

Forever Colours Children's Hospice

Independent examiner's report For the year ended 31 March 2022

Independent examiner's report to the Trustees of Forever Colours Children's Hospice ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2022.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Dated:

Steve Moss BSc (Hons) ACA

Kreston Reeves LLP
Chartered Accountants
London

Forever Colours Children's Hospice

Statement of financial activities For the year ended 31 March 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	174,075	174,075	79,015
Charitable activities	4	6,396	6,396	-
Total income		180,471	180,471	79,015
Expenditure on:				
Raising funds	5	1,582	1,582	2,421
Charitable activities	6	137,862	137,862	55,949
Total expenditure		139,444	139,444	58,370
Net movement in funds		41,027	41,027	20,645
Reconciliation of funds:				
Total funds brought forward		20,645	20,645	-
Net movement in funds		41,027	41,027	20,645
Total funds carried forward		61,672	61,672	20,645

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

The notes on pages 22 to 31 form part of these financial statements.

Forever Colours Children's Hospice

Balance sheet As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	4,026	4,580
Current assets			
Cash at bank and in hand		64,749	19,431
Creditors: amounts falling due within one year	12	(7,103)	(3,366)
Net current assets		<u>57,646</u>	<u>16,065</u>
Total net assets		<u><u>61,672</u></u>	<u><u>20,645</u></u>
Charity funds			
Unrestricted funds		<u>61,672</u>	<u>20,645</u>
Total funds		<u><u>61,672</u></u>	<u><u>20,645</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

E B V Charvet
(Chair of Trustees)

Date:

The notes on pages 22 to 31 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 March 2022**

1. General information

Forever Colours Children's Hospice is a charity registered in England, with registration number 1191073. The charity's registered address is 48 Frobisher Road, London, N8 0QX. The principal activity of the charity is to promote and facilitate the relief, treatment and care of children and young persons living in the UK with life-limiting and/or life-threatening conditions.

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 Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Forever Colours Children's Hospice 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.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events and conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements, and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future, and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

**Notes to the financial statements
For the year ended 31 March 2022**

2. Accounting policies (continued)

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 Charity 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 Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%
Computer equipment	-	20%

2.6 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.

2.7 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.8 Financial instruments

The Charity 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.

2.9 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.10 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 Charity and which have not been designated for other purposes.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	174,075	174,075
	Unrestricted funds 2021 £	Total funds 2021 £
Donations	78,656	78,656
Other income	359	359
	79,015	79,015

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from charitable activities	6,396	6,396	-

Notes to the financial statements
For the year ended 31 March 2022

5. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £
Fundraising costs	1,582	1,582

	Unrestricted funds 2021 £	Total funds 2021 £
Fundraising costs	2,421	2,421

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £
Charitable activities	137,862	137,862

	Unrestricted funds 2021 £	Total 2021 £
Charitable activities	55,949	55,949

Notes to the financial statements
For the year ended 31 March 2022

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	106,143	31,719	137,862

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	49,761	6,188	55,949

Analysis of direct costs

	Activities 2022 £	Total funds 2022 £
Staff costs	104,760	104,760
Depreciation	1,053	1,053
Equipment	330	330
	106,143	106,143

	Activities 2021 £	Total funds 2021 £
Staff costs	49,161	49,161
Depreciation	600	600
	49,761	49,761

Notes to the financial statements
For the year ended 31 March 2022

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2022 £	Total funds 2022 £
Advertising	1,463	1,463
Family Days/Packs	16,459	16,459
Entertainment	100	100
Computer costs	4,971	4,971
Travel expenses	2,555	2,555
Subscriptions	1,214	1,214
Clothing costs	226	226
Printing, postage & stationery	669	669
Accountancy	4,032	4,032
DBS costs	30	30
	<hr/>	<hr/>
	31,719	31,719
	<hr/>	<hr/>

	Activities 2021 £	Total funds 2021 £
Advertising	807	807
Family Days/Packs	1,275	1,275
Entertainment	34	34
Computer costs	341	341
Travel expenses	305	305
Subscriptions	166	166
Clothing costs	380	380
Bank charges	12	12
Printing, postage and stationery	193	193
Accountancy	2,400	2,400
DBS costs	275	275
	<hr/>	<hr/>
	6,188	6,188
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Notes to the financial statements
For the year ended 31 March 2022

8. Independent examiner's remuneration

	2022 £	2021 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	2,400	2,400

9. Staff costs

	2022 £	2021 £
Wages and salaries	98,155	47,778
Social security costs	4,288	468
Contribution to defined contribution pension schemes	2,317	915
	104,760	49,161

The average number of persons employed by the Charity during the year was as follows:

	2022 No.	2021 No.
Employees	6	6

No employee received remuneration amounting to more than £60,000 in either year.

Remuneration paid to Key Management Personnel during the period was £75,412 (2021: £43,235).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totalling £115 were incurred by 1 Trustee (2021 - £NIL to no Trustee).

**Notes to the financial statements
For the year ended 31 March 2022**

11. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2021	5,180	-	5,180
Additions	-	499	499
At 31 March 2022	5,180	499	5,679
Depreciation			
At 1 April 2021	600	-	600
Charge for the year	1,036	17	1,053
At 31 March 2022	1,636	17	1,653
Net book value			
At 31 March 2022	3,544	482	4,026
At 31 March 2021	4,580	-	4,580

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	3,927	236
Pension fund loan payable	669	208
Other creditors	107	522
Accruals and deferred income	2,400	2,400
	7,103	3,366

**Notes to the financial statements
For the year ended 31 March 2022**

13. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
General funds	20,645	180,471	(139,444)	61,672

Summary of funds - prior year

		Income £	Expenditure £	Balance at 31 March 2021 £
General funds		79,015	(58,370)	20,645

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	4,026	4,026
Current assets	64,749	64,749
Creditors due within one year	(7,103)	(7,103)
Total	61,672	61,672

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	4,580	4,580
Current assets	19,431	19,431
Creditors due within one year	(3,366)	(3,366)
Total	20,645	20,645

**Notes to the financial statements
For the year ended 31 March 2022**

15. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions paid by the Charity to the fund and amounted to £2,317 (2021: £915). At the period end, an amount of £669 (2021: £208) was payable to the fund and is included in creditors.

16. Related party transactions

The Charity has not entered into any related party transactions beyond the trustee expenses in note 10 during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2022.