



THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
(a company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Company registration number: 05481614
Charity number: 1110457

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED

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THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

Report of the Trustees

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

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

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

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

Public benefit and eligibility criteria

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Objectives and activities

a. Strategies for achieving objectives

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

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

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

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

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

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

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

In November 2024, the following actions were taken;

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

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

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

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Objectives and activities (continued)

a. Strategies for achieving objectives (continued)

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

Care Services - a review of the year

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

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

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

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

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

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

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Objectives and activities (continued)

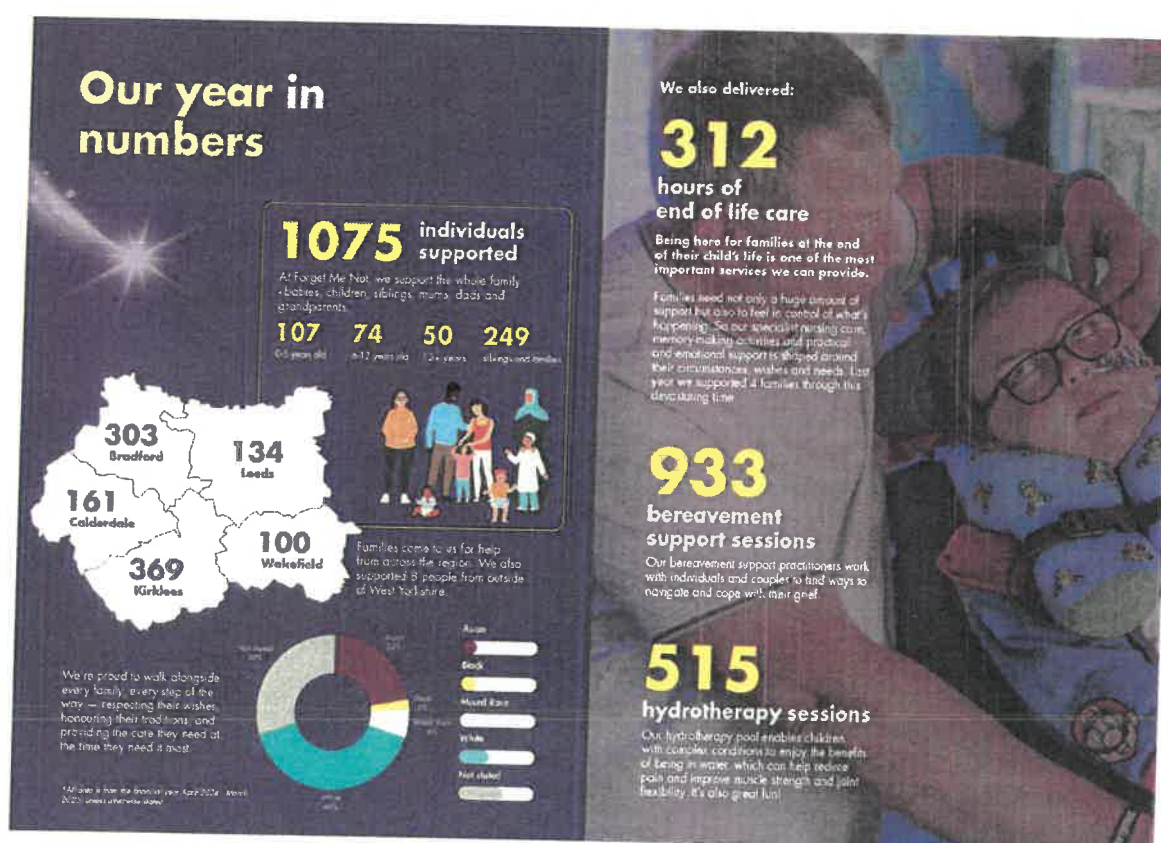
b. Review of activities (continued)

Care Services - a review of the year (continued)

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

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

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



Income Generation – a review of the year

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

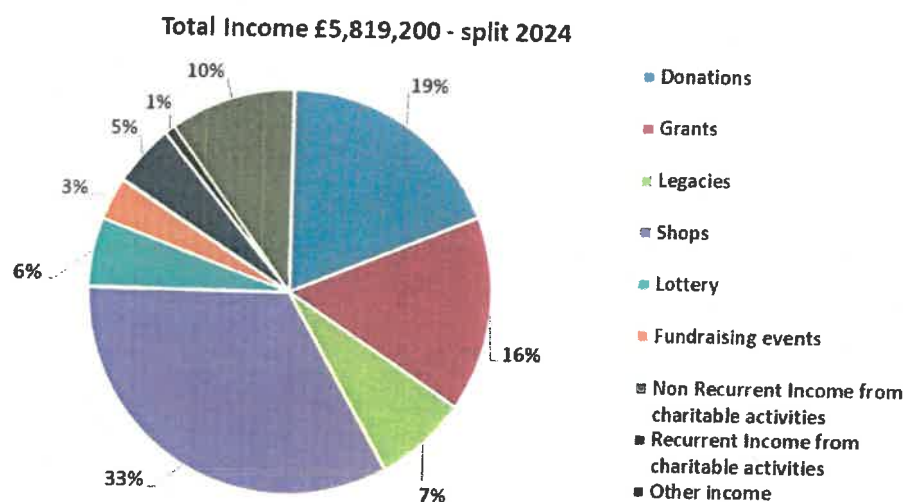
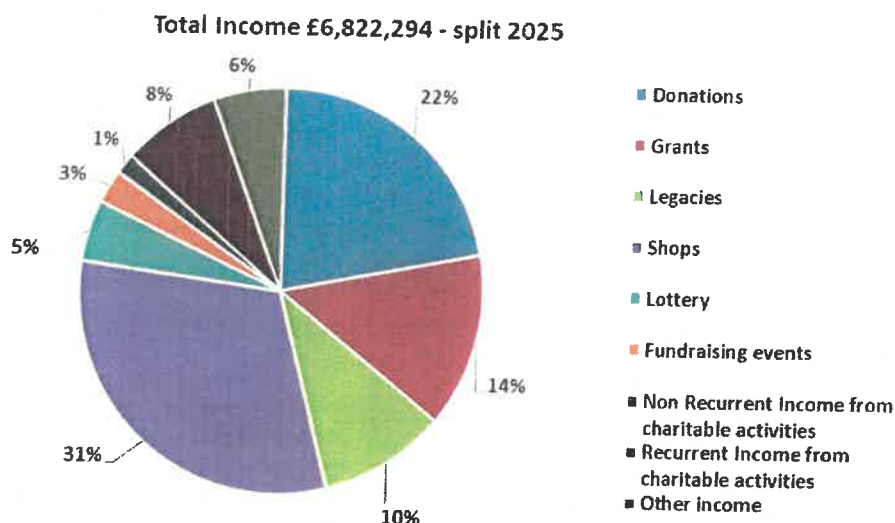
The shape of our income profile has changed only slightly this year to that of the previous year. The 'pie' allocation for 2025 and 2024 is demonstrated below:

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Objectives and activities (continued)

b. Review of activities (continued)

Income Generation – a review of the year (continued)



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

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

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Objectives and activities (continued)

b. Review of activities (continued)

Income Generation - a review of the year

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

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

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

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

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

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

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

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

People and Resources – a review of the year

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

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Objectives and activities (continued)

b. Review of activities (continued)

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

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

The plans of our Employee People Strategy are focussed on:

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

The plans of our Volunteer People Strategy are focussed on:

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

We have kept our 'People Promise' alive:

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Objectives and activities (continued)

b. Review of activities (continued)

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

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

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

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

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

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

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

Governance – a review of the year

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

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

Governance – a review of the year (continued)

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Objectives and activities (continued)

b. Review of activities (continued)

Governance – a review of the year

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

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

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

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

Clinical Governance – a review of the year

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

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

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Plans for future periods

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

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

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

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

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

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

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

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

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

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

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

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

Genuine: We are true to ourselves and others.

Care Services – Looking ahead

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Plans for future periods (continued)

Care Services – Looking ahead (continued)

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

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

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

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

Income generation – looking ahead

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

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

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

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Plans for future periods (continued)

Income generation – looking ahead (continued)

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

Supporting our people, resources and resilience – looking ahead

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

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

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

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

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

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Plans for future periods (continued)

Income generation – looking ahead (continued)

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

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

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

Investment powers and policy

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Financial review

a. Financial performance

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

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

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

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

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

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Financial review (continued)

a. Financial performance (continued)

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

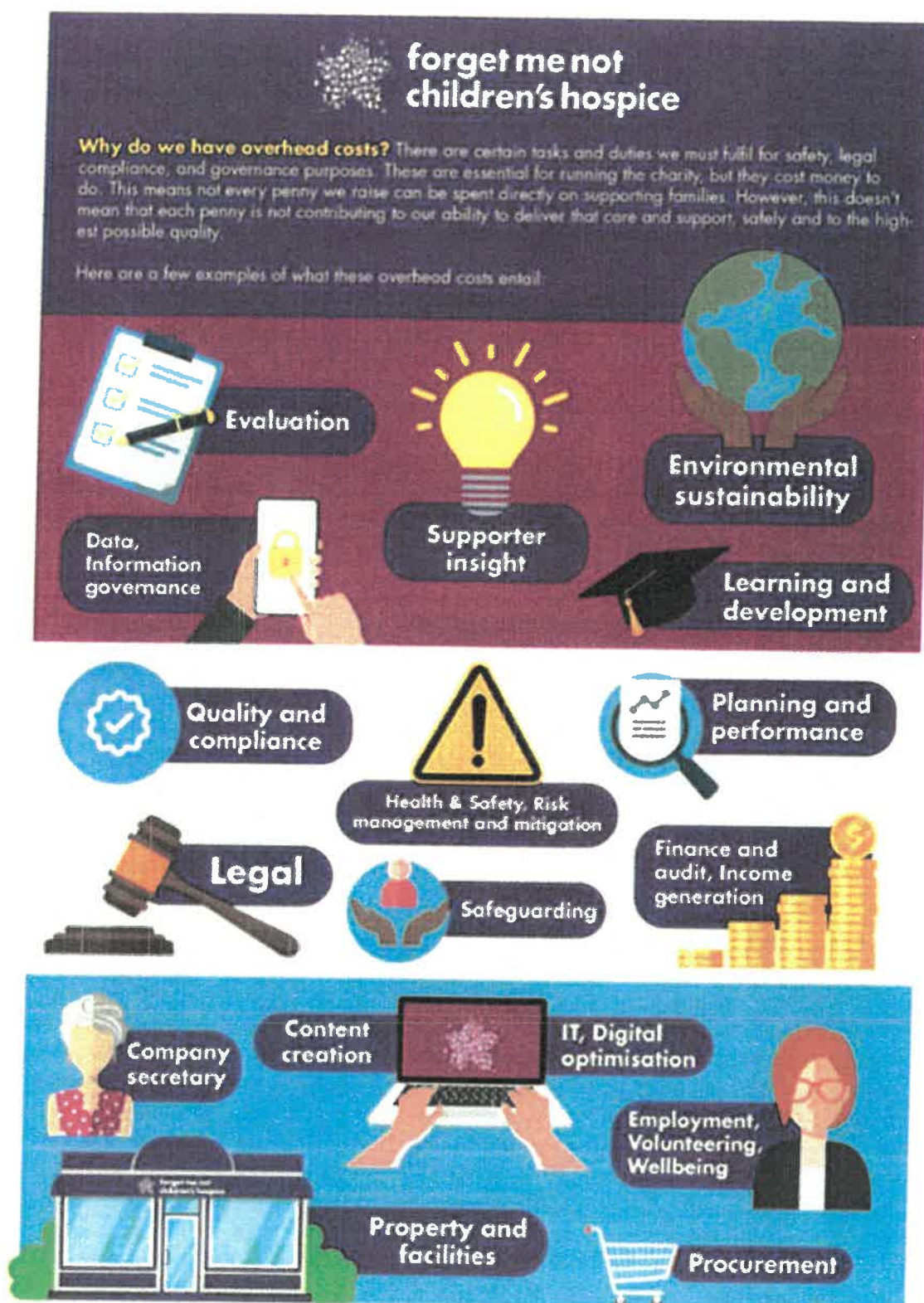
Auto enrolment employer contributions are a basic 3%, managers receive 5% matching contributions, and we introduced a matching contribution of 7.5% for charity staff this year, subject to salary exchange rules. Most staff contribute to the People's Pension Scheme. In addition, we operate an NHS Pension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

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

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

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

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



THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Financial review (continued)

b. Reserves policy

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

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

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

There is a designated reserve allocated this year of £50,000 (2024: nil) which is for addressing pay gaps in 2025/26 should our financial performance allow it and to ensure that we can recruit and retain staff in terms of market changes and competition.

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

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

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

Allocating legacy income to build reserve funds:

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

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Financial review (continued)

b. Reserves policy (continued)

Emergency Reserves

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

Capital Reserves

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

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

Development Reserves

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

Restricted Funds

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

Designated Funds

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

c. Going concern

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Financial review (continued)

d. Fundraising and compliance

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

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

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

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

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

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

e. Donor management

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

f. External fundraisers

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Financial review (continued)

f. External fundraisers (continued)

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

g. Principal risks and uncertainties

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

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

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

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Structure, governance and management

a. Constitution

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

b. Methods of appointment or election of Trustees

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

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

c. Policies adopted for the induction and training of Trustees

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

d. Statement on senior salaries and pay

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

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Structure, governance and management (continued)

e. Organisation structure

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

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

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

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

f. Related party relationships

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

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

g. Risk management

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

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

- The identification of risk is considered in all areas of work and is included in all operational activities.
- The success of a risk management program is dependent upon a committed approach by the Board of Trustees, Chief Executive, Senior Leadership Team, Senior Management Team and all staff.
- The identification and management of risks requires active involvement of operational staff within the Charity as these staff are best placed to perform this function if there are robust communication and support systems.
- The promotion of an open, objective culture for incident reporting and the identification of risk and consistency in managing those risks are essential to the success of the Risk Management Policy. This is supported by all levels of management
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THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Structure, governance and management (continued)

g. Risk management (continued)

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Structure, governance and management (continued)

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

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

Company registered number	05481614
Charity registered number	1110457

Registered office	Russell House Fell Greave Road Huddersfield West Yorkshire HD2 1NH
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Company secretary	Nicola O'Dowd
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Chief executive officer	Gareth Pierce
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Independent auditors	Armstrong Watson Audit Limited Chartered Accountants Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS
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Bankers	Lloyds Bank Commercial PO Box 1000 BX1 1LT
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Solicitors	Schofield Sweeney Springfield House 76 Wellington Street Leeds West Yorkshire LS1 2AY
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THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Structure, governance and management (continued)

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

Directors of FMNT Trading Limited

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

Directors of FMN Commercial Ltd

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

Members' liability

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Structure, governance and management (continued)

Statement of Trustees' responsibilities

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

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

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

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

Disclosure of information to auditors

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

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

Auditors

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

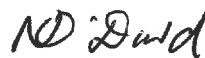
Approved by order of the members of the board of Trustees on 26/9/2025 and signed on their behalf by:

J Cross
Chair



N O'Dowd

Company Secretary



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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

**REPORT OF THE INDEPENDENT AUDITOR'S
TO THE MEMBERS OF THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
FOR THE YEAR ENDED 31 MARCH 2025 (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 2025 (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 2025 (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: 7 October 2025

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

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

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

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

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

	Notes	Group		Charity	
		2025 £	2024 £	2025 £	2024 £
Fixed assets					
Intangible assets	13	-	-	-	-
Tangible assets	14	2,530,051	2,494,421	2,426,170	2,444,964
Investments	15	150,000	151,669	150,001	151,671
		<u>2,680,051</u>	<u>2,646,090</u>	<u>2,576,171</u>	<u>2,596,635</u>
Current assets					
Stock	16	17,735	17,132	1,500	1,500
Debtors	17	494,005	413,499	379,559	324,508
Cash at bank and in hand - Unrestricted fund		1,314,578	780,237	992,884	603,812
- Restricted fund		100,000	124,323	100,000	124,323
		<u>1,926,319</u>	<u>1,335,191</u>	<u>1,473,943</u>	<u>1,054,143</u>
Current liabilities					
Creditors: amounts falling due within one year	18	(454,425)	(323,063)	(303,826)	(271,693)
Net current assets		<u>1,471,893</u>	<u>1,012,128</u>	<u>1,170,118</u>	<u>782,450</u>
Total assets less current liabilities		<u>4,151,944</u>	<u>3,658,218</u>	<u>3,746,289</u>	<u>3,379,085</u>
Creditors : amounts falling due after more than one year	19	(197,897)	(105,500)	(100,000)	(68,000)
Total net assets		<u>3,954,047</u>	<u>3,552,718</u>	<u>3,646,289</u>	<u>3,311,085</u>
Charity funds					
Unrestricted funds	21	3,804,047	3,428,395	3,496,289	3,186,762
Restricted income funds	21	100,000	124,323	100,000	124,323
Designated Funds	21	50,000	-	50,000	-
Total funds		<u>3,954,047</u>	<u>3,552,718</u>	<u>3,646,289</u>	<u>3,311,085</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 26th September 2025 and signed on their behalf by:

J Cross
Chair



N O'Dowd


Company Secretary

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

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

The notes on pages 35 to 50 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 2025

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 2025 (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 £28,836 recorded this year (2024: £77,291).

2.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (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 2025 (continued)

2. Accounting policies (continued)

2.9 Stocks

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

2.10 Debtors

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

2.11 Cash at bank and in hand

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

2.12 Liabilities and provisions

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

2.13 Financial instruments

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

2.14 Concessionary loan

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

2.15 Operating leases

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

2.16 Pensions

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

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

2.17 Fund accounting

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

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

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 2025 (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

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

5 Grants

	2025			2024		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£	£	£
Bernard Sunley	-	-	-	-	15,000	15,000
BBC Children in Need	-	37,387	37,387	-	22,867	22,867
CRASH Charity	-	-	-	-	45,000	45,000
Hospice UK - Masonic Charitable Foundation	-	35,000	35,000	-	14,735	14,735
Hospice UK - Capital	-	75,232	75,232	-	-	-
National Lottery	-	-	-	-	94,487	94,487
The James Tuller Foundation	-	10,000	10,000	-	-	-
National Lottery Community Fund	-	80,698	80,698	-	-	-
NHS England Annual Grant	-	567,418	567,418	-	551,849	551,849
The Albert Hunt Trust	-	22,500	22,500	15,000	-	15,000
Together for Short Lives	-	-	-	-	37,650	37,650
Wooden Spoon	-	-	-	-	13,400	13,400
Various grants less than £10,000	6,273	108,612	114,885	9,363	87,151	96,514
	<u>6,273</u>	<u>936,847</u>	<u>943,120</u>	<u>24,363</u>	<u>882,130</u>	<u>906,502</u>

6 Legacies

	2025		2024	
	Unrestricted	Total Group	Unrestricted	Total Group
	£	£	£	£
Legacies	690,895	690,895	431,499	431,499
	<u>690,895</u>	<u>690,895</u>	<u>431,499</u>	<u>431,499</u>

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

7 Charitable Activities

	2025			2024		
	Unrestricted	Restricted	Total Group	Unrestricted	Restricted	Total Group
	£	£	£	£		£
NHS Kirkcaldy CCG	34,206	-	34,206	33,638	-	33,638
NHS Wakefield CCG	15,513	-	15,513	15,244	88,556	103,800
NHS Leeds	-	59,088	59,088	-	-	-
South West Yorkshire Partnership	-	35,000	35,000	-	-	-
NHS Greater Manchester ICB	-	15,120	15,120	-	-	-
West Yorkshire ICB	492,000	-	492,000	260,000	-	260,000
	<u>541,719</u>	<u>109,208</u>	<u>650,927</u>	<u>248,882</u>	<u>88,556</u>	<u>337,438</u>

8 Other Income

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

9 Analysis of Resources Expended

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

10 Net outgoing resources for the year

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

11 Board of Trustees/Directors' remuneration

The Board of Trustees during the year served on a voluntary basis and received no remuneration for their services to the company (2024: nil)

The Charity reimbursed nil (2024: nil) Trustees for travel expenditure in order for the Trustees to attend meetings.

12 Staff costs and numbers

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

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

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

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

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

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

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

The Board of Trustees is responsible for defining pay policy and deciding on the salaries of the CEO and Directors. The salaries of all staff across the organisation are set out within a formal banding framework where job roles have been 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 24/25 we were a Real Living Wage Employer and continue to be in 25/26 in the Charity.

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

13 Intangible Assets
Group

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

Charity

	Intangible Assets £	Total £
Cost		
At 31 March 2023	33,077	33,077
Additions	-	-
Disposals	-	-
At 31 March 2024	<u>33,077</u>	<u>33,077</u>
Depreciation		
At 31 March 2023	(33,077)	(33,077)
Charge for the year	-	-
Disposals	-	-
At 31 March 2024	<u>(33,077)</u>	<u>(33,077)</u>
Net book value		
At 31 March 2024	<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 2024	89,354	2,500,733	163,095	299,524	528,433	88,555	33,995	3,703,689
Additions	-	9,984	44,303	54,615	77,633	24,095	25,000	235,630
Disposals	-	-	-	(21,255)	(58,641)	-	-	(79,896)
At 31 March 2025	<u>89,354</u>	<u>2,510,717</u>	<u>207,398</u>	<u>332,884</u>	<u>547,425</u>	<u>112,650</u>	<u>58,995</u>	<u>3,859,423</u>
Depreciation								
At 31 March 2024	-	(570,190)	(153,951)	(142,928)	(260,802)	(47,402)	(33,995)	(1,209,268)
Charge for the year	-	(50,445)	(15,669)	(54,478)	(61,031)	(14,164)	(3,750)	(199,537)
Disposals	-	-	-	20,985	58,448	-	-	79,433
At 31 March 2025	<u>-</u>	<u>(620,635)</u>	<u>(169,620)</u>	<u>(176,421)</u>	<u>(263,385)</u>	<u>(61,566)</u>	<u>(37,745)</u>	<u>(1,329,372)</u>
Net book value								
At 31 March 2025	<u>89,354</u>	<u>1,890,082</u>	<u>37,778</u>	<u>156,463</u>	<u>284,040</u>	<u>51,084</u>	<u>21,250</u>	<u>2,530,051</u>
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>

Charity

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

15 Investment in trading subsidiary

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

16 Stocks

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

17 Debtors

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

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

18 Creditors: Amounts falling due within one year

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

19 Creditors: Amounts falling due after more than one year

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

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

The outstanding balance of CBILs loan at year end was £37,500 (2024: £67,500), the amount falling due after more than one year is £7,500. The Key Fund Loan was taken out in the Charity for the purpose of Commercial and Trading activity. A loan of £115,400 was taken out in January 2025. The loan is repayable over 60 months and the monthly capital payment is £1,923.34 and the monthly interest payment is £625.08 which is 6.5% per year. The loan balance at year end was £113,477, therefore the amount payable in more than a year is £90,397.

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

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

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>

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

21 Group Funds

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

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

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

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

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

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

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

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

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

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

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

THE FORGET ME NOT CHILDREN'S HOSPICE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

21. Group Funds (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 Summary of funds

Summary of funds current year

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

Summary of funds prior year

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

23 Analysis of net assets between funds

Group

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

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

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

25 Analysis of cash and cash equivalents

	Group	
	2025	2024
	£	£
Cash in hand	1,414,578	904,560
Total cash and cash equivalents	<u>1,414,578</u>	<u>904,560</u>

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26 Operating lease commitments

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

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

27 Pension commitments

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

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

28 Related party transactions

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

29 Surplus / (Deficit) of the Charity

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

30 Controlling party

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

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31 Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

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

The financial results of the subsidiary for the year were:

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

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
FMN Commercial Ltd	16100255	Forget Me Not Children's Hospice, Russell House, Fell Greave Road, Huddersfield, HD2 1NH	Commercial activity to support charity
Class of shares		Holding	Included in consolidation
Ordinary		100%	No

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