	59,154	87,191	8,280	89,530	97,810
	28,037	551,726	579,763	8,280	542,908	551,188

6 Legacies

	2022		2021	
	Unrestricted	Total Group	Unrestricted	Total Group
	£	£	£	£
Legacies	212,874	212,874	77,691	77,691
	212,874	212,874	77,691	77,691

Actual legacies received during the year amounted to £212,874 (2021: £77,691) and include legacy accruals of £126,000 (2021: nil). There were no (2021: none) legacies at the year end that are to be treated as contingent assets.

7 Charitable Activities

	2022			2021		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£		£
Kirklees Council	30,000	-	30,000	30,000	-	30,000
NHSE government	-	143,325	143,325	-	581,673	581,673
NHS Kirklees CCG	31,320	-	31,320	31,050	-	31,050
NHS Leeds CCG	-	-	-	-	-	-
NHS Wakefield CCG	15,000	18,000	33,000	15,000	-	15,000
NHS Greater Huddersfield CCG	85,000	-	85,000	100,000	-	100,000
NHS Calderdale CCG	50,000	-	50,000	50,000	-	50,000
West Yorkshire & Humber ICS	25,000	-	25,000	-	-	-
	236,320	161,325	397,645	226,050	581,673	807,723

8 Other Income

	2022 Unrestricted	2021 Unrestricted
	£	£
Training income	42,807	21,517
Care - other income	22,931	26,214
Central - other income	2,772	-
Continuing Care funds	379,074	417,343
Redeployment of staff	1,263	63,626
Furlough Claims	7,975	198,633
Covid-19 Emergency grants	5,750	58,590
	462,572	785,923

9 Analysis of Resources Expended

	Direct Costs 2022	Allocated Costs 2022	Total Costs 2022
	£	£	£
Cost of raising voluntary income	272,654	100,338	372,992
Fundraising trading: costs of goods sold and other costs	1,214,560	-	1,214,560
Fundraising trading: costs of events	137,747	79,393	217,140
	1,624,961	179,731	1,804,692
Charitable activities - care services	1,737,809	620,749	2,358,558
Total 31 March 2022	3,362,770	800,480	4,163,250

	Direct Costs 2021	Allocated Costs 2021	Total Costs 2021
	£	£	£
Cost of raising voluntary income	276,520	99,007	375,527
Fundraising trading: costs of goods sold and other costs	957,346	-	957,346
Fundraising trading: costs of events	107,871	72,238	180,109
	1,341,737	171,245	1,512,982
Charitable activities - care services	1,570,746	605,542	2,176,288
Total 31 March 2021	2,912,483	776,787	3,689,270

10 Net outgoing resources for the year

	2022	2021
This is stated after charging:-	**£**	**£**
Depreciation of owned tangible fixed assets	146,291	126,328
Amortisation of owned intangible assets	-	211
Auditor's remuneration	12,200	9,350
Operating Leases	161,077	201,242

11 Board of Trustees/Directors' remuneration

The Board of Trustees during the year served on a voluntary basis and received no remuneration for their services to the company (2021: nil).

The Charity reimbursed nil (2021: nil) Trustees for travel expenditure in order for the Trustees to attend meetings.

12 Staff costs and numbers

	2022	2021
Staff costs were as follows:	**£**	**£**
Salaries and wages	2,550,775	2,281,904
Social security costs	206,640	182,776
Pension costs	129,671	133,293
Total	2,887,087	2,597,972

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2022	2021
	Number	**Number**
£60,001 - £70,000	3	-
£70,001 - £80,000	1	1
£80,001 -£90,000	-	-

Three employees earned between £60,000 - £70,000 , two of which participated in the People's Pension Scheme with 3% employer contributions and one employee is in the NHS Pension Scheme with employer contributions of 14.38%. The employee earning more than £70,000 participated in the Peoples Pension scheme. Contributions were based on 5% matching.

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

	2022 Average Number	2021 Average Number	2022 Average FTE	2021 Average FTE
Care Services	56	53	49	37
Income Generation - Charity	17	13	13	12
Income Generation - Trading	41	43	27	29
Corporate Services (Finance, HR, IT and Estates)	11	13	10	12
Total	125	122	99	90

The hospice considers that the key management personnel comprise the Trustees and the Senior Leadership Team (SLT). The SLT is made up of the Chief Executive and three key Directors. The total employee benefits of the key management personnel of the Group was £313,510 (2021 : £290,346)

13 Intangible Assets

Group

	Intangible Assets £	Total £
Cost		
At 31 March 2021	33,077	33,077
Additions	-	-
Disposals	-	-
At 31 March 2022	33,077	33,077
Depreciation		
At 31 March 2021	(33,077)	(33,077)
Charge for the year	-	-
Disposals	-	-
At 31 March 2022	(33,077)	(33,077)
Net book value		
At 31 March 2022	-	-
At 31 March 2021	-	-

Charity

	Intangible Assets £	Total £
Cost		
At 31 March 2021	33,077	33,077
Additions	-	-
Disposals	-	-
At 31 March 2022	33,077	33,077
Depreciation		
At 31 March 2021	(33,077)	(33,077)
Charge for the year	-	-
Disposals	-	-
At 31 March 2022	(33,077)	(33,077)
Net book value		
At 31 March 2022	-	-
At 31 March 2021	-	-

14 Tangible Fixed Assets

Group

	Freehold land £	Russell House (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2021	90,104	2,311,160	156,145	175,478	345,808	34,567	33,995	3,147,257
Additions	-	90,281	-	12,130	42,812	14,026	-	159,249
Disposals	-	-	-	(30,117)	(101,565)	-	-	(131,682)
At 31 March 2022	90,104	2,401,441	156,145	157,491	287,055	48,593	33,995	3,174,824
Depreciation								
At 31 March 2021	-	(424,587)	(117,619)	(82,075)	(288,222)	(24,155)	(19,643)	(956,301)
Charge for the year	-	(46,240)	(22,281)	(40,404)	(23,331)	(7,236)	(6,799)	(146,291)
Disposals	-	-	159	29,892	101,530	-	-	131,581
At 31 March 2022	-	(470,827)	(139,741)	(92,587)	(210,023)	(31,391)	(26,442)	(971,011)
Net book value								
At 31 March 2022	90,104	1,930,614	16,404	64,904	77,032	17,202	7,553	2,203,813
At 31 March 2021	90,104	1,886,573	38,526	93,403	57,586	10,412	14,352	2,190,956

Charity

	Freehold land £	Hospice (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2021	90,104	2,311,160	-	160,286	304,681	34,567	33,995	2,934,793
Additions	-	90,281	-	10,124	39,632	14,026	-	154,063
Disposals	-	-	-	(30,117)	(101,565)	-	-	(131,682)
At 31 March 2022	90,104	2,401,441	-	140,293	242,748	48,593	33,995	2,957,174
Depreciation								
At 31 March 2021	-	(424,587)	(159)	(73,106)	(256,382)	(24,155)	(19,643)	(798,032)
Charge for the year	-	(46,240)		(37,982)	(14,971)	(7,236)	(6,799)	(113,228)
Disposals	-	-	159	29,892	101,530	-	-	131,581
At 31 March 2022	-	(470,827)	-	(81,196)	(169,823)	(31,391)	(26,442)	(779,679)
Net book value								
At 31 March 2022	90,104	1,930,614	-	59,097	72,925	17,202	7,553	2,177,495
At 31 March 2021	90,104	1,886,573	(159)	87,180	48,299	10,412	14,352	2,136,761

15 Investment in trading subsidiary

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
At start of the year	-	1	-	1
At end of the year	-	**1**	-	1

16 Stocks

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Finished goods and goods for resale	**17,772**	18,777	**1,500**	1,500

17 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Prepayments and accrued income	347,883	179,105	296,403	121,834
Amounts owed by group undertakings	-	-	164,701	-
Trade debtors	198,905	118,948	198,905	118,948
Other debtors	53,349	59,075	23,361	36,157
	600,137	357,128	683,370	276,939

18 Creditors: Amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Amounts owed to subsidiary undertaking	-	-	250,000	146,409
Key Fund Investment and CBILs loans	142,429	112,000	82,429	79,500
Trade creditors	86,222	88,679	70,147	62,050
Other creditors	46,596	49,415	42,950	42,736
Taxation and social security	60,231	44,511	48,016	39,333
Accruals and deferred income	191,240	56,531	170,714	45,793
	526,718	351,137	664,256	415,821

The loan from FMNT Trading Limited to the Charity is an unsecured, interest free loan which is repayable on demand.
The Key Fund Investment Loan has been fully repaid early in June 2022 but it was unsecured, over a 66 month period at 6.5% interest per annum. Monthly repayments were £6,869 made up of £5,244 capital and £1,625 interest per month. The original loan was for £300,000 and commenced in January 2019 and would have been fully paid up in July 2024.
The CBILs Loans were taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and then a further £150,000 in December 2020. Both CBILs loans were capital and interest free for 12 months and repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment on both loans is £2,500 and interest on the first loan is 2.03%+ base rate per annum and 2.34% + base rate per annum on the second loan.

19 Creditors: Amounts falling due after more than one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Key Fund Investment and CBILs loans	**335,131**	418,000	**125,131**	150,500

The Key Fund Investment Loan has been fully repaid early in June 2022 but it was unsecured, over a 66 month period at 6.5% interest per annum. Monthly repayments were £6,869 made up of £5,244 capital and £1,625 interest per month. The original loan was for £300,000 and commenced in January 2019 and would have been fully paid up in July 2024.
The CBILs Loans were taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and then a further £150,000 in December 2020. Both CBILs loans were capital and interest free for 12 months and repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment on both loans is £2,500 and interest on the first loan is 2.03%+ base rate per annum and 2.34%+base rate per annum on the second loan. The outstanding balance at year end was £270,000 (2021: £300,000)

20 Deferred Income

	Charitable Activities £	Fundraising Events £	Total £
Group & Charity			
Deferred income at 1 April 2021	-	-	-
Released from previous years	-	-	-
Deferred in the current year	134,857	-	134,857
Deferred income at 31 March 2022	134,857	-	134,857

Charitable activities include the amount of £126,000 relating to funding from NHS Wakefield CCG for the perinatal services across the 2021/22, 2022/23 and 2023/24 financial years.

Deferred Income	Charitable Activities £	Fundraising Events £	Total £
Group & Charity			
Deferred income at 1 April 2020	-	-	-
Released from previous years	-	-	-
Deferred in the current year	-	-	-
Deferred income at 31 March 2021	-	-	-

21 Group Funds

	Brought forward £	Incoming resources £	Outgoing resources £	Carried forward £
Unrestricted funds	2,950,027	3,670,122	(3,365,404)	3,254,745
Restricted funds				
Medical Equipment	8,223	19,905	(14,026)	14,102
Memorial and Tribute funds	21,493	-	(21,493)	-
Decoration and Refurbishment	40,000	166,760	(125,717)	81,043
Boiler Replacement	-	21,000	(21,000)	-
Care and Nursing costs	-	85,329	(85,329)	-
SUDIC Services	-	21,455	(21,455)	-
Lottery - Resilience short breaks	-	17,713	(16,513)	1,200
BBC Children in Need - Resilience support packages	7,500	37,500	(45,000)	-
Uniforms	542	-	(542)	-
NHS England - Children's Palliative Care Grant	-	287,188	(287,188)	-
NHSE Hospice grant	-	143,325	(143,325)	-
Garden Equipment	10,546	6,000	(16,546)	-
	88,304	806,175	(798,134)	96,345
Total Funds	3,038,331	4,476,297	(4,163,538)	3,351,090

Summary of Funds - current year	Brought forward £	Incoming resources £	Outgoing resources £	Gains/ Losses £	Carried forward £
Unrestricted funds	2,950,027	3,670,122	(3,365,116)	(288)	3,254,745
Restricted funds	88,304	806,175	(798,134)	-	96,345
	3,038,331	4,476,297	(4,163,250)	(288)	3,351,090

We received various revenue grants amounting to £124,497 which have all been spent during the year on care and nursing costs.

We received a grant from The Lottery of £17,713 for resilience short breaks of which £16,513 was spent and £1,200 carried over as restricted reserves and a further grant from BBC Children in Need of £37,500 during the year for support packages for families all of which was spent during the year.

We received further capital grants for medical equipment and garden equipment which amounted to £25,904 and there is an amount of £14,101 of restricted funds carried forward for essential equipment.

21. Group Funds (continued)

Grants carried forward for decoration and refurbishment of £40,000 and additional grants received this year of £166,760 have resulted in an amount of £81,043 of restricted funds carried forward for the decoration, flooring, conservatory and other essential refurbishment works planned.

The memorial and tribute funds carried forward of £21,943 were all spent on the garden project during the year.

During the year, we received grants of £21,000 towards the replacement of our boilers which was all spent.

The uniform grant carried forward of £542 was all spent during the year.

The NHS England annual grant of £287,188 is for children's palliative care costs and was all spent on activities during the year.

The NHSE Hospice grants of £143,356 was awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 situation. This was all spent during the year.

22 Summary of funds

Summary of funds current year

	Balance at 1 April 2021	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2022
	£	£	£	£	£
General funds	**2,950,027**	**3,670,122**	**(3,365,116)**	**(288)**	**3,254,746**
Restricted funds	**88,304**	**806,175**	**(798,134)**	-	**96,344**
	3,038,331	**4,476,296**	**(4,163,250)**	**(288)**	**3,351,090**

Summary of funds prior year

	Balance at 1 April 2020	*Income*	*Expenditure*	*Gains/ (Losses)*	*Balance at 31 March 2021*
	£	*£*	*£*	*£*	*£*
General funds	*2,754,272*	*2,771,118*	*(2,575,363)*	-	*2,950,027*
Restricted funds	*71,070*	*1,131,141*	*(1,113,907)*	-	*88,304*
	2,825,342	*3,902,259*	*(3,689,270)*	-	*3,038,331*

23 Analysis of net assets between funds

Group

	2022			2021		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Tangible fixed assets	2,203,813	-	2,203,813	2,190,956	-	2,190,956
Intangible fixed assets	-	-	-	-	-	-
Current assets	1,912,781	96,345	2,009,126	1,528,207	88,304	1,616,511
Current liabilities	(526,718)	-	(526,718)	(351,136)	-	(351,136)
Creditors amonts falling due after more than one year	(335,131)	-	(335,131)	(418,000)	-	(418,000)
Net assets	3,254,745	96,345	3,351,090	2,950,027	88,304	3,038,331

24 Reconciliation of net income to net cash flow from operating activities

	Group 2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)	312,759	212,989
Adjustments for:		
Depreciation charges	146,291	126,328
Amortisation	-	211
Disposals	101	-
(Increase)/Decrease in stocks	1,005	(224)
(Increase)/Decrease in debtors	(243,009)	242,315
Increase in creditors	92,713	298,834
Net cash provided by operating activities	**309,860**	**880,453**

25 Analysis of cash and cash equivalents

	Group 2021 £	2021 £
Cash in hand	1,391,217	1,240,606
Total cash and cash equivalents	**1,391,217**	**1,240,606**

26 Operating lease commitments

As at 31 March 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

Group	**2022**		**2021**	
	Land and buildings £	**Other £**	**Land and buildings £**	**Other £**
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Leases which terminate within one year	125,056	1,748	158,981	2,096
In more than one year but not more than five years	221,531	130	145,337	936
Over 5 years	43,695	-	-	-

Charity	**2022**		**2021**	
	Land and buildings £	**Other £**	**Land and buildings £**	**Other £**
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Leases which terminate within one year	-	1,748	-	2,096
Leases which terminate in more than one year but not more than five years	-	130	-	936
Leases which terminate in more than 5 years	-	-	-	-

27 Pension commitments

The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost represents contributions payable by the Charity to the funds and amounted to £129,671 (2021: £133,293). Contributions amounting to £20,677 (2021: £19,097) payable at the year-end are included in other creditors.

The Charity operates two different pension schemes, the rates payable by the Charity vary between the NHS Scheme with employers contribution rates of 14.38% (the additional 6.3% is being funded centrally by NHS England as the total Employers contribution are 20.68%) and the Peoples Pension Scheme whereby contributions of a rate of 3% payable by the employer.

28 Related party transactions

Advantage has been taken of the exemption in Financial Reporting Standard 102 ('The Financial Reporting Standard applicable in the UK and Republic of Ireland') from the requirement to disclose the transaction with group companies on the grounds that they are wholly owned.

29 Surplus / (Deficit) of the Charity

The Charity has reported a surplus for the financial year of £36,003 (2021: £379,554). The parent Charity's statement of financial activities has been excluded under section 408 of the Companies Act 2006.

30 Controlling party

The Charity is controlled by the Board of Trustees. No one trustee has ultimate control.

31 Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
FMNT Trading Limited	06332306	Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH	Management and operation of Charity shops

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
FMNT Trading Limited	**1,491,315**	**1,208,931**	**282,384**	**179,694**

THE FORGET ME NOT CHILDREN'S HOSPICE

England & Wales - Charity number 1110457

Accounts

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
(a company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Company registration number: 05481614
Charity number: 1110457

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED

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Report of the Trustees

The Trustees present their annual report together with the audited financial statements of the Forget Me Not Children's Hospice Limited for the year ended 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The Charity's objects are specifically restricted to the following: *The support and relief of children resident in the United Kingdom with extraordinary medical needs and their families in particular, but not exclusively, by the provision of children's hospice services, community based charitable services and such other means as the Trustees shall from time to time determine.*

This is fulfilled through the delivery of a community based care service (Hospice at Home) and a fit for purpose hospice and respite facility.

Public benefit and eligibility criteria

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Forget Me Not Children's Hospice cares for children with life shortening conditions and their families. Public benefit is derived by the free provision of palliative and end of life care services, together with associated bereavement care, supporting these families in many different ways to make their lives just a little bit easier. This could be by giving them a break as we take the role of carer both in the hospice and in their home, or by providing hydrotherapy or creative therapy for example. The care team spends time with brothers and sisters to give them the time and attention they deserve and are there for families, supporting them when they have to say goodbye to their child for the last time.

We do everything that we can to create special moments for those families that we care for, precious time that they can spend together and moments they will remember forever, and we provide extensive support after bereavement, helping the family to survive the trauma they have experienced.

Every day we have more families who come to us for help. We know that there are many more local families that would benefit from the support we provide and it is our aim to reach as many of the families most in need within the funds we have available. To enable this we continue to review our services to ensure we are targeting our efforts where they are most needed.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a Charity (PB2)'.

Objectives and activities

a. Strategies for achieving objectives

Our Strategic Aims for 20/21 were built around our Trailblazer Strategy and two key pillars:

1. A family focussed approach to the design and delivery of our services

Babies, children and families are at the heart of everything we do. Focussed on the needs of the whole family, we will design and develop services that are holistic and integrated, are inclusive and accessible to all who need them and enable us to be here wherever and whenever families need us, whatever their future holds.

2. Strengthening our organisation

To achieve our aspirations for babies, children and families we will:

- Work together for families
- Protect our future
- Become the leading light in baby and children's hospice care
- Deliver safe and sustainable care

Despite being impacted by the Covid-19 pandemic, we ensured that we stayed on course with the delivery of these objectives, including the launch of our Sudden Unexpected Death in a Child (SUDIC) service in partnership with Elliot's Footprint and a new continuing care service. We introduced an eight week planning cycle tied to our strategic plan which kept us focussed and nimble during a period of significant change and upheaval.

The key objectives in our financial strategy for 20/21 were to:

- React swiftly to the financial crisis as a result of Covid-19 and remain a going concern
- Maximise government support and grants available as a result of Covid-19
- Reduce pay costs prudently by utilising the job retention scheme where appropriate
- Develop innovative ways to generate income through a Covid-19 Appeal, for example virtual events, continuing care packages and redeployment of staff
- Focus on regular giving and sustainable income now and in the future to ensure that we are always able to serve the needs of local children and families
- Maintain a robust balance sheet with sufficient cash reserves to meet our financial obligations as they fall due
- Manage and control costs to match income generated and ensure spend is focused on core charitable activities

3. Overall performance

This last year has been extremely challenging on every level, but we are proud to have risen to the challenge. We were able to provide a wide range of support to the NHS ensuring early discharge for children who did not need to be in hospital, but couldn't be at home, and the avoidance of admissions by continuing to support the many families who were shielding with whom we maintained trusted relationships. Our hospice stayed open and delivered services throughout the pandemic, including respite care for families who had not been able to get breaks, a 24/7 advice line for families needing support, end of life services and our perinatal service for mums to be. All our family support services, including bereavement support and counselling continued but were sometimes delivered virtually or over the phone. Keeping close to families ensured we understood their needs and could respond to them appropriately, albeit in very different ways. We were able to access grant income distributed via NHS England through Hospice UK in return for this support and took advantage of all forms of government support including furlough pay for non care staff, grants for our trading estate and CBILs loans in our subsidiary trading company.

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

3 Overall performance (continued)

We also ran a very successful emergency appeal, set up a new continuing care service paid for via Clinical Commissioning Groups (CCGs) and loaned out some of our care staff to other providers, ensuring their salaries were paid. Once shops could re-open, our prudent planning ensured shops could safely serve customers and maximise returns. We also have taken the opportunity to reorganise and refocus much of our fundraising away from community based events to more sustainable forms of activity. Furthermore we have taken the opportunity during the year to build a local collaborative of hospices within the Integrated Care System and ensure the collaborative is positioned to take advantage of legislative changes to NHS structures coming in 2022. We have invested in digital transformation and the production of data and are considering our response to equality issues raised through the pandemic by the production of a new equality, diversity and inclusion strategy.

Our resourceful approach has seen us continue to cut costs where it is possible to do so, whilst maintaining high standards of service delivery through continuous engagement with our regulator the Care Quality Commission, CQC.

During the year we have reacted to and managed an acute financial crisis when all of our shops closed and fundraising stopped, substantial upheaval in our operational activity including the introduction of significant infection prevention and control measures. We supported the wellbeing and resilience of our staff, whether they were working or furloughed, home based or in the hospice or based in our shops by the transfer of much activity to online and changing working arrangements.

Through taking a transparent approach to our work with commissioners, we were able to secure some significant additional funding towards the end of the year, a good supply of personal and protective equipment (PPE) throughout the year and were the first local hospice to ensure all clinical staff could access the vaccines when they became available. As a clear message of safety to our families, we also introduced a vaccine policy which is relevant to all staff providing hands on care.

We have retained safe spaces for families throughout as a result of the specific design of the hospice and adapting our visitors policy and testing procedures. This has meant constant use of our snowflake suite at a time when so many people died without family around them.

We would like to thank our staff, volunteers and supporters who have been incredibly resilient through this difficult time. We are very proud of what we have achieved during the year and believe this has stood us in good stead for the 12 months ahead, which without much of the government support and before trading is fully operational and fundraising back to full strength will remain difficult.

We were proud to be on the front foot which shows courage, passion, innovation and our determination to make this Charity the best it can be for the families we serve. The Trustees wish to thank all staff for their leadership, flexibility and contribution during this pandemic whether furloughed or working and acknowledge how the financial position was turned around from April due to the following brave and pioneering factors demonstrated by staff:

- going above and beyond and their tireless working in order to keep the hospice open and providing services to children and families
- adaption of services to help our families and the community by redeploying care staff to support other care providers, delivering services online and dropping off support packs
- sacrifices made by all the team to either adapt their roles or work from home, work on the frontline of the crisis or accept being furloughed

Objectives and activities (continued)

b. Review of activities

Care Services - a review of the year

Over the past year in care, we have managed our service delivery in line with the Government Covid-19 guidelines.

Initially families decided that they did not want to use the hospice for short breaks which led to a re-organisation of our care services. Various methods of keeping in touch with families were initiated, including loaning of tablets for virtual consultations and support, drop offs of care packages and weekly telephone calls with a screening tool to assess a family's resilience.

We communicated regularly with our CCG's to offer the hospice as a safe place for freeing up hospital beds, which led to the development of a funded placement tariff. We have now had six children in for paid stepdown care since the start of the Covid-19 pandemic.

We have enhanced our service delivery through an additional Advanced Nurse Practitioner post and have added additional support services within the Family Support Team. This allows us to tailor our support to individual need.

The Family Support Team was re-structured to ensure a focus on the most necessary services and that each component part of the service had clear referral criteria and an approach that included review periods and exit plans to ensure families do not create dependencies. A review took place to understand how to best manage SUDIC (Sudden Unexpected Death in Children) work and this was used to re-shape the partnership with Elliot's Footprint and the service was formally launched in April.

A Quality and Compliance post has been created within the care team. We have appointed to this post and this will allow the Registered Manager to concentrate on enabling the care team to be more responsive to the needs of the service users, and look at the flow of service users to maximise what can be offered in terms of short supportive breaks.

We have continued to talk to families in a variety of ways about the services they receive. Everything we learn is considered and where we can, adaptations are made to ensure we are delivering what people want and value.

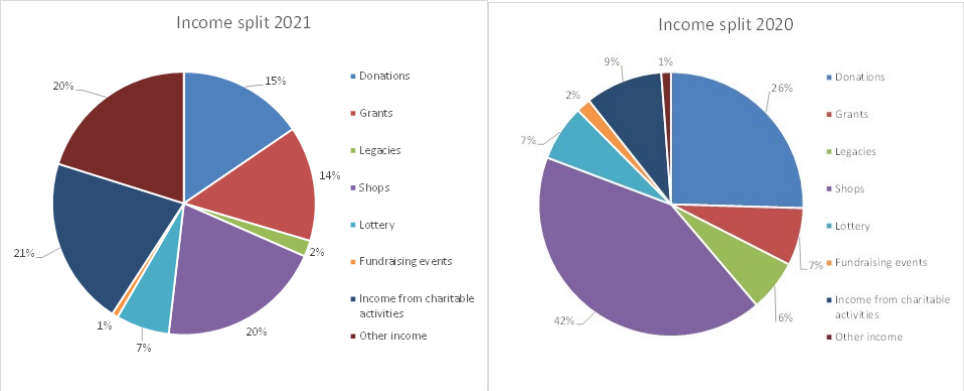
We continue to work to ensure our services are inclusive and accessible. Over 50% of our service users are from ethnic minority communities and all of our families need our services to be personalised and inclusive for their children and their complex needs. We continue to provide breaks at home for those families who cannot access the hospice, we continue to transport children who have no suitable transport, we continue to support all rituals around death and dying, no matter what the cultural imperatives of the family are and we continue to develop tools and resources that children with limited communication skills can use.

Objectives and activities (continued)

b. Review of activities (continued)

Income Generation – a review of the year

This year overall income has changed radically in terms of the ways in which it has been generated, dependencies in some areas being radically affected by the pandemic and the impact of a new focus on diversifying our income. The 'pie' allocation is well shown below:



We are very grateful for the amazing generosity of our donors and supporters. We only receive 5.5% of income from the NHS England Children's Palliative Care grant towards our charitable costs. The rest is generated largely through donations, grants, fundraising events, the lottery, legacies, continuing care funds and through our retail shops, of which there are twelve throughout West Yorkshire and one in Royton, Oldham.

Donations this year of £603,808 (2020 nine months: £807,516) have been substantially impacted by Covid-19 and have declined in comparison to the prior year as a result of the pandemic. Grants of £551,188 (2020 nine months: £223,871), have however increased this year due to a focus on capital projects, IT systems, supporting care activity packages and resilience for families during the pandemic.

Legacies were not budgeted for in this financial year, and actual amounts brought in were £77,691(2020: £199,469).

Income from charitable activities during the year was £807,723 (2020 nine months: £300,000). The increase is largely due to funding of £581,673 from the National Health Service England (NHSE). NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

Other income is an area that has developed directly as a result of being proactive and innovative in our approach to plugging the fundraising gaps during the pandemic, but also securing a more sustainable approach to future income generation. Other income this year of £785,923 (2020 nine months: £37,260) is made up of furlough claims, continuing care funds, redeployment of staff, training income, partnership working and Covid-19 emergency grants.

At the start of the financial year, we set out to deliver a short-term (3-6 month) activation plan that would bring our fundraising and trading income streams back in line as a degree of normality returned during 2020. Throughout the height of the pandemic, shops remained closed and in fact have closed and reopened a total of three times over the course of the financial year, finally reopening two weeks into the new financial year.

Objectives and activities (continued)

b. Review of activities (continued)

Income Generation – a review of the year (continued)

The impact of Covid-19 and retail lockdowns during the year has resulted in a reduction of sales for the year to £790,780 (2020 nine months: £1,330,220).

Fundraising continued to be challenging for the whole of the year and our focus was a mixture of reactive fundraising, which included an emergency appeal, and developing new and innovative ways of generating income including our first ever Christmas appeal and diversification into more digital fundraising activities. We also used the time to develop our focus on sustainable regular and reliable income streams such as lottery and regular giving, with Trustees signing off a revised strategy just before the financial year end.

Throughout 2020, the majority of the Fundraising, Marketing & Trading teams were furloughed. Late 2020 saw some recovery of our fundraising activities along with the creation of a new fundraising strategy resulting in a restructure within the team. This restructure aims to allow the right skill within the team, with the right levels of resource to match the anticipated changes in the shape of our income and maximise the diversification of our income over the next few years in line with the agreed strategic direction.

People and Resources – a review of the year

Work that had taken place in previous years in relation to the strategy, the #OneTeam ethos and cutting our cloth accordingly, stood us in good stead when the pandemic hit. Staff rallied round and demonstrated a high degree of agility, flexibility and willingness to change to help see the Charity through and ensure its footings remained stable. A number of staff took pay cuts and no-one who was furloughed received any top up pay. As a result of being prudent, no members of staff were made redundant and everyone pulled together in one direction. During the year, staff surveys took place which helped to understand anxieties around home working, flexible working, health and safety measures and wellbeing which shaped our investment in wellbeing support for our teams. We introduced pledges for staff, volunteers, families and customers to aid transparency around our offers and what we would do to keep people safe. Staff have frequently commented on the support they have received and the quality of the wellbeing offers we have in place, together with our willingness to work with people around self-isolation, home schooling and caring for others for example.

To say thank you to staff, and in recognition that no-one had received a pay award for several years and the work on the pay and award review had been delayed, every member of staff received a 1.5% pay award and an additional day of leave. The pay and reward review was completed by the end of the financial year, delayed from July 2020, and was implemented in April 2021.

Our Director of Service Delivery and Development joined us just before the pandemic hit and has been a major asset to the care team and the senior leadership team.

The Director of Income Generation is responsible for fundraising, trading, marketing and all fundraising and marketing governance. Investment in this post holder has helped to refocus our fundraising activity which is already paying dividends.

The Finance and Corporate Services Director is responsible for all corporate governance, finance, IT, estates & facilities and HR. This post holder is also the Company Secretary. During the year, the post holder has worked above and beyond to provide accurate and reliable financial information to assure Trustees of our going concern status, whilst also providing information to support NHSE grants and other funders.

Objectives and activities (continued)

b. Review of activities (continued)

People and Resources – a review of the year (continued)

During the year we have focussed on the well-being of our people, by providing an enhanced employee assistance programme through Care First, fortnightly resilience sessions, access to well-being tools and support and restructuring all of our staff supervision sessions to focus on wellbeing. All staff have supervision arrangements in place and in addition, there is clinical supervision for our care staff, external supervision for the Family Support Team and coaching for the SLT (Senior Leadership Team).

Our Employee Voice forum were engaged in our pay and reward review and three separate job evaluation panels were set up to ensure a fair and transparent process. The review was completed within tight deadlines, but followed a robust process and agreed principles in terms of evaluation and scoring, benchmarking and new pay points for roles. The new pay scales were implemented on the 1st April 2021. We have signed up to the 'Show the Salary scheme' in order to be transparent, and in the Charity we are proud to be a real living wage employer.

A manager's forum has been set up following investment in management development training, and work on the manager's toolkit is ongoing.

We have developed an Equality, Diversity and Inclusion strategy during the year.

Our objective is:
To create a culture that supports equality, diversity and inclusion in order to build a working environment which better represents the communities we serve and in which everyone feels better prepared and supported to help deliver the Charity's objectives.

What do we aim to achieve?

- Embed equality, diversity and inclusion into our leadership, policies, systems, processes, governance arrangements, service delivery, awareness raising and income generation.
- Ensure our service design, supporter activity and communication builds on engagement and dialogue with different groups in society.
- Build the skills and environment we need to measure and improve equality, diversity and inclusion performance.
- Increase the diversity of our people; staff (at all levels), Trustees and volunteers, improving the ability of all of our people to reach their potential, ensuring equality in how we manage performance, promote and reward everyone.
- Create and sustain an environment in which we can deliver our best work to any family in need of our services.

Objectives and activities (continued)
b. Review of activities (continued)
People and Resources – a review of the year (continued)

Equality, Diversity and Inclusion Pledge

We believe in the development and embedding of an inclusive culture that respects people's differences and gives everyone the best chance to excel at making a difference for the families we support.

In order to achieve this, we are pledging the following;

Our families

- ✓ We believe in equality of access to our services and including the voice of families in the ways in which services can be co-created, designed and delivered, both on a personal level and as a range of service offers.
- ✓ We will make sure our services and information are accessible to the community in which we operate.
- ✓ We will tackle barriers which might prevent some groups of people from accessing our services

Our people

- ✓ We will treat all of our employees, Trustees and volunteers equally and fairly.
- ✓ We will embrace and celebrate our staff, Trustees and volunteers' differences and create a positive working environment for all.
- ✓ We will reward our people equally for the same or equivalent work regardless of their age, race, religion or belief, sexuality, disability or gender.
- ✓ We will make sure that all our staff are trained in, and understand the importance of, equality and diversity and how this relates to the role they do.

Our recruitment practices

We will actively encourage and support under-represented groups to join us as employees and to take up volunteering opportunities.

- ✓ We will always interview you if you are an applicant with disability who meets the essential requirements of the job and will provide adjustments to the recruitment process if required.
- ✓ We are committed to supporting part time and flexible working; we will consider part time working requests for all our roles.
- ✓ We will advertise all roles with a single pay point so that you will know what your pay will be when you join us.

Our governance

- ✓ We will take steps to measure the diversity of the Board, senior leadership, staff, volunteers and service users by all relevant protected characteristics.
- ✓ We will identify what it can do to achieve fair representation from underrepresented groups at Board, senior leadership, staff and volunteer levels. We will set targets and take action for improvement.

Objectives and activities (continued)

b. Review of activities (continued)

People and Resources – a review of the year (continued)

Despite significant changes during the year, we have continued to develop and support our teams and are very proud of just some of the following achievements that support our strategy of developing a highly effective team of remarkable people:

- One of our nurses is undertaking an Advanced Paediatric Nurse Practitioner masters course at Sheffield University. This will add to the three nurses who already hold this qualification. Further members of the care team are undertaking the nurse prescriber course to become non-medical prescribers and there are development plans in place for others in our nursing team. We also have two care team members who are undertaking the nurse associate training in partnership with The University of Huddersfield.
- We continue to present at national and regional conferences about the perinatal work we lead on
- We are supporting various people across the organisation to obtain qualifications in finance, management and leadership, marketing and fundraising.
- All of our senior leadership team have coaching arrangements in place to develop their leadership skills
- Our Trustees have participated in Board Development days to improve their knowledge in terms of their responsibilities and effective board performance.
- We are investing further in equality, diversity and inclusion work which has included providing training for staff around unconscious bias and racism. We have recruited a number of inclusion external mentors who are advising us in this area of work.

Governance – a review of the year

During the year, our chair, Kathryn Winterburn decided not to renew her term of office. Trustees wish to thank Kathryn for her time and commitment during her three years as a trustee and year as chair, particularly when the pandemic hit. Jeremy Cross was appointed as chair by the Trustees, having worked with the organisation for over a year as part of the audit, finance and risk committee, ensuring continuity and focus.

The board have introduced a board effectiveness program including a review of each committee and an appraisal of each trustee. The board have also made a number of changes to the schedule of meetings and meeting content to improve their skills, oversight and focus of attention. This year, Trustees have also engaged with some specific learning, including safeguarding, adults and children, information governance, equality, diversity and inclusion and the management of Charity shops.

Meetings during the year have all been held online, but many Trustees have nonetheless taken the opportunity to visit the hospice during the year following testing regulations in order to gain access and meet with staff. Trustees have also taken part in coffee connect sessions and have run group sessions with staff to help stay engaged and visible.

During the year we continued to embark on a recruitment campaign to increase our number of Trustees and add diversity, specialised skills and knowledge to our board. The campaign was hugely successful, and we have recruited three new Trustees through the process during 2020/21 and an additional two people in the year 21/22. Our latest campaign has seen us specifically reach out to increase our diversity and this has also proved to be successful. Unfortunately, we also had eight resignations during the year and up to signing the accounts, but the board now has great strength with a total of eleven Trustees. All board subcommittees have been enhanced in terms of governance, by allocating the best Trustee skills relevant to each committee and thereby ensuring scrutiny, challenge and accountability.

Objectives and activities (continued)

b. Review of activities (continued)

Governance – a review of the year (continued)

As part of this process, all board and sub-committee terms of reference were reviewed.

We have continued the work on developing our Governance and Assurance Framework that encompasses all areas of the organisation. This is a working document that lists every regulation that we must comply with and how we can demonstrate or evidence compliance and provide assurance to the board.

Some documents require an annual review, the integrated governance policy, scheme of delegations and safeguarding policies for example and these have been reviewed and adapted during the year where necessary. Trustees have also overseen the development and implementation of a considerable number of policies in relation to the pandemic including infection control and safe working across all of our premises.

The Senior Leadership Team discuss and update the risk register at least once a month. All risks are allocated to a risk owner and a board subcommittee. Risks are reviewed at every meeting and during the year, board have discussed risk appetite too. The Board receive a risk paper at each board meeting highlighting the key organisational risks and mitigation associated with the risks.

A robust and well embedded clinical governance process has been in place for a number of years. This includes safeguarding, medications management, incident management, infection prevention and control, education and research and clinical audit. Each of these areas has its own staff led committee which feeds into reporting at the trustee led clinical governance committee. We have also designed a system by which we can ensure all staff have access to all clinical policies and must sign to say they have read and understood new policies or changes to existing ones. This has been very useful during the fast-paced changes we have been required to make to deliver safe services during the pandemic.

Plans for future periods

The key objectives in our financial strategy for 21/22 are largely unchanged from the prior year:

- Maximise and develop sustainable income now and in the future to ensure that we are always able to serve the needs of local children and families;
- Grow income generation following the impact of Covid-19;
- Maximise net profit from trading operations;
- Identify and maximise opportunities for new areas of profitable income;
- Build a robust balance sheet with sufficient cash reserves to meet our financial obligations as they fall due; and
- Manage and control costs to match income generated and ensure spend is focused on core charitable activities

We will continue to embed our Values:

Caring: We are one team and will always be kind, considerate and supportive.
Courageous: Together we have the strength and confidence to make brave choices.
Positive: We are passionate about making a difference and being the best we can be.
Pioneering: We challenge the status quo to make things better for children and families.
Genuine: We are true to ourselves and others.

In 2019 we launched our vision, mission and a new strategy – Trailblazer Plan 2019-2025.

Objectives and activities (continued)
b. Review of activities (continued)
Plans for future periods (continued)

Our vision is to deliver pioneering care through pregnancy, childhood and loss, whenever families need us, whatever their future holds.

We will make our vision a reality by:

- offering high quality, bespoke, specialist services for mums and dads to be, babies, children, and their families, coping with life-limiting conditions and living with loss
- being inclusive, accessible and available 24/7 in our hospice, at home, in hospital and in our communities
- ensuring every penny raised and every minute gifted is focused on the needs of the families we support.

Our Trailblazer Plan is ambitious and focused on the future. By 2025 we aim to be a trailblazing organisation delivering high quality, accessible and innovative services to those who need us most. Setting the standard for nurse and therapy led care; we will take full advantage of our pioneering and specialist services to support babies, children and families living with life-limiting conditions in the communities we serve. And by taking steps to protect our future, we will strive to continue to be here for families for years to come.

Despite the turbulence of the year we kept our focus on our strategy by introducing a short term but linked planning tool which renewed itself every eight weeks. This planning tool has been very successful and so has been re-adopted for the year ahead but now focussed on quarters. It matches back to the board dashboard and key performance indicators, giving Trustees assurance around performance and direction of travel. A compass survey has just taken place to help us map any gaps between our strategy and key stakeholder's understanding of it following the changeable year we have had.

Our trailblazer plan continues to be built on two key pillars

1. A family focussed approach to the design and delivery of our services

Babies, children and families are at the heart of everything we do. Focussed on the needs of the whole family, we will design and develop services that are holistic and integrated, are inclusive and accessible to all who need them, and enable us to be here wherever and whenever families need us, whatever their future holds.

2. Strengthening our organisation

To achieve our aspirations for babies, children and families we will:

Work together for families
Inspirational things are achieved for families when we work together as one team. Through collaboration and support, we'll build a culture that enables us to deliver our best work, whatever our role, knowing the difference that work makes to the children and families we're all here to support.

Protect our future
Our families need us to be here, not just today but for years to come. To build a sustainable future that ensures children and families continue to get the high-quality care they need, we will anticipate demand, develop a diverse approach to raising funds and take good care of our resources.

Plans for future periods (continued)

2. Strengthening our organisation (continued)

Become the leading light in baby and children's hospice care

Blazing a trail is what we do best. We're justly proud of our pioneering nurse led approach and unique services. We want to build on the strengths to become the model for children's hospice care that others will follow, and in doing so, transform the lives of children and families.

Delivering safe and sustainable care

Ensuring that the shape of our care service is carefully considered and responded to appropriately. This has included a review of our referral criteria and assessments of many families who may no longer meet our criteria. This process will ensure we are always meeting the needs of the families who most need our support and are able to provide it at the right location for them. Matching demand to safe staffing levels ensures we manage our costs most effectively.

Progress within our trailblazer plan has been limited by the impact of Covid-19, however the work we had already done on diversifying our income and integrating further into the local health and social care landscape and redesigning some of our services stood us in good stead as Covid-19 hit us. During lockdown we were able to pioneer new sources of income and new services to meet the changing needs of families, many of whom were shielding their child. As lockdown eases, we have built a new planning tool which helps us to operate in an agile way whilst remaining true to our strategic intent.

Care Services – looking ahead

The development of a care strategy is now underway which will underpin the direction of care over the next five years. This is accompanied by a prospectus which sets out the range of services our children's hospice provides, together with the costs of running them.

The message we have received most clearly from families during the Covid-19 lockdown is around being responsive to individual need. Flexing our services in this way served us well during the Covid-19 lockdown when we were able to respond effectively to emergencies and deliver emergency short breaks in particular to families whose entire support network had been removed.

We will continue to promote our funded placement offer where families choose to come to us for a short break which is either paid for from a personal budget fund assigned by the council or via the CCG. Outside of short breaks, we have also developed a continuing care home from hospital service where we have stepped in to provide care outside of a hospital setting before a child can return home.

We are in discussion with NHS leads for Perinatal Mental Health services to take part in a pilot which will raise awareness of how the hospice can support families who have suffered baby loss, this will increase referrals to the service and will allow development of the Perinatal service.

A newly appointed Family Support Team Coordinator is planning to develop our peer support groups to reach wider family members and increase resilience through shared experience. We intend to develop our trauma informed work and have already added in a new service linked to Eye Movement Desensitisation Therapy (EMDR). This is a therapy often used with people experiencing post traumatic stress disorder (PTSD)which is something many families experience after the loss of a child.

A number of the Family Support Team continue to deliver shifts within the West Yorkshire and Harrogate Health and Care Partnership Grief and Loss Line, using their bereavement skills to support people affected by Covid-19 together with staff and volunteers who have worked on the frontline in any health and social care setting during the Covid-19 pandemic.

Plans for future periods (continued)

2. Strengthening our organisation (continued)

Care Services – looking ahead (continued)

We have been requested by several NHS Healthcare providers to cost up training and education programmes to support health, and social care workers in increasing their knowledge and skills in caring for a child with complex health needs. This will provide a further income stream.

A number of training and development opportunities have been accessed within care. Advance Care Planning training, health records on trial training and clinical skills training. This enhances our knowledge and skills and ensures our workforce is able to meet the needs of the babies, children and families we support.

We expect that our electronic health care record system, SystmOne, will be fully functional by September 2021. This will serve many purposes including, more effective communication of a child's health and social needs and more accurate data which will enhance our marketing and fundraising capabilities.

We have led the development of a collaboration with the other ten hospices working within the West Yorkshire and Harrogate ICS area. This collaboration includes one other children's hospice and three hospices who are part of national chains, Sue Ryder and Marie Curie. We believe we will have a stronger voice at commissioning level through working together and that there are things to explore which we can only achieve through working together.

Income generation – looking ahead

In Fundraising, we continue to work towards our new Fundraising Strategy, which focusses on the development of regular, reliable income streams as well as the launching of a new 'gifts in wills' scheme. The new strategy will allow for growth in a number of strategic areas including Major Gifts and Corporate Partnerships and the introduction of a structured supporter journey will introduce basic fundraising measures including supporter satisfaction and loyalty, retention, attrition and lifetime value.

Across the board, we will continue to improve the quality and quantity of our useable data and will continue to work on initiatives that complement the supporter journey as a whole, not just isolated segments. We will also continue to improve reporting through the introduction of a new fundraising performance dashboard.

Following a "scale back" in resource due to the anticipated slow recovery from the pandemic, Community Fundraising will continue to recover during the new financial year, however we will also focus on diversification with the introduction of a 12-month funded role which focusses on raising awareness within the Asian communities that the hospice serves.

In Trading, we will implement our "bouncing back stronger" recovery plan with the aim of seeing trading income returning to normal levels by the end of the year. During this year, we will start to create a new 5 year strategy for trading. We will focus on rebuilding our volunteer workforce to allow our shops to return to full trading strength this year.

We will continue to develop a diverse approach for all areas of Income Generation. The priority is to rebuild and reset our income portfolio by adapting our current strategy to fit the climate that we are likely to face into during the year ahead.

Plans for future periods (continued)

2. Strengthening our organisation (continued)

Supporting our people – looking ahead

The year ahead will see the creation of a new marketing and communication strategy that will focus on advocacy as a key element in developing and driving awareness about the Charity. The strategy will also link our brand to our vision and mission, capitalising on our key strengths and assets.

We will continue to be inspirational in working together as one team, and this has been paramount in managing the impact of Covid-19 on our people. We will continue to promote our well-being package. We will communicate and engage with staff and develop a culture where we explore opportunities for development and progression from within the organisation. This will enable our people to deliver their best work, whatever their role, knowing the difference that work makes to the children and families we're all here to support.

The well-being and health and safety of our people throughout this pandemic is crucial, and so we have produced the necessary risk assessments, policies and procedures to ensure the safeguarding of our staff, volunteers, families, visitors, supporters and customers within our shops.

Through ongoing staff surveys, we recognised the need to develop our management team. We bid for and won some support to deliver this and a training program aimed at 16 of our managers was run in the autumn of 2020. We have now built on this with the introduction of the managers forum which brings all of our managers together every month to look at key issues which affect everyone, such as flexible and hybrid working arrangements, staff wellbeing and meeting arrangements.

In Care we aim to consolidate our foundation within our teams to strengthen our position of delivering safe, responsive and effective care that is well led. In real terms this means supporting our existing teams to work more collaboratively internally and externally and improve processes to make sure we are maximizing our efficiencies without negative impact on the teams. We also ensure that clinical supervision is in place for all of our qualified staff. We have invested in infrastructure and have appointed to a new quality and compliance role within the team to support the clinical governance activity we addressed in the last year as part of our continuous improvement journey.

In Fundraising, we will continue to closely measure the effectiveness of the new structure whilst embedding new teams and roles in line with the strategy to ensure maximum return from investment. We will review expertise within the team and where required, offer development opportunities for Chartered Institute of Fundraising (CIOF) qualifications.

In Trading, we will focus on rebuilding our volunteer workforce through proactive recruitment activities, we will also consider a more active use of apprenticeship schemes across the department.

In HR we will further develop People HR to streamline and automate processes, improve efficiencies, allow for more accurate reporting of HR measures and KPI's and ensure a consistent approach to all record keeping and compliance. Our new E-Learning system, BlueStream, will be used to track and monitor wider training and develop more bespoke in-house training and competency modules. We will continue to focus on recruiting and retaining the very best colleagues and volunteer talent, in every area of the organisation, but particularly focus on re-engaging and developing our trading volunteers to ensure that the trading estate is resourced so as to maximise returns. We are committed to working on the development of our equality, diversity and inclusion strategy and its accompanying action tracker.

Plans for future periods (continued)

2. Strengthening our organisation (continued)

Supporting our people – looking ahead (continued)

In Finance and Corporate Services, we will continue to focus on systems and processes to improve efficiencies and sustain the volume of workflow, ensuring compliance and excellent governance is in place. As part of protecting our future, teams will ensure value for money by reviewing all contracts to create savings, whether that be costs, efficiencies or added value. We developed a new three-year IT and Data Strategy which will focus on data collection particularly using SystmOne to demonstrate activity and report on targets within care service delivery.

We have also invested in Rotacloud, a care rota system which will be essential in staff planning and ensuring we are efficient and have the correct numbers of staff available depending on the numbers and complexities of our children and families.

We have re-developed our proposition around estates and facilities to ensure compliance, ready access to approved and competent suppliers and better on call arrangements whilst retaining a member of staff at the hospice to co-ordinate facilities management activity.

In addition, we have commissioned external health and safety expertise to provide an additional level of assurance around our health and safety responsibilities.

Investment powers and policy

The board review the investment policy on an annual basis.

The key elements to the policy are below.

In accordance with the Articles of Association, the Charity has the power to deposit or invest funds, and employ a professional fund manager, in the same manner and subject to the same conditions as the Trustees of a Trust are permitted to do by the Trustee Act 2000. In summary:

- Trustees have a duty to maximise the return of the Charity's fund;
- Trustees have a duty not to risk the fund in hazardous or speculative investment;
- Trustees must consider the suitability of investments and the need for diversification;
- Trustees are required to act honestly and with prudence;
- Trustees have the power to invest in the same range of investments as an absolute owner (unless there are restrictions in the governing document).

The Board of Trustees have delegated investment decisions to the Audit, Finance and Risk Committee. The Audit, Finance and Risk Committee have responsibility for recommending strategy and managing and monitoring the investment assets, in line with this investment policy. The committee will review the investment information provided at each quarterly meeting, however there are no investments held currently.

Financial review

a. Financial performance

During the year net incoming resources of £212,989 (2020 nine months: £117,661) were added to reserves. Within total incoming resources of £3,902,259 (2020 nine months: £3,171,510), was £1,232,687 which equates to 31.6% (2020 nine months: £1,230,856 – 38.8%) received by way of donations, grants and legacies.

Financial review (continued)

a. Financial performance (continued)

The sources of this voluntary fundraising income have been broadened to ensure reliance on no one particular area. Income from trading activities was £1,075,926 (2020 nine months: £1,603,394 – 50.6%) which equates to 27.6% received through our shops, lottery and fundraising events. This area of income has been substantially impacted as a result of lockdowns and the pandemic.

Net loss from shop activities has decreased to £168,753 (2020 nine months profit: £431,173) as a result of Covid-19 and three lockdowns during the year.

Net profit for the lottery has maintained proportionately for the year to £152,105 (2020 nine months: £116,385) due to a campaign to stop cash collections and convert these players to direct debit, saving costs. In addition, the prize fund was revised which has also reduced costs.

The Charity receives income from the generosity of the public, raised in many ways such as through support from corporates, trusts and foundations, major donors, community supporters, legacies, lottery, fundraising events and from the public sector (local CCGs). As a result of Covid-19 various new income streams were generated as other income, which included the job retention scheme, redeployment of staff and income raised through continuing care packages. Charitable activities, includes restricted funding from NHSE for purchasing hospice capacity. See the notes to the accounts for more detail on funding sources. The NHS England Children's Palliative Care grant equates to just 5.2% (2020 nine months: 4.3%) of consolidated income and 8.3% (2020 nine months: 9.3%) of charitable activities. NHS England have announced that funding will increase steadily each year reaching its peak contribution in 2023/24 which is very promising news for the future.

Staff costs have decreased proportionately since last year. Staff costs for the year were £2,597,973 (2020 nine months: £2,124,583). Staff costs as a percentage of total costs were 70.4% during the year (2020 nine months: 69.6%). Average staff FTE numbers have decreased slightly to 90 (2020 nine months: 92) largely due to carrying vacancies during the year.

Auto enrolment employer contributions are 3% and the majority of staff contribute to the People's Pension Scheme. In addition, we operate an NHS Pension Scheme under a directive and for the past two years we have seen the employer's contribution rise from 14.38% to 20.68%, however the increase continues to be funded by NHS England. There is still no confirmation from NHS England beyond 2022 of how hospices might be supported to afford these pension increases and as such the NHS Pension scheme has been closed to new members since October 2019 as a way of controlling costs. There is also a challenge in that some staff are receiving a substantial pension benefit, whilst the majority are on the most basic pension benefit. We will attempt to address this issue as part of the second phase of the Pay and Reward review during late 2021.

Total costs have decreased proportionately to £3,689,270 (2020 nine months: £3,053,849). The work of volunteers within the Charity is fundamental to the growth and sustainability of funds. Without their continued support it is envisaged that costs of employing support staff and fundraisers would amount to an additional annualised cost of over £400,000 based on an average of 50,000 volunteer hours at national living wage, given during an average year. The Trustees wish to express their sincere gratitude to every volunteer for their generosity and the gift of time.

Spending on charitable activities was £2,176,288 (2020 nine months: £1,663,250). The percentage spend on charitable activities versus consolidated costs is 59% (2020 nine months: 54.5%).

Financial review (continued)

b. Reserves policy

The total unrestricted and restricted reserves held as at 31 March 2021 was £3,038,331 (2020: £2,825,342).

The current level of cash/investments held by Forget Me Not Children's Hospice and the trading subsidiary is £1,240,606 (2020: £415,126). However true cash, after loan liabilities is £710,606 (2020: £185,126), and is allocated for emergency reserves.

The balance of unrestricted reserves held is £2,950,026 (2020: £2,754,272) which is maintained to ensure that there are sufficient funds to provide care and continue to reach more children and families that need our support.

The reserve funds policy is to have sufficient reserves to cover operating costs for one year and set aside for emergency purposes only. In addition, there should be available cash reserves of three months of operating costs which is currently £750,000.

Forget Me Not Children's Hospice is building true free cash reserves at a steady pace, which can remain untouched and held for emergency purposes, however at this stage and due to unprecedented times all available cash is being used for day-to-day operations and to remain a going concern.

The immediate strategy to build reserves and financial strength is being addressed as a matter of urgency and assurance measures can be demonstrated as follows:

- Sourcing additional public sector and CCG funding
- Allocating legacy income to build reserve funds
- Cost cuts through restructures, vacancy reviews and natural wastage
- Cost cuts through remodelling of care services and organisational support services
- Robust management and control of our resources
- Mitigation to support cash flow pinch points

The aim was to build true emergency cash reserves to £700,000 by March 2021, £800,000 by March 2022 and to £1 million by March 2023. True emergency reserves (cash balances less loan liabilities) as at 31 March 2021 was £710,606 which is on target and we aim to build reserves by achieving a steady increase each year.

Reserve Funds are reviewed at each Audit, Finance & Risk Committee (AFR) meeting as part of the financial reporting process and supporting cash flow forecast. Reserve levels will be reset appropriately, after consideration of cost challenges set and achieved and confirmation of successful income in the pipeline, to ensure that the levels meet the needs of the strategic direction of the Hospice.

The Trustees consider it prudent that reserves other than restricted and designated should be sufficient:

- To avoid the necessity of realising fixed assets held for the Charity's use;
- To provide protection against any possible decline in future income from fundraising and donations in general.

Financial review (continued)

b. Reserves policy (continued)

Emergency Reserves

Forget Me Not Children's Hospice needs emergency reserves to protect its current activities. The Board of Trustees had set emergency reserves target for the financial year 2020/21 at a realistic level of £700,000 to ensure business continuity due to unforeseen events, taking into account the needs, risks and challenges faced by the Charity in the short to medium term. The level of reserves is reviewed at each AFR meeting and reserves policy will be reviewed annually. Reserves will be built to ensure that we build a sustainable future for local children and families living and dying with life limiting conditions.

Capital Reserves

Forget Me Not Children's Hospice has been operating from Russell House since 2011 and whilst it is still a fairly new building, it is nearly 10 years old and there will be a need to ensure that all capital equipment is fit for future purpose and that there is a robust Capital Replacement Plan in place for the building, grounds and equipment.

The Capital Reserve will be calculated as the balance left after allocated Emergency Reserves.

Development Reserves

There were no development reserves allocated for the financial year ended 2020/21 as the business plan was aimed at protecting the existing resources. Any new investments to be made in 2021/22 financial year will be supported by robust income generation plans and funded through high level supporter funds or loans that ensure future returns on the investment.

Restricted Funds

Restricted funds will be maintained and accounted for in accordance with the appropriate regulations and only used for the purposes for which they are provided.

Designated Funds

Forget Me Not Children's Hospice may occasionally need to save or accumulate funds in order to finance a particular project. These monies will come from unrestricted funds and will be earmarked for a particular project but may be designated as a separate fund. However, this designation will only be for administrative purposes and these funds will remain under the control of Trustees and may be redirected to meet running costs should circumstances require.

c. Going concern

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the impact of Covid-19 on the UK economy and its potential impact on the financial sustainability of the Charity and Group. In doing so management have applied sensitivities including potentially adverse assumptions upon their budgets, cash flow forecasts and considered available government schemes and interventions in making their assessment.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity and Group has adequate resources to continue in operational existence for the foreseeable future and for a period of at least twelve months from the date of sign off of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note 2.2.

Financial review (continued)

d. Fundraising and compliance

Forget Me Not Children's Hospice is reliant on the goodwill and support of the local community in order to provide its charitable services to children with life shortening conditions and their families without charge. The hospice has an excellent reputation, however with this comes a responsibility to ensure the very highest of fundraising standards are in practice.

Income generation is not simply a way of raising funds, but it is also a conduit to developing and maintaining key supporter and donor relationships, ensuring that supporters are very much a part of our Forget Me Not journey.

It is not always possible to assess whether supporters are 'vulnerable' or to coordinate activities with other charities, so our approach is to focus on our fundraising activities and relationships and conduct these and our contact with donors in line with the law and our own high standards.

All income generation activities are undertaken within Charity law, Charity Commission regulations, HMRC rules, The Gambling Act, local licencing laws, Advertising Standards Authority rules and data protection laws. This list is not exhaustive. We are registered with the Fundraising Regulator and continue to work towards full compliance with the Fundraising Code of Practice and strive to adopt best practice in all that we do.

We support and encourage our fundraisers to achieve qualifications through the Institute of Fundraising, and a number of members within the team are actively engaged in training and support through this organisation.

Forget Me Not Children's Hospice has an open and accessible complaints policy and has had no reportable complaints relating to our fundraising practices during the year ended 31 March 2021.

e. Donor management

The new General Data Protection Regulation effective from 25th May 2018 has meant that we have had to focus on our approach to compliance in this area. We have supported the consent and legitimate interest rules as our legal reason for processing information so that we have an opportunity to reconnect and reappraise our relationship with donors by refreshing their communication preferences and positive consent, or not as the case may be. As a result, we have now got a database of engaged contacts who have told us how they wish to engage with Forget Me Not.

Historically, we have practised traditional methods of fundraising which has supported the consent rule as it is very clear and transparent, and also drives trust. We do not conduct activities such as wealth screening, and we take pride in our approach within our values demonstrating respect and integrity. We are especially careful and sensitive when engaging with anyone who may be vulnerable, elderly, bereaved or affected by illness.

f. External fundraisers

We use the services of Sterling Lotteries who manage and run our weekly prize draw. Sterling is licenced and regulated by the Gambling Commission to promote a non-remote and remote lottery and also supply, install and adapt gambling software to promote a lottery.

All Sterling representatives receive Gambling Commission training (including vulnerable persons training) and representatives are also trained in line with the Fundraising Regulators Rule Book for Face-to-Face Fundraising.

Financial review (continued)

f. External fundraisers (continued)

Sterling is audited annually on the Gambling Commission subset of ISO27001:2013. The audit report is available on request.

There were no reportable complaints relating to the activity undertaken by Sterling on behalf of the Hospice in 2021 (2020: none).

g. Principal risks and uncertainties

The Trustees and Senior Leadership Team have assessed, and regularly review, the major risks to which The Forget Me Not Children's Hospice is exposed, in particular those related to the finances and operation and provision of services of the Hospice. There are specific risks related to the pandemic in relation to infection prevention and control so that we can maintain safe staffing levels and safe services for families. Much work has been undertaken to manage this and all risk assessments in this respect are published on our website. However, the main risk that the Hospice faces is that of not being able to generate enough income to maintain existing services and organic growth. As our shops closed and fundraising events were postponed, the risk grew, and as a result of this, our cash flow risk increased and forecast cash reserves were predicted to drop to unacceptable levels. The Trustees and Senior Leadership Team immediately addressed this risk through weekly crisis meetings and a substantial amount of effort went in to recovering the cash position and forecast cash flow which is now in an excellent position. The Trustees continue to review this position as a going concern at each meeting and are satisfied that there are sufficient controls in place to mitigate exposure to these risks. During these extraordinary times, the Charity has taken advantage of support from the government to manage cash and has benefitted significantly from grants made available to the hospice sector to support capacity within the NHS. These grants are no longer available but the relationships formed as a result of this activity has seen injections of cash by other means and a seat at the table in future sustainability discussions for the hospice sector as a whole.

The Hospice's principal financial instruments comprise bank balances, creditors and debtors. The main purpose of these instruments is to raise funds to finance the operations of the Hospice.

Due to the nature of the financial instruments used by the Hospice, there is no exposure to price risk. The Hospice's approach to managing risks applicable to the financial instruments concerned is shown below. In respect of bank balances, the liquidity risk is managed by maintaining credit balances. The Hospice makes use of money market facilities when funds are available.

Trade debtors are managed by the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due and ensuring that suppliers are not paid early.

Further mitigation was put in place to protect cash flow pinch points anticipated in the form of securing an unsecured Key Fund investment of £300,000 in January 2019. The amount outstanding as at 31 March 2021 was £252,750. The investment loan is linked to social impact and requires regular monitoring. The investment loan is repayable over 60 months from the date of drawdown.

As a result of retail lockdowns during the pandemic, FMNT Trading Ltd (A wholly owned subsidiary of the Charity) took advantage of two Coronavirus Business Interruption Loan schemes (CBILS) through Lloyds bank. An amount of £150,000 was taken out in June 2020, and then a further loan of £150,000 again in December 2020.

Financial review (continued)

g. Principal risks and uncertainties (continued)

The loan rates are favourable, and the terms were both 12 months interest free and no capital repayments in 12 months. Both loans are repayable over 72 months from the date of drawdown.

Structure, governance and management

a. Constitution

The Forget Me Not Children's Hospice Limited is registered as a charitable company limited by guarantee incorporated on 15 June 2005 and registered as a Charity on 15 July 2005. The Charity modernised its governing document on the 13th November 2015 and is governed by its Articles of Association. In the event of the Charity being wound up members are required to contribute an amount not exceeding £10.

b. Methods of appointment or election of Trustees

As set out in the Articles of Association adopted on the 13th November 2015, the governing body is the Board of Trustees whose members are appointed either by the Charity in a general meeting or by the other Trustees. The Board of Trustees seek to ensure that the needs of the ultimate user group are appropriately reflected through the diversity of the Trustee body. Trustees are recruited using a robust selection process from a group of interested people who have responded to adverts.

c. Policies adopted for the induction and training of Trustees

New Trustees have been invited to take part in induction provided both by the Charity and by external sources including facilitated learning activity. This induction ensures the Trustees understand their roles and responsibilities, understand the workings of the hospice and the Charity, can identify key risks, hold the management team to account and work together to build a sustainable future for the organisation.

The publication 'The Essential Trustee' is also distributed to new Trustees to assist them in identifying the principles behind being a Charity Trustee, and their legal obligations under Charity and Company Law.

d. Organisation structure

The Board of Trustees, which must consist of not less than three Trustees but shall not be subject to any maximum, helps to administer the Charity by providing the overall strategic direction and ensuring the highest standards of governance is maintained throughout all aspects of the operation. They meet quarterly and in addition have two away days. There are three Board subcommittees, each comprising of a minimum of three Trustees, which meet at least four times a year and cover all aspects of the Charity's business:

- Audit, Finance and Risk Committee (AFR)
- HR & Governance Committee (HR&G)
- Clinical Governance Committee (CGC)

We have also launched a new trading board during the year. The trading board will be spending the year developing a strategy for trading. Day to day running of the Charity is delegated to the Chief Executive who discharges their responsibilities through the Senior Leadership Team.

Structure, governance and management (continued)

e. Related party relationships

The West Yorkshire Forget Me Not Trust was founded in 2000 as a charitable organisation. However, a decision was taken by the Trustees in early 2005 that the objects of the Charity Trust Deed could be better served if the Trust became an incorporated company. Thus, following incorporation of the company, the reserves of the West Yorkshire Forget Me Not Trust were transferred to the Charity on its cessation on 31 December 2005. A special resolution to change the name of the Charity from the West Yorkshire Forget Me Not Trust Limited to The Forget Me Not Children's Hospice Limited was passed by members in July 2011.

The Charity has a subsidiary company, FMNT Trading Limited, through which it runs a chain of Charity shops.

f. Risk management

The assessment of hazards and risks in the physical environment and in clinical and nonclinical working practices is undertaken on a regular basis to protect the health and welfare of staff, children/young people and their families. Where hazards are identified, risk management techniques will be used to reduce or eliminate the hazardous practice or environment as far as is reasonably practicable. Good risk management helps the Charity to identify where there are problem areas and helps it to learn from past events and near misses to create a safer future.

Successful risk management at the Charity is based on the following philosophy:

- The identification of risk is considered in all areas of work and is included in all operational activities.
- The success of a risk management program is dependent upon a committed approach by the Board of Trustees, Chief Executive, Senior Leadership Team and all staff.
- The identification and management of risks requires active involvement of operational staff within the Charity as these staff are best placed to perform this function if there are robust communication and support systems
- The promotion of an open, objective culture for incident reporting and the identification of risk and consistency in managing those risks are essential to the success of the Risk Management Policy. This is supported by all levels of management across all occupational groups and staff in all areas of the Charity have had training around incident reporting.
- Risk controls must be directed at the causes of incidents or hazardous situations, rather than focussing on symptoms. This approach is necessary to reduce the number, severity and cost of incidents. Risk management must be sufficiently flexible to allow continuous improvement.
- All staff will receive training in defined and agreed elements of risk management including risk reduction, incident reporting and investigation.

A comprehensive Risk Assessment Tool covering the Charity, operations, financial, compliance and people risks is in operation and reviewed at least quarterly. The risks that are categorised as amber or red are transferred to the Corporate and Operational Risk Register which is updated on an ongoing basis in response to incident reports and when any risks become apparent through our management and governance processes.

All operational, financial and compliance risks on the risk register are reviewed monthly at Senior Leadership meetings and updated to include mitigation factors. Systems and procedures, and appropriate controls, have been established to mitigate the risks the Charity faces. Procedures are in place to ensure compliance with health and safety of staff, volunteers and visitors to the premises of the Charity.

Structure, governance and management (continued)
f. Risk management (continued)

The Integrated Governance framework ensures a consistent quality of delivery for all operational aspects of the Charity. During the Covid-19 pandemic, lots of work has been undertaken to manage risk and all risk assessments required to support staff in our work spaces, support families with service delivery, manage visitors to the hospice and support customers in our shops are published on the website.

The Trustees assess the risks faced by the organisation on an ongoing and regular basis.

There is Trustee and Senior Team Indemnity Insurance Cover in place. As well as internal controls and processes we are externally audited on an annual basis for Health and Safety, and for Finance. The Board receive annual Health and safety and Information Governance reports in addition to regular updates. There are robust information governance processes and controls in place to mitigate risk. In addition, our latest Care Quality Commission unannounced inspection in November 2014 rated us as an "Outstanding" organisation. In line with most providers in the sector we are working with the CQC Emergency Support Framework and regular meetings with our engagement officer are taking place.

Reference and administrative details of the Charity, its Trustees and advisers

Rebecca Chaloner
Jeremy D Cross, Chair (appointed Chair 20 November 2020)
Jo Ellis
Sarah Fothergill (resigned 20 July 2021)
Harry Granger (resigned 4 June 2021)
Rachael Heenan, Chair (re-appointed 9 April 2020, resigned 11 November 2020)
Stacey L Hunter (resigned 17 July 2020)
Simon Parkinson
Sarah V Ramsey
Gill A Sharpe
Niesha Snarr (resigned 17 April 2021)
Claire Warner (resigned 13 July 2021)
Claire Woodford
Kathryn Winterburn, Chair (resigned 20 November 2020)
David Anderson (appointed 11 September 2020)
Lisa Leighton (appointed 11 September 2020, resigned 8 August 2021)
Adrian Gordon (appointed 11 September 2020)
Tim McBurney (appointed 11 June 2021) [1]
Darryl Britto (appointed 11 June 2021) [1]

[1] Appointed after the year end before the date of signing the accounts

During the year we have received a number of trustee resignations and made new appointments. We have used the opportunity to consider the commitment we expect our Trustees to make and how we build a more diverse board to respond to the important equalities focus within our region. More information about our Trustees can be found on our website.

Structure, governance and management (continued)
Reference and administrative details of the Charity, its Trustees and advisers (continued)

Company registered number	05481614
Charity registered number	1110457
Registered office	Russell House Fell Greave Road Huddersfield West Yorkshire HD1 2HG
Company secretary	Nicola O'Dowd
Chief executive officer	Luen Thompson
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants Third Floor,10 South Parade Leeds West Yorkshire LS1 5QS
Bankers	Lloyds Bank Commercial PO Box 1000 BX1 1LT
Solicitors	Schofield Sweeney Springfield House 76 Wellington Street Leeds West Yorkshire LS1 2AY

Directors of FMNT Trading

Gareth Pierce, Chair
Sarah Fothergill (resigned 20 July 2021)
David Ashton (appointed 02 December 2020)
Paul Harvey Stead (appointed 11 September 2020)
Mike Robinson (appointed 21 October 2020)
Dan Quinn (appointed 22 April 2021)
Laura Green (appointed 6 May 2021)

Members' liability

The Members of the Charity guarantee to contribute an amount not exceeding £10 to the assets of the Charity in the event of winding up.

Structure, governance and management (continued)

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is Company Secretary aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 10th September 2021and signed on their behalf by:

J Cross
Chair

N O'Dowd
Company Secretary

Opinion

We have audited the financial statements of The Forget Me Not Children's Hospice Limited (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheets, the Consolidated statement of cash flows and the related notes, 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 March 2021 and of the Group's incoming resources and application of resources, including its 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 United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. 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.

Other information (continued)

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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement on page 25, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of Irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and parent charitable company through discussions with Trustees, directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group and the parent charitable company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2.18 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Use of our 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ross Preston (Senior statutory auditor)

for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors

Leeds

Date: 17 September 2021

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
AS AT 31 MARCH 2021

	Notes	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Unrestricted Funds 9 months to 31 March 2020	Restricted Funds 9 months to 31 March 2020	Total Funds 9 months to 31 March 2020
Income:		£	£	£	£	£	£
Donations and legacies:							
Donations	4	597,248	6,560	603,808	682,757	124,759	807,516
Grants	5	8,280	542,908	551,188	2,000	221,871	223,871
Legacies	6	77,691	-	77,691	199,469	-	199,469
Income from other trading activities:							
Shops		790,780	-	790,780	1,330,220	-	1,330,220
Lottery		255,600	-	255,600	216,636	-	216,636
Fundraising events		29,546	-	29,546	56,538	-	56,538
Investment income		-	-	-	-	-	-
Income from charitable activities	7	226,050	581,673	807,723	300,000	-	300,000
Other income	8	785,923	-	785,923	37,260	-	37,260
Total Income		2,771,118	1,131,141	3,902,259	2,824,880	346,630	3,171,510
Costs of raising voluntary income		375,527	-	375,527	310,877	-	310,877
Fundraising trading: costs of goods sold and other costs		957,346	-	957,346	901,233	-	901,233
Fundraising trading: costs of events		180,109	-	180,109	178,489	-	178,489
Costs of raising funds	9	1,512,982	-	1,512,982	1,390,599	-	1,390,599
Expenditure on charitable activities		1,062,381	1,113,907	2,176,288	1,372,622	290,628	1,663,250
Total expenditure	9	2,575,363	1,113,907	3,689,270	2,763,221	290,628	3,053,849
Net movement in funds before other recognised gains brought forward		195,755	17,234	212,989	61,659	56,002	117,661
Net movement in funds		195,755	17,234	212,989	61,659	56,002	117,661
Reconciliation of funds							
Total funds brought forward		2,754,272	71,070	2,825,342	2,692,613	15,068	2,707,681
Net movement in funds		195,755	17,234	212,989	61,659	56,002	117,661
Total funds carried forward		2,950,027	88,304	3,038,331	2,754,272	71,070	2,825,342

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 33 to 47 form part of these financial statements.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 MARCH 2021

		Group		Charity	
	Notes	2021 £	2020 £	2021 £	2020 £
Fixed assets					
Intangible assets	13	-	211	-	108
Tangible assets	14	2,190,956	2,262,311	2,136,761	2,177,579
Investments	15	-	-	1	1
		2,190,956	2,262,522	2,136,762	2,177,688
Current assets					
Stock	16	18,777	18,553	1,500	1,500
Debtors	17	357,128	599,443	276,939	434,148
Cash at bank and in hand - Unrestricted fund		1,152,302	344,056	947,974	222,248
- Restricted fund		88,304	71,070	88,304	71,070
		1,616,511	1,033,122	1,314,717	728,966
Current liabilities					
Creditors: amounts falling due within one year	18	(351,136)	(319,802)	(415,821)	(250,297)
Net current assets		1,265,375	713,320	898,896	478,669
Total assests less current liabilities		3,456,331	2,975,842	3,035,658	2,656,357
Creditors : amounts falling due after more than one year	19	(418,000)	(150,500)	(150,500)	(150,500)
Total net assets		3,038,331	2,825,342	2,885,158	2,505,857
Charity funds					
Unrestricted funds	20	2,950,027	2,754,272	2,796,854	2,434,787
Restricted income funds	20	88,304	71,070	88,304	71,070
Total funds		3,038,331	2,825,342	2,885,158	2,505,857

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 10th September 2021and signed on their behalf by:

J Cross — Chair

N O'Dowd — Company Secretary

The notes on pages 33 to 47 form part of these financial statements.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

		Group	
			9 months to 31 March
		2021	2020
	Notes	£	£
Cash flows from operating activities:			
Net cash from operating activities	23	880,453	(423,475)
Cash flows from investing activities:			
Purchase of property, plant and equipment		(54,973)	(65,010)
Net cash used in investing activities		**(54,973)**	**(65,010)**
Change in cash and cash equivalents in the reporting period		**825,480**	**(488,485)**
Cash and cash equivalents at the beginning of the reporting period		415,126	903,611
Change in cash and cash equivalents		825,480	(488,485)
Cash and cash equivalents at the end of the reporting period	24	**1,240,606**	**415,126**

The notes on pages 33 to 47 form part of these financial statements.

1. General information

The organisation is a charitable company limited by guarantee, incorporated in England and Wales. The address of its registered office is Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH. The charitable company's registered number is 05481614.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Forget Me Not Children's Hospice Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going Concern

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the impact of Covid-19 on the UK economy and its potential impact on the financial sustainability of the Charity and the group as a whole. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered available government schemes and interventions in making their assessment. The Trustees have received a 12 month rolling cash flow forecast, together with mitigation plans and a full understanding of the financial performance in order to make a going concern decision.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

2. Accounting policies (continued)

2.3 Income (continued)

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes, but not expended during the period, is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services or items are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably. Donated fixed assets are included in income at the estimated value of the gift to the Charity when received, based on the amount that the Charity would have been prepared to pay for these services or facilities had it been required to purchase them, with a corresponding entry being capitalised in fixed assets for the same amount. There were no gifts in kind recorded this year (2020: £50,000).

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets such as website costs are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

- Amortisation is provided on patents over 3 years.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

The land was bought for a notional amount from the council and has restrictions within the deeds, therefore no revaluation has been done. The building is valued at cost

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- Nil
Russell House (freehold)	- 2% straight line from 1 November 2011
Grace's Place (leasehold)	- over the life of the lease (99 years)
Medical equipment	- 20% straight line
Motor vehicles	- 20% straight line basis
Fixtures and fittings	- 15% straight line
Computer equipment	- 20% straight line
Leasehold improvements	- over the life of the asset or 20%

The need for any impairment of a fixed asset is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investments in subsidiaries are valued at cost less provision for impairment.

2. Accounting policies (continued)

2.9 Stocks

Stocks of retail goods are valued at the lower of cost and net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the Charity which far outweigh the benefits. Stocks are valued using the first in, first out (FIFO) method.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Concessionary loan

The Charity has taken advantage of section 34 of FRS102 to recognise the loan to/from its trading subsidiary and the Charity form a public benefit entity group. As such the Charity initially recognises and measured the loan at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. No interest is being charged on this loan.

2.15 Operating leases

Operating leases are recognised over the period of which the lease falls due. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

2. Accounting policies (continued)

2.16 Pensions

Employees of the Charity are entitled to join a defined contribution 'money purchase' scheme. The Charity contribution is restricted to the contribution disclosed in note 24. The costs of the defined contribution scheme are included with the associated staff costs and allocated therefore to raising funds, charitable activities and support costs and charges to the unrestricted funds of the Charity. Pensions are allocated to activities and funds in line with staff pay costs

The money purchase plan is managed by Peoples Pension and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employees normal retirement age which is defined as when they are eligible for a state pension. Employees that have previously been on the NHS pension scheme before joining the Charity, have an option to continue this scheme provided the criteria have been met. The Charity has no liability beyond making its contributions and paying across the deductions for the employees contributions.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.18 Key accounting estimates and assumptions

Accounting estimates, by definition, will often vary from actual results. They are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. The nature of the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below. The carrying amount of the estimates and assumptions at the year-end are disclosed in the relevant note to the accounts

Useful economic lives of tangible assets:
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economical utilisation and the physical condition of the assets.

Useful economic lives of intangible assets:
The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets, which are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation.

2. Accounting policies (continued)

2.18 Key accounting estimates and assumptions (continued)

Valuation of gifts in kind:
Gifts in kind are included within the accounts at an estimated value. The estimated value is based on the value the Charity would have been required to pay for equivalent services.

3. Critical accounting estimates and areas of judgment

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

4 Donations

	2021			9 months to 31 March 2020		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
General donations	428,236	-	428,236	545,050	14,070	559,120
Shooting Star Appeal	-	6,560	6,560	-	60,689	60,689
Crisis Appeal - COVID-19	-	-	-	63,000	-	63,000
Liz & Terry Bramall Foundation	100,000	-	100,000	-	-	-
Fixby Friends	1,450	-	1,450	5,589	-	5,589
Friends of Forget Me Not Support Group	7,000	-	7,000	3,541	-	3,541
Gift Aid on donations	60,562	-	60,562	65,577	-	65,577
Value of gifts in kind and donated services	-	-	-	-	50,000	50,000
	597,248	6,560	603,808	682,757	124,759	807,516

5 Grants

	2021			9 months to 31 March 2020		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
BBC Children in Need - Perinatal grant	-	40,504	40,504	-	26,849	26,849
BBC Children in Need	-	37,500	37,500	-	-	-
Cares4Kids	-	10,000	10,000	-	-	-
Community Foundation for Calderdale	-	10,000	10,000	-	-	-
National Lottery	-	90,332	90,332	-	25,000	25,000
NHS England Annual Grant	-	203,457	203,457	-	135,638	135,638
Rank Foundation	-	25,000	25,000	-	-	-
The Albert Hunt Trust	-	10,000	10,000	-	15,000	15,000
The Mark Benevolent Fund	-	16,585	16,585	-	-	-
West Yorkshire Police and Crime Commissioner	-	10,000	10,000	-	-	-
Various grants less than £10,000	8,280	89,530	97,810	2,000	19,384	21,384
	8,280	542,908	551,188	2,000	221,871	223,871

6 Legacies

	2021		9 months to 31 March 2020	
	Unrestricted	Total Group	Unrestricted	Total Group
	£	£	£	£
Legacies	77,691	77,691	199,469	199,469
	77,691	77,691	199,469	199,469

Actual legacies received during the year amounted to £77,691 (2020: £199,469) and include legacy accruals of £nil (2020: £195,000). There were no (2020: none) legacies at the year end that are to be treated as contingent assets.

7 Charitable Activities

	2021			9 months to 31 March 2020	
	Unrestricted	Restricted	Total Group	Unrestricted	Total Group
	£	£	£	£	£
Kirklees Council	30,000	-	30,000	-	-
NHSE government	-	581,673	581,673	-	-
NHS Kirklees CCG	31,050	-	31,050	30,000	30,000
NHS Leeds CCG	-	-	-	10,000	10,000
NHS Wakefield CCG	15,000	-	15,000	15,000	15,000
NHS Greater Huddersfield CCG	100,000	-	100,000	100,000	100,000
NHS Calderdale CCG	50,000	-	50,000	50,000	50,000
West Yorkshire & Humber ICS	-	-	-	95,000	95,000
	226,050	581,673	807,723	300,000	300,000

8 Other Income	2021 Unrestricted £	9 months to 31 March 2020 Unrestricted £
Training income	21,517	9,780
Care - other income	26,214	21,239
Central - other income	-	102
Catering income	-	6,139
Continuing Care funds	417,343	-
Redeployment of staff	63,626	-
Furlough Claims	198,633	-
Covid-19 Emergency grants	58,590	-
	785,923	37,260

9 Analysis of Resources Expended	Direct Costs 2021 £	Allocated Costs 2021 £	Total Costs 2021 £
Cost of raising voluntary income	276,520	99,007	375,527
Fundraising trading: costs of goods sold and other costs	957,346	-	957,346
Fundraising trading: costs of events	107,871	72,238	180,109
	1,341,737	171,245	1,512,982
Charitable activities - care services	1,570,746	605,542	2,176,288
Total 31 March 2021	2,912,483	776,787	3,689,270

	Direct Costs 9 months to 31 March 2020 £	Allocated Costs 9 months to 31 March 2020 £	Total Costs 9 months to 31 March 2020 £
Cost of raising voluntary income	237,138	73,739	310,877
Fundraising trading: costs of goods sold and other costs	901,233	-	901,233
Fundraising trading: costs of events	121,610	56,879	178,489
	1,259,981	130,618	1,390,599
Charitable activities - care services	1,212,608	450,642	1,663,250
Total 31 March 2020	2,472,589	581,260	3,053,849

10 Net outgoing resources for the year

This is stated after charging:-	2021 £	9 months to 31 March 2020 £
Depreciation of owned tangible fixed assets	126,328	93,077
Amortisation of owned intangible assets	211	5,957
Auditor's remuneration	9,350	9,050
Operating Leases	201,242	173,778

11 Board of Trustees/Directors' remuneration

The Board of Trustees during the year served on a voluntary basis and received no remuneration for their services to the company (2020 9 months: nil).

The Charity reimbursed nil (2020 9 months: nil) Trustees for travel expenditure in order for the Trustees to attend meetings.

12 Staff costs and numbers

Staff costs were as follows:	2021 £	9 months to 31 March 2020 £
Salaries and wages	2,281,904	1,884,079
Social security costs	182,776	136,549
Pension costs	133,293	103,955
Total	2,597,973	2,124,583

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2021 Number	9 months to 31 March 2020 Number
£60,001 - £70,000	0	1
£70,001 - £80,000	1	0
£80,001 -£90,000	0	0

The employee earning more than £70,000 participated in the Peoples Pension scheme. Contributions were based on 5% matching

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

	2021 Average Number	9 months to 31 March 2020 Average Number	2021 Average FTE	9 months to 31 March 2020 Average FTE
Care Services	53	53	37	39
Income Generation - Charity	13	14	12	11
Income Generation - Trading	43	46	29	29
Corporate Services (Finance, HR, IT and Estates)	13	13	12	12
Grace's Place	0	1	0	1
Total	122	127	90	92

The hospice considers that the key management personnel comprise the Trustees and the Senior Leadership Team (SLT). The SLT is made up of the Chief Executive and three key Directors. The total employee benefits of the key management personnel of the Group was £ 290,346 (2020 nine months :£187,173)

13 Intangible Assets

Group	Intangible Assets £	2021 Total £
Cost		
At 31 March 2020	33,077	33,077
Additions	-	-
Disposals	-	-
At 31 March 2021	33,077	33,077
Depreciation		
At 31 March 2020	(32,866)	(32,866)
Charge for the year	(211)	(211)
Disposals	-	-
At 31 March 2021	(33,077)	(33,077)
Net book value		
At 31 March 2021	-	-
At 31 March 2020	211	211

Charity	Intangible Assets £	2021 Total £
Cost		
At 31 March 2020	30,577	30,577
Additions	-	-
Disposals	-	-
At 31 March 2021	30,577	30,577
Depreciation		
At 31 March 2020	(30,469)	(30,469)
Charge for the year	(108)	(108)
Disposals	-	-
At 31 March 2021	(30,577)	(30,577)
Net book value		
At 31 March 2021	-	-
At 31 March 2020	108	108

14 Tangible Fixed Assets

Group

	Freehold land £	Russell House (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2020	90,104	2,269,175	156,145	162,703	345,595	34,567	33,995	3,092,284
Additions	-	41,985		12,775	213	-	-	54,973
Disposals	-	-	-	-	-	-	-	-
At 31 March 2021	90,104	2,311,160	156,145	175,478	345,808	34,567	33,995	3,147,257
Depreciation								
At 31 March 2020	-	(378,701)	(97,547)	(61,522)	(261,725)	(17,639)	(12,839)	(829,973)
Charge for the year	-	(45,886)	(20,072)	(20,553)	(26,497)	(6,516)	(6,804)	(126,328)
Disposals	-	-	-	-	-	-	-	-
At 31 March 2021	-	(424,587)	(117,619)	(82,075)	(288,222)	(24,155)	(19,643)	(956,301)
Net book value								
At 31 March 2021	90,104	1,886,573	38,526	93,403	57,586	10,412	14,352	2,190,956
At 31 March 2020	90,104	1,890,474	58,598	101,181	83,870	16,928	21,156	2,262,311

Charity

	Freehold land £	Hospice (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2020	90,104	2,269,175	-	147,511	304,468	34,567	33,995	2,879,820
Additions	-	41,985	-	12,775	213	-	-	54,973
Disposals	-	-	-	-	-	-	-	-
At 31 March 2021	90,104	2,311,160	-	160,286	304,681	34,567	33,995	2,934,793
Depreciation								
At 31 March 2020	-	(378,701)	(159)	(54,953)	(237,950)	(17,639)	(12,839)	(702,241)
Charge for the year	-	(45,886)	-	(18,153)	(18,432)	(6,516)	(6,804)	(95,791)
Disposals	-	-	-	-	-	-	-	-
At 31 March 2021	-	(424,587)	(159)	(73,106)	(256,382)	(24,155)	(19,643)	(798,032)
Net book value								
At 31 March 2021	90,104	1,886,573	(159)	87,180	48,299	10,412	14,352	2,136,761
At 31 March 2020	90,104	1,890,474	(159)	92,558	66,518	16,928	21,156	2,177,579

15 Investment in trading subsidiary

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
At start of the year	-	1	-	1
At end of the year	-	**1**	-	1

16 Stocks

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Finished goods and goods for resale	**18,777**	18,553	**1,500**	1,500

17 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Prepayments and accrued income	179,105	550,215	121,834	304,210
Amounts owed by group undertakings	-	-	-	85,562
Trade debtors	118,948	36,358	118,948	36,358
Other debtors	59,075	12,870	36,157	8,018
	357,128	599,443	276,939	434,148

18 Creditors: Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Amounts owed to subsidiary undertaking	-	-	146,409	-
Key Fund Investment and CBILs loans	112,000	79,500	79,500	79,500
Trade creditors	88,679	88,859	62,050	49,782
Other creditors	49,415	43,207	42,736	33,254
Taxation and social security	44,511	42,674	39,333	40,487
Accruals and deferred income	56,531	65,561	45,793	47,273
	351,136	319,802	415,821	250,297

The loan from FMNT Trading Limited to the Charity is an unsecured, interest free loan which is repayable on demand.
The Key Fund Investment Loan is unsecured, over a 66 month period at 6.5% interest per annum. Monthly repayments are £6,625 made up of £5,000 capital and £1,625 interest per month. The original loan was for £300,000 and commenced in January 2019 and is fully paid up in July 2024.
The CBILs Loans were taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and then a further £150,000 again in December 2020. Both CBILs loans were capital and interest free for 12 months and repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment on both loans is £2,500 and interest on the first loan is 2.13% per annum and 2.44% per annum on the second loan.

19 Creditors: Amounts falling due after more than one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Key Fund Investment and CBILs loans	**418,000**	150,500	**150,500**	150,500

The Key Fund Investment Loan is unsecured, over a 66 month period at 6.5% interest per annum. Monthly repayments are £6,625 made up of £5,000 capital and £1,625 interest per month. The original loan was for £300,000 and commenced in January 2019 and is fully paid up in July 2024.
The CBILs Loans were taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and then a further £150,000 again in December 2020. Both CBILs loans were capital and interest free for 12 months and repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment on both loans is £2,500 and interest on the first loan is 2.13% per annum and 2.44% per annum on the second loan. The outstanding balance at year end was £300,000 as no repayments were due during the year.

20 Group Funds

	Brought forward £	Incoming resources £	Outgoing resources £	Carried forward £
Unrestricted funds	2,754,272	2,771,118	(2,575,363)	2,950,027
Restricted funds				
Medical Equipment	14,068	3,233	(9,078)	8,223
Shooting Star Appeal	-	33,145	(33,145)	0
Memorial and Tribute funds	25,000	-	(3,507)	21,493
IT Equipment	5,002	25,000	(30,002)	0
Decoration and Refurbishment	20,000	20,000	-	40,000
Boiler Replacement	-	14,750	(14,750)	0
Care and Nursing costs	-	98,505	(98,505)	0
Care Activity packs	-	15,000	(15,000)	0
Lottery - Resilience short breaks	-	90,332	(90,332)	0
BBC Children in Need - Resilience support packages	-	37,500	(30,000)	7,500
Uniforms	-	5,000	(4,458)	542
NHS England - Children's Palliative Care Grant	-	203,457	(203,457)	0
NHSE Hospice grant	-	581,673	(581,673)	(0)
Garden Equipment	7,000	3,546	-	10,546
	71,070	1,131,141	(1,113,907)	88,304
Total Funds	2,825,342	3,902,259	(3,689,270)	3,038,331

Summary of Funds - current year	Brought forward £	Incoming resources £	Outgoing resources £	Gains/ Losses £	Carried forward £
Unrestricted funds	2,754,272	2,771,118	(2,575,363)	-	2,950,027
Restricted funds	71,070	1,131,141	(1,113,907)	-	88,304
	2,825,342	3,902,259	(3,689,270)	-	3,038,331

We received various revenue grants amounting to £98,505 which have all been spent during the year on care and nursing costs.

The Shooting Star Appeal raised £33,145 and was all spent on our Perinatal service during the year.

We received further capital grants for medical equipment, IT equipment and garden equipment which amounted to £31,779 and there is an amount of £18,769 of restricted funds carried forward for essential equipment.

Grants carried forward for decoration and refurbishment of £20,000 and additional grants received this year of £20,000 have resulted in an amount of £40,000 of restricted funds carried forward for the Snowflake suite, conservatory and other essential refurbishment works planned.

The memorial and tribute funds of £25,000 received last year has had an amount of £3,507 spent, and therefore £21,493 carried over as restricted funds as plans are to complete this project during the Summer of 2021.

During the year, we received grants of £14,750 towards the replacement of our boilers which was all spent.

We received a Lottery grant of £90,332 towards resilience and short break packages for children and siblings which was all spent during the year.

We received a BBC Children in Need grant of £37,500 during the year for support packages for families of which £30,000 was spent and £7,500 carried over as restricted revenue funds.

20. Group Funds (continued)

Grants of £15,000 for care activity packs were received and all spent during the year.

During the year we received a grant of £5,000 for care team uniforms, of which £4,458 has been spent, and £542 carried over as restricted revenue.

The NHS England annual grant of £203,457 is for children's palliative care costs and all spent on activities during the year.

The NHSE Hospice grants of £581,673 was awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose. This was all spent during the year.

21 Summary of funds

Summary of funds current year

	Balance at 1 April 2020	**Income**	**Expenditure**	**Gains/ (Losses)**	**Balance at 31 March 2021**
	£	**£**	**£**	**£**	**£**
General funds	**2,754,272**	**2,771,118**	**(2,575,363)**	-	**2,950,027**
Restricted funds	**71,070**	**1,131,141**	**(1,113,907)**	-	**88,304**
	2,825,342	**3,902,259**	**(3,689,270)**	-	**3,038,331**

Summary of funds prior year

	Balance at 1 July 2019	*Income*	*Expenditure*	*Gains/ (Losses)*	*Balance at 31 March 2020*
	£	*£*	*£*	*£*	*£*
General funds	*2,692,613*	*2,824,880*	*(2,763,221)*	-	*2,754,272*
Restricted funds	*15,068*	*346,630*	*(290,628)*	-	*71,070*
	2,707,681	*3,171,510*	*(3,053,849)*	-	*2,825,342*

22 Analysis of net assets between funds

Group

	2021			**2020**		
	Unrestricted funds	**Restricted funds**	**Total funds**	**Unrestricted funds**	**Restricted funds**	**Total funds**
	£	**£**	**£**	**£**	**£**	**£**
Investments	-	-	-	-	-	-
Tangible fixed assets	2,190,956	-	2,190,956	2,262,311	-	2,262,311
Intangible fixed assets	-	-	-	211	-	211
Current assets	1,528,207	88,304	1,616,511	962,052	71,070	1,033,122
Current liabilities	(351,136)	-	(351,136)	(319,802)	-	(319,802)
Creditors amonts falling due after more than one year	(418,000)	-	(418,000)	(150,500)	-	(150,500)
Net assets	2,950,027	88,304	3,038,331	2,754,272	71,070	2,825,342

23 Reconciliation of net income to net cash flow from operating activities

	Group 2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	212,989	117,661
Adjustments for:		
Depreciation charges	126,328	93,077
Amortisation	211	5,957
(Increase)/Decrease in stocks	(224)	(191)
(Increase)/Decrease in debtors	242,315	(400,108)
Increase/ (Decrease) in creditors	298,834	(239,871)
Net cash provided by operating activities	**880,453**	**(423,475)**

24 Analysis of cash and cash equivalents

	Group 2021 £	2020 £
Cash in hand	1,240,606	415,126
Total cash and cash equivalents	**1,240,606**	**415,126**

25 Operating lease commitments

As at 31 March 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

Group	**2021**		**2020**	
	Land and buildings £	**Other £**	**Land and buildings £**	**Other £**
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Leases which terminate within one year	158,981	2,096	155,473	4,208
In more than one year but not more than five years	145,337	936	84,981	2,096
Over 5 years	-	-	-	-

Charity	**2021**		**2020**	
	Land and buildings £	**Other £**	**Land and buildings £**	**Other £**
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Leases which terminate within one year	-	2,096	-	4,208
Leases which terminate in more than one year but not more than five years		936		-
Leases which terminate in more than 5 years	-		-	2,096

26 Pension commitments

The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost represents contributions payable by the Charity to the funds and amounted to £133,293 (2020: £103,955). Contributions amounting to £19,097 (2020: £21,960) payable at the year-end are included in other creditors.

The Charity operates two different pension schemes, the rates payable by the Charity vary between the NHS Scheme with employers contribution rates of 14.38% (the additional 6.3% is being funded centrally by NHS England as the total Employers contribution are 20.68%) and the Peoples Pension Scheme whereby contributions of a rate of 3% payable by the employer.

27 Related party transactions

Advantage has been taken of the exemption in Financial Reporting Standard 102 ('The Financial Reporting Standard applicable in the UK and Republic of Ireland') from the requirement to disclose the transaction with group companies on the grounds that they are wholly owned.

28 Surplus/ (Deficit) of the Charity

The Charity has reported a surplus for the financial year of £379,554 (2020 nine months deficit: £311,325). The parent Charity's statement of financial activities has been excluded under section 408 of the Companies Act 2006.

29 Controlling party

The Charity is controlled by the Board of Trustees. No one trustee has ultimate control.

30 Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
FMNT Trading Limited	06332306	Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH	Management and operation of Charity shops

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
FMNT Trading Limited	**790,780**	**959,533**	**(166,566)**	**147,310**