



**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**(a company limited by guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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

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

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**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023**

**Report of the Trustees**

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

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

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

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

Public benefit and eligibility criteria

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

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

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

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

## **Objectives and activities**

### **a. Strategies for achieving objectives**

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

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

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

2. Strengthening our organisation

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

#### Work together for families

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

#### Protect our future

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

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

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

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

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

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

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



## **Objectives and activities (continued)**

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

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

We will make our vision a reality by:

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

#### Delivering safe and sustainable care

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

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

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

#### **3. Overall performance**

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

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

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

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

**Objectives and activities (continued)**

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

**3. Overall performance (continued)**

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

**b. Review of activities**

*Care Services - a review of the year*

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

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

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

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

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

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

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

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

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

## Objectives and activities (continued)

### b. Review of activities (continued)

#### 3. Overall performance (continued)

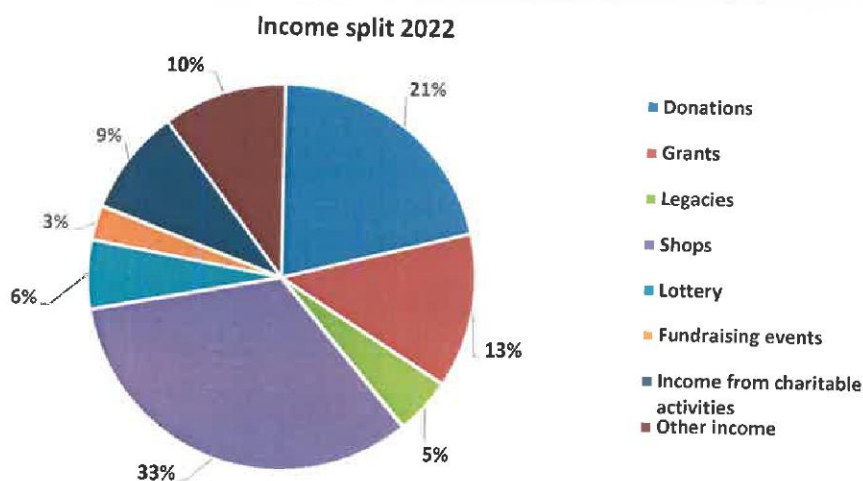
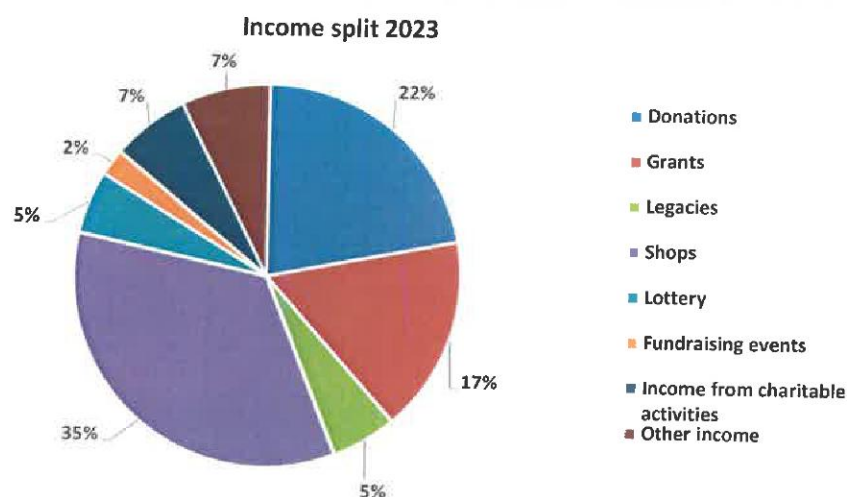
##### *Care Services - a review of the year (continued)*

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

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

##### *Income Generation – a review of the year*

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



**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**Objectives and activities (continued)**

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

**3. Overall performance (continued)**

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

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

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

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

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

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

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

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

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

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

*People and Resources – a review of the year*

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

**Objectives and activities (continued)**

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

**3. Overall performance (continued)**

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

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

*Governance – a review of the year*

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

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

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

*Clinical Governance – a review of the year*

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

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





forget me not  
children's hospice

2022

Our year  
in numbers

We have  
cared for  
**592**  
individuals.



We provided over 14,000 hours of care to 592 individuals. Babies and children with life-shortening conditions, siblings, mums, dads, grandparents – the whole family.



**181**

splash sessions in our  
hydrotherapy pool

**41** cinema visits



41 families have  
enjoyed watching a film in our  
cinema room!

**84** support groups

We've brought together 84 support groups, from our rainbow baby group (for families who've had a baby having previously lost a child) and our baby bumps group (for those pregnant with a rainbow baby), to our grandparents group, walking groups, sibling support group, spice and sparkle get-togethers and our little stars group for preschoolers.



We raised **£4.4 million** (year end March 2022). Just 6.4% of our funding came from the government or NHS. The rest of our income came from grants and foundations, our shops and from our wonderful supporters.

**3** memory  
events



We've held 3 memory events at Russell House. Our Afternoon of Memories and Little Lights events for all our bereaved families, and one for those families we've supported who have lost a baby.



**326** lucky people have won prizes in our lottery or raffles, which have raised a whopping £220,211

For every **£1** we  
spent on fundraising,  
we raised

**£4.38**



**1938**  
people raised  
**£304,706**  
across  
**342**  
teams in just

**48**  
hours

Our ambitious Every Minute Matters campaign raised enough to help 100 families affected by baby loss.



**1918** people took part in our events and challenges, raising an amazing **£158,221**

**10**

Platinum Partners

Our 10 business partners raised **£60,637**

In our shops we sold:

57k items of toys  
74k items of women's clothing  
101k items of bric-a-brac

...generating  
**£718,202** in sales!



**163** tonnes of textiles  
recycled



Not everything donated to our shops can be sold, but often it can be recycled.



Our volunteers  
together donated an  
incredible **49,000** hours  
Saving us nearly **£450,000!**

**£11,406**

The cost to run our hospice  
for 24 hours.



russell house

thank you

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**Plans for future periods**

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

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

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

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

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

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

We will continue to embed our Values:

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

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

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

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

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

*Care Services – looking ahead*

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**Plans for future periods (continued)**

*Care Services – looking ahead (continued)*

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

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

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

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

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

*Income generation – looking ahead*

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

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

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

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

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

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



**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**Plans for future periods** (continued)

*Supporting our people – looking ahead*

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

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

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

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

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

**Investment powers and policy**

The Board review the investment policy on an annual basis.

The key elements to the policy are below.

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

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**Financial review**

**a. Financial performance**

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

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

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

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

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

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

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**Financial review (continued)**

**a. Financial performance (continued)**

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

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

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





**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**Financial review (continued)**

**b. Reserves policy**

The total unrestricted and restricted reserves held as at 31 March 2023 was £3,533,350 (2022: £3,351,090).

The current level of cash/investments held by Forget Me Not Children's Hospice is £1,110,326 (2022: £1,391,217). However true cash, after loan liabilities due within one year of £30,000 (2022: £142,429) (note 18) and loan liabilities falling due in more than one year of £135,500 (2022: £335,131) (note 19) is £944,826 (2022: £913,657) and is allocated for emergency reserves.

The balance of unrestricted reserves held is £3,431,447 (2022: £3,254,745) which is maintained to ensure that there are sufficient funds to provide care and continue to reach more children and families that need our support.

There is a designated reserve allocated this year of £77,000 which is set aside by Trustees for the impact of the cost-of-living crisis to ensure that we can recruit and retain staff in terms of market changes and competition.

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

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

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

The aim is to build true emergency cash reserves to £1 million by March 2024. True emergency reserves as at 31 March 2023 was £944,826 which remains on target, and we aim to build reserves by achieving a steady increase each year.

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

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

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

**Financial review (continued)**

**b. Reserves policy (continued)**

Emergency Reserves

Forget Me Not Children's Hospice needs emergency reserves to protect its current activities. The Board of Trustees had set emergency reserves target for the financial year 2022/23 at a realistic level of £1,000,000 (achieved £944,826) to ensure business continuity due to unforeseen events, considering the needs, risks and challenges faced by the Charity in the short to medium term. The level of reserves is reviewed at each AFR meeting and reserves policy will be reviewed annually. Reserves will be built to ensure that we build a sustainable future for local children and families living and dying with life limiting conditions.

Capital Reserves

Forget Me Not Children's Hospice has been operating from Russell House since 2011 and whilst it is still a fairly new building, it is now 12 years old and there will be an ongoing need to ensure that all capital equipment is fit for future purpose and that there is a robust Capital Replacement Plan in place for the building, grounds and equipment. The majority of capital works completed during this financial year have been funded through capital grants and gifts in kind.

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

Development Reserves

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

Restricted Funds

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

Designated Funds

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

**c. Going concern**

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

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

**Financial review (continued)**

**d. Fundraising and compliance**

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

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

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

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

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

Forget Me Not Children's Hospice has an open and accessible complaints policy and has had no reportable complaints relating to our fundraising practices during the year ended 31 March 2023.

**e. Donor management**

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

**f. External fundraisers**

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

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

There were no reportable complaints relating to the activity undertaken by Sterling on behalf of the Hospice in 2023 (2022: none).

We use "The Fundraising Partnership" as an external agency (canvasser) to acquire new lottery players. We are satisfied that their colleagues undergo in house training which covers all the necessary points relating to governance and compliance when representing the charity publicly.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**Financial review (continued)**

**f. External fundraisers (continued)**

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

**g. Principal risks and uncertainties**

The Trustees and Senior Leadership Team have assessed, and regularly review, the major risks to which Forget Me Not Children's Hospice is exposed, in particular, those related to the finance, operations, people and compliance. The main risk that the Hospice faces going forward is around funding. We have developed a 10 year forward plan and recognised the increased costs needed just to stand still. Our Thrive 25 project addresses these issues, together with a shortage of sector wide care staff and will see us overcome these challenges and build a more sustainable future for the hospice and so the families we exist to serve.

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

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

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

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

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

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

**Structure, governance and management**

**a. Constitution**

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



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

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

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

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

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

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

**d. Statement on senior salaries and pay**

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

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

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

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

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

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

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

**e. Organisation structure**

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

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

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

Our CEO, Luen Thompson, gave notice to trustees early in the year about her intention to retire. This early warning enabled trustees to take stock and consider the process they wanted to follow to appoint a new CEO. Given the strength of the senior leadership team that Luen has developed together with the future plan, 'Thrive 25' that the team have been the architects of, trustees decided to look internally as their first port of call. Following a robust process where the voice of families shone through, supported by the engagement of a neighbouring hospice CEO, trustees decided to appoint Gareth Pierce, currently Director of Income Generation, who started his new role in September 2023.

Trustees would like to thank Luen for her first-class leadership, steering Forget Me Not successfully through some very difficult times. Trustees appreciate the way in which Luen has pursued her retirement which has ensured a smooth and seamless handover. Gareth will now be able to build on the legacy Luen leaves behind ensuring the hospice can look forward to a successful and sustainable future whilst being rooted in the communities it so ably serves.

**f. Related party relationships**

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

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

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

**g. Risk management**

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

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

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

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

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

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

Jeremy Cross, Chair (appointment of Chair reconfirmed 10<sup>th</sup> June 2022)  
Jo Ellis  
David Anderson  
Adrian Gordon  
Tim McBurney  
Darryl Britto (resigned 9<sup>th</sup> June 2023)  
Paul Harvey Stead  
Sofia Gohir  
Margaret Falconer  
Alexandra Clements  
Claire Woodford  
Sarah V Ramsey

**Company registered number** 05481614

**Charity registered number** 1110457

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

**Company secretary** Nicola O'Dowd

**Chief executive officer** Luen Thompson (retired 31<sup>st</sup> August 2023)  
Gareth Pierce (appointed 1<sup>st</sup> September 2023)

**Independent auditors** Armstrong Watson Audit Limited  
Chartered Accountants  
Third Floor  
10 South Parade  
Leeds  
West Yorkshire  
LS1 5QS

**Bankers** Lloyds Bank Commercial  
PO Box 1000  
BX1 1LT

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**Directors of FMNT Trading**

Gareth Pierce  
David Ashton  
Paul Harvey Stead (Chair)  
Mike Robinson  
Dan Quinn (resigned 21<sup>st</sup> August 2023)  
Laura Green  
Philip Hamilton O'Loughlin (appointed 9<sup>th</sup> June 2023)

**Members' liability**

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

## Structure, governance and management (continued)

### Statement of Trustees' responsibilities

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

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

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

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

### Disclosure of information to auditors

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

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

### Auditors

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

Approved by order of the members of the board of Trustees on 22.9.23 and signed on their behalf by:

**J Cross**



Chair

**N O'Dowd**



Company Secretary

**REPORT OF THE INDEPENDENT AUDITOR'S  
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED  
FOR THE YEAR ENDED 31 MARCH 2023**

**Opinion**

We have audited the financial statements of The Forget Me Not Children's Hospice (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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



**REPORT OF THE INDEPENDENT AUDITOR'S  
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED  
FOR THE YEAR ENDED 31 MARCH 2023 (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 2023 (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 2023 (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.



**Simon Turner (Senior statutory auditor)**

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants and Statutory Auditors

Leeds

Date: 22 September 2023

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Designated Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
<b>Income:</b>								
<b>Donations and legacies:</b>								
Donations	4	1,071,690	31,939		1,103,629	852,039	93,124	945,163
Grants	5	16,750	817,924		834,674	28,037	551,726	579,763
Legacies	6	275,722	-		275,722	212,874	-	212,874
<b>Income from other trading activities:</b>								
Shops		1,739,029	-		1,739,029	1,491,315	-	1,491,315
Lottery		265,595	-		265,595	257,365	-	257,365
Fundraising events		114,334	-		114,334	129,600	-	129,600
<b>Income from charitable activities</b>	7	255,108	74,390		329,498	236,320	161,325	397,645
<b>Other income</b>	8	377,015	-		377,015	462,572	-	462,572
<b>Total Income</b>		<u>4,115,243</u>	<u>924,253</u>	<u>-</u>	<u>5,039,496</u>	<u>3,670,122</u>	<u>806,175</u>	<u>4,476,297</u>
<b>Costs of raising voluntary income</b>		454,434	-		454,434	372,992	-	372,992
Fundraising trading: costs of goods sold and other costs		1,349,928	-		1,349,928	1,214,560	-	1,214,560
Fundraising trading: costs of events		311,819	-		311,819	217,140	-	217,140
<b>Costs of raising funds</b>	9	<u>2,116,181</u>	<u>-</u>	<u>-</u>	<u>2,116,181</u>	<u>1,804,692</u>	<u>-</u>	<u>1,804,692</u>
<b>Expenditure on charitable activities</b>		1,820,386	841,695	77,000	2,739,081	1,560,424	798,134	2,358,558
<b>Total expenditure</b>	9	<u>3,936,567</u>	<u>841,695</u>	<u>77,000</u>	<u>4,855,262</u>	<u>3,365,116</u>	<u>798,134</u>	<u>4,163,250</u>
Loss on disposal of fixed assets		1,974	-		1,974	288	-	288
<b>Net movement in funds before other recognised gains brought forward</b>		<u>176,702</u>	<u>82,558</u>	<u>(77,000)</u>	<u>182,260</u>	<u>304,718</u>	<u>8,041</u>	<u>312,759</u>
<b>Net movement in funds</b>		<u>176,702</u>	<u>82,558</u>	<u>(77,000)</u>	<u>182,260</u>	<u>304,718</u>	<u>8,041</u>	<u>312,759</u>
<b>Reconciliation of funds</b>								
Total funds brought forward		3,254,745	96,345	-	3,351,090	2,950,027	88,304	3,038,331
Net movement in funds		176,702	82,558	(77,000)	182,260	304,718	8,041	312,759
<b>Total funds carried forward</b>		<u>3,431,447</u>	<u>178,903</u>	<u>(77,000)</u>	<u>3,533,350</u>	<u>3,254,745</u>	<u>96,345</u>	<u>3,351,090</u>

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

The notes on pages 32 to 46 form part of these financial statements.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**CONSOLIDATED AND CHARITY BALANCE SHEET**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Group		Charity	
		2023 £	2022 £	2023 £	As restated 2022 £
<b>Fixed assets</b>					
Intangible assets	13	-	-	-	-
Tangible assets	14	2,277,384	2,203,813	2,234,483	2,177,495
Investments	15	100,000	-	100,001	1
		<u>2,377,384</u>	<u>2,203,813</u>	<u>2,334,484</u>	<u>2,177,496</u>
<b>Current assets</b>					
Stock	16	15,707	17,772	1,500	1,500
Debtors	17	762,848	600,137	649,613	683,370
Cash at bank and in hand - Unrestricted fund		931,423	1,294,872	753,611	751,720
- Restricted fund		178,903	96,345	178,903	96,345
		<u>1,888,881</u>	<u>2,009,126</u>	<u>1,583,627</u>	<u>1,532,935</u>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	18	(597,415)	(526,718)	(505,909)	( 414,256)
<b>Net current assets</b>		<u>1,291,466</u>	<u>1,482,408</u>	<u>1,077,718</u>	<u>1,118,679</u>
<b>Total assets less current liabilities</b>		<u>3,668,850</u>	<u>3,686,221</u>	<u>3,412,202</u>	<u>3,296,175</u>
Creditors : amounts falling due after more than one year	19	(135,500)	(335,131)	(68,000)	(125,131)
<b>Total net assets</b>		<u>3,533,350</u>	<u>3,351,090</u>	<u>3,344,202</u>	<u>3,171,044</u>
<b>Charity funds</b>					
Unrestricted funds	21	3,431,447	3,254,745	3,242,299	3,066,657
Restricted income funds	21	178,903	96,345	178,903	104,387
Designated Funds	21	(77,000)	-	(77,000)	-
<b>Total funds</b>		<u>3,533,350</u>	<u>3,351,090</u>	<u>3,344,202</u>	<u>3,171,044</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 22nd September 2023 and signed on their behalf by:

J Cross

*Jerry Cross*

Chair

N O'Dowd

*N O'Dowd*

Company Secretary

The notes on pages 32 to 46 form part of these financial statements.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

		<b>Group</b>	
		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>			
<b>Net cash from operating activities</b>	24	<u>13,888</u>	<u>309,860</u>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(194,779)	(159,249)
Lloyds 12 month fixed term notice deposit account		<u>(100,000)</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>(294,779)</u>	<u>(159,249)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(280,891)</u>	<u>150,611</u>
Cash and cash equivalents at the beginning of the reporting period		1,391,217	1,240,606
Change in cash and cash equivalents		(280,891)	150,611
<b>Cash and cash equivalents at the end of the reporting period</b>	25	<u>1,110,326</u>	<u>1,391,217</u>

The notes on pages 32 to 46 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 2023**

**1. General information**

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2019) as amended by Update Bulletin 2 (effective January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

**2.2 Going Concern**

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

**2.3 Income**

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

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023 (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 £31,625 recorded this year (2022: £92,260).

**2.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**2.5 Taxation**

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023 (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 2023 (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 2023 (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 employee's normal retirement age which is defined as when they are eligible for a state pension. Employees that have previously been on the NHS pension scheme before joining the Charity, have an option to continue this scheme provided the criteria have been met. The Charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

**2.17 Fund accounting**

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

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

A designated fund has been set up by Trustees during this financial year specifically to address the cost of living crisis and the impact this is having on staff retention and remaining competitive in the market regarding pay pressures.

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

**2.18 Key accounting estimates and assumptions**

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

Useful economic lives of tangible assets:

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

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**2. Accounting policies (continued)**

**2.18 Key accounting estimates and assumptions (continued)**

Useful economic lives of intangible assets:

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

Valuation of gifts in kind:

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

**3. Critical accounting estimates and areas of judgment**

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

**4 Donations**

	2023			2022		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
General donations	881,247	-	881,247	679,051	-	679,051
Shooting Star Appeal	-	314	314	-	864	864
Liz & Terry Bramall Foundation	100,000	-	100,000	100,000	-	100,000
Fixby Friends	750	-	750	800	-	800
Friends of Forget Me Not Support Group	13,618	-	13,618	20,236	-	20,236
Gift Aid on donations	76,075	-	76,075	51,952	-	51,952
Value of gifts in kind and donated services	-	31,625	31,625	-	92,260	92,260
	<u>1,071,690</u>	<u>31,939</u>	<u>1,103,629</u>	<u>852,039</u>	<u>93,124</u>	<u>945,163</u>

**5 Grants**

	2023			2022		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
Anandale Charitable Trust	-	-	-	-	10,000	10,000
BBC Children in Need - Perinatal grant	-	-	-	-	26,671	26,671
BBC Children in Need	-	-	-	-	37,500	37,500
Cares4Kids	-	-	-	-	10,000	10,000
Garfield Weston Foundation	-	-	-	-	15,000	15,000
Hospice UK - Masonic Charitable Foundation	-	10,560	10,560	-	-	-
National Lottery	-	126,402	126,402	-	17,713	17,713
National Lottery Community Fund	-	10,000	10,000	-	-	-
NHS England Annual Grant	-	462,772	462,772	-	287,188	287,188
PPG Architectural Coatings UK Ltd	-	-	-	-	18,500	18,500
The Albert Hunt Trust	-	20,000	20,000	-	10,000	10,000
The Brook Charitable Trust	-	100,000	100,000	-	-	-
The Mark Benevolent Fund	-	-	-	-	10,000	10,000
The Wolfson Foundation	-	-	-	-	50,000	50,000
Wooden Spoon	-	25,000	25,000	-	-	-
Various grants less than £10,000	16,750	63,190	79,940	28,037	59,154	87,191
	<u>16,750</u>	<u>817,924</u>	<u>834,674</u>	<u>28,037</u>	<u>551,726</u>	<u>579,763</u>

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**6 Legacies**

	2023		2022	
	Unrestricted	Total Group	Unrestricted	Total Group
	£	£	£	£
Legacies	275,722	275,722	212,874	212,874
	<u>275,722</u>	<u>275,722</u>	<u>212,874</u>	<u>212,874</u>

Actual legacies received during the year amounted to £275,722 (2022: £212,874) and include legacy accruals of £141,394 (2022: £126,000). There were no (2022: none) legacies at the year end that are to be treated as contingent assets.

**7 Charitable Activities**

	2023			2022		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
Kirklees Council	30,000	-	30,000	30,000	-	30,000
NHSE government	-	-	-	-	143,325	143,325
NHS Kirklees CCG	33,108	-	33,108	31,320	-	31,320
NHS Wakefield CCG	15,000	74,390	89,390	15,000	18,000	33,000
NHS Greater Huddersfield CCG	-	-	-	85,000	-	85,000
NHS Calderdale CCG	-	-	-	50,000	-	50,000
West Yorkshire & Humber ICS	15,000	-	15,000	25,000	-	25,000
West Yorkshire ICB	162,000	-	162,000	-	-	-
	<u>255,108</u>	<u>74,390</u>	<u>329,498</u>	<u>236,320</u>	<u>161,325</u>	<u>397,645</u>

**8 Other Income**

	2023 Unrestricted	2022 Unrestricted
	£	£
Training income	12,270	42,807
Care - other income	24,401	22,931
Central - other income	551	2,772
Continuing Care funds	338,477	379,074
Redeployment of staff	1,316	1,263
Furlough Claims	-	7,975
Covid-19 Emergency grants	-	5,750
	<u>377,015</u>	<u>462,572</u>

**9 Analysis of Resources Expended**

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

	Direct Costs 2022	Allocated Costs 2022	Total Costs 2022
	£	£	£
Cost of raising voluntary income	272,654	100,338	372,992
Fundraising trading: costs of goods sold and other costs	1,214,560	-	1,214,560
Fundraising trading: costs of events	137,747	79,393	217,140
	<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>

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

**10 Net outgoing resources for the year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>This is stated after charging:-</b>		
Depreciation of owned tangible fixed assets	118,732	146,291
Amortisation of owned intangible assets	-	-
Auditor's remuneration	13,280	12,200
Operating Leases	198,918	161,077

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

The Board of Trustees during the year served on a voluntary basis and received no remuneration for their services to the company (2022: nil)  
The Charity reimbursed nil (2022: nil) Trustees for travel expenditure in order for the Trustees to attend meetings.

**12 Staff costs and numbers**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Staff costs were as follows:</b>		
Salaries and wages	2,970,343	2,550,775
Social security costs	252,809	206,640
Pension costs	166,594	129,671
Total	3,389,746	2,887,086

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

Three employees earned between £60,000 - £70,000, two of which participated in the People's Pension Scheme with 5% employer contributions and one employee is in the NHS Pension Scheme with employer contributions of 14.38%. The employee earning more than £80,000 participated in the Peoples Pension scheme and contributions were based on 5% matching.

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

	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</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	62	56	54	49
Income Generation - Charity	18	17	14	13
Income Generation - Trading	42	41	28	27
Corporate Services (Finance, HR, IT and Estates)	13	11	11	10
Total	135	125	107	99

The hospice considers that the key management personnel comprise the Trustees and the Senior Leadership Team (SLT). The SLT is made up of the Chief Executive and three key Directors. The total employee benefits of the key management personnel of the Group was £334,098 (2022 : £313,510)

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

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

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**13 Intangible Assets**

Group	Intangible Assets £	Total £	Charity	Intangible Assets £	Total £
<b>Cost</b>			<b>Cost</b>		
At 31 March 2022	33,077	33,077	At 31 March 2022	33,077	33,077
Additions	-	-	Additions	-	-
Disposals	-	-	Disposals	-	-
At 31 March 2023	<u>33,077</u>	<u>33,077</u>	At 31 March 2023	<u>33,077</u>	<u>33,077</u>
<b>Depreciation</b>			<b>Depreciation</b>		
At 31 March 2022	(33,077)	(33,077)	At 31 March 2022	(33,077)	(33,077)
Charge for the year	-	-	Charge for the year	-	-
Disposals	-	-	Disposals	-	-
At 31 March 2023	<u>(33,077)</u>	<u>(33,077)</u>	At 31 March 2023	<u>(33,077)</u>	<u>(33,077)</u>
<b>Net book value</b>			<b>Net book value</b>		
At 31 March 2023	<u>-</u>	<u>-</u>	At 31 March 2023	<u>-</u>	<u>-</u>
At 31 March 2022	<u>-</u>	<u>-</u>	At 31 March 2022	<u>-</u>	<u>-</u>

**14 Tangible Fixed Assets**

Group	Freehold land £	Russell House (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
<b>Cost</b>								
At 31 March 2022	90,104	2,401,441	156,145	157,491	287,055	48,593	33,995	3,174,824
Additions	-	85,193	8,460	23,755	55,890	21,481	-	194,779
Disposals	(750)	(989)	(4,026)	(2,013)	(9,209)	(356)	-	(17,343)
At 31 March 2023	<u>89,354</u>	<u>2,485,645</u>	<u>160,579</u>	<u>179,233</u>	<u>333,736</u>	<u>69,718</u>	<u>33,995</u>	<u>3,352,260</u>
<b>Depreciation</b>								
At 31 March 2022	-	(470,827)	(139,741)	(92,587)	(210,023)	(31,391)	(26,442)	(971,011)
Charge for the year	-	(49,263)	(9,381)	(26,117)	(21,291)	(7,148)	(5,532)	(118,732)
Disposals	-	147	3,883	1,701	8,803	333	0	14,867
At 31 March 2023	<u>0</u>	<u>(519,943)</u>	<u>(145,239)</u>	<u>(117,003)</u>	<u>(222,511)</u>	<u>(38,206)</u>	<u>(31,974)</u>	<u>(1,074,876)</u>
<b>Net book value</b>								
At 31 March 2023	<u>89,354</u>	<u>1,965,702</u>	<u>15,340</u>	<u>62,230</u>	<u>111,225</u>	<u>31,512</u>	<u>2,021</u>	<u>2,277,384</u>
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>

Charity	Freehold land £	Hospice (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
<b>Cost</b>								
At 31 March 2022	90,104	2,401,441	-	140,293	242,748	48,593	33,995	2,957,174
Additions	-	85,193	-	23,473	31,208	21,481	-	161,355
Disposals	(750)	(989)	-	(1,499)	(520)	(356)	-	(4,114)
At 31 March 2023	<u>89,354</u>	<u>2,485,645</u>	<u>-</u>	<u>162,267</u>	<u>273,436</u>	<u>69,718</u>	<u>33,995</u>	<u>3,114,415</u>
<b>Depreciation</b>								
At 31 March 2022	-	(470,827)	-	(81,196)	(169,823)	(31,391)	(26,442)	(779,679)
Charge for the year	-	(49,263)	-	(24,583)	(15,685)	(7,148)	(5,532)	(102,211)
Disposals	-	147	-	1,307	171	333	-	1,958
At 31 March 2023	<u>-</u>	<u>(519,943)</u>	<u>-</u>	<u>(104,472)</u>	<u>(185,337)</u>	<u>(38,206)</u>	<u>(31,974)</u>	<u>(879,932)</u>
<b>Net book value</b>								
At 31 March 2023	<u>89,354</u>	<u>1,965,702</u>	<u>-</u>	<u>57,795</u>	<u>88,099</u>	<u>31,512</u>	<u>2,021</u>	<u>2,234,483</u>
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>



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**15 Investment in trading subsidiary**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At start of the year	-	1	-	1
At end of the year	-	1	-	1
Lloyds 12 month fixed term notice deposit account at 2.6% interest	100,000	100,000	-	-
<b>Total Investments</b>	<b>100,000</b>	<b>100,001</b>	<b>-</b>	<b>1</b>

**16 Stocks**

	<b>Group</b>	<b>Charity</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	15,707	17,772
	1,500	1,500

**17 Debtors**

	<b>Group</b>	<b>Charity</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	284,435	347,883
Amounts owed by group undertakings	-	-
Trade debtors	393,962	198,905
Other debtors	84,451	53,349
	762,848	600,137
	649,613	683,370

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

	<b>Group</b>	<b>Charity</b>	<b>As restated</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Amounts owed to subsidiary undertaking	-	-	28,707
Key Fund Investment, CBILs loans and other	30,000	142,429	-
Trade creditors	102,788	86,222	54,770
Other creditors	25,575	46,596	21,929
Taxation and social security	62,290	60,231	52,829
Accruals and deferred income	376,762	191,240	347,674
	597,415	526,718	505,909
			414,256

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

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

The CBILs Loans were taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and then a further £150,000 in December 2020. Both CBILs loans were capital and interest free for 12 months and repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment on both loans is £2,500 and interest on the first loan is 2.03%+ base rate per annum and 2.34% + base rate per annum on the second loan. The second CBILs was repaid in full in September 2022.

The prior year figures in the Charity have been restated as per note 32 to the accounts.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
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**19 Creditors: Amounts falling due after more than one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Key Fund Investment, CBILs loans and other	<b>135,500</b>	335,131	<b>68,000</b>	125,131

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

The CBILs Loans were taken out in FMNT Trading Ltd (a wholly owned subsidiary of the Charity) through Lloyds Bank. An amount of £150,000 was taken out in June 2020 and then a further £150,000 in December 2020. Both CBILs loans were capital and interest free for 12 months and repayable over 72 months (60 months after the capital holiday and interest free period). The monthly capital repayment on both loans is £2,500 and interest on the first loan is 2.03%+ base rate per annum and 2.34%+base rate per annum on the second loan. The second CBILs loan was repaid in full in September 2022. The outstanding balance in terms of CBILs loan at year end was £97,500 (2022: £270,000).

The charity received an investment loan of £68,000 towards a lottery campaign which is unsecured, interest free and repayable under favourable terms depending on the return on investment.

**20 Deferred Income**

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

Charitable activities include the amount of £54,000 relating to funding from NHS Wakefield CCG for the perinatal services across the 2021/22, 2022/23 and 2023/24 financial years. It also includes £200,000 from the West Yorkshire ICB for services during 2023/2024.

**Deferred Income**

	<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	<b>134,857</b>	<b>-</b>	<b>134,857</b>

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
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**21 Group Funds**

	Brought forward £	Incoming resources £	Outgoing resources £	Carried forward £
Unrestricted funds	3,254,745	4,115,243	(3,938,541)	3,431,447
Restricted funds				
Medical Equipment	14,102	17,740	(21,481)	10,361
Family activities	-	5,060	(5,060)	-
Decoration and Refurbishment	81,043	38,365	(52,825)	66,583
LED Lighting	-	6,000	(4,041)	1,959
Care and Nursing costs - Maternal Mental Health	-	74,704	(74,704)	-
Snowflake furniture	-	5,681	(5,681)	-
Lottery - Hear 4 You	1,200	126,402	(127,602)	-
Improving Equality and Diversity in Hospice Care	-	10,560	(10,560)	-
NHS England - Children's Palliative Care Grant	-	462,772	(462,772)	-
The Brook Charitable Trust - Russell House capital improvements	-	100,000	-	100,000
Garden Project	-	45,344	(45,344)	-
Gifts in Kind	-	31,625	(31,625)	-
	<u>96,345</u>	<u>924,253</u>	<u>(841,695)</u>	<u>178,903</u>
Designated Funds	-	-	(77,000)	(77,000)
Total Funds	<u>3,351,090</u>	<u>5,039,496</u>	<u>(4,857,236)</u>	<u>3,533,350</u>

Summary of Funds - current year	Brought forward £	Incoming resources £	Outgoing resources £	Gains/ Losses £	Carried forward £
Unrestricted funds	3,254,745	4,115,243	(3,936,567)	(1,974)	3,431,447
Restricted funds	96,345	924,253	(841,695)	-	178,903
Designated funds	-	-	(77,000)	-	(77,000)
	<u>3,351,090</u>	<u>5,039,496</u>	<u>(4,855,262)</u>	<u>(1,974)</u>	<u>3,533,350</u>

We received further capital grants for medical equipment of £17,740 and there is an amount of £10,361 of restricted funds carried forward for essential equipment.

Grant amounts of £5,060 were received for family activities and all spent during the year.

Grants carried forward for decoration and refurbishment of £81,043 and additional grants received this year of £38,365 have resulted in an amount of £66,583 of restricted funds carried forward for the decoration, conservatory and other essential refurbishment works planned.

We received a grant for LED lighting of £6,000, of which £1,959 is carried forward as restricted funds.

We received a grant from Wakefield CCG of £74,390 for maternal mental health services which has all been spent during the year on care and family services costs. In addition we received £314 from the Shooting Star Appeal which has all been spent on care and family costs.

During the year we received £5,681 towards furniture for the Snowflake Suite which has all been spent during the year.

We received a grant from The Lottery of £126,402 for 'Hear 4 You' and the £1,200 brought forward as restricted reserves has all been spent during the year.

We received a grant from the Masonic Charitable Foundation of £10,560 towards improving equality and diversity in hospice care which has all been spent during the year within pay costs.

The NHS England annual grant of £462,772 is for children's palliative care costs and was all spent on activities during the year.

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
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**21. Group Funds (continued)**

We received a grant of £100,000 from The Brook Charitable Trust during the year, restricted for capital improvements at Russell House. This has not been spent during the year and will be carried forward.

We received numerous grants for our garden project of £45,344 which was all spent during the year.

During the year, we received various gifts in kind of £31,625 restricted for specific purposes and as such all spent during the year.

Trustees have agreed to designate a fund of £77,000 for the impact of the cost-of-living crisis and the challenges this might bring in 23/24, specifically around recruiting and retaining care staff.

**22 Summary of funds**

**Summary of funds current year**

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

**Summary of funds prior year**

	Balance at 1 April 2021	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2022
	£	£	£	£	£
General funds	2,950,027	3,670,122	(3,365,116)	(288)	3,254,745
Restricted funds	88,304	806,175	(798,134)	-	96,345
	<u>3,038,331</u>	<u>4,476,297</u>	<u>(4,163,250)</u>	<u>-</u>	<u>3,351,090</u>

**23 Analysis of net assets between funds**

**Group**

	Unrestricted funds	2023 Restricted funds	Total funds	Unrestricted funds	2022 Restricted funds	Total funds
	£	£	£	£	£	£
Tangible fixed assets	2,277,384	-	2,277,384	2,203,813	-	2,203,813
Investment	100,000	-	100,000	-	-	-
Current assets	1,709,978	178,903	1,888,881	1,912,781	96,345	2,009,126
Current liabilities	(597,415)	-	(597,415)	(526,718)	-	(526,718)
Creditors amounts falling due after more than one year	(135,500)	-	(135,500)	(335,131)	-	(335,131)
Net assets	<u>3,354,447</u>	<u>178,903</u>	<u>3,533,350</u>	<u>3,254,745</u>	<u>96,345</u>	<u>3,351,090</u>

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

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period (as per the statement of financial activities)</b>	182,260	312,759
<b>Adjustments for:</b>		
Depreciation charges	118,732	146,291
Amortisation	-	-
Disposals	2,476	101
(Increase)/Decrease in stocks	2,065	1,005
(Increase)/Decrease in debtors	(162,711)	(243,009)
Increase in creditors	(128,934)	92,713
<b>Net cash provided by operating activities</b>	<u><b>13,888</b></u>	<u><b>309,860</b></u>

**THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED**  
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**25 Analysis of cash and cash equivalents**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash in hand	1,110,326	1,391,217
<b>Total cash and cash equivalents</b>	<b>1,110,326</b>	<b>1,391,217</b>

**26 Operating lease commitments**

As at 31 March 2023 the Group and the Charity had commitments to make future minimum lease payments under non cancellable operating leases as follows:

<b>Group</b>	<b>2023</b>		<b>2022</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	124,523	2,050	125,056	1,748
In more than one year but not more than five years	292,266	4,640	221,531	130
Over 5 years	18,750	-	43,695	-
<b>Charity</b>	<b>2023</b>		<b>2022</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	-	2,050	-	1,748
Leases which terminate in more than one year but not more than five years	-	4,640	-	130
Leases which terminate in more than 5 years	-	-	-	-

**27 Pension commitments**

The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost represents contributions payable by the Charity to the funds and amounted to £166,594 (2022: £129,671). Contributions amounting to £26,883 (2022: £20,677) payable at the year-end are included in other creditors.

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

**28 Related party transactions**

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

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

The Charity has reported a loss for the financial year of £206,843 (2022 surplus: £36,003). The loss is stated before dividends of £380,000 have been received from FMNT Trading Ltd for the year, resulting in a surplus of £173,157. The parent Charity's statement of financial activities has been excluded under section 408 of the Companies Act 2006.

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**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 £</b>	<b>Expenditure £</b>	<b>Profit for the year £</b>	<b>Net assets £</b>
FMNT Trading Limited	<b>1,739,029</b>	<b>1,349,927</b>	<b>389,102</b>	<b>188,796</b>

**32 Prior year restatement**

The effect of the restatement on the balance sheet are as follows:

	<b>2022 as previously stated</b>	<b>Restatement</b>	<b>2022 as restated</b>
Fixed assets	2,177,496	-	<b>2,177,496</b>
Current assets	1,532,935	-	<b>1,532,935</b>
Current liabilities	(664,256)	250,000	<b>(414,256)</b>
<b>Net current assets</b>	<b>868,679</b>	<b>250,000</b>	<b>1,118,679</b>
Total assets less current liabilities	3,046,175	250,000	<b>3,296,175</b>
Creditors falling over one year	(125,131)	-	<b>(125,131)</b>
<b>Total net assets</b>	<b>2,921,044</b>	<b>250,000</b>	<b>3,171,044</b>
<b>Funds</b>			
Unrestricted funds	2,824,699	250,000	<b>3,074,699</b>
Restricted funds	96,345	-	<b>96,345</b>
<b>Total funds</b>	<b>2,921,044</b>	<b>250,000</b>	<b>3,171,044</b>

The prior year figures in the Charity have been restated due to an incorrect presentation entry made where intercompany was credited by £250,000 and charity reserves reduced by £250,000 as a result of dividends paid from the Trading company to the charity. This has been corrected and restated, but has no impact on the group accounts as at 31 March 2022.