



THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
(a company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Company registration number: 05481614
Charity number: 1110457

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED

CONTENTS

	Page
Report of the Trustees	1 – 26
Report of the Independent Auditor's	27 - 30
Consolidated statement of financial activities	31
Consolidated and charity balance sheet	32
Consolidated statement of cash flows	33
Notes to the consolidated financial statements	34 - 48

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

Report of the Trustees

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

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

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

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

Public benefit and eligibility criteria

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

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

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

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

Objectives and activities

a. Strategies for achieving objectives

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

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

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

2. Strengthening our organisation

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

Work together for families

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

Protect our future

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

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

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

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

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

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

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

2 Strengthening our organisation (continued)

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

3 Overall Performance

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

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

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

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

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

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

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

2 Strengthening our organisation (continued)

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

b. Review of activities

Care Services - a review of the year

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

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

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

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

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

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

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

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

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

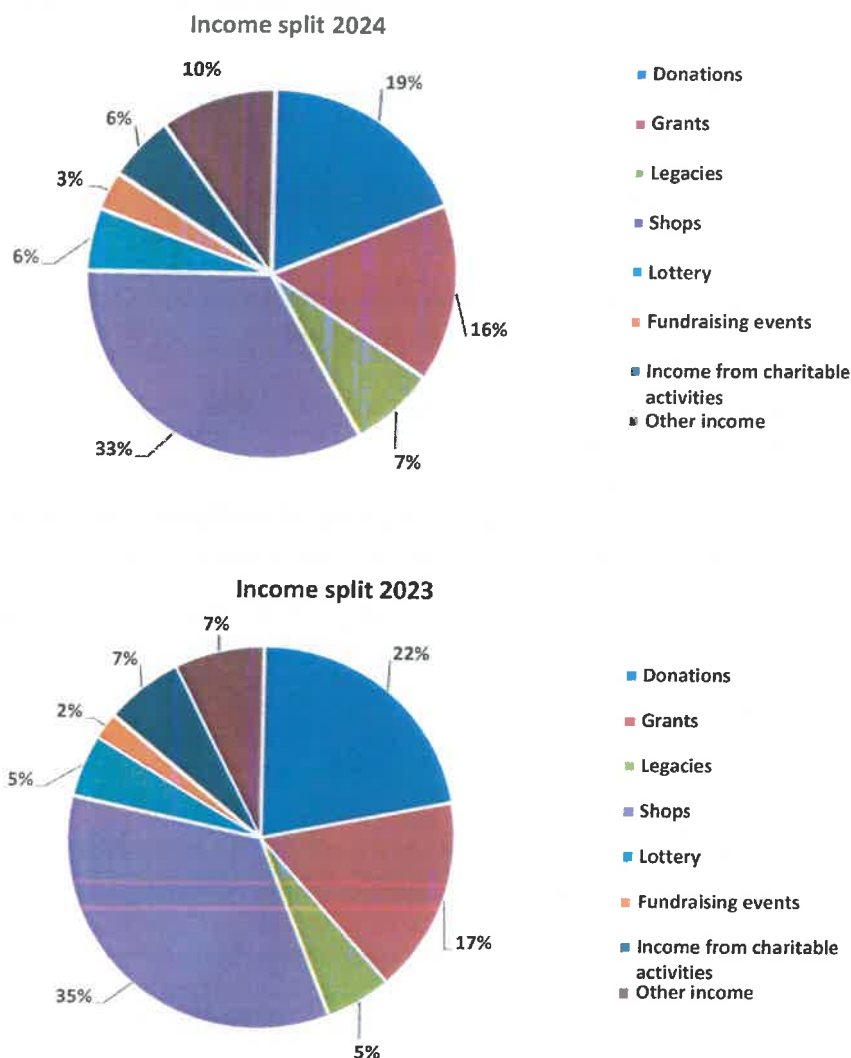
Objectives and activities (continued)

b. Review of activities (continued)

3. Overall performance (continued)

Income Generation – a review of the year

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



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

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

Objectives and activities (continued)

b. Review of activities (continued)

3. Overall performance (continued)

Income Generation - a review of the year (continued)

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

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

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

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

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

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

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

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

People and Resources – a review of the year

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

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

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

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

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

Objectives and activities (continued)

b. Review of activities (continued)

3. Overall performance (continued)

Income Generation - a review of the year (continued)

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

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

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

Governance – a review of the year

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

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

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

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

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

Objectives and activities (continued)

b. Review of activities (continued)

3. Overall performance (continued)

Clinical Governance – a review of the year

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

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

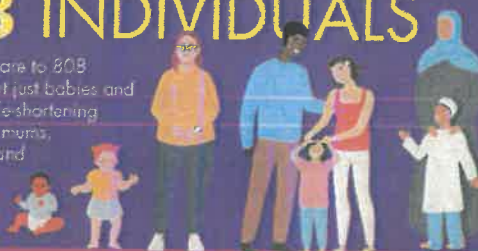
Our Clinical Audit schedule is reviewed on an annual basis and confirmed by the Clinical Governance Committee, ensuring that we continually focus our audits on the areas that we need to continuously improve.

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

2023 - OUR YEAR IN NUMBERS

**WE SUPPORTED
808 INDIVIDUALS**

We provided care to 808 individuals. Not just babies and children with life-shortening conditions, but mums, dads, siblings and grandparents too.



**21 RAINBOW
BABY GROUPS**

Our rainbow babies are those born to parents who have lost a baby in the past. Our rainbow baby group brings these families together for support, friendship and fun.

**82,580
WOMEN'S
TOPS SOLD**

So we always need more to sell in our shops!



**44,500 VOLUNTEER
HOURS**

Last year, volunteers donated 44,500 hours of their time. From bag packs and bucket collections to working our shop tills, helping at children's parties, or keeping our garden in shape for families - we simply couldn't do what we do without them. The gift of time saved us around £500,000!



From our shops, we recycled 185 tonnes of clothing! We're incredibly proud of the amount our shops can divert from landfill through recycling or reselling.

185 TONNES

90 MEMBERS OF OUR 99ERS BUSINESS CLUB TOGETHER RAISED £54,346

**22
NEW ROLES**

Across the hospice and in our shops, we created 22 new roles to help us grow and support more children and families.



**£24,137
FROM BUCKET COLLECTIONS**

Never underestimate the power of a couple of hours with a bucket! Our volunteers who helped us with bag packs and bucket collections over the last year raised over £24,000! Small change really does make a BIG difference!



**£170K
RECLAIMED
IN GIFT AID**

Don't forget to tick the gift aid box if you can!

900 COLOUR RUNNERS RAISED £32,256



£286,884

The amount left to us as gifts in wills. That's enough to run our snowflake services for a whole year, support that means the world to those who receive it. What an amazing legacy to leave!

239 HYDROTHERAPY SESSIONS

A chance for children to relax their muscles which can become very sore after using a wheelchair or other equipment. Or a clean, safe and fun space for a family to enjoy quality time together.



THANK YOU



**forget me not
children's hospice**

Plans for future periods

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

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

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

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

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

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

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

We will do this by:

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

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

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

Plans for future periods (continued)

We will continue to embed our Values:

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

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

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

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

Genuine: We are true to ourselves and others.

Care Services – looking ahead

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

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

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

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

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

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

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

Plans for future periods (continued)

Income generation – looking ahead

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

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

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

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

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

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

Supporting our people – looking ahead

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

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

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

The aims of our People Strategy are that:

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

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

Plans for future periods (continued)

Supporting our people – looking ahead (continued)

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

The aims of our Volunteer Strategy are that:

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

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

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

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

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

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

Investment powers and policy

The Board review the investment policy on an annual basis.

The key elements to the policy are below.

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

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

Investment powers and policy (continued)

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

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

Financial review

a. Financial performance

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

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

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

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

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

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

Financial review (continued)

a. Financial performance (continued)

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

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

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

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

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



Financial review (continued)

b. Reserves policy

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

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

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

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

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

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

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

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

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

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

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

Financial review (continued)

b. Reserves policy (continued)

Emergency Reserves

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

Capital Reserves

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

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

Development Reserves

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

Restricted Funds

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

Designated Funds

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

c. Going concern

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

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

Financial review (continued)

d. Fundraising and compliance

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

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

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

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

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

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

e. Donor management

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

f. External fundraisers

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

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

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

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

Financial review (continued)

f. External fundraisers (continued)

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

g. Principal risks and uncertainties

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

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

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

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

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

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

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

Structure, governance and management

a. Constitution

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

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

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

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

c. Policies adopted for the induction and training of Trustees

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

d. Statement on senior salaries and pay

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

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

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

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

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

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

Structure, governance and management (continued)

e. Organisation structure

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

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

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

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

f. Related party relationships

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

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

g. Risk management

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

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

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

Structure, governance and management (continued)

g. Risk management (continued)

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Structure, governance and management (continued)

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

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

Company registered number 05481614

Charity registered number 1110457

Registered office Russell House
Fell Greave Road
Huddersfield
West Yorkshire
HD2 1NH

Company secretary Nicola O'Dowd

Chief executive officer Luen Thompson (retired 31st August 2023)
Gareth Pierce (appointed 1st September 2023)

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

Bankers Lloyds Bank Commercial
PO Box 1000
BX1 1LT

Structure, governance and management (continued)

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

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

Directors of FMNT Trading

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

Members' liability

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

Structure, governance and management (continued)

Statement of Trustees' responsibilities

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

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

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

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

Disclosure of information to auditors

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

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

Auditors

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

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



J Cross
Chair


N O'Dowd
Company Secretary

**REPORT OF THE INDEPENDENT AUDITOR'S
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
FOR THE YEAR ENDED 31 MARCH 2024**

Opinion

We have audited the financial statements of The Forget Me Not Children's Hospice (the 'parent charitable company') and its subsidiaries (together the 'group') for the year ended 31 March 2024 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

**REPORT OF THE INDEPENDENT AUDITOR'S
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
FOR THE YEAR ENDED 31 MARCH 2024 (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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report included within the trustees' report.

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

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

Responsibilities of trustees

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

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

**REPORT OF THE INDEPENDENT AUDITOR'S
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
FOR THE YEAR ENDED 31 MARCH 2024 (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 2024 (continued)**

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

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

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

Use of our report

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



Huw Nicholls (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors

Leeds

Date: 23 September 2024

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

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

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

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


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

	Notes	Group		Charity	
		2024 £	2023 £	2024 £	2023 £
Fixed assets					
Intangible assets	13i	-	-	-	-
Tangible assets	14	2,494,421	2,277,384	2,444,964	2,234,483
Investments	15	151,669	100,000	151,671	100,001
		<u>2,646,090</u>	<u>2,377,384</u>	<u>2,596,635</u>	<u>2,334,484</u>
Current assets					
Stock	16	17,132	15,707	1,500	1,500
Debtors	17	413,499	762,848	324,508	649,613
Cash at bank and in hand - Unrestricted fund		780,237	931,423	603,812	753,611
- Restricted fund		124,323	178,903	124,323	178,903
		<u>1,335,191</u>	<u>1,888,881</u>	<u>1,054,143</u>	<u>1,583,627</u>
Current liabilities					
Creditors: amounts falling due within one year	18	(323,063)	(597,415)	(271,693)	(505,909)
		<u>1,012,128</u>	<u>1,291,466</u>	<u>782,450</u>	<u>1,077,718</u>
Net current assets					
		<u>1,012,128</u>	<u>1,291,466</u>	<u>782,450</u>	<u>1,077,718</u>
Total assets less current liabilities		<u>3,658,218</u>	<u>3,668,850</u>	<u>3,379,085</u>	<u>3,412,202</u>
Creditors : amounts falling due after more than one year	19	(105,500)	(135,500)	(68,000)	(68,000)
		<u>3,552,718</u>	<u>3,533,350</u>	<u>3,311,085</u>	<u>3,344,202</u>
Total net assets					
		<u>3,552,718</u>	<u>3,533,350</u>	<u>3,311,085</u>	<u>3,344,202</u>
Charity funds					
Unrestricted funds	21	3,428,395	3,431,447	3,186,762	3,242,299
Restricted income funds	21	124,323	178,903	124,323	178,903
Designated Funds	21	-	(77,000)	-	(77,000)
Total funds		<u>3,552,718</u>	<u>3,533,350</u>	<u>3,311,085</u>	<u>3,344,202</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 20th September 2024 and signed on their behalf by:



J Cross

Chair



N O'Dowd

Company Secretary

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Going Concern

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

2.3 Income

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (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 £77,291 recorded this year (2023: £31,625).

2.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (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 2024 (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.

2. Accounting policies (continued)

2.16 Pensions

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

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

2.17 Fund accounting

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

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

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

2.18 Key accounting estimates and assumptions

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

Useful economic lives of tangible assets:

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

Useful economic lives of intangible assets:

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)

2. Accounting policies (continued)

2.18 Key accounting estimates and assumptions (continued)

Valuation of gifts in kind:

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

3. Critical accounting estimates and areas of judgment

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

4 Donations

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

5 Grants

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

6 Legacies

	2024		2023	
	Unrestricted	Total Group	Unrestricted	Total Group
	£	£	£	£
Legacies	431,499	431,499	275,722	275,722
	<u>431,499</u>	<u>431,499</u>	<u>275,722</u>	<u>275,722</u>

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)

7 Charitable Activities

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

8 Other Income

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

9 Analysis of Resources Expended

	Direct Costs 2024	Allocated Costs 2024	Total Costs 2024
	£	£	£
Cost of raising voluntary income	421,410	132,919	554,329
Fundraising trading: costs of goods sold and other costs	1,581,861	-	1,581,861
Fundraising trading: costs of events	257,538	128,017	385,555
	<u>2,260,809</u>	<u>260,936</u>	<u>2,521,745</u>
Charitable activities - care services	2,394,838	881,227	3,276,065
Total 31 March 2024	<u>4,655,647</u>	<u>1,142,163</u>	<u>5,797,810</u>
	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
Total 31 March 2023	<u>3,927,368</u>	<u>927,894</u>	<u>4,855,262</u>

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)

10 Net outgoing resources for the year

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

11 Board of Trustees/Directors' remuneration

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

12 Staff costs and numbers

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

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

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

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

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

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

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

The Board of Trustees is responsible for defining pay policy and deciding on the salaries of the CEO and Directors. The salaries of all staff across the organisation are set out within a formal banding framework where job roles have been 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 were a Real Living Wage Employer and continue to be in 24/25 in the Charity.

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)

13 Intangible Assets

Group			Charity		
	Intangible Assets £	Total £		Intangible Assets £	Total £
Cost			Cost		
At 31 March 2023	33,077	33,077	At 31 March 2023	33,077	33,077
Additions	-	-	Additions	-	-
Disposals	-	-	Disposals	-	-
At 31 March 2024	<u>33,077</u>	<u>33,077</u>	At 31 March 2024	<u>33,077</u>	<u>33,077</u>
Depreciation			Depreciation		
At 31 March 2023	(33,077)	(33,077)	At 31 March 2023	(33,077)	(33,077)
Charge for the year	-	-	Charge for the year	-	-
Disposals	-	-	Disposals	-	-
At 31 March 2024	<u>(33,077)</u>	<u>(33,077)</u>	At 31 March 2024	<u>(33,077)</u>	<u>(33,077)</u>
Net book value			Net book value		
At 31 March 2024	<u>-</u>	<u>-</u>	At 31 March 2024	<u>-</u>	<u>-</u>
At 31 March 2023	<u>-</u>	<u>-</u>	At 31 March 2023	<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 £
Cost								
At 31 March 2023	89,354	2,485,645	160,579	179,233	333,736	69,718	33,995	3,352,260
Additions	-	15,088	2,516	120,291	194,697	18,837	-	351,429
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	<u>89,354</u>	<u>2,500,733</u>	<u>163,095</u>	<u>299,524</u>	<u>528,433</u>	<u>88,555</u>	<u>33,995</u>	<u>3,703,689</u>
Depreciation								
At 31 March 2023	-	(519,943)	(145,239)	(117,003)	(222,511)	(38,206)	(31,974)	(1,074,876)
Charge for the year	-	(50,247)	(8,712)	(25,925)	(38,291)	(9,196)	(2,021)	(134,392)
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	<u>-</u>	<u>(570,190)</u>	<u>(153,951)</u>	<u>(142,928)</u>	<u>(260,802)</u>	<u>(47,402)</u>	<u>(33,995)</u>	<u>(1,209,268)</u>
Net book value								
At 31 March 2024	<u>89,354</u>	<u>1,930,543</u>	<u>9,144</u>	<u>156,596</u>	<u>267,631</u>	<u>41,153</u>	<u>-</u>	<u>2,494,421</u>
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>
Charity								
	Freehold land £	Hospice (freehold) £	Leasehold improvements £	Computer equipment and software £	Furniture and fixtures £	Medical equipment £	Motor vehicle £	Total £
Cost								
At 31 March 2023	89,354	2,485,645	-	162,267	273,436	69,718	33,995	3,114,415
Additions	-	15,088	-	116,371	178,029	18,837	-	328,325
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	<u>89,354</u>	<u>2,500,733</u>	<u>-</u>	<u>278,638</u>	<u>451,465</u>	<u>88,555</u>	<u>33,995</u>	<u>3,442,740</u>
Depreciation								
At 31 March 2023	-	(519,943)	-	(104,472)	(185,337)	(38,206)	(31,974)	(879,932)
Charge for the year	-	(50,247)	-	(25,096)	(31,284)	(9,196)	(2,021)	(117,844)
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	<u>-</u>	<u>(570,190)</u>	<u>-</u>	<u>(129,568)</u>	<u>(216,621)</u>	<u>(47,402)</u>	<u>(33,995)</u>	<u>(997,776)</u>
Net book value								
At 31 March 2024	<u>89,354</u>	<u>1,930,543</u>	<u>-</u>	<u>149,070</u>	<u>234,844</u>	<u>41,153</u>	<u>-</u>	<u>2,444,964</u>
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>

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)

15 Investment in trading subsidiary

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

16 Stocks

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

17 Debtors

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

18 Creditors: Amounts falling due within one year

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

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

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

19 Creditors: Amounts falling due after more than one year

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)

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

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

21 Group Funds

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)

21. Group Funds (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)

22 Summary of funds

Summary of funds current year

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

Summary of funds prior year

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

23 Analysis of net assets between funds

Group

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

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

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

25 Analysis of cash and cash equivalents

	Group	
	2024	2023
	£	£
Cash in hand	904,560	1,110,326
Total cash and cash equivalents	<u>904,560</u>	<u>1,110,326</u>

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)

26 Operating lease commitments

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

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

27 Pension commitments

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

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

28 Related party transactions

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

29 Surplus / (Deficit) of the Charity

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

30 Controlling party

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)

31 Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

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

The financial results of the subsidiary for the year were:

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