



**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**(a company limited by guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Company registration number: 05481614**  
**Charity number: 1110457**

## **THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**

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**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022**

**Report of the Trustees**

The Trustees present their annual report together with the audited financial statements of the Forget Me Not Children's Hospice Limited for the year ended 31 March 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

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

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

This is fulfilled through the delivery of a community based care service (Hospice at Home) and a fit for purpose hospice and respite facility.

Public benefit and eligibility criteria

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

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

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Objectives and activities**

**a. Strategies for achieving objectives**

Our Strategic Aims for 21/22 were built around our Trailblazer Strategy and two key pillars:

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

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

2. Strengthening our organisation

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

Work together for families

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

Protect our future

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

The key objectives in our financial strategy for 21/22 were to:

- Maximise and develop sustainable income now and in the future to ensure that we are always able to serve the needs of local children and families;
- Grow income generation following the impact of COVID-19;
- Maximise net profit from trading operations;
- Identify and maximise opportunities for new areas of profitable income;
- Build a robust balance sheet with sufficient cash reserves to meet our financial obligations;
- Manage and control costs to match income generated and ensure spend is focused on core charitable activities

The above financial objectives have all been achieved this year as we have seen overall income increase, net trading profits increase, we have continued to build regular and sustainable income, controlled costs, built our cash reserves and demonstrated a healthy balance sheet.

Become the leading light in baby and children's hospice care

Blazing a trail is what we do best. We're justly proud of our pioneering nurse led approach and unique services. We want to build on our strengths to become the model for children's hospice care that others will follow, and in doing so, transform the lives of children and families. Our vision is to deliver pioneering care through pregnancy, childhood and loss, whenever families need us, whatever their future holds.



## Objectives and activities (continued)

### a. Strategies for achieving objectives (continued)

#### 2. Strengthening our organisation (continued)

We will make our vision a reality by:

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

#### Delivering safe and sustainable care

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

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

#### 3. Overall performance

This last year has been extremely challenging on every level, but we have risen to the challenge and were able to provide a wide range of support to the NHS ensuring early discharge for children who did not need to be in hospital, but couldn't be at home, and the avoidance of admissions by continuing to support the many families referred to us and on our existing caseload. Our hospice delivered services throughout the pandemic, including respite care for families who had not been able to get breaks, 24/7 advice line for families needing support, end of life services and our perinatal service for mums to be. All of our family support services, including bereavement support and counselling continued but were sometimes delivered virtually or over the phone. Keeping close to families ensured we understood their needs and could respond to them appropriately, at times in very different ways.

We have taken the opportunity during the year to continue to build our local collaborative of hospices within the Integrated Care System and ensure the collaborative is positioned sufficiently to take advantage of legislative changes to NHS structures coming in 2022.

During the year we have taken the time to develop a new strategy for trading, an investment program for our lottery, the launch of our platinum partners scheme in fundraising and continuous work on the development of our brand, ensuring its always fresh in the eyes of key stakeholders, including in the recruitment market with the development of a recruitment pack and our employer brand. It has been brilliant to see the return of some of our community fundraising activity and we remain truly humbled by the local support we have received during these last 2 very difficult years.

Our hospice building was 10 years old this year and we celebrated with a visit from our royal patron, Princess Beatrice who planted a time capsule in the garden. During the year we had a number of capital works completed, many as gifts in kind, including a new cinema room, a new memorial garden, decorating, flooring and other smaller but very beneficial projects.

**Objectives and activities (continued)**

**a. Strategies for achieving objectives (continued)**

**3. Overall performance (continued)**

Our work around equality, diversity and inclusion has seen us set benchmarks around staff, volunteers and trustees, provide a wide variety of training for people and complete an access and inclusion audit for the hospice and its grounds. We also secured grants to help with community capacity building work in our local Asian communities.

We would like to thank our staff, volunteers and supporters who have been incredibly resilient through this difficult time. We are very proud of what we have achieved during the year and believe this has stood us in good stead for the 12 months ahead.

**b. Review of activities**

*Care Services - a review of the year*

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

Families have continued to access us for short breaks. We have reviewed our dependency tool and developed a workforce calculator, which allows us to manage breaks more efficiently with the workforce we have. Volunteers have returned to the hospice and we have developed a pool of people that can support the care team to provide activities to more families, for example cinema and playroom visits.

Senior care team have been working on re-engaging with acute and primary healthcare providers to raise awareness of how palliative care can benefit those children with life limiting conditions and this work has seen an increase in referrals to the hospice.

We have recognised that capacity needs close monitoring as it is becoming harder to recruit to the clinical workforce at all levels, a nationally recognised issue, and as such have used the workforce calculator to provide intelligence around what capacity looks like.

Our family support service has been reorganised and now operates a tiered approach model. We have two funded projects; Maternal Mental Health pilot and Reaching Communities. These sit alongside a partnership with West Yorkshire Police supporting the delivery of a Sudden Unexpected Death In A Child (SUDIC) service. Our SUDIC service has been recognised nationally and has won a premium charity award. The team continues to develop recognising the need to reach other communities within the region, and has recruited an Eastern European support worker. Referrals into our family support service have increased significantly over the past 12 months.

We communicated regularly with our CCG's and social care providers to offer the hospice as a safe place for freeing up hospital beds, which led to the development of a funded placement tariff. We have now had 9 children in for paid stepdown care since the start of the Pandemic. The majority of the funded placements have been spot purchased, however, there are now three children with commissioned placements. This is helpful as we can plan the breaks more effectively.

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Objectives and activities (continued)**

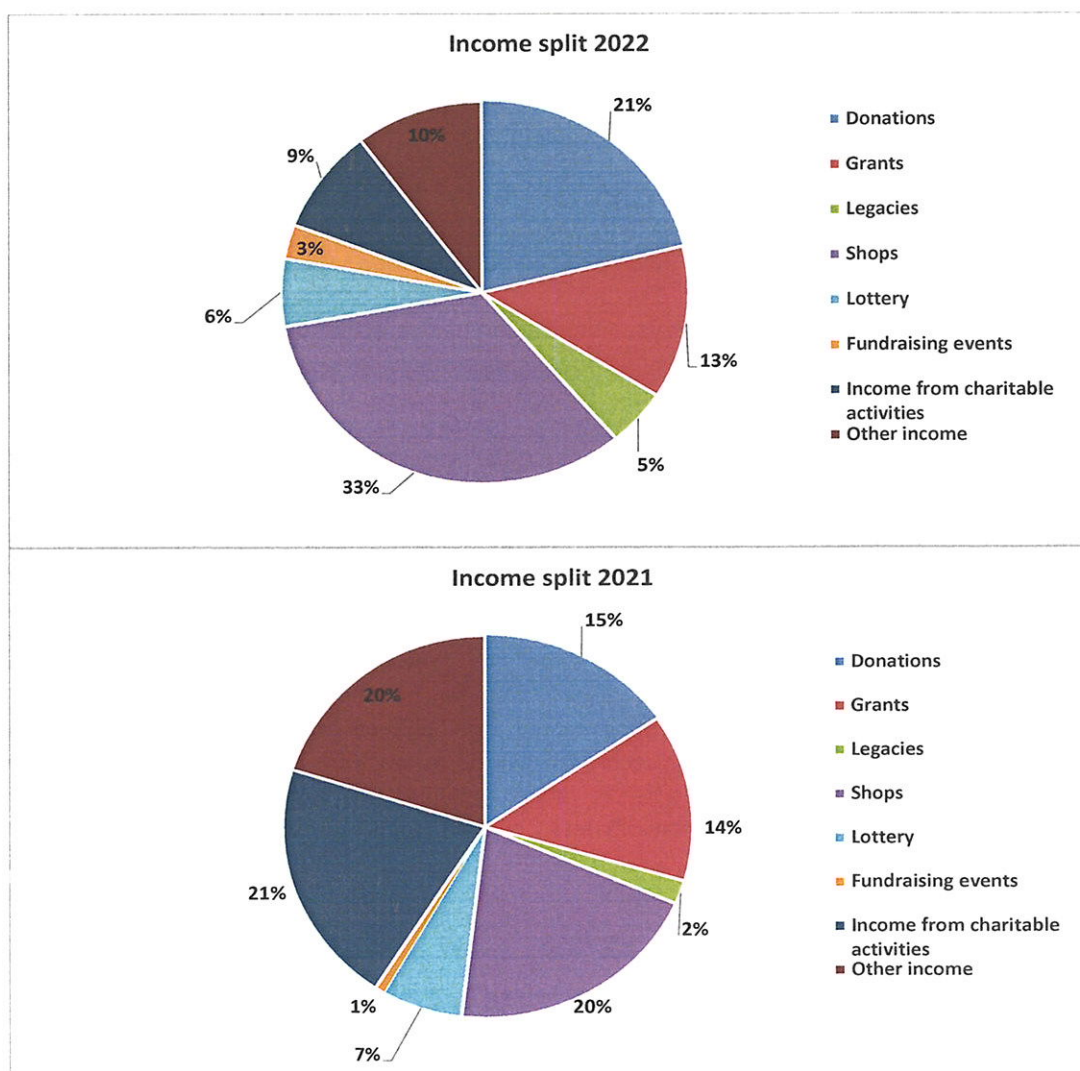
**b. Review of activities (continued)**

*Care Services - a review of the year (continued)*

We continue to work to ensure our services are inclusive and accessible. Over 60% of our service users are from ethnic minority communities and all of our families need our services to be personalised and inclusive for their children and their complex needs. We continue to provide breaks at home for those families who cannot access the hospice, we continue to transport children who have no suitable transport, we continue to support all rituals around death and dying, no matter what the cultural imperatives of the family are and we continue to develop tools and resources that children with limited communication skills can use.

*Income Generation – a review of the year*

Once again the shape of our income profile has changed this year. Areas that were radically affected by the pandemic last year such as trading, donations and fundraising events have bounced back though we have not had access to the same level of emergency funding grants from the government. The 'pie' allocation for 2022 and 2021 is demonstrated below:



**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Objectives and activities (continued)**

**b. Review of activities (continued)**

*Income Generation – a review of the year (continued)*

We are very grateful for the amazing generosity of our donors and supporters. We only receive **6.9%** of total income from the NHS England Children's Palliative Care grant. The rest of our income is generated largely through donations, grants, fundraising events, the lottery, legacies, continuing care funds and through our retail shops,

Donations this year of £945,164 (2021: £603,808) have improved substantially as we slowly came out of the pandemic. We were also fortunate to receive £92,260 of gifts in kind towards essential refurbishment and decoration costs. Grants of £579,763 (2021: £551,188), have increased slightly this year as we continue to focus on capital projects in the garden and hospice facility, supporting care activity packages, resilience for families during the pandemic, and supporting our SUDIC services.

We received legacies of £212,874 (2021: £77,691). This includes two legacy accruals at year end of £126,000 subject to the sale of property.

In Trading, we have seen a strong bounce back from the pandemic with sales recovering well once shops reopened in May 2021. Trading income increased to £1,491,315 (2021: £790,780).

The lottery managed to remain steady through the year and generated income of £257,365 (2021: £255,600).

Fundraising has taken longer to recover to previous levels with events and challenges impacted significantly during the year due to postponements and cancellations and the threat of further restrictions over the Christmas period. However, event income still overall increased to £129,600 (2021: £29,546).

This year saw the hospice celebrate its ten-year anniversary which enabled us to deliver a number of awareness raising events, plus a very successful capital improvement campaign which resulted in higher than regular levels of capital funding, particularly through trust and foundation applications.

Income from charitable activities during the year was £397,645 (2021: £807,723). The decrease is largely due to the funding of £581,673 from the National Health Service England (NHSE) that we received in 2021, whereas this year we received £143,325. The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

Other income is an area that continues to develop directly as a result of being proactive and innovative in our approach to plugging the fundraising gaps during the pandemic, but also securing a more sustainable approach to future income generation through continuing care funds. Other income this year of £462,572 (2021: £785,923) has only decreased overall as we were no longer able to generate income through the government furlough scheme, redeployment of staff was minimal due to our own resource need and naturally we saw substantially less Covid emergency grants than we did in the prior year.

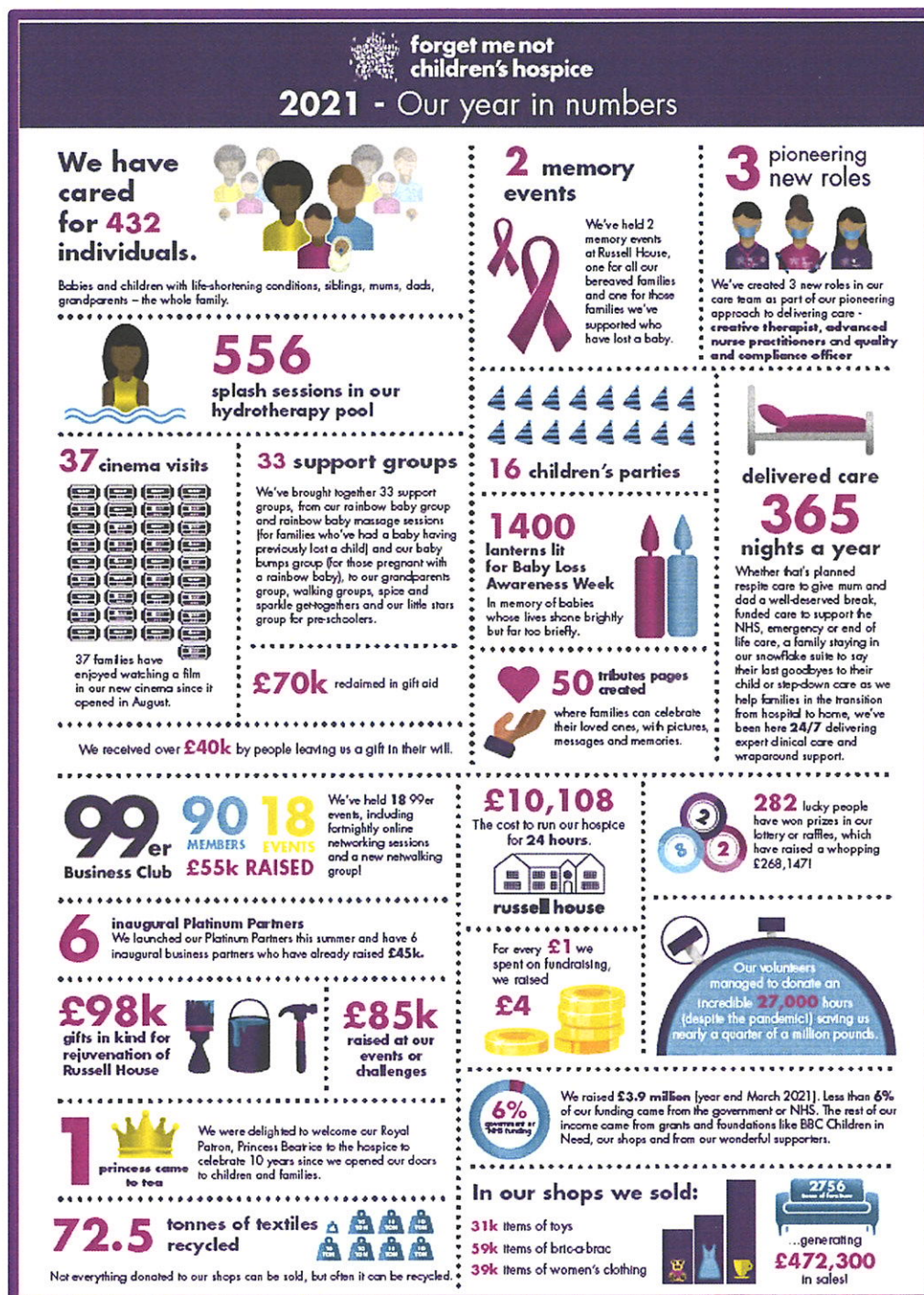


THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED  
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)

Objectives and activities (continued)

b. Review of activities (continued)

Income Generation – a review of the year (continued)



## Objectives and activities (continued)

### b. Review of activities (continued)

#### *People and Resources – a review of the year*

We continue to invest in our people, having developed a clear focus on wellbeing, equality diversity and inclusion and employer brand. We launched a recruitment pack to help people to understand what it is like to work here and encourage more people to join us. Staff and volunteer surveys help us to identify the things that matter to them and we have invested further in Employee Voice, the vehicle through which we consult with staff about the development of the organisation. Employee Voice were integral to the successful delivery of the pay and reward review which ensures our roles are benchmarking competitively with similar roles in both the sector and local market.

A manager's forum has been set up following investment in management development training, and work on the manager's toolkit is ongoing.

Despite significant changes during the year, we have continued to develop and support our teams and are very proud of just some of the following achievements that support our strategy of developing a highly effective team of remarkable people:

- One of our nurses is undertaking an Advanced Paediatric Nurse Practitioner master's course at Sheffield University. This will add to the three nurses who already hold this qualification. Further members of the care team are undertaking the nurse prescriber course to become non-medical prescribers and there are development plans in place for others in our nursing team. We also have care team members who are undertaking the nurse associate training in partnership with The University of Huddersfield;
- We continue to present at national and regional conferences about the perinatal and SUDIC work we lead on;
- We are supporting various people across the organisation to obtain qualifications in finance, management and leadership, marketing and fundraising;
- All of our senior leadership team have coaching arrangements in place to develop their leadership skills;
- Our Trustees have participated in Board Development days to improve their knowledge in terms of their responsibilities and effective board performance;
- We have won an award for our Sudden Unexpected Death In a Child (SUDIC) service.

#### *Governance – a review of the year*

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

Meetings during the year have mainly been held online and trustees have decided to keep to online meetings for their subcommittee meetings, but board meetings are now back to being in person at the hospice.

During the year we focussed on trustee retention and have agreed that 12 trustees is the maximum number required, with each trustee assigned to a committee, including our trading board according to their skills. This ensures scrutiny, challenge and accountability.

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

## Objectives and activities (continued)

### b. Review of activities (continued)

#### *Clinical Governance – a review of the year*

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

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

## Plans for future periods

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

- Grow and develop sustainable income now and in the future to ensure that we are always able to serve the needs of local children and families;
- Deliver a largely "normal" year of fundraising with a full calendar of events and challenges;
- Return trading to a pre-pandemic income and net profit position whilst implementing phase 1 of our new 3-year trading strategy;
- Identify and maximise opportunities for new areas of profitable income;
- Build a robust balance sheet with sufficient cash reserves to meet our financial obligations;
- Manage and control costs to match income generated and ensure spend is focused on core charitable activities.

We will continue to embed our Values:

**Caring:** We are one team and will always be kind, considerate and supportive.

**Courageous:** Together we have the strength and confidence to make brave choices.

**Positive:** We are passionate about making a difference and being the best we can be.

**Pioneering:** We challenge the status quo to make things better for children and families.

**Genuine:** We are true to ourselves and others.

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Plans for future periods (continued)**

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

Our trailblazer plan continues to be built on and our key focus for the year ahead is around culture. We have been working on a people engagement promise and will be launching that later in the year to all staff. We recognise that our people are our most important asset, that our people may be impacted by the cost of living crisis, wellbeing issues and the volatility of the recruitment market and so we are taking steps to mitigate these issues as far as we can to continually enable the best services to the families that need us.

*Care Services – looking ahead*

The care strategy is now in place. The first year will focus on strengthening the foundations we have in place and will work across the team to describe the part each member/team will play in the implementation of the strategy.

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

Our Maternal Mental Health Pilot will continue to run for the next 12 months. We will be raising awareness across healthcare providers to ensure that those mum's that have experienced baby loss can access the support available. Whilst running this pilot we will be evaluating our impact using validated outcome measures, and working with University of Huddersfield to formally evaluate at the end of the pilot, January 2024.

Within family support we will be implementing a trauma informed policy growing the trauma therapies available to families and the knowledge of all staff in relation to trauma.

Alongside this we recognise that our sibling support offer needs to grow as we are operating a waiting list for siblings requiring emotional support following bereavement.

We will be presenting the work in relation to our south Asian community engagement at a national conference and are currently involved in two research programmes running from University of Bradford and Kings College London.

Our Director of Service Delivery and Development will commence a PhD programme this year, which will contribute to research around perinatal mental health.

Our new education and training framework will provide us with the information required to ensure all staff working within care have the right knowledge and skills to be able to support children with palliative care needs and their families. This will be used to assess the gaps in knowledge and skills which we can support through learning and development. This framework can be used to support external health providers and HEIs in their learning and will add to our diverse income generation.



**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Plans for future periods** (continued)

*Care Services – looking ahead (continued)*

Development of a Forget Me Not outcome tool will enable us to support families in their resilience as carers, and identify what is important to them as individuals. Through this we can gain knowledge of how to tailor support specific to their needs.

*Income generation – looking ahead*

In Fundraising, we will continue to embed new fundraising initiatives which have been successfully launched in the last financial year. This includes the growth of our corporate partnership scheme, regular giving, gifts in wills pipeline and tribute funds.

The year ahead will also see us run a campaign to fund and drive awareness of a specific service and we will successfully complete year one of our lottery growth project.

We will continue to develop the community elements of our income, which have been slowest to recover post-pandemic – this includes bringing our regional fundraising resource back to full strength and continuing to build on our already successful community engagement work. We will also continue to drive growth from tributes, in memory and gifts in wills, all of which are in line with our fundraising strategy.

In Trading, we will look to recover sales and net profit to pre pandemic levels. We will also implement year one of the new three-year trading strategy. This includes the development of our online function and a full cost review. Our new donation centre will also open during this new year.

We will continue to develop a diverse approach for all areas of Income Generation, looking for new and innovative ways to develop income and develop existing areas where budgets allow.

In the year ahead, we will conduct a “brand refresh” which will include new and updated key messages and the creation of a new brand promise. We will also continue our journey to support an advocacy-based approach to increasing awareness across our communities.

*Supporting our people – looking ahead*

We will continue to be inspirational in working together as one team, and this has been paramount in managing the impact of agile working as a result of COVID-19 on our people. We will continue to promote our well-being package and introduce a financial well-being tool to support our people with planning their financial goals and maximising their financial health. In addition, we will introduce salary exchange for pensions as a way to help our people get more money in their pay packet. We will communicate and engage with staff and develop a culture where we explore opportunities for development and progression from within the organisation. This will enable our people to deliver their best work, whatever their role, knowing the difference that work makes to the children and families we're all here to support.

We will continue to work on our Equality, Diversity and Inclusion (ED&I) Strategy and as part of this we will develop an Inclusive Recruitment Framework and build on our ED&I data and measures through staff and volunteer ED&I surveys.

Through ongoing staff surveys, we will continue to develop our Manages Forum which brings all of our managers together every month to look at key issues which affect everyone. The key focus for this forum will be to own and deliver our People Promise and this will be launched in September 2022 at an all staff event.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Plans for future periods** (continued)

*Supporting our people – looking ahead* (continued)

Our People Promise has 4 pillars:

- **Attract**; the recruitment and onboarding journey
- **At your side**; supporting our people
- **Aiding growth**; investing in our people
- **Advocacy**; enabling our people to embody our cause

In Care we aim to consolidate our foundation within our teams to strengthen our position of delivering safe, responsive and effective care that is well led. In real terms this means supporting our existing teams to work more collaboratively internally and externally and improve processes to make sure we are maximizing our efficiencies without negative impact on the teams. We also ensure that clinical supervision is in place for all of our qualified staff.

In Fundraising, we will continue to ensure that our resource is channelled effectively to the income streams that will deliver the greatest returns for the organisation. We will continue to develop our people, which will include placing one colleague each year through the CIOF certificate in Fundraising. Emerging areas of income will see resource directed to them in the new year.

In Trading we will start to develop the "great people" strand of our new strategy. This will include the creation of a new development pathway, and the introduction of specific training modules.

In Marketing & Communications, we will restructure the team slightly to react to the current needs of the organisation, resulting in the recruitment of a new post.

Across all areas of income generation, we will focus on the recruitment of new volunteers. We recognise the potential that this has in significantly increasing our ability to grow and sustain our income generation over the next 12 months.

In Finance and Corporate Services, we will continue to focus on systems and automating processes to improve efficiencies and sustain the volume of workflow, ensuring compliance and excellent governance is in place. As part of protecting our future, teams will ensure value for money by reviewing all contracts to create savings, whether that be costs, efficiencies or added value. We developed a new three-year IT and Data Strategy which will focus on data collection particularly using SystemOne to demonstrate activity and report on targets within care service delivery as well as creating data dashboards across all departments.

**Investment powers and policy**

The Board review the investment policy on an annual basis.

The key elements to the policy are below.

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Investment powers and policy (continued)**

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

The Board of Trustees have delegated investment decisions to the Audit, Finance and Risk Committee. The Audit, Finance and Risk Committee have responsibility for recommending strategy and managing and monitoring the investment assets, in line with this investment policy. The committee will review the investment information provided at each quarterly meeting, however there are no investments held currently.

**Financial review**

**a. Financial performance**

During the year net incoming resources of £312,758 (2021: £212,989) were added to reserves. Within total incoming resources of £4,476,297 (2021: £3,902,259), was £1,737,801 which equates to 38.8% (2021: £1,232,687 – 31.6%) received by way of donations, grants and legacies. The sources of this voluntary fundraising income have been broadened to avoid reliance in any one particular area.

Income from trading activities was £1,878,280 (2021: £1,075,926 – 27.6%) which equates to 42% received through our shops, lottery and fundraising events. This area of income has been substantially increased after the impact as a result of lockdowns and the pandemic in 2021.

Net profit from shop activities has increased to £276,756 (2021 loss: £166,566) as a result of COVID-restrictions being lifted during the year.

Net profit for the lottery has improved for the year to £159,832 (2021: £152,105) due to a campaign to stop cash collections and convert these players to direct debit, saving costs. In addition, the prize fund was revised which has also reduced costs.

The Charity receives income from the generosity of the public, raised in many ways such as through support from corporates, trusts and foundations, major donors, community supporters, legacies, lottery, fundraising events and from the public sector (local CCGs). As a result of Covid various new income streams were generated as other income, which included income raised through continuing care packages and training funding. Charitable activities, includes restricted funding from NHSE for purchasing hospice capacity. See the notes to the accounts for more detail on funding sources. The NHS England Children's Palliative Care grant equates to just 6.4% (2021: 5.2%) of consolidated income and 12.2% (2021: 9.3%) of charitable activities. NHS England have announced that funding will increase steadily each year reaching its peak contribution in 2023/24 which is very promising news for the future.

Staff costs have increased since last year. Staff costs for the year were £2,887,087 (2021: £2,597,972). Staff costs as a percentage of total costs were 69.4% during the year (2021: 70.4%). Average staff FTE numbers have increased to 99 (2021: 90) largely due to filling key vacancies that were carried in the prior year.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Financial review (continued)**

**a. Financial performance (continued)**

Auto enrolment employer contributions are 3% and the majority of staff contribute to the People's Pension Scheme. In addition, we operate an NHS Pension Scheme under a directive and for the past 2 years we have seen the employer's contribution rise from 14.38% to 20.68%, however the increase continues to be funded by NHS England. There is still no confirmation from NHS England beyond 2023 of how hospices might be supported to afford these pension increases and as such the NHS Pension scheme has been closed to new members since October 2019 as a way of controlling costs. There is also a challenge in that some staff are receiving a substantial pension benefit, whilst the majority are on the most basic pension benefit. We are starting to address this issue as part of the annual budgeting process.

Total costs have increased to £4,163,250 (2021: £3,689,270). The work of volunteers within the Charity is fundamental to the growth and sustainability of funds. Without their continued support it is envisaged that costs of employing support staff and fundraisers would amount to an additional annualised cost of over £445,000 based on an average of 50,000 volunteer hours at national living wage, given during an average year. The Trustees wish to express their sincere gratitude to every volunteer for their generosity and the gift of time.

Spending on charitable activities was £2,358,558 (2021: £2,176,288). The percentage spend on charitable activities versus consolidated costs is 56.7% (2021: 59%).

**b. Reserves policy**

The total unrestricted and restricted reserves held as at 31 March 2022 was £3,351,090 (2021: £3,038,331).

The current level of cash/investments held by Forget Me Not Children's Hospice is £1,391,217 (2021: £1,240,606). However true cash, after loan liabilities due within one year of £142,429 (note 18) and loan liabilities falling due in more than one year of £335,131 (note 19) is £913,657 (2021: £710,606), and is allocated for emergency reserves.

The balance of unrestricted reserves held is £3,254,745 (2021: £2,950,027) which is maintained to ensure that there are sufficient funds to provide care and continue to reach more children and families that need our support.

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

Forget Me Not Children's Hospice is building true free cash reserves at a steady pace, which can remain untouched and held for emergency purposes, however at this stage and due to being in a strong going concern position we settled our Key fund investment in June 2022 reducing our debt as a result. Other loans will be reviewed regularly in terms of their viability to settle earlier.

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Financial review (continued)**

**b. Reserves policy (continued)**

The aim is to build true emergency cash reserves to £1 million by March 2023. True emergency reserves as at 31 March 2022 was £913,657 which remains on target and we aim to build reserves by achieving a steady increase each year.

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

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

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

Emergency Reserves

Forget Me Not Children's Hospice needs emergency reserves to protect its current activities. The Board of Trustees had set emergency reserves target for the financial year 2021/22 at a realistic level of £800,000 (achieved £913,657) to ensure business continuity due to unforeseen events, taking into account the needs, risks and challenges faced by the Charity in the short to medium term. The level of reserves is reviewed at each AFR meeting and reserves policy will be reviewed annually. Reserves will be built to ensure that we build a sustainable future for local children and families living and dying with life limiting conditions.

Capital Reserves

Forget Me Not Children's Hospice has been operating from Russell House since 2011 and whilst it is still a fairly new building, it is now 10 years old and there will be an ongoing need to ensure that all capital equipment is fit for future purpose and that there is a robust Capital Replacement Plan in place for the building, grounds and equipment. The majority of capital works completed during this financial year have been funded through capital grants and gifts in kind.

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

Development Reserves

There are no development reserves allocated for the financial year 2021/22 as the business plan is aimed at protecting the existing resources. Any new investments to be made in 2022/23 financial year will be supported by robust income generation plans and funded through high level supporter funds or loans that ensure future returns on the investment.

Restricted Funds

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

Designated Funds

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



**Financial review (continued)**

**c. Going concern**

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the impact of COVID-19 on the UK economy and its potential impact on the financial sustainability of the Charity and Group. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered any remaining available government schemes and interventions in making their assessment.

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

**d. Fundraising and compliance**

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

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

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

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

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

Forget Me Not Children's Hospice has an open and accessible complaints policy and has had no reportable complaints relating to our fundraising practices during the year ended 31 March 2022.

**e. Donor management**

The new General Data Protection Regulation effective from 25th May 2018 has meant that we have had to focus on our approach to compliance in this area. We have supported the consent and legitimate interest rules as our legal reason for processing information so that we have an opportunity to reconnect and reappraise our relationship with donors by refreshing their communication preferences and positive consent, or not as the case may be. As a result, we have now got a database of engaged contacts who have told us how they wish to engage with Forget Me Not.

**Financial review (continued)**

**e. Donor management (continued)**

Historically, we have practised traditional methods of fundraising which has supported the consent rule as it is very clear and transparent, and also drives trust. We do not conduct activities such as wealth screening, and we take pride in our approach within our values demonstrating respect and integrity. We are especially careful and sensitive when engaging with anyone who may be vulnerable, elderly, bereaved or affected by illness. This is supported by a number of relevant policies and procedures.

**f. External fundraisers**

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

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

There were no reportable complaints relating to the activity undertaken by Sterling on behalf of the Hospice in 2021 (2020: none).

In the new financial year, we will start to use external lottery canvassers through "The Fundraising Partnership". A stringent tendering process has been followed in selecting this agency and we are satisfied that their colleagues undergo in house training which covers all of the necessary points relating to governance and compliance when representing the charity publically.

**g. Principal risks and uncertainties**

The Trustees and Senior Leadership Team have assessed, and regularly review, the major risks to which The Forget Me Not Children's Hospice is exposed, in particular those related to the finance, operations, people and compliance. The main risk that the Hospice faces going forward is around staffing, including access to qualified and non-qualified care staff. The hospice senior leadership team have been providing evidence around this issue to a variety of organisations who have been leading campaigns at government level to address a sector wide shortage. On a local level, discussions are taking place with workforce leads within the Integrated Care Systems (ICS) around access to placements, rotational shifts, overseas recruitment and retirement markets to promote the visibility of the hospice within the local health and social care economy as a great place to work.

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

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

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Financial review (continued)**

**g. Principal risks and uncertainties (continued)**

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

Further mitigation was put in place to protect cash flow pinch points anticipated in the form of securing an unsecured Key Fund investment of £300,000 in January 2019. The investment was linked to social impact and requires regular monitoring. The investment was repayable over 66 months but has been settled in full in June 2022.

As a result of retail lockdowns during the pandemic, FMNT Trading Ltd (A wholly owned subsidiary of the charity) took advantage of two Coronavirus Business Interruption Loan schemes (CBILS) through Lloyds bank. An amount of £150,000 was taken out in June 2020, and then a further loan of £150,000 in December 2020. The loan rates are favourable, and the terms were both 12 months interest free and no capital repayments. Both loans are repayable over 72 months.

**Structure, governance and management**

**a. Constitution**

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

**b. Methods of appointment or election of Trustees**

As set out in the Articles of Association adopted on the 13th November 2015, the governing body is the Board of Trustees whose members are appointed either by the Charity in a general meeting or by the other Trustees. The Board of Trustees seek to ensure that the needs of the ultimate user group are appropriately reflected through the diversity of the Trustee body. Trustees are recruited using a robust selection process from a group of interested people who have responded to adverts.

**c. Policies adopted for the induction and training of Trustees**

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

The publication 'The Essential Trustee' is also distributed to new Trustees to assist them in identifying the principles behind being a Charity Trustee, and their legal obligations under Charity and Company Law.



**Structure, governance and management (continued)**

**d. Organisation structure**

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

- Audit, Finance and Risk Committee (AFR)
- HR & Governance Committee (HR&G)
- Clinical Governance Committee (CGC)
- Trading board

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

**e. Related party relationships**

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

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

**f. Risk management**

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

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Structure, governance and management (continued)**

**f. Risk management (continued)**

A comprehensive Risk Assessment Tool covering the Charity, operations, financial, compliance and people risks is in operation and reviewed at least quarterly. The Trustees have access to an organisational risk register and assess the risks faced by the organisation on an ongoing and regular basis.

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

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

Rebecca Chaloner (resigned 18<sup>th</sup> March 2022)  
Jeremy Cross, Chair (appointment of Chair reconfirmed 10<sup>th</sup> June 2022)  
Jo Ellis (reappointed 18<sup>th</sup> March 2022)  
Sarah Fothergill (resigned 20<sup>th</sup> July 2021)  
Harry Granger (resigned 4<sup>th</sup> June 2021)  
Simon Parkinson (resigned 18<sup>th</sup> March 2022)  
Sarah V Ramsey (reappointed 18<sup>th</sup> March 2022)  
Gill A Sharpe (resigned 10<sup>th</sup> December 2021)  
Niesha Snarr (resigned 17<sup>th</sup> April 2021)  
Claire Warner (resigned 13<sup>th</sup> July 2021)  
Claire Woodford (appointed 13<sup>th</sup> December 2019)  
David Anderson (appointed 11<sup>th</sup> September 2020)  
Lisa Leighton (resigned 9<sup>th</sup> August 2021)  
Adrian Gordon (appointed 11<sup>th</sup> September 2020)  
Tim McBurney (appointed 11<sup>th</sup> June 2021)  
Darryl Britto (appointed 11<sup>th</sup> June 2021)  
Paul Harvey Stead (appointed 13<sup>th</sup> September 2021)  
Sofia Gohir (appointed 13<sup>th</sup> September 2021)  
Margaret Falconer (appointed 10<sup>th</sup> December 2021)  
Alexandra Clements (appointed 18<sup>th</sup> March 2022)

**Company registered number** 05481614

**Charity registered number** 1110457

**Registered office** Russell House  
Fell Greave Road  
Huddersfield  
West Yorkshire  
HD1 2HG

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Structure, governance and management (continued)**

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

|                                |   |
|--------------------------------|---|
| <b>Company secretary</b>       | Nicola O'Dowd   |
| <b>Chief executive officer</b> | Luen Thompson   |
| <b>Independent auditors</b>    | Armstrong Watson Audit Limited<br>Chartered Accountants<br>Third Floor<br>10 South Parade<br>Leeds<br>West Yorkshire<br>LS1 5QS |
| <b>Bankers</b>                 | Lloyds Bank Commercial<br>PO Box 1000<br>BX1 1LT  |
| <b>Solicitors</b>              | Schofield Sweeney<br>Springfield House<br>76 Wellington Street<br>Leeds<br>West Yorkshire<br>LS1 2AY                            |

**Directors of FMNT Trading**

Gareth Pierce  
Sarah Fothergill (resigned 20<sup>th</sup> July 2021)  
David Ashton (appointed 22<sup>nd</sup> April 2021)  
Paul Harvey Stead (appointed Chair 16<sup>th</sup> December 2021)  
Mike Robinson  
Dan Quinn (appointed 22<sup>nd</sup> April 2021)  
Laura Green (appointed 6<sup>th</sup> 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.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**Structure, governance and management (continued)**

**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

**Disclosure of information to auditors**



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

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

**Auditors**

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

Approved by order of the members of the board of Trustees on 9.9.22 and signed on their behalf by:

|  |   |
|--|---|
| <b>J Cross</b><br>Chair<br> | <b>N O'Dowd</b><br>Company Secretary<br> |
|--|---|

**REPORT OF THE INDEPENDENT AUDITOR'S  
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED  
FOR THE YEAR ENDED 31 MARCH 2022**

**Opinion**

We have audited the financial statements of The Forget Me Not Children's Hospice (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**REPORT OF THE INDEPENDENT AUDITOR'S  
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED  
FOR THE YEAR ENDED 31 MARCH 2022 (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 including the Group Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report including the Group Strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Group Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement on page 22, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**REPORT OF THE INDEPENDENT AUDITOR'S  
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED  
FOR THE YEAR ENDED 31 MARCH 2022 (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 2022 (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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Ross Preston (Senior statutory auditor)**

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants and Statutory Auditors

Leeds

Date: 14 September 2022



**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

|  | Notes | Unrestricted<br>Funds<br>2022<br>£ | Restricted<br>Funds<br>2022<br>£ | Total<br>Funds<br>2022<br>£ | Unrestricted<br>Funds<br>2021<br>£ | Restricted<br>Funds<br>2021<br>£ | Total<br>Funds<br>2021<br>£ |
|--|-------|------------------------------------|----------------------------------|-----------------------------|------------------------------------|----------------------------------|-----------------------------|
| <b>Income:</b>   |       |                                    |                                  |                             |                                    |                                  |                             |
| <b>Donations and legacies:</b>   |       |                                    |                                  |                             |                                    |                                  |                             |
| Donations  | 4     | 852,039                            | 93,124                           | 945,163                     | 597,248                            | 6,560                            | 603,808                     |
| Grants   | 5     | 28,037                             | 551,726                          | 579,763                     | 8,280                              | 542,908                          | 551,188                     |
| Legacies   | 6     | 212,874                            | -                                | 212,874                     | 77,691                             | -                                | 77,691                      |
| <b>Income from other trading activities:</b>                               |       |                                    |                                  |                             |                                    |                                  |                             |
| Shops  |       | 1,491,315                          | -                                | 1,491,315                   | 790,780                            | -                                | 790,780                     |
| Lottery  |       | 257,365                            | -                                | 257,365                     | 255,600                            | -                                | 255,600                     |
| Fundraising events   |       | 129,600                            | -                                | 129,600                     | 29,546                             | -                                | 29,546                      |
| <b>Income from charitable activities</b>                                   | 7     | 236,320                            | 161,325                          | 397,645                     | 226,050                            | 581,673                          | 807,723                     |
| <b>Other income</b>  | 8     | 462,572                            | -                                | 462,572                     | 785,923                            | -                                | 785,923                     |
| <b>Total income</b>  |       | <u>3,670,122</u>                   | <u>806,175</u>                   | <u>4,476,297</u>            | <u>2,771,118</u>                   | <u>1,131,141</u>                 | <u>3,902,259</u>            |
| <b>Costs of raising voluntary income</b>                                   |       | 372,992                            | -                                | 372,992                     | 375,527                            | -                                | 375,527                     |
| Fundraising trading: costs of goods sold and other costs                   |       | 1,214,560                          | -                                | 1,214,560                   | 957,346                            | -                                | 957,346                     |
| Fundraising trading: costs of events                                       |       | 217,140                            | -                                | 217,140                     | 180,109                            | -                                | 180,109                     |
| <b>Costs of raising funds</b>  | 9     | <u>1,804,692</u>                   | <u>-</u>                         | <u>1,804,692</u>            | <u>1,512,982</u>                   | <u>-</u>                         | <u>1,512,982</u>            |
| <b>Expenditure on charitable activities</b>                                |       | 1,560,424                          | 798,134                          | 2,358,558                   | 1,062,381                          | 1,113,907                        | 2,176,288                   |
| <b>Total expenditure</b>   | 9     | <u>3,365,116</u>                   | <u>798,134</u>                   | <u>4,163,250</u>            | <u>2,575,363</u>                   | <u>1,113,907</u>                 | <u>3,689,270</u>            |
| Loss on disposal of fixed assets   |       | 288                                | -                                | 288                         |                                    |                                  |                             |
| <b>Net movement in funds before other recognised gains brought forward</b> |       | <u>304,718</u>                     | <u>8,041</u>                     | <u>312,759</u>              | <u>195,755</u>                     | <u>17,234</u>                    | <u>212,989</u>              |
| <b>Net movement in funds</b>   |       | <u>304,718</u>                     | <u>8,041</u>                     | <u>312,759</u>              | <u>195,755</u>                     | <u>17,234</u>                    | <u>212,989</u>              |
| <b>Reconciliation of funds</b>   |       |                                    |                                  |                             |                                    |                                  |                             |
| Total funds brought forward  |       | 2,950,027                          | 88,304                           | 3,038,331                   | 2,754,272                          | 71,070                           | 2,825,342                   |
| Net movement in funds  |       | 304,718                            | 8,041                            | 312,759                     | 195,755                            | 17,234                           | 212,989                     |
| <b>Total funds carried forward</b>   |       | <u>3,254,745</u>                   | <u>96,345</u>                    | <u>3,351,090</u>            | <u>2,950,027</u>                   | <u>88,304</u>                    | <u>3,038,331</u>            |

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

The notes on pages 30 to 44 form part of these financial statements.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**CONSOLIDATED AND CHARITY BALANCE SHEET**  
**FOR THE YEAR ENDED 31 MARCH 2022**

|  |       | Group            |                  | Charity          |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  | Notes | 2022<br>£        | 2021<br>£        | 2022<br>£        | 2021<br>£        |
| <b>Fixed assets</b>                                      |       |                  |                  |                  |                  |
| Intangible assets  | 13    | -                | -                | -                | -                |
| Tangible assets  | 14    | 2,203,813        | 2,190,956        | 2,177,495        | 2,136,761        |
| Investments  | 15    | -                | -                | 1                | 1                |
|  |       | <u>2,203,813</u> | <u>2,190,956</u> | <u>2,177,496</u> | <u>2,136,762</u> |
| <b>Current assets</b>                                    |       |                  |                  |                  |                  |
| Stock  | 16    | 17,772           | 18,777           | 1,500            | 1,500            |
| Debtors  | 17    | 600,137          | 357,128          | 683,370          | 276,939          |
| Cash at bank and in hand - Unrestricted fund             |       | 1,294,872        | 1,152,302        | 751,720          | 947,974          |
| - Restricted fund  |       | 96,345           | 88,304           | 96,345           | 88,304           |
|  |       | <u>2,009,126</u> | <u>1,616,511</u> | <u>1,532,935</u> | <u>1,314,717</u> |
| <b>Current liabilities</b>                               |       |                  |                  |                  |                  |
| Creditors: amounts falling due within one year           | 18    | (526,718)        | (351,136)        | (664,256)        | (415,821)        |
| <b>Net current assets</b>                                |       | <u>1,482,408</u> | <u>1,265,375</u> | <u>868,679</u>   | <u>898,896</u>   |
| <b>Total assets less current liabilities</b>             |       | <u>3,686,221</u> | <u>3,456,331</u> | <u>3,046,175</u> | <u>3,035,658</u> |
| Creditors : amounts falling due after more than one year | 19    | (335,131)        | (418,000)        | (125,131)        | (150,500)        |
| <b>Total net assets</b>                                  |       | <u>3,351,090</u> | <u>3,038,331</u> | <u>2,921,044</u> | <u>2,885,158</u> |
| <b>Charity funds</b>                                     |       |                  |                  |                  |                  |
| Unrestricted funds                                       | 21    | 3,254,745        | 2,950,027        | 2,824,699        | 2,796,854        |
| Restricted income funds                                  | 21    | 96,345           | 88,304           | 96,345           | 88,304           |
| <b>Total funds</b>                                       |       | <u>3,351,090</u> | <u>3,038,331</u> | <u>2,921,044</u> | <u>2,885,158</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 9<sup>th</sup> September 2022 and signed on their behalf by:

J Cross   
Chair

N O'Dowd   
Company Secretary

The notes on pages 30 to 44 form part of these financial statements.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

|   |              | <b>Group</b>            |                         |
|---|--------------|-------------------------|-------------------------|
|   |              | <b>2022</b>             | <b>2021</b>             |
|   | <b>Notes</b> | <b>£</b>                | <b>£</b>                |
| <b>Cash flows from operating activities:</b>                        |              |                         |                         |
| <b>Net cash from operating activities</b>                           | 24           | <u>309,860</u>          | <u>880,453</u>          |
| <b>Cash flows from investing activities:</b>                        |              |                         |                         |
| Purchase of property, plant and equipment                           |              | <u>(159,249)</u>        | <u>(54,973)</u>         |
| <b>Net cash used in investing activities</b>                        |              | <u><u>(159,249)</u></u> | <u><u>(54,973)</u></u>  |
| <b>Change in cash and cash equivalents in the reporting period</b>  |              | <u><u>150,611</u></u>   | <u><u>825,480</u></u>   |
| Cash and cash equivalents at the beginning of the reporting period  |              | 1,240,606               | 415,126                 |
| Change in cash and cash equivalents                                 |              | <u>150,611</u>          | <u>825,480</u>          |
| <b>Cash and cash equivalents at the end of the reporting period</b> | 25           | <u><u>1,391,217</u></u> | <u><u>1,240,606</u></u> |

The notes on pages 30 to 44 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 2022**

**1. General information**

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

**2.2 Going Concern**

The consolidated financial statements have been prepared on the going concern basis. This has taken account of the impact of Covid-19 on the UK economy and its potential impact on the financial sustainability of the Charity and the group as a whole. In doing so management have applied sensitivities and adverse assumptions upon their budgets, cash flow forecasts and considered remaining available government schemes and interventions in making their assessment. The Trustees have received a 12 month rolling cash flow forecast, together with mitigation plans and a full understanding of the financial performance in order to make a going concern decision.

**2.3 Income**

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022 (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 gifts in kind of £92,260 recorded this year (2021: £0).

**2.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**2.5 Taxation**

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022 (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 2022 (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 outweigh the benefits. Stocks are valued using the first in, first out (FIFO) method.

**2.10 Debtors**

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

**2.11 Cash at bank and in hand**

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

**2.12 Liabilities and provisions**

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

**2.13 Financial instruments**

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

**2.14 Concessionary loan**

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

**2.15 Operating leases**

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



**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**2. Accounting policies (continued)**

**2.16 Pensions**

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

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

**2.17 Fund accounting**

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

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

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

**2.18 Key accounting estimates and assumptions**

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

Useful economic lives of tangible assets:

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

Useful economic lives of intangible assets:

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



**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022 (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.

**4 Donations**

|   | 2022           |               |                | 2021           |              |                |
|---|----------------|---------------|----------------|----------------|--------------|----------------|
|   | Unrestricted   | Restricted    | Total Group    | Unrestricted   | Restricted   | Total Group    |
|   | £              | £             | £              | £              | £            | £              |
| General donations                           | 679,051        | -             | 679,051        | 428,236        | -            | 428,236        |
| Shooting Star Appeal                        | -              | 864           | 864            | -              | 6,560        | 6,560          |
| Liz & Terry Bramall Foundation              | 100,000        | -             | 100,000        | 100,000        | -            | 100,000        |
| Fixby Friends                               | 800            | -             | 800            | 1,450          | -            | 1,450          |
| Friends of Forget Me Not Support Group      | 20,236         | -             | 20,236         | 7,000          | -            | 7,000          |
| Gift Aid on donations                       | 51,952         | -             | 51,952         | 60,562         | -            | 60,562         |
| Value of gifts in kind and donated services | -              | 92,260        | 92,260         | -              | -            | 0              |
|   | <u>852,039</u> | <u>93,124</u> | <u>945,163</u> | <u>597,248</u> | <u>6,560</u> | <u>603,808</u> |

**5 Grants**

|  | 2022          |                |                | 2021         |                |                |
|--|---------------|----------------|----------------|--------------|----------------|----------------|
|  | Unrestricted  | Restricted     | Total Group    | Unrestricted | Restricted     | Total Group    |
|  | £             | £              | £              | £            | £              | £              |
| Annandale Charitable Trust                   | -             | 10,000         | 10,000         | -            | -              | -              |
| BBC Children in Need - Perinatal grant       | -             | 26,671         | 26,671         | -            | 40,504         | 40,504         |
| BBC Children in Need                         | -             | 37,500         | 37,500         | -            | 37,500         | 37,500         |
| Cares4Kids                                   | -             | 10,000         | 10,000         | -            | 10,000         | 10,000         |
| Community Foundation for Calderdale          | -             | -              | -              | -            | 10,000         | 10,000         |
| Garfield Weston Foundation                   | -             | 15,000         | 15,000         | -            | -              | -              |
| National Lottery                             | -             | 17,713         | 17,713         | -            | 90,332         | 90,332         |
| NHS England Annual Grant                     | -             | 287,188        | 287,188        | -            | 203,457        | 203,457        |
| PPG Architectural Coatings UK Ltd            | -             | 18,500         | 18,500         | -            | -              | -              |
| Rank Foundation                              | -             | -              | -              | -            | 25,000         | 25,000         |
| The Albert Hunt Trust                        | -             | 10,000         | 10,000         | -            | 10,000         | 10,000         |
| The Mark Benevolent Fund                     | -             | 10,000         | 10,000         | -            | 16,585         | 16,585         |
| The Wolfson Foundation                       | -             | 50,000         | 50,000         | -            | -              | -              |
| West Yorkshire Police and Crime Commissioner | -             | -              | -              | -            | 10,000         | 10,000         |
| Various grants less than £10,000             | <u>28,037</u> | <u>59,154</u>  | <u>87,191</u>  | <u>8,280</u> | <u>89,530</u>  | <u>97,810</u>  |
|  | <u>28,037</u> | <u>551,726</u> | <u>579,763</u> | <u>8,280</u> | <u>542,908</u> | <u>551,188</u> |

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**6 Legacies**

|          | 2022           |                | 2021          |               |
|----------|----------------|----------------|---------------|---------------|
|          | Unrestricted   | Total Group    | Unrestricted  | Total Group   |
|          | £              | £              | £             | £             |
| Legacies | 212,874        | 212,874        | 77,691        | 77,691        |
|          | <u>212,874</u> | <u>212,874</u> | <u>77,691</u> | <u>77,691</u> |

Actual legacies received during the year amounted to £212,874 (2021: £77,691) and include legacy accruals of £126,000 (2021: nil). There were no (2021: none) legacies at the year end that are to be treated as contingent assets.

**7 Charitable Activities**

|                              | 2022           |                |                | 2021           |                |                |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                              | Unrestricted   | Restricted     | Total Group    | Unrestricted   | Restricted     | Total Group    |
|                              | £              | £              | £              | £              | £              | £              |
| Kirklees Council             | 30,000         | -              | 30,000         | 30,000         | -              | 30,000         |
| NHSE government              | -              | 143,325        | 143,325        | -              | 581,673        | 581,673        |
| NHS Kirklees CCG             | 31,320         | -              | 31,320         | 31,050         | -              | 31,050         |
| NHS Leeds CCG                | -              | -              | -              | -              | -              | -              |
| NHS Wakefield CCG            | 15,000         | 18,000         | 33,000         | 15,000         | -              | 15,000         |
| NHS Greater Huddersfield CCG | 85,000         | -              | 85,000         | 100,000        | -              | 100,000        |
| NHS Calderdale CCG           | 50,000         | -              | 50,000         | 50,000         | -              | 50,000         |
| West Yorkshire & Humber ICS  | 25,000         | -              | 25,000         | -              | -              | -              |
|                              | <u>236,320</u> | <u>161,325</u> | <u>397,645</u> | <u>226,050</u> | <u>581,673</u> | <u>807,723</u> |

**8 Other Income**

|                           | 2022           | 2021           |
|---------------------------|----------------|----------------|
|                           | Unrestricted   | Unrestricted   |
|                           | £              | £              |
| Training income           | 42,807         | 21,517         |
| Care - other income       | 22,931         | 26,214         |
| Central - other income    | 2,772          | -              |
| Continuing Care funds     | 379,074        | 417,343        |
| Redeployment of staff     | 1,263          | 63,626         |
| Furlough Claims           | 7,975          | 198,633        |
| Covid-19 Emergency grants | 5,750          | 58,590         |
|                           | <u>462,572</u> | <u>785,923</u> |

**9 Analysis of Resources Expended**

|  | Direct Costs     | Allocated Costs | Total Costs      |
|--|------------------|-----------------|------------------|
|  | 2022             | 2022            | 2022             |
|  | £                | £               | £                |
| Cost of raising voluntary income                         | 272,654          | 100,338         | 372,992          |
| Fundraising trading: costs of goods sold and other costs | 1,214,560        | -               | 1,214,560        |
| Fundraising trading: costs of events                     | 137,747          | 79,393          | 217,140          |
|  | <u>1,624,961</u> | <u>179,731</u>  | <u>1,804,692</u> |
| Charitable activities - care services                    | 1,737,809        | 620,749         | 2,358,558        |
| <b>Total 31 March 2022</b>                               | <u>3,362,770</u> | <u>800,480</u>  | <u>4,163,250</u> |
|  | 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        |
| <b>Total 31 March 2021</b>                               | <u>2,912,483</u> | <u>776,787</u>  | <u>3,689,270</u> |

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**10 Net outgoing resources for the year**

|   | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|
| <b>This is stated after charging:-</b>      | <b>£</b>    | <b>£</b>    |
| Depreciation of owned tangible fixed assets | 146,291     | 126,328     |
| Amortisation of owned intangible assets     | -           | 211         |
| Auditor's remuneration                      | 12,200      | 9,350       |
| Operating Leases                            | 161,077     | 201,242     |

**11 Board of Trustees/Directors' remuneration**

The Board of Trustees during the year served on a voluntary basis and received no remuneration for their services to the company (2021: nil).

The Charity reimbursed nil (2021: nil) Trustees for travel expenditure in order for the Trustees to attend meetings.

**12 Staff costs and numbers**

|                                     | <b>2022</b> | <b>2021</b> |
|-------------------------------------|-------------|-------------|
| <b>Staff costs were as follows:</b> | <b>£</b>    | <b>£</b>    |
| Salaries and wages                  | 2,550,775   | 2,281,904   |
| Social security costs               | 206,640     | 182,776     |
| Pension costs                       | 129,671     | 133,293     |
| Total                               | 2,887,087   | 2,597,972   |

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

|                   | <b>2022</b>   | <b>2021</b>   |
|-------------------|---------------|---------------|
|                   | <b>Number</b> | <b>Number</b> |
| £60,001 - £70,000 | 3             | -             |
| £70,001 - £80,000 | 1             | 1             |
| £80,001 - £90,000 | -             | -             |

Three employees earned between £60,000 - £70,000, two of which participated in the People's Pension Scheme with 3% employer contributions and one employee is in the NHS Pension Scheme with employer contributions of 14.38%. The employee earning more than £70,000 participated in the Peoples Pension scheme. Contributions were based on 5% matching.

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

|  | <b>2022</b>    | <b>2021</b>    | <b>2022</b>    | <b>2021</b>    |
|--|----------------|----------------|----------------|----------------|
|  | <b>Average</b> | <b>Average</b> | <b>Average</b> | <b>Average</b> |
|  | <b>Number</b>  | <b>Number</b>  | <b>FTE</b>     | <b>FTE</b>     |
| Care Services                                    | 56             | 53             | 49             | 37             |
| Income Generation - Charity                      | 17             | 13             | 13             | 12             |
| Income Generation - Trading                      | 41             | 43             | 27             | 29             |
| Corporate Services (Finance, HR, IT and Estates) | 11             | 13             | 10             | 12             |
| Total  | 125            | 122            | 99             | 90             |

The hospice considers that the key management personnel comprise the Trustees and the Senior Leadership Team (SLT). The SLT is made up of the Chief Executive and three key Directors. The total employee benefits of the key management personnel of the Group was £313,510 (2021 : £290,346)

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**13 Intangible Assets**

| <b>Group</b>          | <b>Intangible<br/>Assets<br/>£</b> | <b>Total<br/>£</b> | <b>Charity</b>        | <b>Intangible<br/>Assets<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------|------------------------------------|--------------------|-----------------------|------------------------------------|--------------------|
| <b>Cost</b>           |                                    |                    | <b>Cost</b>           |                                    |                    |
| At 31 March 2021      | 33,077                             | 33,077             | At 31 March 2021      | 33,077                             | 33,077             |
| Additions             | -                                  | -                  | Additions             | -                                  | -                  |
| Disposals             | -                                  | -                  | Disposals             | -                                  | -                  |
| At 31 March 2022      | <u>33,077</u>                      | <u>33,077</u>      | At 31 March 2022      | <u>33,077</u>                      | <u>33,077</u>      |
| <b>Depreciation</b>   |                                    |                    | <b>Depreciation</b>   |                                    |                    |
| At 31 March 2021      | (33,077)                           | (33,077)           | At 31 March 2021      | (33,077)                           | (33,077)           |
| Charge for the year   | -                                  | -                  | Charge for the year   | -                                  | -                  |
| Disposals             | -                                  | -                  | Disposals             | -                                  | -                  |
| At 31 March 2022      | <u>(33,077)</u>                    | <u>(33,077)</u>    | At 31 March 2022      | <u>(33,077)</u>                    | <u>(33,077)</u>    |
| <b>Net book value</b> |                                    |                    | <b>Net book value</b> |                                    |                    |
| At 31 March 2022      | <u>-</u>                           | <u>-</u>           | At 31 March 2022      | <u>-</u>                           | <u>-</u>           |
| At 31 March 2021      | <u>-</u>                           | <u>-</u>           | At 31 March 2021      | <u>-</u>                           | <u>-</u>           |

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**14 Tangible Fixed Assets**

**Group**

|                       | Freehold<br>land<br>£ | Russell<br>House<br>(freehold)<br>£ | Leasehold<br>improvements<br>£ | Computer<br>equipment<br>and<br>software<br>£ | Furniture<br>and<br>fixtures<br>£ | Medical<br>equipment<br>£ | Motor<br>vehicle<br>£ | Total<br>£       |
|-----------------------|-----------------------|-------------------------------------|--------------------------------|---|-----------------------------------|---------------------------|-----------------------|------------------|
| <b>Cost</b>           |                       |                                     |                                |   |                                   |                           |                       |                  |
| At 31 March 2021      | 90,104                | 2,311,160                           | 156,145                        | 175,478                                       | 345,808                           | 34,567                    | 33,995                | 3,147,257        |
| Additions             | -                     | 90,281                              | -                              | 12,130  | 42,812                            | 14,026                    | -                     | 159,249          |
| Disposals             | -                     | -                                   | -                              | (30,117)                                      | (101,565)                         | -                         | -                     | (131,682)        |
| At 31 March 2022      | <u>90,104</u>         | <u>2,401,441</u>                    | <u>156,145</u>                 | <u>157,491</u>                                | <u>287,055</u>                    | <u>48,593</u>             | <u>33,995</u>         | <u>3,174,824</u> |
| <b>Depreciation</b>   |                       |                                     |                                |   |                                   |                           |                       |                  |
| At 31 March 2021      | -                     | (424,587)                           | (117,619)                      | (82,075)                                      | (288,222)                         | (24,155)                  | (19,643)              | (956,301)        |
| Charge for the year   | -                     | (46,240)                            | (22,281)                       | (40,404)                                      | (23,331)                          | (7,236)                   | (6,799)               | (146,291)        |
| Disposals             | -                     | -                                   | 159                            | 29,892  | 101,530                           | -                         | -                     | 131,581          |
| At 31 March 2022      | <u>-</u>              | <u>(470,827)</u>                    | <u>(139,741)</u>               | <u>(92,587)</u>                               | <u>(210,023)</u>                  | <u>(31,391)</u>           | <u>(26,442)</u>       | <u>(971,011)</u> |
| <b>Net book value</b> |                       |                                     |                                |   |                                   |                           |                       |                  |
| At 31 March 2022      | <u>90,104</u>         | <u>1,930,614</u>                    | <u>16,404</u>                  | <u>64,904</u>                                 | <u>77,032</u>                     | <u>17,202</u>             | <u>7,553</u>          | <u>2,203,813</u> |
| 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> |

**Charity**

|                       | Freehold<br>land<br>£ | Hospice<br>(freehold)<br>£ | Leasehold<br>improvements<br>£ | Computer<br>equipment<br>and<br>software<br>£ | Furniture<br>and<br>fixtures<br>£ | Medical<br>equipment<br>£ | Motor<br>vehicle<br>£ | Total<br>£       |
|-----------------------|-----------------------|----------------------------|--------------------------------|---|-----------------------------------|---------------------------|-----------------------|------------------|
| <b>Cost</b>           |                       |                            |                                |   |                                   |                           |                       |                  |
| At 31 March 2021      | 90,104                | 2,311,160                  | -                              | 160,286                                       | 304,681                           | 34,567                    | 33,995                | 2,934,793        |
| Additions             | -                     | 90,281                     | -                              | 10,124  | 39,632                            | 14,026                    | -                     | 154,063          |
| Disposals             | -                     | -                          | -                              | (30,117)                                      | (101,565)                         | -                         | -                     | (131,682)        |
| At 31 March 2022      | <u>90,104</u>         | <u>2,401,441</u>           | <u>-</u>                       | <u>140,293</u>                                | <u>242,748</u>                    | <u>48,593</u>             | <u>33,995</u>         | <u>2,957,174</u> |
| <b>Depreciation</b>   |                       |                            |                                |   |                                   |                           |                       |                  |
| At 31 March 2021      | -                     | (424,587)                  | (159)                          | (73,106)                                      | (256,382)                         | (24,155)                  | (19,643)              | (798,032)        |
| Charge for the year   | -                     | (46,240)                   | -                              | (37,982)                                      | (14,971)                          | (7,236)                   | (6,799)               | (113,228)        |
| Disposals             | -                     | -                          | 159                            | 29,892  | 101,530                           | -                         | -                     | 131,581          |
| At 31 March 2022      | <u>-</u>              | <u>(470,827)</u>           | <u>-</u>                       | <u>(81,196)</u>                               | <u>(169,823)</u>                  | <u>(31,391)</u>           | <u>(26,442)</u>       | <u>(779,679)</u> |
| <b>Net book value</b> |                       |                            |                                |   |                                   |                           |                       |                  |
| At 31 March 2022      | <u>90,104</u>         | <u>1,930,614</u>           | <u>-</u>                       | <u>59,097</u>                                 | <u>72,925</u>                     | <u>17,202</u>             | <u>7,553</u>          | <u>2,177,495</u> |
| 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> |

**15 Investment in trading subsidiary**

|                      | 2022<br>Group<br>£ | 2022<br>Charity<br>£ | 2021<br>Group<br>£ | 2021<br>Charity<br>£ |
|----------------------|--------------------|----------------------|--------------------|----------------------|
| 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         |               | Charity      |              |
|-------------------------------------|---------------|---------------|--------------|--------------|
|                                     | 2022<br>£     | 2021<br>£     | 2022<br>£    | 2021<br>£    |
| Finished goods and goods for resale | <u>17,772</u> | <u>18,777</u> | <u>1,500</u> | <u>1,500</u> |

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**17 Debtors**

|                                    | <b>Group</b>   |                | <b>Charity</b> |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | <b>2022</b>    | <b>2021</b>    | <b>2022</b>    | <b>2021</b>    |
|                                    | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Prepayments and accrued income     | 347,883        | 179,105        | 296,403        | 121,834        |
| Amounts owed by group undertakings | -              | -              | 164,701        | -              |
| Trade debtors                      | 198,905        | 118,948        | 198,905        | 118,948        |
| Other debtors                      | 53,349         | 59,075         | 23,361         | 36,157         |
|                                    | <u>600,137</u> | <u>357,128</u> | <u>683,370</u> | <u>276,939</u> |

**18 Creditors: Amounts falling due within one year**

|  | <b>Group</b>   |                | <b>Charity</b> |                |
|--|----------------|----------------|----------------|----------------|
|  | <b>2022</b>    | <b>2021</b>    | <b>2022</b>    | <b>2021</b>    |
|  | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Amounts owed to subsidiary undertaking | -              | -              | 250,000        | 146,409        |
| Key Fund Investment and CBILs loans    | 142,429        | 112,000        | 82,429         | 79,500         |
| Trade creditors                        | 86,222         | 88,679         | 70,147         | 62,050         |
| Other creditors                        | 46,596         | 49,415         | 42,950         | 42,736         |
| Taxation and social security           | 60,231         | 44,511         | 48,016         | 39,333         |
| Accruals and deferred income           | 191,240        | 56,531         | 170,714        | 45,793         |
|  | <u>526,718</u> | <u>351,137</u> | <u>664,256</u> | <u>415,821</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 has been fully repaid early in June 2022 but it was unsecured, over a 66 month period at 6.5% interest per annum. Monthly repayments were £6,869 made up of £5,244 capital and £1,625 interest per month. The original loan was for £300,000 and commenced in January 2019 and would have been fully paid up in July 2024.

The CBILs Loans were taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and then a further £150,000 in December 2020. Both CBILs loans were capital and interest free for 12 months and repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment on both loans is £2,500 and interest on the first loan is 2.03%+ base rate per annum and 2.34% + base rate per annum on the second loan.

**19 Creditors: Amounts falling due after more than one year**

|                                     | <b>Group</b>   |                | <b>Charity</b> |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
|                                     | <b>2022</b>    | <b>2021</b>    | <b>2022</b>    | <b>2021</b>    |
|                                     | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Key Fund Investment and CBILs loans | <u>335,131</u> | <u>418,000</u> | <u>125,131</u> | <u>150,500</u> |

The Key Fund Investment Loan has been fully repaid early in June 2022 but it was unsecured, over a 66 month period at 6.5% interest per annum. Monthly repayments were £6,869 made up of £5,244 capital and £1,625 interest per month. The original loan was for £300,000 and commenced in January 2019 and would have been fully paid up in July 2024.

The CBILs Loans were taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and then a further £150,000 in December 2020. Both CBILs loans were capital and interest free for 12 months and repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment on both loans is £2,500 and interest on the first loan is 2.03%+ base rate per annum and 2.34%+base rate per annum on the second loan. The outstanding balance at year end was £270,000 (2021: £300,000)

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| <b>20 Deferred Income</b>        | <b>Charitable Activities</b> | <b>Fundraising Events</b> | <b>Total</b>   |
|----------------------------------|------------------------------|---------------------------|----------------|
|                                  | <b>£</b>                     | <b>£</b>                  | <b>£</b>       |
| <b>Group &amp; Charity</b>       |                              |                           |                |
| Deferred income at 1 April 2021  | -                            | -                         | -              |
| Released from previous years     | -                            | -                         | -              |
| Deferred in the current year     | 134,857                      | -                         | 134,857        |
| Deferred income at 31 March 2022 | <u>134,857</u>               | <u>-</u>                  | <u>134,857</u> |

Charitable activities include the amount of £126,000 relating to funding from NHS Wakefield CCG for the perinatal services across the 2021/22, 2022/23 and 2023/24 financial years.

| <b>Deferred Income</b>           | <b>Charitable Activities</b> | <b>Fundraising Events</b> | <b>Total</b> |
|----------------------------------|------------------------------|---------------------------|--------------|
|                                  | <b>£</b>                     | <b>£</b>                  | <b>£</b>     |
| <b>Group &amp; Charity</b>       |                              |                           |              |
| Deferred income at 1 April 2020  | -                            | -                         | -            |
| Released from previous years     | -                            | -                         | -            |
| Deferred in the current year     | -                            | -                         | -            |
| Deferred income at 31 March 2021 | <u>-</u>                     | <u>-</u>                  | <u>-</u>     |

**21 Group Funds**

|  | Brought forward<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Carried forward<br>£  |                      |
|--|----------------------|----------------------------|----------------------------|-----------------------|----------------------|
| Unrestricted funds                                 | 2,950,027            | 3,670,122                  | (3,365,404)                | 3,254,745             |                      |
|  |                      |                            |                            |                       |                      |
| Restricted funds                                   |                      |                            |                            |                       |                      |
| Medical Equipment                                  | 8,223                | 19,905                     | (14,026)                   | 14,102                |                      |
| Memorial and Tribute funds                         | 21,493               | -                          | (21,493)                   | -                     |                      |
| Decoration and Refurbishment                       | 40,000               | 166,760                    | (125,717)                  | 81,043                |                      |
| Boiler Replacement                                 | -                    | 21,000                     | (21,000)                   | -                     |                      |
| Care and Nursing costs                             | -                    | 85,329                     | (85,329)                   | -                     |                      |
| SUDIC Services                                     | -                    | 21,455                     | (21,455)                   | -                     |                      |
| Lottery - Resilience short breaks                  | -                    | 17,713                     | (16,513)                   | 1,200                 |                      |
| BBC Children in Need - Resilience support packages | 7,500                | 37,500                     | (45,000)                   | -                     |                      |
| Uniforms   | 542                  | -                          | (542)                      | -                     |                      |
| NHS England - Children's Palliative Care Grant     | -                    | 287,188                    | (287,188)                  | -                     |                      |
| NHSE Hospice grant                                 | -                    | 143,325                    | (143,325)                  | -                     |                      |
| Garden Equipment                                   | 10,546               | 6,000                      | (16,546)                   | -                     |                      |
|  | <u>88,304</u>        | <u>806,175</u>             | <u>(798,134)</u>           | <u>96,345</u>         |                      |
|  |                      |                            |                            |                       |                      |
| Total Funds  | <u>3,038,331</u>     | <u>4,476,297</u>           | <u>(4,163,538)</u>         | <u>3,351,090</u>      |                      |
|  |                      |                            |                            |                       |                      |
| Summary of Funds - current year                    | Brought forward<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Gains/<br>Losses<br>£ | Carried forward<br>£ |
| Unrestricted funds                                 | 2,950,027            | 3,670,122                  | (3,365,116)                | (288)                 | 3,254,745            |
| Restricted funds                                   | <u>88,304</u>        | <u>806,175</u>             | <u>(798,134)</u>           | <u>-</u>              | <u>96,345</u>        |
|  | <u>3,038,331</u>     | <u>4,476,297</u>           | <u>(4,163,250)</u>         | <u>(288)</u>          | <u>3,351,090</u>     |

We received various revenue grants amounting to £124,497 which have all been spent during the year on care and nursing costs.

We received a grant from The Lottery of £17,713 for resilience short breaks of which £16,513 was spent and £1,200 carried over as restricted reserves and a further grant from BBC Children in Need of £37,500 during the year for support packages for families all of which was spent during the year.

We received further capital grants for medical equipment and garden equipment which amounted to £25,904 and there is an amount of £14,101 of restricted funds carried forward for essential equipment.



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**FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**21. Group Funds (continued)**

Grants carried forward for decoration and refurbishment of £40,000 and additional grants received this year of £166,760 have resulted in an amount of £81,043 of restricted funds carried forward for the decoration, flooring, conservatory and other essential refurbishment works planned.

The memorial and tribute funds carried forward of £21,943 were all spent on the garden project during the year.

During the year, we received grants of £21,000 towards the replacement of our boilers which was all spent.

The uniform grant carried forward of £542 was all spent during the year.

The NHS England annual grant of £287,188 is for children's palliative care costs and was all spent on activities during the year.

The NHSE Hospice grants of £143,356 was awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 situation. This was all spent during the year.

**22 Summary of funds**

**Summary of funds current year**

|                  | Balance at 1<br>April 2021 | Income           | Expenditure        | Gains/<br>(Losses) | Balance at 31<br>March 2022 |
|------------------|----------------------------|------------------|--------------------|--------------------|-----------------------------|
|                  | £                          | £                | £                  | £                  | £                           |
| General funds    | 2,950,027                  | 3,670,122        | (3,365,116)        | (288)              | 3,254,746                   |
| Restricted funds | 88,304                     | 806,175          | (798,134)          | -                  | 96,344                      |
|                  | <u>3,038,331</u>           | <u>4,476,296</u> | <u>(4,163,250)</u> | <u>(288)</u>       | <u>3,351,090</u>            |

**Summary of funds prior year**

|                  | Balance at 1<br>April 2020 | Income           | Expenditure        | Gains/<br>(Losses) | Balance at 31<br>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>            |

**23 Analysis of net assets between funds**

**Group**

|  | Unrestricted<br>funds | 2022<br>Restricted<br>funds | Total funds      | Unrestricted<br>funds | 2021<br>Restricted<br>funds | Total<br>funds   |
|--|-----------------------|-----------------------------|------------------|-----------------------|-----------------------------|------------------|
|  | £                     | £                           | £                | £                     | £                           | £                |
| Tangible fixed assets                                  | 2,203,813             | -                           | 2,203,813        | 2,190,956             | -                           | 2,190,956        |
| Intangible fixed assets                                | -                     | -                           | -                | -                     | -                           | -                |
| Current assets   | 1,912,781             | 96,345                      | 2,009,126        | 1,528,207             | 88,304                      | 1,616,511        |
| Current liabilities                                    | (526,718)             | -                           | (526,718)        | (351,136)             | -                           | (351,136)        |
| Creditors amounts falling due after more than one year | (335,131)             | -                           | (335,131)        | (418,000)             | -                           | (418,000)        |
| Net assets   | <u>3,254,745</u>      | <u>96,345</u>               | <u>3,351,090</u> | <u>2,950,027</u>      | <u>88,304</u>               | <u>3,038,331</u> |

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

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

|   | <b>Group</b>   |                |
|---|----------------|----------------|
|   | <b>2022</b>    | <b>2021</b>    |
|   | <b>£</b>       | <b>£</b>       |
| <b>Net income for the reporting period (as per the statement of financial activities)</b> | 312,759        | 212,989        |
| <b>Adjustments for:</b>   |                |                |
| Depreciation charges  | 146,291        | 126,328        |
| Amortisation  | -              | 211            |
| Disposals   | 101            | -              |
| (Increase)/Decrease in stocks   | 1,005          | (224)          |
| (Increase)/Decrease in debtors  | (243,009)      | 242,315        |
| Increase in creditors   | 92,713         | 298,834        |
| <b>Net cash provided by operating activities</b>  | <b>309,860</b> | <b>880,453</b> |

**25 Analysis of cash and cash equivalents**

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>2021</b>      | <b>2021</b>      |
|  | <b>£</b>         | <b>£</b>         |
| Cash in hand                           | 1,391,217        | 1,240,606        |
| <b>Total cash and cash equivalents</b> | <b>1,391,217</b> | <b>1,240,606</b> |

**26 Operating lease commitments**

As at 31 March 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| <b>Group</b>   | <b>2022</b>               |              | <b>2021</b>               |              |
|--|---------------------------|--------------|---------------------------|--------------|
|  | <b>Land and buildings</b> | <b>Other</b> | <b>Land and buildings</b> | <b>Other</b> |
|  | <b>£</b>                  | <b>£</b>     | <b>£</b>                  | <b>£</b>     |
| Minimum lease payments under non-cancellable operating leases fall due as follows: |                           |              |                           |              |
| Leases which terminate within one year   | 125,056                   | 1,748        | 158,981                   | 2,096        |
| In more than one year but not more than five years                                 | 221,531                   | 130          | 145,337                   | 936          |
| Over 5 years   | 43,695                    | -            | -                         | -            |
|  |                           |              |                           |              |
| <b>Charity</b>   | <b>2022</b>               |              | <b>2021</b>               |              |
|  | <b>Land and buildings</b> | <b>Other</b> | <b>Land and buildings</b> | <b>Other</b> |
|  | <b>£</b>                  | <b>£</b>     | <b>£</b>                  | <b>£</b>     |
| Minimum lease payments under non-cancellable operating leases fall due as follows: |                           |              |                           |              |
| Leases which terminate within one year   | -                         | 1,748        | -                         | 2,096        |
| Leases which terminate in more than one year but not more than five years          | -                         | 130          | -                         | 936          |
| Leases which terminate in more than 5 years  | -                         | -            | -                         | -            |

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
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**FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

**27 Pension commitments**

The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost represents contributions payable by the Charity to the funds and amounted to £129,671 (2021: £133,293). Contributions amounting to £20,677 (2021: £19,097) payable at the year-end are included in other creditors.

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

**28 Related party transactions**

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

**29 Surplus / (Deficit) of the Charity**

The Charity has reported a surplus for the financial year of £36,003 (2021: £379,554). The parent Charity's statement of financial activities has been excluded under section 408 of the Companies Act 2006.

**30 Controlling party**

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

**31 Principal subsidiaries**

The following was a subsidiary undertaking of the Charity:

| <b>Name</b>            | <b>Company number</b> | <b>Registered office or principal place of business</b>                                  | <b>Principal activity</b>                 |
|------------------------|-----------------------|--|---|
| FMNT Trading Limited   | 06332306              | Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH | Management and operation of Charity shops |
| <b>Class of shares</b> | <b>Holding</b>        |  | <b>Included in consolidation</b>          |
| Ordinary               | 100%                  |  | Yes                                       |

The financial results of the subsidiary for the year were:

| <b>Name</b>          | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Profit for the year<br/>£</b> | <b>Net assets<br/>£</b> |
|----------------------|---------------------|--------------------------|----------------------------------|-------------------------|
| FMNT Trading Limited | <b>1,491,315</b>    | <b>1,208,931</b>         | <b>282,384</b>                   | <b>179,694</b>          |