



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

CONTENTS

	Page
Report of the Trustees	1-25
Report of the Independent Auditor's	26-29
Consolidated statement of financial activities	30
Consolidated and Charity balance sheet	31
Consolidated statement of cash flows	32
Notes to the consolidated financial statements	33-47

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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.

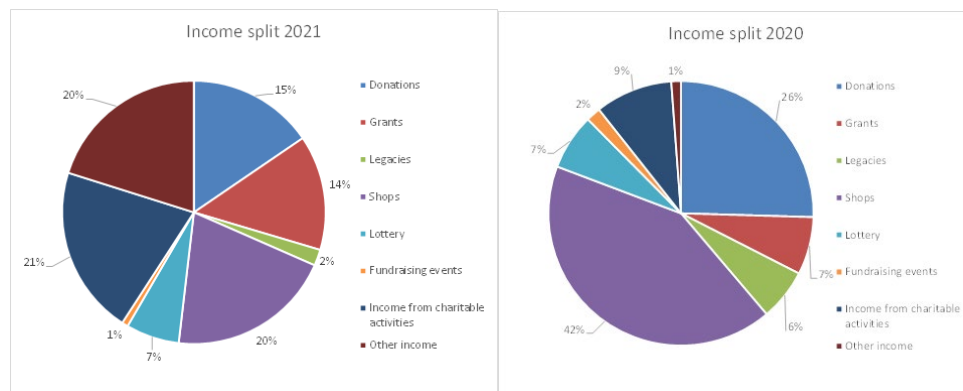
THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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%).

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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 2021 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 2021**

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.

**REPORT OF THE INDEPENDENT AUDITOR'S
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
FOR THE YEAR ENDED 31 MARCH 2021 (continued)**

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.

**REPORT OF THE INDEPENDENT AUDITOR'S
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
FOR THE YEAR ENDED 31 MARCH 2021 (continued)**

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.

**REPORT OF THE INDEPENDENT AUDITOR'S
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
FOR THE YEAR ENDED 31 MARCH 2021 (continued)**

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

		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds 9 months to 31 March 2020	Restricted Funds 9 months to 31 March 2020	Total Funds 9 months to 31 March 2020
Notes	2021	2021	2021				
	£	£	£	£	£	£	£
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		<u>2,771,118</u>	<u>1,131,141</u>	<u>3,902,259</u>	<u>2,824,880</u>	<u>346,630</u>	<u>3,171,510</u>
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	<u>1,512,982</u>	<u>-</u>	<u>1,512,982</u>	<u>1,390,599</u>	<u>-</u>	<u>1,390,599</u>
Expenditure on charitable activities		1,062,381	1,113,907	2,176,288	1,372,622	290,628	1,663,250
Total expenditure	9	<u>2,575,363</u>	<u>1,113,907</u>	<u>3,689,270</u>	<u>2,763,221</u>	<u>290,628</u>	<u>3,053,849</u>
Net movement in funds before other recognised gains brought forward		<u>195,755</u>	<u>17,234</u>	<u>212,989</u>	<u>61,659</u>	<u>56,002</u>	<u>117,661</u>
Net movement in funds		<u>195,755</u>	<u>17,234</u>	<u>212,989</u>	<u>61,659</u>	<u>56,002</u>	<u>117,661</u>
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		<u>2,950,027</u>	<u>88,304</u>	<u>3,038,331</u>	<u>2,754,272</u>	<u>71,070</u>	<u>2,825,342</u>

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.

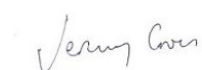
THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 MARCH 2021

		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
		<u>2,190,956</u>	<u>2,262,522</u>	<u>2,136,762</u>	<u>2,177,688</u>
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
		<u>1,616,511</u>	<u>1,033,122</u>	<u>1,314,717</u>	<u>728,966</u>
Current liabilities					
Creditors: amounts falling due within one year	18	(351,136)	(319,802)	(415,821)	(250,297)
		<u>1,265,375</u>	<u>713,320</u>	<u>898,896</u>	<u>478,669</u>
Net current assets					
		<u>3,456,331</u>	<u>2,975,842</u>	<u>3,035,658</u>	<u>2,656,357</u>
Total assets less current liabilities					
Creditors : amounts falling due after more than one year	19	(418,000)	(150,500)	(150,500)	(150,500)
		<u>3,038,331</u>	<u>2,825,342</u>	<u>2,885,158</u>	<u>2,505,857</u>
Total net assets					
		<u>3,038,331</u>	<u>2,825,342</u>	<u>2,885,158</u>	<u>2,505,857</u>
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
		<u>3,038,331</u>	<u>2,825,342</u>	<u>2,885,158</u>	<u>2,505,857</u>
Total funds					
		<u>3,038,331</u>	<u>2,825,342</u>	<u>2,885,158</u>	<u>2,505,857</u>

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 2021 and 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	<u>880,453</u>	<u>(423,475)</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment		<u>(54,973)</u>	<u>(65,010)</u>
Net cash used in investing activities		<u>(54,973)</u>	<u>(65,010)</u>
 Change in cash and cash equivalents in the reporting period		 <u>825,480</u>	 <u>(488,485)</u>
 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)
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the reporting period	24	<u>1,240,606</u>	<u>415,126</u>

The notes on pages 33 to 47 form part of these financial statements.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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 outweighs 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.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)**

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.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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
	<u>597,248</u>	<u>6,560</u>	<u>603,808</u>	<u>682,757</u>	<u>124,759</u>	<u>807,516</u>

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
	<u>8,280</u>	<u>542,908</u>	<u>551,188</u>	<u>2,000</u>	<u>221,871</u>	<u>223,871</u>

6 Legacies

	2021		9 months to 31 March 2020	
	Unrestricted	Total Group	Unrestricted	Total Group
	£	£	£	£
Legacies	77,691	77,691	199,469	199,469
	<u>77,691</u>	<u>77,691</u>	<u>199,469</u>	<u>199,469</u>

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
	<u>226,050</u>	<u>581,673</u>	<u>807,723</u>	<u>300,000</u>	<u>300,000</u>

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

	2021	9 months to 31 March 2020
	Unrestricted	Unrestricted
	£	£
8 Other Income		
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	-
	<u>785,923</u>	<u>37,260</u>

9 Analysis of Resources Expended

	Direct Costs	Allocated Costs	Total Costs
	2021	2021	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
	<u>1,341,737</u>	<u>171,245</u>	<u>1,512,982</u>
Charitable activities - care services	1,570,746	605,542	2,176,288
Total 31 March 2021	<u>2,912,483</u>	<u>776,787</u>	<u>3,689,270</u>

	Direct Costs	Allocated Costs	Total Costs
	9 months to 31 March 2020	9 months to 31 March 2020	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
	<u>1,259,981</u>	<u>130,618</u>	<u>1,390,599</u>
Charitable activities - care services	1,212,608	450,642	1,663,250
Total 31 March 2020	<u>2,472,589</u>	<u>581,260</u>	<u>3,053,849</u>

10 Net outgoing resources for the year

	2021	9 months to 31 March 2020
	£	£
This is stated after charging:-		
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	<u>201,242</u>	<u>173,778</u>

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.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

12 Staff costs and numbers

	2021	9 months to 31 March 2020
	£	£
Staff costs were as follows:		
Salaries and wages	2,281,904	1,884,079
Social security costs	182,776	136,549
Pension costs	133,293	103,955
Total	<u>2,597,973</u>	<u>2,124,583</u>

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	<u>0</u>	<u>0</u>

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	<u>122</u>	<u>127</u>	<u>90</u>	<u>92</u>

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 £	Charity	Intangible Assets £	2021 Total £
Cost			Cost		
At 31 March 2020	33,077	33,077	At 31 March 2020	30,577	30,577
Additions	-	-	Additions	-	-
Disposals	-	-	Disposals	-	-
At 31 March 2021	<u>33,077</u>	<u>33,077</u>	At 31 March 2021	<u>30,577</u>	<u>30,577</u>
Depreciation			Depreciation		
At 31 March 2020	(32,866)	(32,866)	At 31 March 2020	(30,469)	(30,469)
Charge for the year	(211)	(211)	Charge for the year	(108)	(108)
Disposals	-	-	Disposals	-	-
At 31 March 2021	<u>(33,077)</u>	<u>(33,077)</u>	At 31 March 2021	<u>(30,577)</u>	<u>(30,577)</u>
Net book value			Net book value		
At 31 March 2021	<u>-</u>	<u>-</u>	At 31 March 2021	<u>-</u>	<u>-</u>
At 31 March 2020	<u>211</u>	<u>211</u>	At 31 March 2020	<u>108</u>	<u>108</u>

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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	<u>90,104</u>	<u>2,311,160</u>	<u>156,145</u>	<u>175,478</u>	<u>345,808</u>	<u>34,567</u>	<u>33,995</u>	<u>3,147,257</u>
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	<u>-</u>	<u>(424,587)</u>	<u>(117,619)</u>	<u>(82,075)</u>	<u>(288,222)</u>	<u>(24,155)</u>	<u>(19,643)</u>	<u>(956,301)</u>
Net book value								
At 31 March 2021	<u>90,104</u>	<u>1,886,573</u>	<u>38,526</u>	<u>93,403</u>	<u>57,586</u>	<u>10,412</u>	<u>14,352</u>	<u>2,190,956</u>
At 31 March 2020	<u>90,104</u>	<u>1,890,474</u>	<u>58,598</u>	<u>101,181</u>	<u>83,870</u>	<u>16,928</u>	<u>21,156</u>	<u>2,262,311</u>

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	<u>90,104</u>	<u>2,311,160</u>	<u>-</u>	<u>160,286</u>	<u>304,681</u>	<u>34,567</u>	<u>33,995</u>	<u>2,934,793</u>
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	<u>-</u>	<u>(424,587)</u>	<u>(159)</u>	<u>(73,106)</u>	<u>(256,382)</u>	<u>(24,155)</u>	<u>(19,643)</u>	<u>(798,032)</u>
Net book value								
At 31 March 2021	<u>90,104</u>	<u>1,886,573</u>	<u>(159)</u>	<u>87,180</u>	<u>48,299</u>	<u>10,412</u>	<u>14,352</u>	<u>2,136,761</u>
At 31 March 2020	<u>90,104</u>	<u>1,890,474</u>	<u>(159)</u>	<u>92,558</u>	<u>66,518</u>	<u>16,928</u>	<u>21,156</u>	<u>2,177,579</u>

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	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>

16 Stocks

	Group 2021 £	2020 £	Charity 2021 £	2020 £
Finished goods and goods for resale	<u>18,777</u>	<u>18,553</u>	<u>1,500</u>	<u>1,500</u>

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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
	<u>357,128</u>	<u>599,443</u>	<u>276,939</u>	<u>434,148</u>

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
	<u>351,136</u>	<u>319,802</u>	<u>415,821</u>	<u>250,297</u>

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	<u>418,000</u>	<u>150,500</u>	<u>150,500</u>	<u>150,500</u>

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.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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

	Brought forward £	Incoming resources £	Outgoing resources £	Gains/ Losses £	Carried forward £
Summary of Funds - current year					
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.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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
	<u>2,825,342</u>	<u>3,902,259</u>	<u>(3,689,270)</u>	<u>-</u>	<u>3,038,331</u>

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
	<u>2,707,681</u>	<u>3,171,510</u>	<u>(3,053,849)</u>	<u>-</u>	<u>2,825,342</u>

22 Analysis of net assets between funds

Group

	Unrestricted funds	2021 Restricted funds	Total funds	Unrestricted funds	2020 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 amounts falling due after more than one year	(418,000)	-	(418,000)	(150,500)	-	(150,500)
Net assets	<u>2,950,027</u>	<u>88,304</u>	<u>3,038,331</u>	<u>2,754,272</u>	<u>71,070</u>	<u>2,825,342</u>

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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
	-	-	-	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.

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)

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