

FARLEIGH HOSPICE

England & Wales · Charity number 284670

Details

Other names CHELMSFORD HOSPICE SERVICE

Status Registered

Legal form Charitable company

Company number [01619905](#)

Registered 1982-05-05

Register [View on the Charity Commission register](#)

Contact

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North Court Road
Broomfield
Chelmsford
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Website www.farleighhospice.org

Activities

Objects: TO ADVANCE THE HEALTH, AND TO RELIEVE THE NEEDS BY REASON OF ILL-HEALTH, OF PEOPLE WITH LIFE-LIMITING ILLNESSES ("SUCH PEOPLE"), IN PARTICULAR, BUT NOT EXCLUSIVELY, BY: (1) THE PROVISION OF CARE, ADVICE AND SERVICES TO SUCH PEOPLE, AND TO THEIR FAMILY, FRIENDS AND CARERS.(2) THE PROVISION OF SERVICES FOR THOSE WHO HAVE UNDERGONE A BEREAVEMENT OR LOSS, AND THE PROVISION OF EDUCATION, TRAINING, ADVICE AND SUPPORT TO OTHERS WHO ARE IN CONTACT WITH SUCH PEOPLE.(3) CONDUCTING, PROMOTING, AND ENCOURAGING THE TEACHING AND TRAINING OF STAFF AND INFORMAL CARERS ENGAGED IN THE CARE OF SUCH PEOPLE. (4) CONDUCTING AND PROMOTING RESEARCH INTO THE CARE AND TREATMENT OF, OR SERVICES FOR SUCH PEOPLE AND TO DISSEMINATE THE RESULTS THEREOF. (5) PROMOTING AWARENESS OF ISSUES FACE BY SUCH PEOPLE AND THOSE APPROACHING DEATH.

Activities: Adult Hospice

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- Essex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£30,248,000	£31,179,000	£12,083,000	352
2024-03-31	£26,727,000	£27,334,000	£13,025,000	327
2023-03-31	£22,552,000	£23,202,000	£13,519,000	321
2022-03-31	£20,739,000	£19,572,000	£14,176,000	309
2021-03-31	£20,337,000	£16,905,000	£12,990,000	286

Trustees

Name	Role	Appointed
Sarah Glew	Chair	2024-06-17
Caroline Jane Russell		2021-03-08
Charlotte Williams		2025-12-01
Christopher Tilley		2023-05-15
Dr Donald McGeachy		2019-05-13
Jake Mason		2025-03-17
John Sweeney		2023-11-20
Julie Withnall		2023-11-20
Mark Leach		2023-01-09
Nina Smaller		2023-11-20
Simon Waters		2025-12-01
Sonia Watts		2025-03-17

Linked charities

- [ST CLARE'S HOSPICE \(284670-1\)](#)

FARLEIGH HOSPICE

England & Wales - Charity number 284670

Accounts

Report and financial statements for the year ended 31st March 2025



**Farleigh
Hospice**



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Reference and administrative information

Company number	01619905 (incorporated in England and Wales)	
Charity number	284670 (registered in England and Wales)	
Registered office and operational address	Farleigh Hospice North Court Road Chelmsford ESSEX CM1 7FH	
Trustees	<i>Trustees are also directors under company law, who served during the year and up to the date of this report were as follows:</i>	
	Tracey Dickens	(6)
	Elizabeth Fox	Resigned 12th November 2024
	Sarah Glew	Appointed 17th June 2024(2) (5) Chair IGCGC
	Mark Leach	(2) (3) (5)
	Katie Lockwood	(2) (7) (8) Chair COGC
	Jake Mason	Appointed 17th March 2025 (5)
	Dr Donald McGeachy	(1) (7) (8) Chair CLGC
	Georgina Offord	Resigned 28th May 2024
	Joanna Pittman	Resigned 2nd December 2024
	Caroline Russell	(4)
	Nina Smaller	(4)
	Keith Spiller	(1) (2) (3) (4) (5) (6) (7) (8) Chair, Chair BGC, Chair FSL
	John Sweeney	(6) (7) (8) Chair LHL,
	Christopher Tilley	(4) (7) (8) Chair FGC
	Sonia Watts	Appointed 17th March 2025 (1)
	Julie Withnall	(2) (8)
Independent director of Local Hospice Lottery Ltd	David Newman	Resigned 17th March 2025
	Emma Wraight	Appointed 2nd December 2024 (6)
Independent director of Farleigh Supplies Ltd	David Blainey	(3)
Subsidiary boards and committees	(1) Clinical Governance Committee (CLGC) (2) Corporate Governance Committee (COGC) (3) Farleigh Supplies Limited Board (FSLB) (4) Financial Governance Committee (FGC) (5) Income Generation & Communications Governance Committee (IGCGC) (6) Local Hospice Lottery Ltd Board (LHL) (7) Board Governance Committee (BGC) (8) Remuneration Committee (RemCo)	

Key management personnel

Farleigh Hospice

Sarah Green

Chief Executive;

on sabbatical from 31st March 2025

Michelle Kabia

Interim Chief Executive; appointed

10th March 2025 (1) (2) (4) (5) (6) (7) (8)

Sharon Ellingham

Finance Director, Company Secretary

(3) (4) (6) (7) Company Secretary

and Company Director Local Hospice

Lottery Ltd and Farleigh Supplies Ltd

Corporate Services Director (2)

Irene Ferguson

Commercial Director (5)

Pauline Harvey-Jones

Dr Eva Lew

Medical Director (1)

Ellie Miller

Director of Care (1)

Local Hospice Lottery Ltd

Gary Hawkes

Chief Executive Officer (6) (7)

Stephen Cain

Finance and Operations Director (4) (6)

Bankers

Lloyds Bank plc

79/80 High Street

Chelmsford CM1 1DU

Solicitors

Bates Wells

10 Queen Street Place

London EC4R 1BE

Auditors

Crowe UK LLP

Statutory Auditor

Fourth Floor, St James House

St James Square

Cheltenham GL50 3PR

Trustees' Annual Report

The trustees present their report and the audited financial statements for the year ended 31st March 2025.

Reference and administrative information set out on pages 3 and 4 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102(2019).

This Trustees' Annual Report includes a directors' report as required by company law.



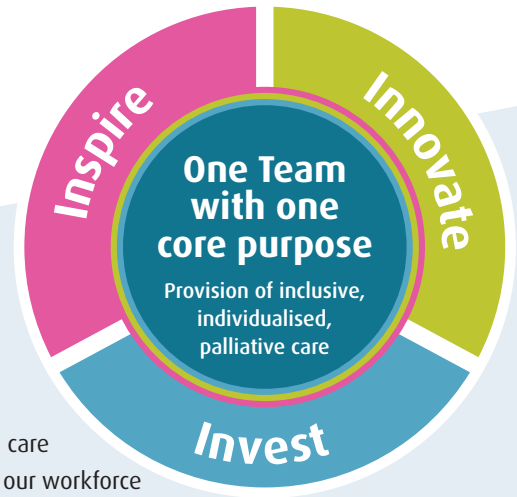
Objectives and activities

Purposes and aims

We continued to deliver our 2022-2026 strategy of “One Team with One Core Purpose” which was created to build upon the success of our 2018-2022 strategy.

The strategy has three main aims;

- TO INSPIRE**
 - Supporters and funders to support our work
 - People to join and excel as part of our workforce
 - Others to collaborate with us to provide the best possible care and support for our community
- TO INNOVATE**
 - In our service delivery, involving patients and families in service design
 - In generating income for sustainable hospice
 - In how we use our resources
- TO INVEST**
 - In the growth and development of our hospice
 - In technology and systems to be at the forefront of hospice care
 - Be creative in how we invest in supporting and developing our workforce



The strategy was devised in consultation with stakeholders, partners, internal teams and trustees. The strategy aims to ensure that the hospice is fit for the future and we have one team working together on a core purpose of ensuring the provision of inclusive, individualised palliative care.

Planning for the next strategy for periods from the 1st April 2026 is underway. Views are being sought from staff, volunteers and relevant stakeholders with a view that the new strategy will be approved by the board in winter 2025/26.

Alongside the charitable objects, Farleigh Hospice operates in line with its vision, mission and values as appear in the illustration below.



Activities

Each year a detailed strategic delivery plan is developed outlining the short-term actions that will assist in the achievement of the overall strategic objectives.

The charity's main activities, and whom it tries to help, are described below.

All its charitable activities focus on those affected by life limiting illnesses or bereavement and are undertaken to further Farleigh Hospice's charitable purposes for the public benefit.

Farleigh Hospice's latest CQC inspection in 2024/25 rated the hospice overall as good with care rated as outstanding.

The trustees have chosen to report their activities under a number of headings. Broadly speaking these headings reflect where our users access the service.

Each of these services is supported by medical, allied health professionals and ancillary staff whose costs are apportioned in the accounts to the service on the basis of time spent.

Inpatient Unit

An Inpatient Unit (IPU) operates in Chelmsford to provide short-term care for those who need help with symptom control, rehabilitation to build confidence or respite care and to provide a place for those who are dying and wish to be in the hospice.

All ten beds are en-suite single rooms, two of which are 'flats' that are used for rehabilitation, younger patients or for families to stay with the patient.

Four beds are used for the Hospice Rapid Access Service (HRAS) contract and six for specialist palliative care.

Following a number of difficult years since the IPU was shut for Covid it is now close to being fully staffed and a very stable unit where the quality of care is appreciated by patients and families.

The IPU is supported by an interdisciplinary team including doctors, physiotherapists, occupational therapists, spiritual care, complementary therapy and family support.

During the year IPU has cared for 231 patients.

Community Care

Community services are delivered by three locality based multi-disciplinary community teams for North, South and Central areas in mid Essex. Each team is led by a locality care team manager and has an integrated team of professionals and care staff – sharing expertise and providing the wide range of skills that would benefit the care and support of patients and families.

The ethos of the approach was 'One Team' of patient facing clinicians with standardised processes.

This structure aligns with local NHS services, which are now organised in Primary Care Networks (PCNs) and offers opportunities to connect and work more closely with primary care and community colleagues within each locality.

These multi-disciplinary teams include health care assistants, registered nurses, clinical nurse specialists, physiotherapists, occupational therapists, social workers and family support workers, working together in locality care teams.

Referrals for community support are received directly into the Locality Team and assigned to the most appropriate health care professional.

At any point in time there are around 400 people being cared for in the community by our specialist teams.

Each locality team responds appropriately to incoming calls made to the hospice's advice line. This line is available 8am-8pm 7 days a week and is staffed by a team of specially trained navigators and specialist nurses.

During the year, the hospice received 23,000 incoming calls to this advice line.

Farleigh Hospice is contracted with Mid and South Essex Integrated Care Board (MSEICB) to provide and source care to patients who are rapidly deteriorating and in the terminal phase of their life.

This service known as the Hospice Rapid Access Service (HRAS) operates in partnership with other hospices in MSEICB.

Patients are assessed according to need and choice and are placed in one of four HRAS IPU beds, in their homes with domiciliary care from either a domiciliary care agency or our Hospice at Home team or into a local nursing home.

Community services also includes Rapid Assessment & Discharge (RADs) Team who ensure end of life care patients in hospital are rapidly identified, assessed and moved to the most appropriate place for their ongoing care.

This team also managed the HRAS service. This service is fully funded by MSEICB and allows Farleigh Hospice to assess patients against an agreed criteria and place them in a suitable place of care.

During the year there were 216,954 hours of care delivered in patient's homes and 33,376 nursing home nights provided.

All community and Inpatient services are supported by a highly specialised medical team including five palliative care consultants.

Farleigh Hospice also runs a befriending service - Farleigh Helpers. A team of volunteers who are based at home makes calls to members of the community who may be lonely or isolated.

Bereavement

Bereavement support continues to be available to adults through the CIRCLE program (age 18+), while children and young people are supported through the Yo-Yo Project initiative (age 4-18).

Support is now offered flexibly with a choice of face-to-face, online and telephone sessions available.

Delivery of the service is by a core team of counselling and therapeutic professionals, with support from a large number of internally trained volunteers.

During the year there has been a remodelling of our bereavement services to introduce early intervention options for our adult service by during this we have found that the need for one to one specialist counselling has reduced.

In 2024/25 there were 515 accepted referrals to the service over 200 down on the previous year. This has resulted in a reduction in the time that those who need it are waiting for specialist services.

During the year there were 197 referrals to the children's service.

Education and Information Services

The Education Team delivers high-quality training to Farleigh staff and to local partners, including care homes, hospitals, paramedics, and community teams.

The programs cover everything from symptom management to spiritual and emotional care, and can be tailored to meet the needs of different organisations.

All training is grounded in the latest evidence and national guidance. New staff at Farleigh receive comprehensive induction training, including an eight-day palliative care course.

Registered nurses also complete drug competency assessments and training in verifying expected deaths. We also offer advanced courses to help clinicians become leaders in palliative and end-of-life care.

Local Hospice Lottery Ltd

2024/25 was the final year of Local Hospice Lottery's Strategic Plan, 'Inspiring Commitment'.

This plan defined the purpose of Local Hospice Lottery as: "Local Hospice Lottery exists to be the leading lottery for hospices, providing additional funding and opportunities for growth by inspiring people to support their local hospice in a fair, open and affordable way".

It identified the values of the organisation as being: Supportive, Fair, Professional and Ambitious and lists the strategic pillars as: Supporting local hospices, Inspiring membership; Enhancing our product; Valuing our people; Developing new routes to membership and Diversifying the business.

Over the period of the five-year plan, the key financial objective was to almost double the contribution to hospice care from a total of £22 million in the preceding five-year period to a total of £40 million for the five years to 2024/25.

This total was exceeded by £2 million and £6.3 million of the total was contributed to Farleigh Hospice over the five years for use locally.

Fundraising

Farleigh Hospice raises money in a variety of ways. The single most significant source of fundraised income is from legacy gifts (£0.6m) with In Memory income growing and now significant at just under £0.5m.

In 2024/25, Farleigh Hospice provided a diverse selection of events and exciting challenges for supporters eager to get involved with supporting us. Activities such as skydiving, the Three Peaks Challenge, and various distance runs - including the London Marathon - offered participants the thrill of personal achievement while raising vital funds for the Hospice.

The aim is to offer supporters a range of challenges that will suit them, whatever their interest, level of fitness or free time.

The annual large-scale events including Walk for Life, Cycle for Life and Santa Fun Run receive widespread support and the Reindeer Run initiative with nurseries and primary schools in the community continues to grow year on year.

Other community events such as Open gardens, Christmas Tree Recycling, and Quizzes, plus events run by the local community have seen substantial levels of growth.

The team continue to engage with corporates to offer annual partnerships, sponsorship and volunteering opportunities and also this past year has been busy connecting with supporters, both new and old, regarding sponsorship for the 'Buzz in the City' Art Trail which is launching in summer 2025.

The In Memory appeals and remembrance services - Light up a Life and Forget-me-not - not only offer a way for people to support our work but also provide comfort and a way to remember their loved ones.

During the year Farleigh Hospice joined a collaborative of other hospices, led by Hospice UK, to launch a legacy campaign (This is Hospice Care) across the UK.

Legacy gifts continue to provide a vital source of income but we need to ensure that all our supporters and volunteers are aware of the impact of leaving a gift in their Will to Farleigh Hospice.

Retail

Farleigh Hospice retail has grown again in the last year with the opening of a new Homeware store in Witham - Full Circle homeware. It is a large store in an excellent location with great footfall and excellent nearby parking. It has been very well supported.

Our stores continue to be very grateful for the high level of donations received. The stores use donations of clothes, bric-a-brac and furniture to raise vital income for the hospice. The donated items are sold in the stores and warehouses, and online to maximise the income received from all donations.

Farleigh Supplies Limited sells new goods (mostly cards) and operates a retail gift aid scheme on behalf of Farleigh Hospice.

Our Farleigh House Clearance Services, alongside a man with a van option has continued to grow and develop.

The warehouse concept has been very successful, and we are searching for another suitable location in mid Essex.

Friends of Farleigh

Friends of Farleigh are a support group who control their own funds and make donations to Farleigh Hospice periodically.

Volunteers

Our volunteers provide a huge contribution to Farleigh Hospice. There are over 600 regular volunteers registered on our volunteer database with many more who give their time on an ad-hoc basis helping out at various fundraising events such as The Walk for Life and the Santa Fun Run.

Volunteers contribute over 2,000 hours per week to our work which would cost approximately £1.5m in salary costs. In accordance with SORP recommendations the value of volunteer time has not been recognised in the financial statements.

There are over 30 different volunteer roles - both in the hospice building and out in retail stores and warehouses. Volunteer roles are varied throughout each department and include IPU volunteers, Welcome Team, gardeners, fundraising office support, cash counters, catering, admin support, bereavement support, counselling, spiritual care and complementary therapy.

Volunteers are an integral part of Farleigh Hospice - as well as helping to save money and provide essential support to services, volunteers are also key ambassadors and supporters for the charity, participating in fundraising, events and general awareness of the hospice and the work we do.

We appreciate all that our volunteers contribute and couldn't run the hospice the way we do without their support and dedication.

Strategic Report

Achievements and performance

Impact of Farleigh Hospice’s charitable activities

The trustees take care to ensure that limited charitable resources are directed to where they will have most impact.

The activities section at the start of this report shows the variety of services Farleigh Hospice offers and the number of people accessing those services.

This work has a huge amount of impact on an ongoing basis across the local community.

Key metrics to show the amount of work carried out across Farleigh Hospice teams are as follows:

	2020/21	2021/22	2022/23	2023/24	2023/24
Total people cared for	4,371	4,067	4,142	4,541	4,727
Accepted referrals (excluding bereavement)	1,390	1,603	1,573	1,571	1,800
% of patients with a non-cancer diagnosis	38	39	43	47	41
% preferred place of death achieved	91	88	90	91	66*
Number of other hospices supported by Local Hospice Lottery	26	28	31	35	40

**The 2024/25 PPD number is a transitional number, as a result of changes in PPD reporting methods and system management, which is ongoing, and to be finalised in 2025/26. An audit conducted in March 2025 of cleansed data found that 84% of patients achieved PPD in March 2025.*

This is the third year of Farleigh Hospice’s strategy ‘One Team with One Core Purpose’.

Each year the trustees also review impact by considering a particular focus. In preparation for the new strategy it gives the opportunity to reflect on the impact Farleigh Hospice in making for the community it serves.

Hospice Rapid Access Service (HRAS)

The Hospice Rapid Access Service (HRAS) is a collaboration with the Havens Hospices and St Luke's Hospice.

It is a 24-hour hospice inspired pathway for adults across mid and south Essex that ensures that people who have a primary health need, who are rapidly deteriorating, and entering last weeks of life, receive a specialist assessment of their care needs.

Care is delivered at the right time and in the right place, whether that be in the patient's home, a nursing home, or one of the hospices inpatient units.

The service promotes patient choice, helping patients achieve their preferred place of care and death, which improves their quality of life and reduces anxiety for their families. The service also helps to ease demand on health and social care systems by reducing hospital admissions and stays.

In its first full year, the Hospice Rapid Access Service as a whole cared for more than 1,100 patients, at any one point in time there are around 90 patients in nursing homes funded by this scheme. These patients may otherwise have been in hospital.

Patients are also cared for in their own homes by either hospice staff or domiciliary care agencies.

The service delivers rapid and appropriate care, achieving this on average within three days from the original referral to the Hospice Rapid Access Teams.

In March 2025, as a result of the success of the service, the Hospice collaborative won the 'Best Not-for-Profit Working in Partnership with the NHS' at the HSJ Partnership Awards, in recognition of our outstanding dedication to improving healthcare and effective collaboration with the NHS.

Bereavement service review

During 2024/25 the bereavement service has undergone a full review and a new tiered model of support based on best practice and feedback from service users.

The service was redesigned from the ground up, introducing a more flexible, person-centered model that better reflects the diverse needs of those experiencing grief.

By shifting to a self-referral system, extending the referral window, and enhancing the information available online, the service has become more accessible and empowering for individuals seeking support.

A number of new early intervention options have been introduced. This includes psych-educational groups, targeted workshops and a broader role for trained support workers.

These new pathways offer timely, meaningful support to more people reducing the need for long-term counselling and individuals are more confident in managing their grief.

These services run alongside the established Bereavement Help Points across the region.

The impact of these changes is already being felt with referral numbers decreasing, waiting lists have reduced and the service is more sustainable going forward.

Expansion of care services into Colne Valley

Following additional funding from the Mid and South Essex ICB care services were expanded into the Colne Valley from 1st February 2025.

There was a historical inconsistency between the areas served under the core and HRAS contract.

This expansion of services means that those in Colne Valley have one adult hospice to deliver all services allowing consistency and equity to those in this area.

They have access to the full high-quality compassionate services Farleigh Hospice is known for.

As the impact of these services becomes known it is expected fundraised income will increase to help support the services.

Local Hospice Lottery Ltd (LHL)

During the year LHL consolidated its reputation as one of the most successful examples of innovation and collaboration in the hospice movement.

It remains the largest hospice lottery, and is now one of the largest charity lotteries, in the country, having contributed over £70 million to hospice care since its' establishment in 1996.

Local Hospice Lottery's collaborative model means that by working together, hospices are able to minimise the costs of running a lottery, thus maximising the amount that can ultimately be used for patient care.

Partner hospices are also able to benefit from LHL's expertise in marketing and player recruitment.

As sole shareholder, Farleigh Hospice benefit by securing the highest profit of any adult hospice lottery in the country, enabling the charity to enhance its support for patients and families in mid Essex.

For the first time since the pandemic LHL held its annual partner hospice conference in person.

Twenty-nine delegates from twenty-two partnering hospices attended the event on the outskirts of Chelmsford, hearing presentations from members of the LHL Leadership Team, external speakers and, most importantly, having the opportunity to network and contribute collectively to future plans.

The conference was followed by the annual partner survey which continued to demonstrate high levels of satisfaction with the lottery's collaborative model as demonstrated by recent partner Princess Alice Hospice:

"Working in partnership with LHL provides us with a regular, reliable source of income, as well as offering a fun, affordable way for our local community to support us.

Another great benefit is the network of other client hospices who we can share learnings and collaborate with."

Similar comments were also reflected by more established partners, with Dorothy House stating:

"I highly recommend LHL, they are professional, caring and have delivered incredible amounts of invaluable funding for the hospice sector.

Despite an extremely unsettled and difficult fundraising landscape, LHL have been a lifeline in ensuring a predictable and major part of our income generation continues to be delivered.

Most importantly resulting in more care for our community."

The number of players in the weekly draw increased from 261,283 to 292,745 against a target of 282,185.

Local Hospice Lottery's dedicated team of face-to-face fundraisers continued to recruit the majority of new members augmented by players transferred by new partner hospices from their existing lotteries.

During 2024/25, five new partners joined Local Hospice Lottery. Three of these transferred members from their previous lottery, with one transferring their players in April 2025 and one not having previously run their own lottery.

Local Hospice Lottery now works with 41 other hospices.

Throughout the year LHL's Leadership Team & Board developed a new Strategic Plan, '2030 Vision', to cover the period 2025/26 to 2029/30.

All stakeholder groups, including the Board, staff, players, partner hospices and the parent charity were included in the research and development of this plan.

The plan was approved by the Lottery Board and endorsed by the Farleigh Board at the end of the financial year and aims to raise an ambitious £70 million over the 5-year period.

If achieved, this would be more than the cumulative total raised over the previous 29 years.

Within this total is a further £8.2 million target for Farleigh Hospice's local services.

Achievement of goals set for the 2024/25 financial year

- **Undertaking a programme of community engagement to understand the end of life needs across mid Essex. To include patients, families and carer's past and present and those within the community who may find it difficult to reach out and access care**

Recognising that the needs of Farleigh Hospice's community have evolved — particularly in the wake of the pandemic — Farleigh Hospice set out to better understand what matters most to people at the end of life. With a changing patient demographic and a growing awareness that some communities remain under-represented in the patient's referrals, a two-year engagement programme is planned to listen, learn, and respond.

Although funding challenges meant this work couldn't begin as planned, it has now been rescheduled as part of the 2025/26 strategy. Using a 'Have Your Say' campaign and working with partners like Healthwatch Essex, Essex Faith Covenant and the Mid Essex Alliance, Farleigh Hospice is committed to reaching out through events, media, and community networks to ensure every voice is heard.

- **To test and pilot a revised bereavement model as part of an organisational focus on early intervention and wellbeing**

Last year, Farleigh Hospice took a bold step to modernise bereavement care by introducing a tiered model based on current grief theories and best practice. The previous one-size-fits-all approach didn't reflect the varied ways people experience loss.

The new model offers more tailored support, including early intervention through group programs like 'Growing with Grief' and specialist groups for those with unique needs, such as people bereaved by suicide.

The Bereavement Help Points have been expanded to six locations, with more in the pipeline, and a self-help guide has been developed to empower individuals with accessible resources.

Feedback from service users has been central to shaping this new approach, and the results so far are encouraging.

- **To undertake a review of data and processes for community working to assess the current model and clearly articulate capacity and demand**

With increasing referrals and more complex patient needs, it was time to take a closer look at how the community teams were working.

A detailed review was carried out to understand the roles in the multidisciplinary teams and they could better match capacity to demand.

Led by a specialist project lead and in collaboration with locality care team managers, this work has already identified efficiencies and helped the move towards a more consistent and sustainable model across all three locality teams.

This review is helping plan for the future with greater clarity and confidence.

- **Establish a clear view on the workforce needed now and in the future. Achieving clarity of vision on staffing structures, volunteering, training, education and other collaborative models of working**

Ensuring Farleigh Hospice has the right people, skills, and structures in place has been a key focus this year. In line with national and regional workforce planning efforts, a more agile approach to recruitment and development has been adopted.

The new Learning & Development and Volunteer Strategies have supported this shift, with strong results: vacancy rates have dropped, retention has improved, and training compliance is up.

This year 120 new volunteers have been welcomed to Farleigh Hospice and together all logged over 106,000 hours of voluntary support.

These achievements reflect a growing, engaged workforce that's ready to meet the challenges of modern hospice care.

● Further development of commercial income including the House Clearance business and Deliver Digital

Deliver Digital now provides managed IT support, software and hardware procurement, and telecoms services to five regular customers.

The business is building a reputation for reliability and service and is looking forward to taking on more clients during the next year.

The House Clearance business has performed consistently throughout the year despite not having a manager.

A manager has now been employed and the business is expected to grow in 2025/26.

● To carry out a data project to understand and benchmark how data is currently used and create a data strategy. Having accurate and useful data will allow us to make a case for funding to our supporters and the NHS and understand how we can make best uses of the resources we have

The Data Group formed in 2024 and have carried out a significant body of work, to date the achievements include;

- In conjunction with external consultants Data Orchard, carried out a series of fact finding and research sessions with Farleigh staff to understand current data usage methods, barriers to effective data use and future data needs. The results of this have informed the path for future progress of the Group
- At an away day, reviewed and agreed a work plan for the group to achieve data maturity across the organisation
- Drafted a Data Strategy which will be a road map for future development
- Developed a board reporting dashboard to provide trustees with key assurance data
- Created a standard template for dashboard reporting to use across the organisation

Fundraising

Farleigh Hospice is registered with the Fundraising Regulator and complies with the Code of Fundraising Practice and Fundraising Promise. All fundraisers are aware of the need to act ethically in accordance with the Code of Fundraising Practice and Farleigh Hospice values. They are particularly sensitive to the vulnerability of those who use Farleigh Hospice services.

The Income Generation and Communications Governance Committee (IGCGC) has specific delegation from the Board to review fundraising activities. It receives reports from the Commercial Director at each meeting. In addition, accounts showing performance against budget and prior year are reviewed by both IGCGC and Financial FGC meetings. A summary of these discussions is notified to the full board. Trustees are actively involved in fundraising with many attending the large-scale events and representing Farleigh Hospice at other events, when they are able to take place.

In 2024/25 there were four complaints in relation to Farleigh Hospice's fundraising activities in mid Essex. Complaints are reviewed and either upheld or not upheld. They are rated as red, amber or green according to their seriousness. Of the four complaints two amber complaints were upheld, one green complaint was partially upheld and one green complaint was not upheld.

Where complaints are received they are all investigated fully and resolved where possible, in accordance with the Farleigh Hospice complaints policy. All complaints related to fundraising are reviewed by the Executive Team and the Financial Governance Committee.

Farleigh Hospice is signed up to the Fundraising Preference Service which enables individuals to opt out of receiving fundraising communications from Farleigh Hospice. There was one request to opt out of communications in 2024/25 (2023/24: One).

Farleigh Hospice does not employ third party professional fundraisers or commercial participators and therefore does not need to regulate their activities, Local Hospice Lottery has relationships with a number of professional fundraisers. These are monitored in line with the relevant fundraising and gambling regulations.

Local Hospice Lottery is registered with the Fundraising Regulator, licensed by the Gambling Commission and is an organisational 'Dementia Friend'.

Investments

The Financial Governance Committee regularly reviews the investment policy.

The trustees hold funds in pooled investment schemes with both CCLA and M&G. The aim of this is to offset the impact of inflation on the charities funds held in cash deposits.

The performance of these funds is regularly reviewed by the Financial Governance Committee.

Farleigh Hospice keeps funds for short-term needs in deposit accounts and term cash deposits.



Financial review

Result for the year

The overall result for the year is a deficit of £0.9m, which is a bigger loss than the 2023/24 deficit of £0.5m. Trustees had budgeted for a deficit for the 2024/25 financial year, as there are sufficient reserves to fund deficits in the short-term.

The results above and in the detailed accounts later in this report show the overall group results.

Figures for the Farleigh Hospice charitable group replacing the overall income and expenditure figures for Local Hospice Lottery Ltd with the net donation paid to Farleigh Hospice, are as follows;

	2024/25 £000s	2023/24 £000s
INCOME		
Donations and legacies	2,428	2,862
Charitable activities (NHS income)	8,688	7,114
Shop income (donated goods)	2,425	2,150
Donation from LHL	1,245	1,287
Other fundraising activities	275	253
Investments	273	258
Other income	54	42
Total income	15,388	13,966
EXPENDITURE		
Shop costs	2,168	1,858
Fundraising costs	1,137	1,021
Charitable expenditure	12,898	11,682
Total expenditure	16,203	14,561
Net (loss) gain on investments	(11)	113
Net (expenditure) for the year	(826)	(482)

Farleigh Hospice is unable to accrue profits from trading subsidiaries not paid over in the year.

There were £111k of profits from Local Hospice Lottery Ltd still to be paid over at the end of the financial year (2024 £75k).

Farleigh Supplies Limited has made a loss in 2024/25 as it funded the set-up costs for the forthcoming Buzz in the City Art Trail.

Income

Total group income for 2024/25 increased by £3.5m to a total of £30.2m.

Income from the Local Hospice Lottery Ltd (LHL) players increased by £2m to £16m, an increase of 13%.

After offsetting £5.3m of costs associated with running the lottery and £9.5m in donations to other hospices, LHL profits are £1.3m, which is the same as last year.

All LHL profits are donated to Farleigh Hospice.

The lottery business has had substantial growth in the year primarily as a result of taking on new partners.

The number of partners has increased by 5 in the year bringing the total excluding Farleigh Hospice to 40.

The latter part of the year was a successful recruitment phase for new players. This means that there has been a short-term investment by Farleigh Hospice to fund a longer-term growth in profits from the trading subsidiary.

Income from charitable activities is mostly from the NHS. It has increased by 22% (£1.6m) to £8.7m during the year.

This is primarily as the result of the new Hospice Rapid Access Service (HRAS) contract.

This contract, which is 100% funded, places those who are rapidly deteriorating and thought to be in the last three months of life, in one of four HRAS IPU beds, a nursing home bed or in their own homes with domiciliary care.

The value of this contract in 2024/25 was £5.5m.

In March 2025 Farleigh Hospice received £0.3m from the Department of Health and Social Care as a capital grant.

This money was restricted to Fixed Asset purchases under a number of criteria relating to patient care.

Income from donations (gifts) and legacies has fallen by £0.4m to £2.4m. This decrease is due to legacy income which has gone down from £1.2m to £0.6m.

Legacy income is very variable and the result for 2023/24 was significantly above the average amount normally recognised.

There has been a £0.2m increase in donations primarily in donations in memory.

Shop income at £2.4m is up £0.3m on the previous year.

Net profitability of the shops after all overhead costs are attributed is £0.3m.

The trustees are reviewing retail to grow the overall profitability alongside the significant increase in income over recent years.

Charitable expenditure

The Farleigh Hospice expenditure on its own charitable activities has increased to £13.1m, a 12% increase on the 2023/24 spend of £11.7m.

The biggest increase in costs is in community care where costs have gone up by £1.2m largely as a result of the first full year of the HRAS contract.

LHL donations to other hospices, to be used in accordance with Farleigh Hospice's charitable objectives, increased by £1.4m to £9.5m.

Reserves policy and going concern

All charities are required to consider how much they need to hold in reserves. The extent of these reserves varies depending on the scale and nature of the charity's activities.

Farleigh Hospice provides a range of critical health services on which the population of mid Essex depend. To fund these services, it is reliant on a number of fluctuating income streams from donations, legacies and shop and lottery profits.

To enable Farleigh Hospice to meet its commitments to the community and provide key hospice services, it needs to maintain its level of reserves so that it can continue operations in the event that an unforeseen decrease in income or increase in costs results in a significant deficit.

The trustees carry out a risk-based analysis in arriving at the level of reserves needed to protect against unforeseen events.

This risk-based analysis looks at the amount of reserves that would be needed if there were a significant fall in income for eighteen months.

The desired level of reserves set for the 2025/26 financial year, is £3.4m which is below the 2024/25 level of £4.3m.

This reflects the fact that the trustees see the risk around NHS income as lower than it has been previously as a contract is in place until 31st July 2027.

Note 24 to the accounts shows that the free unrestricted reserve is £5.4m (2024: £6.5m), a decrease of £1.1m on the previous year.

The trustees have set a negative budget for 2025/26 and are considering further investment of funds in commercial activities to ensure that the hospice income is financially resilient via diversification of income streams.

The trustees continue to hold designated funds for fixed assets (£3.9m). Considering the ability to access DHSC capital funding for the Maldon refurbishment and the prohibitive cost of the original plans for the building the trustees have decided to release the designated Maldon refurbishment fund of £0.2m.

The DHSC capital grant fund money is shown as a designated reserve of £0.3m a further £0.8m of funding has been allocated to Farleigh Hospice for 2025/26.

The trustees have reviewed the circumstances of Farleigh Hospice and its group companies and consider that adequate resources continue to be available to fund the activities of the charity and the group for the foreseeable future.

The trustees are of the view that Farleigh Hospice and the group companies are a going concern and likely to remain so for the foreseeable future.

Principal risks and uncertainties

Farleigh Hospice and Local Hospice Lottery Ltd both hold detailed risk registers that are reviewed regularly at committees and board. These risks are ranked by likelihood and impact to produce a score which ranks them red, amber or green in terms of their potential impact for the organisation.

The trustees have sought to mitigate risks as much as possible and the mitigation of these risks is explained below. The trustees consider the following to be the principal risks to which Farleigh Hospice is exposed.

1. Safety of service users, staff and volunteers

During the year the clinical teams have reviewed a number of aspects of patient safety to ensure that they are fit for purpose. The recent CQC inspection raised the rating of the safe domain from requires improvement to good. Pressure of work is an issue raised by staff and there are a number of mitigations in place including emphasis on wellbeing and staff development.

2. Organisational overload due to increasing demand for services

There was a 13% increase in referrals in 2024/25 whilst some of this can be attributed to the Hospice Rapid Access Service there is an underlying increase in demand for hospice services.

This is only set to continue with an expected significant increase in death rates into the 2030s and beyond. There are both financial and workforce challenges associated with the increasing demand for services. It has already meant that resources have been increasingly focused on those in the last weeks of their lives.

3. Future financial stability

Farleigh Hospice has budgeted for a significant deficit again in 2025/26.

Realistically it is simply not possible to provide the level of care needed for Farleigh Hospice patients from the current combination of statutory and charitable funding.

Farleigh Hospice is exploring commercial opportunities with the full launch of two new commercial ventures this year.

A House Clearance business and Deliver Digital, an IT support business.

Financial Governance Committee closely monitor three-year forecasts and at this stage there is no cause for concern as the level of reserves will cover future deficit budgets.

This a national picture amongst hospices whilst the government has recognised the work of hospices with the capital grant funding scheme – the pressure is on revenue budgets.

For the next financial year Farleigh Hospice will need to find an additional £250,000 to fund the Employers National Insurance increase – NHS funding will not increase to cover this.

If there is no increase in sustainable government funding it is likely that Farleigh Hospice will need to make some difficult decisions over the next 18 months to deliver a sustainable balanced budget.

4. NHS funding

NHS funding is currently provided locally by the Mid and South Essex Integrated Care Board (MSEICB).

Following government changes which reduced the level of funding to the ICB substantially there is going to be a period of uncertainty as to the future of the ICB structure at regional level.

Trustees are being kept informed of these changes and the focus is on maintaining good working relationships with the existing commissioners.

5. Noncompliance with fundraising, data and other regulations

Farleigh Hospice, along with other charities, is subject to an ever-increasing number of regulations.

Non-compliance could result in fines or reputational damage, which threatens the future of the charity. The trustees have considered this risk and in order to help mitigate against it they have a Board Governance Committee, which has as one of its objectives to ensure that all compliance matters are dealt with properly.

The chief executive, finance director and the governance and compliance lead work together to ensure that there are appropriate processes in place to evidence compliance.

A new board governance framework ensuring responsibilities are clearly laid out will be launched in 2025/26.

6. Local Hospice Lottery principal risks and uncertainties

Local Hospice Lottery's potential key risks relate to: a lack of fundraising diversity for new sales (with over 90% of new plays recruited via face-to-face fundraising); failure to recruit or retain partner hospices; reliance on key personnel and resource capacity; the need to comply and conform with increasingly complex gambling & fundraising regulations.

Further risk relates to the recent media coverage demonstrating the financial constraints being felt by hospices across the UK, with increasing numbers reporting deficit budgets and implementing cost savings and restructures.

The potential focus on short-term funding requirements by hospices may impact negatively on the investment required to maintain committed lottery membership and sales rates for the longer-term benefit of hospice patients and families.



Plans for the future

Farleigh Hospice has a strategy in place for the period 1st April 2022 to 31st March 2026. Central to this strategy is the aim of One team with One Core Purpose, working together to ensure the provision of inclusive, individualised palliative care. The strategy is based around three themes: Inspire, Innovate and Invest.

The following have been identified as goals to achieve in the coming year, as part of the 2022-2026 Strategy.

○ Responding to the rising demand for care

With the number of deaths expected to rise by 25% by 2040, Farleigh Hospice is committed to ensuring services remain efficient, effective, and aligned with contractual expectations.

We'll be conducting service reviews to assess how well our current model meets the needs of the local community and where improvements can be made.

○ Building compassionate and inclusive communities

Through working with partners to develop a Compassionate Community within mid Essex, the hospice will promote wellbeing, and empower community resilience in palliative and end of life care.

This is based on an ongoing commitment to embedding equality, diversity and inclusion (EDI) as part of this and in everything the hospice does.

○ Strengthening financial sustainability

We'll be maximising funding opportunities, including using the Department of Health and Social Care capital grant monies, to help reduce costs and improve patient facilities.

○ Investing in our people and our voice

Our Learning, Development and Education (LDE) Plan is already underway, with clear objectives and appraisal targets to ensure our workforce is confident, capable, and future-ready.

We're also launching a new communications and supporter engagement strategy to help clarify our role in the community and build stronger connections with those who support us.

○ Buzz in the City Art Trail

To deliver an Art Trail in Chelmsford City Centre in the summer of 2025 raising both funds and awareness of Farleigh Hospice and what it offers to the local community.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 4th March 1982 and registered as a charity on 5th May 1982.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is now governed under its Articles of Association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Farleigh Hospice is governed by a board of trustees who are also directors of the company. The maximum number of directors is set at 14 in the Articles of Association.

The trustees are mindful of the Charity Governance Code recommendation that the maximum number of trustees should be 12. The number of trustees at Farleigh Hospice was capped at 12 until 2016.

However, with a number of trustees reaching their 9-year anniversary where they must retire, the trustees were concerned that they could not adequately resource the Committee structure and the Local Hospice Lottery Ltd governance requirements with 12 trustees.

Day-to-day management is delegated to the Chief Executive and the Executive Team.

The full board is supported by a committee structure. This structure is designed to ensure that the committees support the full board in delivering Farleigh Hospice's strategic objectives and statutory obligations. There are four standing committees.

A Board Governance Committee oversees governance matters, in particular compliance with the Charity Governance Code. This committee also looks at trustees' recruitment, succession planning and performance. A Remuneration Committee is delegated to look at matters concerning the Executive Team including pay.

The other four committees are Clinical Governance Committee (dealing with clinical matters); a Corporate Governance Committee (dealing with health, safety and environment and matters relating to staff and volunteers); An Income Generation and Communications Committee (dealing with income generation, retail and communications) and a Financial Governance Committee (which deals with financial matters).

Each committee is responsible for governance, quality, compliance and risk management in its area of responsibility. The full board takes reports from the chair of each committee at all of its meetings.

The full board meets four times per year and each of the committees meet quarterly.

Board members also sit alongside members of the Executive Team as directors of the two trading companies in the group.

Local Hospice Lottery Ltd runs a lottery on behalf of Farleigh Hospice and a number of other hospices across the UK.

Farleigh Supplies Limited deals with the purchasing of new goods for sale in the shops and administers the retail Gift Aid scheme. It also runs the two new commercial ventures the house clearance business and Deliver Digital.

The company has also managed the planning for the Farleigh Hospice Art Trail which will conclude in September 2025.

Farleigh Hospice complies with the NHS requirement to produce a Quality Account and this documents the audit and quality improvement work that is carried out across the organisation. A copy of the Quality Account 2024/25 is available on the Farleigh hospice website: www.farleighhospice.org.

Each year alongside the board meetings the full board meets for an away day. This gives the board an opportunity to discuss more strategic issues and their performance as a board. In addition, each year a board self-assessment survey is undertaken to establish how the board is performing. Each trustee has an annual one to one with the chair. The vice chair undertakes a review of the chair and ensures appropriate feedback is given to the chair.

Appointment of trustees

When vacancies occur, trustees are recruited using a widespread recruitment campaign or in response to an approach by an interested party. They are interviewed by existing board members and a staff representative.

If suitable, having the right breadth of skills and experience, they will attend three board or committee meetings and will then join the board if they and the rest of the board agree. Trustees can serve a maximum term of nine years.

Trustees are initially co-opted to the board but they stand down at the next AGM to be formally re-elected by the members. They do this again at three and six years and then formally stand down at the end of the ninth year.

Trustee induction and training

New trustees are supplied with a comprehensive induction pack and meetings arranged with key members of staff. They also have an existing board member to act as a mentor.

Full board training is carried out as required, delivered by an appropriately qualified Farleigh Hospice staff member or an expert from within the board.

External courses and opportunities to attend workshops and conferences are offered as opportunities arise.

Each board meeting includes either a patient story or a presentation from a member of staff relating to the services they deliver.

Chair

Trustees elect a chair from within their numbers. The terms of office for each position is three years with an option to stand for a second term only. The current chair is Keith Spiller who will come to the end of his term in office in November 2025.

Related parties and relationships with other organisations

None of the trustees receive remuneration or other benefit from their work with the charity.

Farleigh Hospice requires trustees and executive directors to declare any interests that they may have outside of the charity. Transactions and contractual relationships with related parties must be disclosed.

During the year one of the trustees was a senior associate solicitor at Birkett Long LLP, the Local Hospice Lottery Ltd independent director is a partner at the same company.

Birkett Long LLP periodically advise Farleigh Hospice on aspects of its activities including lease renewals.

During the year Farleigh Hospice spent £5,222 with Birkett Long LLP (2024: £13,359). At the year end no monies were owed to Birkett Long (2024: £0).

The hospice has a close working relationship with Mid and South Essex NHS Foundation Trust, which runs Broomfield Hospital, which is on a neighbouring site. The palliative care medical consultants who work at Farleigh Hospice are supplied under a Service Level Agreement with the trust.

The charity has two trading subsidiaries. Local Hospice Lottery Ltd runs a weekly lottery on behalf of Farleigh Hospice and a number of other hospices. Donations to those other hospices are made as part of the contractual relationship with these hospices. These donations must be used in furtherance of hospice care. The other hospices as at 31st March 2025 are listed in note 7 of the accounts.

Farleigh Supplies Limited is another wholly owned subsidiary. This trades in new goods and operates the Farleigh Hospice retail Gift Aid scheme.

Farleigh Supplies also now operates the newly formed House Clearance Company, which provides clearance and reuse services to the community. It also runs an IT service Deliver Digital.

Remuneration policy for key management personnel

For Farleigh Hospice the Remuneration Committee considers the pay and terms and conditions of the key management personnel. Although this committee consists of a subset of the board any decisions are taken by the full board.

Pay is benchmarked by individual posts against roles in similar organisations through an external benchmarking process using an independent company.

For Local Hospice Lottery Ltd similar arrangements exist regarding benchmarking overseen by the Lottery Board, but the approval authority for the Chief Executive and Finance and Operations Director also sits with the Farleigh Hospice board.

Equality and Diversity

The trustees are committed to creating an inclusive environment where diversity is recognised and celebrated, amongst our staff and service users.

Farleigh Hospice is committed to ensuring that services and employment opportunities are accessible by all regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

Farleigh Hospice operates an Equal Opportunities policy and expects all staff to share this commitment in relation to employment and service delivery.

As part of this commitment the hospice employs safer recruitment practices to ensure equality of access to all candidates, fair and consistent recruitment methods to enable candidates to be their best, and make reasonable adjustments to support disabilities both through recruitment and also to retain employment.

All employees and volunteers are treated equally. Selection for employment, promotion, training or any other benefit is on the basis of aptitude and ability.

Should any staff member become disabled reasonable effort is made to continue their employment and where necessary provide suitable adjustments and support.

Employee Information

Farleigh Hospice participates in the Best Companies Top 100 staff survey. In the most recent survey Farleigh staff took part in a staff 'pulse survey run by Best Companies.

The results show significant progress and Farleigh achieved a One Star Rating – Very Good Company to work for.

Staff feel really positive about the contribution Farleigh makes to the local community and giving something back is really important to the team.

Approximately 90% of staff agree that they love working for Farleigh Hospice. Almost all staff (95%) said that they believed they were making a valuable contribution to the success of this organisation.

There was a 3% increase in staff feeling they have a Fair Deal in relation to pay and benefits.

Having previously used an internal staff survey mechanism, Local Hospice Lottery took part in the Great Workplaces survey for the first time in 2024/25.

The survey results led to Local Hospice Lottery being certified as a Great Place to Work, exceeding the 65% benchmark with an average score of 80%. Staff scored the company particularly highly in the areas of justice, (94%), pride (83%) and leadership behaviour (83%), with 94% 'feel(ing) good about the ways in which (the company) contribute(s) to the community'.

This led to Local Hospice Lottery achieving an award for Best Workplaces in the charity and not for profit sector.

Environmental sustainability

The hospice has a green group who look at sustainability across the hospice, including waste management and reducing carbon emissions by various energy saving initiatives.

As part of the government Capital Grant program for hospices, Farleigh Hospice was able to install solar panels at North Court Road which have already made a positive impact on reducing cost and our environmental footprint.

Due to its size Farleigh Hospice is not required to disclose any specific environmental measures.



Statement of responsibilities of the trustees

The trustees (who are also directors of Farleigh Hospice for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Account Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources, including the income and expenditure, of the charitable company or group 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 in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the in financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £5 to the assets of the charity in the event of winding up.

Members pay their guarantee on joining the charity and it is held separately in a members' guarantee fund.

The total number of such guarantees at 31st March 2025 was 89 (2024: 86).

The trustees are members of the charity but this entitles them only to voting rights.

The trustees have no beneficial interest in the charity.

The Trustees' Annual Report, which includes the strategic report, has been approved by the trustees on 7th July 2025 and signed on their behalf by Keith Spiller.



K Spiller
Chair

Independent auditor's report

Opinion

We have audited the financial statements of Farleigh Hospice (the "parent charitable company") and its subsidiaries (the "group") for the year ended 31 March 2025 which comprise consolidated Statement of Financial Activity, the group and parent charitable company Balance Sheets, the Group Cashflow Statement and notes to the financial statements, including 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 the charitable company's affairs as at 31 March 2025 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 UK, including the FRC'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 trustee's 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 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 contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report, and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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 on the next page:

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102).

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty.

We also considered the opportunities and incentives that may exist within the charity and the group for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

The laws and regulations we considered in this context were General Data Protection Regulation, Taxation legislation, the Fundraising Regulator, the Gambling Commission, and Care Quality Commission regulations.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the timing of recognition of grant income and legacies and override of controls by management.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, performing audit testing over grant and legacy income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and Care Quality Commission, and reading minutes of meetings of those charged with governance.

Owing 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.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is available 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin (Senior statutory auditor)

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James Square

Cheltenham GL50 3PR

Date: 29th October 2025

Consolidated statement of financial activities for the year ended 31st March 2025

(incorporating a consolidated income and expenditure account)

	Note	Unrestricted £000	All Restricted £000	2025 Total £000	Unrestricted £000	All Restricted £000	2024 Total £000
Income from:							
Donations and legacies	2	2,329	99	2,428	2,791	71	2,862
Charitable activities	3	8,263	425	8,688	7,114	-	7,114
Other trading activities							
Lottery Income		16,012	-	16,012	13,998	-	13,998
Shop Income		2,425	-	2,425	2,150	-	2,150
Other fundraising activities	4	272	3	275	248	5	253
Investments	5	366	-	366	308	-	308
Other		54	-	54	42	-	42
Total income		29,721	527	30,248	26,651	76	26,727
Expenditure on:							
Raising funds							
Lottery Costs	6	5,280	-	5,280	4,627	-	4,627
Shop Costs	6	2,168	-	2,168	1,858	-	1,858
Fundraising Costs	6	1,134	3	1,137	1,014	7	1,021
Income available for charitable activities		21,139	524	21,633	19,152	69	19,221
Charitable Activities							
Farleigh Hospice							
Inpatient Care	6	2,752	74	2,826	2,596	56	2,652
Community Care	6	9,362	84	9,446	8,129	124	8,253
Bereavement	6	525	2	527	530	38	568
Education and Information	6	259	-	259	209	-	209
Local Hospice Lottery Ltd donations to hospice care	6,7	9,536	-	9,536	8,146	-	8,146
Total expenditure		31,016	163	31,179	27,109	225	27,334
Net (expenditure) / income before net gains / (losses) on investments		(1,295)	364	(931)	(458)	(149)	(607)
Net gains/(losses) on investments		1	(12)	(11)	92	21	113
Net (expenditure) / income for the year and net movement in funds	8	(1,294)	352	(942)	(366)	(128)	(494)
Transfers between funds		268	(268)	-	-	-	-
Reconciliation of funds:							
Total funds brought forward		10,329	2,696	13,025	10,695	2,824	13,519
Total funds carried forward		9,303	2,780	12,083	10,329	2,696	13,025

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.
Movements in funds are disclosed in Note 24 to the financial statements.
The notes to the accounts are shown on pages 32 to 57.

Balance sheets as at 31st March 2025

Company no. 01619905

	Note	The group 2025 £000	The group 2024 £000	The charity 2025 £000	The charity 2024 £000
Fixed assets					
Tangible assets	13	5,970	5,748	5,887	5,708
Investments	14	2,565	2,512	2,565	2,512
		8,535	8,260	8,452	8,220
Current assets:					
Stock	17	16	9	-	-
Debtors	18	1,826	1,231	1,311	957
Investments	19	1,673	3,264	12	2,011
Cash at bank and in hand		5,239	4,601	3,999	3,138
		8,754	9,105	5,322	6,106
Liabilities:					
Creditors: amounts falling due within one year	20	(5,206)	(4,340)	(1,716)	(1,374)
		3,548	4,765	3,606	4,732
Net current assets		3,548	4,765	3,606	4,732
Net assets		12,083	13,025	12,058	12,952
Funds					
Restricted endowment funds	24	2,486	2,570	2,486	2,570
Restricted income funds	24	294	126	294	126
Unrestricted income funds					
Designated Funds	24	3,870	3,788	3,870	3,788
General funds	24	5,433	6,541	5,408	6,468
Total unrestricted funds		9,303	10,329	9,278	10,256
Total funds		12,083	13,025	12,058	12,952

The notes to the accounts are shown on pages 32 to 57.

Approved by the trustees on 7th July 2025 and signed on their behalf by



K Spiller
Chair

Consolidated statement of cash flows

for the year ended 31st March 2025

	Note	2025 Total £000	2025 Total £000	2024 Total £000	2024 Total £000
Net cash provided by operating activities	25		(901)		49
Cash flows from investing activities:					
Dividends and interest from investments		366		308	
Proceeds from the sale of fixed assets		-		-	
Purchase of fixed assets		(354)		(75)	
Purchase of investments		1,527		(1,451)	
Net cash used in investing activities			1,539		(1,218)
Change in cash and cash equivalents in the year			638		(1,169)
Cash and cash equivalents at the beginning of the year			4,601		5,770
Cash and cash equivalents at the end of the year	26		5,239		4,601

The notes to the accounts are shown on pages 32 to 57.

Notes to the financial statements

for the year ended 31st March 2024

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared 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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Local Hospice Lottery Ltd and Farleigh Supplies Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

b) Public benefit entity

Farleigh Hospice meets the definition of a public benefit entity under FRS 102.

c) Going concern and key judgements

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where these estimates and judgements have been made include the following:

i) Useful economic lives of tangible assets

See Note 13 for the carrying amount of tangible assets and accounting policy k for the useful lives of each class of asset.

ii) Accrued legacy income

See accounting policy d where this is set out in full.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. For the majority of income this will be on a cash received basis.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are shown as accrued income in debtors.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable and measurable when the amount can be measured reliably and there are no potential claims against the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Sponsorship from events and fundraising is recognised in income when the event takes place. Lottery income is accounted for in respect of those draws that have taken place during the year. Trading income is recognised at the point of sale for both donated and purchased goods.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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 cost for the charity which would far outweigh the benefits.

f) Interest and dividends receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Endowment funds are gifts of capital that must be retained and any income earned must be used in furtherance of Farleigh Hospice's charitable activities.

Unrestricted funds are donations and other incoming resources received or generated for general charitable purposes. They are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

The cost of raising and administering such funds are charged against the specific fund.

The aim and use of each material designated fund and restricted fund is set out in the notes to the financial statements.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified, on an accruals basis, under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any trading and other activities with a fundraising purpose, including those for Local Hospice Lottery Ltd.
- Expenditure on charitable activities includes the costs of specialist palliative care and bereavement support undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of estimates, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease. Benefits received or receivable as an incentive to sign an operating lease are recognised on a straight line basis over the minimum period of the lease. Farleigh Hospice classifies the lease of printing equipment as an operating lease and payments are recognised as incurred.

k) Tangible fixed assets

Individual Fixed Assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated expected useful life as follows:

- Buildings (75 years)
- Long Leasehold property (99 years)
- Short leasehold property improvements (3 to 5 years)
- Building Improvements (10 years)
- Computers and equipment (5 years)
- Computers and equipment (5 years)
- Motor vehicles (4 years)

Because of its high net residual value land is not depreciated.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

l) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and are subsequently measured at their fair value as at the balance sheet date using the closing valuation. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are included at cost.

m) Stocks

Stock of bought in retail goods is included at the lower of cost or net realisable value.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

o) Cash at bank and in hand

Cash at bank and cash 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.

p) Current asset investments

Investments include cash with a maturity date of greater than three months but less than one year.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

r) Pensions

Staff joining from the NHS can choose to continue their membership of the NHS pension scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. Any deficit on the scheme is funded by the Treasury and an increase in future contributions. The scheme is therefore treated as a defined contribution scheme.

The employer's contributions made to the scheme in 2025 were £333,000 (2024:£300,000) with an employer's contribution rate of 14.38% of pensionable pay and employees' contributions between 5% and 13.5% of pensionable pay depending on the level of pay. The trustees are satisfied that this and other foreseeable changes in employer's contribution rates can be budgeted for without detriment to the charity's ongoing activities.

All employees are entitled to join a defined contribution 'money purchase scheme' operated by Scottish Widows. Farleigh Hospice employers' contributions for the year were £480,000 (2024: £330,000). Employer's contributions are either 4%, 5% or 7% and employees' contributions are either 4% or 6%. Farleigh Hospice acts as an agent in collecting and paying over contributions. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

For both schemes the costs are included with the associated staff costs and allocated to raising funds, charitable activities, support and governance costs and charged to the unrestricted funds of the charity. All employer contributions are expensed as they fall due.

s) Financial instruments

Except for listed investments, all the group's financial instruments, both assets and liabilities, are measured at settlement value. Listed investments are recognised at market value. Financial assets include cash at bank and in hand, trade and other debtors and accrued income. Financial liabilities include trade and other creditors and accruals. The carrying values are shown in notes 14,18,19 and 20.

2 Income from donations and legacies

	Unrestricted £000	All restricted £000	2025 Total £000	Unrestricted £000	All restricted £000	2024 Total £000
Gifts	1,734	99	1,833	1,583	71	1,654
Legacies	595	-	595	1,208	-	1,208
	2,329	99	2,428	2,791	71	2,862

Farleigh Hospice benefits greatly from the many hours our dedicated volunteers donate in a large number of different roles within the hospice. Further details of the volunteer contributions are given in the Trustees' Report. In accordance with FRS102 and the charities SORP (FRS102), the economic benefit of general volunteers is not recognised in the accounts.

No restricted legacies were received in 2025 (2024: 0).

In 2025, gifts totalling £99,000 were received, the purpose of which was restricted to IPU (£42,000), Clinical Nurse Specialists (£9,000), Maldon Refurbishment (£22,000) and geographical areas (£12,000). The balance (£14,000) relates to a number of smaller projects.

In 2024, gifts totalling £71,000 were received, the purpose of which was restricted to clinical nurse specialists (£12,000), Virtual Ward (£27,000), geographical areas (£10,000) and catering equipment (£8,000). The balance (£14,000) relates to a number of smaller projects.

As at 31st March 2025 the charity had been notified of residuary legacies where the value of these estates was uncertain as the executors had not yet compiled the estate accounts or because the executors are awaiting information on any claims to be made on these estates.

Therefore no amount has been accrued in respect of these legacies which are estimated to be in excess of £316,000 (2024: £317,000).

3 Income from charitable activities

	2025	2024
	Total	Total
	£000	£000
Government Funding		
Core funding - Mid and South Essex ICB	2,612	2,138
Reimbursement of pharmacy costs - Mid and South Essex ICB	103	79
Enhanced End of Life funding - Mid and South Essex ICB	-	408
Rapid Access to End of Life funding - Mid and South Essex ICB	-	1,017
Hospice Rapid Access Service (HRAS) - Mid and South Essex ICB	5,513	3,164
Winter beds - Mid and South Essex ICB	-	222
Other funding - Mid and South Essex ICB	177	71
Core funding - Hertfordshire and West Essex ICB	15	15
Department of Health and Social Care (DHSC) Capital Grant Scheme administered by Hospice UK	268	
	7,114	7,114

All income from charitable activities, apart from the DHSC Capital Grant and Colne Valley grant, relates to unrestricted funds. Total restricted funds are £425,000 (2024:£0).

Core funding relates to a contract with the Mid and South Essex ICB which supports the inpatient unit, community care and bereavement. During the year the additional funding from Mid Essex and South Essex ICB to support in reach services into the local hospital and support patients at home (Enhanced End of Life) has been rolled into the core contract. During the year an additional £157,000 restricted grant was received to fund the expansion into the Colne Valley area of mid Essex.

Funding is also received under the HRAS contract to provide care for those patients in the last three months of life who are rapidly deteriorating. Until 31st August 2023 this service was provided under the Rapid Access to End of Life Funding and was for domiciliary care only.

In the summer of 2023 a new HRAS service was launched, under the HRAS contract Farleigh Hospice places patients in Farleigh Hospice inpatient beds or nursing home beds and carries out domiciliary care to rapidly deteriorating patients in the last three months of life.

This service is fully funded by the ICB.

The core and HRAS contracts run concurrently with contracts due to expire on 31st July 2027 with an extension to 31st July 2028 if agreed.

In March 2025 Farleigh Hospice received £268,000 of restricted capital funding from the DHSC. This funding is restricted to the purchase of fixed assets to enhance or maintain the physical estate of hospices.

4 Income from other trading activities

	Unrestricted	All restricted	2025	Unrestricted	All restricted	2024
	£000	£000	Total £000	£000	£000	Total £000
Fundraising Events	272	3	275	248	5	253
	272	3	275	248	5	253

No restricted income events were held in 2025 (2024 none).

Income from Friends of Farleigh for the year is £3,000 (2024 £5,000) this is dealt with directly by the Friends and is held in

a restricted fund until a donation is made directly to Farleigh Hospice.

All other trading income is unrestricted.

5 Income from investments

	Unrestricted	All restricted	2025	2024
	£000	£000	Total £000	Total £000
Bank Interest	263	-	263	211
Income received on common investment funds	103	-	103	97
	366	-	366	308

All income from investments in the prior year relates to unrestricted funds.

6 Analysis of expenditure 2025

	Direct Costs £000	HR £000	Support costs				2025	2024
			Management £000	IT £000	Finance £000	Governance £000	Total £000	Total £000
Fundraising costs	951	51	19	62	48	6	1,137	1,021
Shops Costs	1,889	133	9	82	40	15	2,168	1,858
Lottery costs	4,524	231	165	125	224	11	5,280	4,627
Raising funds	7,364	415	193	269	312	32	8,585	7,506
Local Hospice Lottery Ltd donations to hospice care (Note 7)	9,536	-	-	-	-	-	9,536	8,146
Inpatient Care	2,591	98	31	53	42	11	2,826	2,652
Community Care	8,622	290	94	283	124	33	9,446	8,253
Bereavement	445	30	10	26	13	3	527	568
Education & Information	233	9	3	9	4	1	259	209
Charitable Activities	11,891	427	138	371	183	48	13,058	11,682
Total expenditure 2025	28,791	842	331	640	495	80	31,179	27,334
Total expenditure 2024	25,074	753	283	667	474	83	27,334	

Of the total expenditure, £31,016,000 was unrestricted (2024: £27,109,000) and £163,000 was restricted (2024: £225,000).

6 Analysis of expenditure 2024

	Direct Costs £000	HR £000	Support costs				2024 Total £000
			Management £000	IT £000	Finance £000	Governance £000	
Fundraising costs	865	41	15	45	49	6	1,021
Shops Costs	1,605	116	5	79	37	16	1,858
Lottery costs	3,879	231	147	145	215	10	4,627
Raising funds	6,349	388	167	269	301	32	7,506
Local Hospice Lottery Ltd donations to hospice care (Note 7)	8,146	-	-	-	-	-	8,146
Inpatient Care	2,491	73	23	20	35	10	2,652
Community Care	7,425	258	82	330	122	36	8,253
Bereavement	475	28	9	39	13	4	568
Education & Information	188	6	2	9	3	1	209
Charitable Activities	10,579	365	116	398	173	51	11,682
Total expenditure 2024	25,074	753	283	667	474	83	27,334

Of the total expenditure, £27,109,000 was unrestricted (2023: £22,909,000) and £225,000 was restricted (2023: £3,106,000).

7 Local Hospice Lottery Ltd donations to hospice care

Local Hospice Lottery Ltd makes donations to the following hospices (other than Farleigh Hospice) to be used in accordance with Farleigh Hospice's charitable objectives. The other hospice's participating in the draw are:

HOSPICE

Bury House
City Hospice
Dorothy House
East Anglia's Children's Hospice (EACH)
Garden House Hospice Care
Haven House Children's Hospice
Helen & Douglas House
Isabel Hospice
Jessie May Hospice
Katharine House Hospice
Lewis Manning Hospice
Martlets

LOCATION

Bury
 Cardiff
 Bath, North and West Wiltshire and North East Somerset
 Cambridge, Norfolk, Suffolk and North Essex
 Letchworth and surrounding areas, North Hertfordshire
 North East London and West Essex
 Oxfordshire and surrounding counties
 Eastern Hertfordshire
 Bristol and surrounding areas
 Stafford
 Poole, Dorset
 Brighton and Hove

HOSPICE

Mary Ann Evans Hospice
North London Hospice
North Yorkshire Hospice
Oakhaven Hospice
Peace Hospice
Princess Alice Hospice
Prince of Wales Hospice
Queenscourt Hospice
Rotherham Hospice
Rowans Hospice
Sobell House
Springhill Hospice
St Elizabeth Hospice
St Gemma's Hospice
St Joseph's Hospice
St Luke's Hospice
St Michael's Hospice
St Nicholas Hospice
St Peter & St James Hospice
St Wilfrids Hospice
St Wilfrids Hospice
Wakefield Hospice
Woking and Sam Beare Hospices
The Hospice of the Valleys
Children's Hospices Across Scotland (CHAS)
Highlands Hospice
Kilbryde Hospice
St Vincents Hospice
Strathcarron Hospice

LOCATION

Nuneaton, Warwickshire
 Barnet, Enfield and Haringey
 Harrogate District, Hambleton and Richmondshire
 New Forest, Totton and Waterside
 Watford and surrounding areas, West Hertfordshire
 Surrey, Middlesex and South West London
 Pontefract and surrounding areas, West Yorkshire
 West Lancashire, Southport and Formby
 Rotherham
 Pontefract and surrounding areas, West Yorkshire
 Oxfordshire
 Rochdale, Heywood and Middleton
 Ipswich
 Leeds
 North and East London
 Basildon and surrounding areas, South Essex
 North Hampshire
 West Suffolk and Thetford
 Lewes and surrounding areas, East and West Sussex
 Chichester and surrounding areas, West Sussex
 Eastbourne and surrounding areas, East Sussex
 Wakefield and surrounding areas, West Yorkshire
 North West Surrey
 Gwent
 Scotland
 Highlands
 Scotland
 Renfrewshire and surrounding areas
 Stirling and surrounding areas

These hospices received donations within the following bands:

	2025	2024
Received donations between the values of £0 and £199,999	19	19
Received donations between the values of £200,000 and £399,999	17	12
Received donations above the value of £400,000	5	5
	41	36

8 Net expenditure for the year

This is stated after charging / crediting:

	2025 £000	2024 £000
Depreciation	132	154
Operating lease rentals:		
Property	375	350
Other	20	20
Auditors' remuneration (excluding VAT):		
Audit - Charity	15	15
- Subsidiaries	14	14
Tax and Accounts Preparation - Subsidiaries	3	4

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025 £000	2024 £000
Salaries and wages	10,113	9,121
Redundancy and termination costs	-	-
Social security costs	955	836
Employer's contribution to defined contribution pension schemes	811	630
	11,879	10,587

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2025 No.	2024 No.
£60,000 - £69,999	4	3
£70,000 - £79,999	1	5
£80,000 - £89,999	4	4
£90,000 - £99,999	1	1
£100,000 - £109,999	1	-
£110,000 - £119,999	1	-

The total employee benefits including pension contributions and social security costs of the key management personnel were £917,336 (2024: £837,691).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Farleigh Hospice purchases Trustee Indemnity Insurance on behalf of the trustees at a cost of £8,219 (2024:£5,060).

No trustees were paid for travel expenses during the year. (2024: Nil).

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

		2025 No.	2024 No.
Raising funds	Fundraising	22	19
	Shops	57	54
	Lottery (including management 2, finance 5 and HR 5)	65	62
Charitable Activities	Inpatient Care	42	34
	Community Care	125	120
	Bereavement	13	13
	Education and Information	4	3
Support and Governance	HR	8	7
	Management	2	2
	IT	9	8
	Finance	4	4
	Governance	1	1
		352	327

11 Related party transactions

Related party transactions are disclosed on page 22 of the Trustees' Report.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Local Hospice Lottery Ltd and Farleigh Supplies Limited gift aid available profits to the parent charity.

Their charge to corporation tax in the year was:

	2025 £000	2024 £000
UK corporation tax at 25% (2024: 19%) - Local Hospice Lottery Ltd	-	-
UK corporation tax at 19% (2024: 19%) - Farleigh Supplies Limited	-	-

13 Tangible fixed assets 2025 - The group

The Group	Freehold property £000	Short leasehold property £000	Furniture & computer equipment £000	Motor vehicles £000	Building improvements £000	Total £000
Cost						
At the start of the year	7,269	260	1,366	81	-	8,976
Additions in year	-	13	189	15	137	354
Disposals in year	-	-	-	(13)	-	(13)
Transfers in year	-	-	-	-	-	-
At the end of the year	7,269	273	1,555	83	137	9,317
Depreciation						
At the start of the year	1,611	260	1,323	34	-	3,228
Charge for the year	95	3	17	17	-	132
Eliminated on disposal	-	-	-	(13)	-	(13)
Transfers in year	-	-	-	-	-	-
At the end of the year	1,706	263	1,340	38	-	3,347
Net book value:						
At the end of the year	5,563	10	215	45	137	5,970
At the start of the year	5,658	-	43	47	-	5,748

Land with a value of £149,368 (2024: £149,368) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

13 Tangible fixed assets 2025 - The charity

The Charity	Freehold property £000	Short leasehold property £000	Furniture & computer equipment £000	Motor vehicles £000	Building improvements £000	Total £000
Cost						
At the start of the year	7,269	260	1,034	81	-	8,644
Additions in year	-	13	132	15	137	267
Disposals in year	-	-	-	(13)	-	(13)
Transfers in year	-	-	-	-	-	-
At the end of the year	7,269	273	1,166	83	137	8,928
Depreciation						
At the start of the year	1,611	260	1,031	34	-	2,936
Charge for the year	95	3	3	17	-	118
Eliminated on disposal	-	-	-	(13)	-	(13)
At the end of the year	1,706	263	1,034	38	-	3,041
Net book value:						
At the end of the year	5,563	10	132	45	137	5,887
At the start of the year	5,658	-	3	47	-	5,708

Land with a value of £149,368 (2024: £149,368) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

14 Listed investments

	The group		The charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Fair value at the start of the year	2,512	2,349	2,512	2,349
Additions at cost	64	50	64	50
Net gain on change in fair value	(11)	113	(11)	113
Fair value at the end of the year	2,565	2,512	2,565	2,512
Investments comprise:				
	The group		The charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
COIF Charities Investment Fund	1,344	1,409	1,344	1,409
M&G Charifund	1,221	1,103	1,221	1,103
Investments in subsidiary companies	-	-	-	-
	2,565	2,512	2,565	2,512

The charity holds investments in its subsidiary companies totalling £200 (2024:£200).

15 Subsidiary undertakings (Local Hospice Lottery Limited)

The charitable company owns the whole of the issued ordinary share capital of **Local Hospice Lottery Limited**, a company registered in England (Company Number 03226004). The subsidiary is used for non-primary purpose trading activities.

Its principal activity is the promotion and running of a lottery in aid of Farleigh and other hospices across the country.

All activities have been consolidated on a line by line basis in the statement of financial activities.

Available profits are gift aided to the charitable company.

A summary of the results of the subsidiary is shown below:

Local Hospice Lottery Limited	2025	2024
	£000	£000
Turnover	16,012	13,998
Direct costs	(3,675)	(2,890)
Gross profit	12,337	11,108
Administrative expenses	(1,441)	(1,606)
Donation to other hospices	(9,536)	(8,146)
Licence Fees to other hospices	(164)	(131)
Operating profit	1,196	1,225
Interest receivable	93	50
Profit on ordinary activities	1,289	1,275
Donation to parent undertaking	(1,178)	(1,207)
Retained profit for the financial year	111	68
The aggregate of the assets, liabilities and reserves was:		
Assets	3,515	3,041
Liabilities	(3,404)	(2,973)
Reserves	111	68

15 Subsidiary undertakings (Farleigh Supplies Limited)

The charitable company owns the whole of the issued ordinary share capital of **Farleigh Supplies Limited** (Company number: 02576518), a company registered in England. The subsidiary is used for non-primary purpose trading activities.

Its principal activity is the buying and selling on of new goods primarily to Farleigh Hospice.

All activities have been consolidated on a line by line basis in the statement of financial activities.

Available profits are gift aided to the charitable company.

A summary of the results of the subsidiary is shown below:

Farleigh Supplies Limited	2025	2024
	£000	£000
Turnover	103	49
Cost of sales	(81)	(43)
Gross profit	22	6
Administrative expenses	(131)	(20)
Other operating income - gift aid commission	24	21
Profit on ordinary activities	(85)	7
Donation to parent undertaking	-	-
Retained profit for the financial year	(85)	7
The aggregate of the assets, liabilities and reserves was:		
Assets	73	21
Liabilities	(158)	(14)
Reserves	(85)	7

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2025	2024
	£000	£000
Gross income	15,406	14,087
Result for the year	(894)	(476)

17 Stock

	The group		The charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Goods for resale	16	9	-	-
	16	9	-	-

18 Debtors

	The group		The charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Taxation recoverable	175	110	175	110
Other debtors	951	497	483	313
Prepayments	402	458	282	352
Accrued income	298	166	298	166
Group undertakings	-	-	73	16
	1,826	1,231	1,311	957

19 Investments

	The group		The charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Cash on deposit more than three months	1,673	3,264	12	2,011
	1,673	3,264	12	2,011

20 Creditors: amounts falling due within one year

	The group		The charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade creditors	1,898	1,414	803	681
Taxation and social security	231	208	179	160
Other creditors	309	234	275	191
Accruals	442	308	366	241
Group undertakings	-	-	-	5
Deferred income	2,326	2,176	93	96
	5,206	4,340	1,716	1,374

21 Deferred income

Deferred income relates to monies received for events, services and lottery draws that are yet to take place.

	The group		The charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Balance at the beginning of the year	2,176	1,943	96	91
Amount released to income in the year	(2,176)	(1,943)	(96)	(91)
Amount deferred in the year	2,326	2,176	93	96
Balance at the end of the year	2,326	2,176	93	96

22 Pension scheme

Further details of the Farleigh Hospice pension schemes are given in note 1r. At the year end there were 66 (2024: 60) members of the NHS scheme and there were 276 (2024:236)

members of the other arrangements. All contributions relating to 2024/25 were paid over to the relevant providers by the end of April 2025.

23 Analysis of group net assets between funds 2024

	General funds £000	Designated funds £000	All Restricted funds £000	Total funds £000
Tangible fixed assets	-	3,870	2,100	5,970
Investments	2,179	-	386	2,565
Net current assets	3,254	-	294	3,548
Net assets at the end of the year	5,433	3,870	2,780	12,083

23 Analysis of group net assets between funds 2024

	General funds £000	Designated funds £000	All Restricted funds £000	Total funds £000
Tangible fixed assets	-	3,576	2,172	5,748
Investments	2,114	-	398	2,512
Net current assets	4,427	212	126	4,765
Net assets at the end of the year	6,541	3,788	2,696	13,025

24 Movements in funds 2025

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,610	-	(57)	-	1,553
[B] Lantern Suite Fund	461	-	(13)	-	448
[C] Big Lottery Fund	101	-	(2)	-	99
[D] Walter Farthing Fund - Permanent	398	-	(12)	-	386
	2,570	-	(84)	-	2,486
Restricted income funds:					
[E] Restricted legacy, donation and grant funds	31	256	(79)	-	208
[F] Farleigh Homecare Fund	4	-	-	-	4
[G] Friends of Farleigh	2	3	(3)	-	2
	-	268	-	(268)	-
[H] Maldon Fund	89	-	(9)	-	80
	126	527	(91)	(268)	294
Total restricted funds	2,696	527	(175)	(268)	2,780
Unrestricted funds:					
Designated funds:					
[I] Fixed Asset Fund	3,576	-	(60)	86	3,602
[L] Farleigh in Maldon Fund	212	-	-	(212)	-
[M] DHSC Capital Grant Scheme	-	-	-	268	268
Total designated funds	3,788	-	(60)	142	3,870
[K] Unrestricted income funds - general reserves	6,541	29,722	(30,956)	126	5,433
Total unrestricted funds	10,329	29,722	(31,016)	268	9,303
Total Funds	13,025	30,249	(31,191)	-	12,083

All transfers relate to Fixed Assets which are reported as designated funds.

24 Movements in funds 2024

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,667	-	(57)	-	1,610
[B] Lantern Suite Fund	474	-	(13)	-	461
[C] Big Lottery Fund	103	-	(2)	-	101
[D] Walter Farthing Fund - Permanent	377	21	-	-	398
	2,621	21	(72)	-	2,570
Restricted income funds:					
[E] Restricted legacy, donation and grant funds	90	71	(130)	-	31
[F] Farleigh Homecare Fund	4	-	-	-	4
[G] Friends of Farleigh	4	5	(7)	-	2
[H] Maldon Fund	105	-	(16)	-	89
	203	76	(153)	-	126
Total restricted funds	2,824	97	(225)	-	2,696
Unrestricted funds:					
Designated funds:					
[I] Fixed Asset Fund	3,583	-	(82)	75	3,576
[L] Farleigh in Maldon Fund	212	-	-	-	212
Total designated funds	3,795	-	(82)	75	3,788
[K] Unrestricted income funds - general reserves	6,900	26,743	(27,027)	(75)	6,541
Total unrestricted funds	10,695	26,743	(27,109)	-	10,329
Total Funds	13,519	26,840	(27,334)	-	13,025

All transfers relate to Fixed Assets which are reported as designated funds.

Purposes of restricted funds

- [A] The New Farleigh Fund was set up specifically to fund the construction and equipping of the hospice building in Chelmsford.
- [B] The Lantern Suite Fund refers to funds raised to build and equip the Lantern suite extension to the hospice.
- [C] The Big Lottery Fund grant relates to the funding of a healing garden at the hospice.
- [D] The Walter Farthing Fund are endowed funds held to generate unrestricted income for general charitable purposes.
- [E] Farleigh Hospice receives a number of legacies, donations and grants that where the donors restrict their purposes. These are accounted for separately but collated for reporting purposes.
- [F] The Farleigh Homecare fund is set up to specifically support patients staying at home and is used for equipment purchases and hardship funding.
- [G] The Friends of Farleigh funds are those held directly by the Friends of Farleigh support group. Farleigh Hospice does not have direct access to these funds until they are paid across as a donation.
- [H] The restricted Maldon fund represents funds donated specifically for the refurbishment of running of the Maldon premises.

Purposes of designated funds

- [I] The Fixed Asset Fund represent funds which have been designated to cover the value of Fixed Assets.
- [J] The Members Guarantee Fund balance £250 (2024:£235) represents funds received in advance to cover the members liability if the charity was to be wound up.
- [L] The trustees have designated a specific fund to provide funding towards the refurbishment/running of the new day hospice premises in Maldon. Due to the DHSC capital grant funding and changes to plans for the property. The trustees have now released this fund.
- [M] The fixed assets purchased under the DHSC Capital Grant monies are held in a designated fund.

Purposes of unrestricted general funds

- [K] Unrestricted general funds are held to bridge the gap between income and expenditure and to cover any unplanned events.

25 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2025	2024
	£000	£000
Net expenditure for the reporting period (as per the statement of financial activities)	(931)	(607)
Depreciation charges	132	154
Dividends and interest from investments	(366)	(308)
(Profit)/loss on the disposal of fixed assets	-	-
(Increase)/Decrease in stocks	(7)	2
(Increase)/Decrease in debtors	(595)	84
Increase in creditors	866	724
Net cash provided by operating activities	(901)	49

26 Analysis of cash and cash equivalents

	At 1st April		At 31st March	At 1st April		At 31st
	2024	Cash flows	2025	2023	Cash flows	March 2024
	£000	£000	£000	£000	£000	£000
Cash at bank and in hand	1,961	3,278	5,239	1,961	(877)	1,084
Notice deposits (less than 3 months)	3,809	(2,136)	1,673	3,809	(292)	3,517
Total cash and cash equivalents	5,770	1,142	6,912	5,770	(1,169)	4,601

27 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2025 £000	2024 £000	2025 £000	2024 £000
Less than one year	368	326	21	21
One to five years	702	813	57	57
Over five years	-	-	-	-
	1,070	1,139	78	78

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2025 £000	2024 £000	2025 £000	2024 £000
Less than one year	302	262	21	21
One to five years	504	550	57	57
Over five years	-	-	-	-
	806	812	78	78

28 Capital commitments

There were no capital commitments at the balance sheet date. (2024: nil).

29 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5. Members pay guarantee funds in advance and they are held in a separate designated fund.



Thank you



Farleigh Hospice North Court Road, Chelmsford CM1 7FH
www.farleighhospice.org 01245 457300 info@farleighhospice.org

FARLEIGH HOSPICE

England & Wales - Charity number 284670

Accounts

Report and financial statements for the year ended 31st March 2024



**Farleigh
Hospice**



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Reference and administrative information

Company number	01619905 (incorporated in England and Wales)	
Charity number	284670 (registered in England and Wales)	
Registered office and operational address	Farleigh Hospice North Court Road Chelmsford ESSEX CM1 7FH	
Trustees	<i>Trustees, are also directors under company law, who served during the year and up to the date of this report were as follows:</i>	
	Emma-Jane Carrington	Resigned 20th November 2023
	Nic Crisp	Resigned 31st May 2023
	Tracey Dickens	(5)
	Elizabeth Fox	(1)
	Sarah Glew	Appointed 17th June 2024
	Mark Leach	(2) (3)
	Katie Lockwood	(1) (6) (7) Chair COGC
	Dr Donald McGeachy	(1) (6) (7) Chair CLGC
	Georgina Offord	Appointed 20th November 2023 Resigned 28th May 2024
	Joanna Pittman	(4) (6) (7) Chair FGC
	Caroline Russell	(1)
	Richard Shail	Resigned 12th February 2024
	Nina Smaller	(1) Appointed 20th November 2023
	Keith Spiller	(1) (2) (3) (4) (5) (6) (7) Chair, Chair BGC, Chair FSL
	John Sweeney	(5) (6) (7) Chair LHL Appointed 20th November 2023
	Christopher Tilley	(4) Appointed 15th May 2023
	Julie Withnall	(2) Appointed 20th November 2023
Independent director of Local Hospice Lottery Ltd	David Newman	(5)
Independent director of Farleigh Supplies Ltd	David Blainey	(3)
Subsidiary boards and committees	(1) Clinical Governance Committee (CLGC) (2) Corporate Governance Committee (COGC) (3) Farleigh Supplies Limited Board (FSL) (4) Financial Governance Committee (FGC) (5) Local Hospice Lottery Ltd Board (LHL) (6) Board Governance Committee (BGC) (7) Remuneration Committee (RemCo)	

Key management personnel

Farleigh Hospice	Sarah Green	Chief Executive (1) (2) (3) (4) (5) (6) (7) Appointed 12th June 2023
	Alison Stevens	Chief Executive. Retired 18th June 2023
	Sharon Ellingham	Finance Director, Company Secretary (3) (4) (5) (6)
	Irene Ferguson	Corporate Services Director (2)
	Pauline Harvey-Jones	Commercial Director (4)
	Dr Eva Lew	Medical Director (1)
	Ellie Miller	Director of Care (1)
Local Hospice Lottery Ltd	Gary Hawkes	Chief Executive Officer (5) (6)
	Stephen Cain	Finance and Operations Director (4) (5)
Bankers	Lloyds Bank plc	79/80 High Street Chelmsford CM1 1DU
Solicitors	Bates Wells	10 Queen Street Place London EC4R 1BE
Auditors	Crowe UK LLP	Statutory Auditor Fourth Floor, St James House St James Square Cheltenham GL50 3PR

Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31st March 2024.

Reference and administrative information set out on pages 3 and 4 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

This Trustees' Annual Report includes a directors' report as required by company law.



Objectives and activities

Purposes and aims

The 2023/24 financial year saw the appointment of the new Chief Executive, Sarah Green following the retirement of Alison Stevens. We continued to deliver our 2022-2026 strategy of “One Team with One Core Purpose” which was created to build upon the success of our 2018-2022 strategy.

The strategy has three main aims;

- TO INSPIRE**
 - Supporters and funders to support our work
 - People to join and excel as part of our workforce
 - Others to collaborate with us to provide the best possible care and support for our community
- TO INNOVATE**
 - In our service delivery, involving patients and families in service design
 - In generating income for sustainable hospice
 - In how we use our resources
- TO INVEST**
 - In the growth and development of our hospice
 - In technology and systems to be at the forefront of hospice care
 - Be creative in how we invest in supporting and developing our workforce



Alongside the charitable objects, Farleigh Hospice operates in line with its vision, mission and values as appear in the illustration below.



Activities

Each year a detailed operational plan is developed outlining the short-term actions that will assist in the achievement of the overall strategic objectives.

The charity's main activities, and whom it tries to help, are described below. All its charitable activities focus on those affected by life limiting illnesses or bereavement and are undertaken to further Farleigh Hospice's charitable purposes for the public benefit.

The trustees have chosen to report their activities under a number of headings. Broadly speaking these headings reflect where our users access the service. Each of these services is supported by medical, allied health professionals and ancillary staff whose costs are apportioned in the accounts to the service on the basis of time spent.

Inpatient Unit

An Inpatient Unit (IPU) operates in Chelmsford to provide short-term care for those who need help with symptom control, rehabilitation to build confidence or respite care and to provide a place for those who are dying and wish to be in the hospice. All ten beds are ensuite single rooms, two of which are 'flats' that are used for rehabilitation, younger patients or for families to stay with the patient.

Since the 1st August 2023, four beds are used for the Rapid Access Service contract and six for specialist palliative care.

In common with the wider healthcare sector, it has proved challenging to recruit to all substantive nursing vacancies, however with a targeted and consistent recruitment drive staffing levels on the Inpatient Unit have risen throughout the year. The unit is dependent on a small number of regular agency staff the safety of which is kept under regular review.

The IPU is supported by an interdisciplinary team including doctors, physiotherapists, occupational therapists, spiritual care, complementary therapy and family support.

During the year IPU has cared for 207 patients.

Community Care

Community services are delivered by three locality based multi-disciplinary community teams for North, South and Central areas in mid Essex. Each team is led by a locality care team manager and has an integrated team of professionals and care staff – sharing expertise and providing the wide range of skills that would benefit the care and support of patients and families. The ethos of the approach was 'One Team' of patient facing clinicians with standardised processes.

This structure aligns with local NHS services, which are now organised in Primary Care Networks (PCNs) and offers opportunities to connect and work more closely with primary care and community colleagues within each locality.

These multi-disciplinary teams include health care assistants, registered nurses, clinical nurse specialists, physiotherapists, occupational therapists, social workers and family support workers, working together in locality care teams. Domiciliary care agencies are also involved in supporting the teams with personal care.

Referrals for community support are received directly into the locality team and assigned to the most appropriate health care professional. At any point in time there are around 480 people being cared for in the community. Each locality team responds appropriately to incoming calls made to the hospice's advice line. This line is available 8am-8pm and staffed by a team of specially trained navigators supported by specialist nurses. During the year the hospice received 25,000 incoming calls.

The Virtual Ward continued to operate in 2023/24, this is short-term care including an overnight service allowing patients to be cared for and to die at home. It also helps avoid admission into hospital as end of life care is available 24/7.

Farleigh Hospice is contracted with Mid and South Essex Integrated Care Board (MSEICB) to provide domiciliary personal care to those who are rapidly deteriorating and in the terminal phase of their life. This service is staffed by Registered Nurses and Health Care Assistants with support from domiciliary care agencies. In the period April 2023 to March 2024, hospice staff delivered 29,000 care hours supported by domiciliary care agencies who delivered 40,000 care hours.

Community services also includes Rapid Assessment & Discharge (RADs) team who ensure end of life care patients in hospital are rapidly identified, assessed and moved to the most appropriate place for their ongoing care. Since the 1st August 2023, this team has taken on the management of a new service to place patients, who are rapidly deteriorating and entering the terminal phase of their life, in local nursing homes. This service is funded by MSEICB and allows Farleigh Hospice to assess patients against an agreed criteria and place them in a suitable nursing home. Since the start of the contract there have been 7,000 bed nights in nursing homes funded under the contact.

All community and Inpatient services are supported by a highly specialised medical team including five palliative care consultants.

Farleigh Hospice also runs a befriending service - Farleigh Helpers. A team of volunteers who are based at home makes calls to members of the community who may be lonely or isolated. The Farleigh Helpers has been in service for almost three years and has helped 124 people over this period of time.

Bereavement

Bereavement support continues to be available to adults through the CIRCLE program (age 18+), while children and young people are supported through the Yo-Yo Project initiative (age 4-18). Support is now offered flexibly with a choice of face-to-face, online and telephone sessions available.

Delivery of the service is by a core team of counselling and therapeutic professionals, with support from a large number of internally trained volunteers.

During the year the bereavement service has continued to deliver a programme of solution focused bereavement support with a grant of £100,000 from Essex County Council. The grant funded a project to provide short term solution focused bereavement support for anyone resident in the mid Essex area. The funding for this programme called Living with Grief, has now come to an end.

Referrals to the Circle service are just under 800 per annum and there were just over 200 referrals to the Yo-Yo service. Specialist training to local schools and health/social care professionals (internal and external) has also continued during the last year. This approach helps people who work with or encounter bereaved people to have a greater understanding of the needs of the bereaved and how they can support them.

Education and Information Services

The education team provide a comprehensive teaching package delivered to Farleigh's own clinical staff and to local community partners, such as the Provide community team, care home staff, paramedics, hospital clinical staff and domiciliary care agency staff. All education delivered is aimed at promoting the very best care possible for patients receiving palliative and end of life care in all settings, such as hospice, hospital, care home and people's own homes.

The aim is to ensure that all partners in care have a common understanding of how to manage the complexities of end of life care, whilst also building strong links between the hospice and teams involved in caring for people needing palliative care in other settings. This creates strong links with the hospice clinicians who can offer advice and support.

Domiciliary care agency training continues to be run several times a year, and includes training for those caring for people with learning disabilities. This training has been thoroughly evaluated over the last four years; the full evaluation of the programme was published recently in the International Journal of Palliative Nursing.

Local Hospice Lottery Ltd

2023/24 was the penultimate year of Local Hospice Lottery's Strategic Plan, 'Inspiring Commitment'. This plan defines the purpose of Local Hospice Lottery as:

"Local Hospice Lottery exists to be the leading lottery for hospices, providing additional funding and opportunities for growth by inspiring people to support their local hospice in a fair, open and affordable way".

It identifies the values of the organisation as being: Supportive, Fair, Professional and Ambitious and lists the strategic pillars as: Supporting local hospices, Inspiring Membership; Enhancing our product; Valuing our people; Developing new routes to membership and Diversifying the business.

Over the period of the plan, the key financial objective is to almost double the contribution to hospice care from a total of £22 million in the preceding five-year period to a total of £40 million for the five years to 2024/25.

The number of players in the weekly draw in 2023/24 increased from 236,466 to 261,283 against a target of 260,782. Local Hospice Lottery's dedicated team of face-to-face fundraisers continued to recruit the majority of new members, augmented by players transferred by new partner hospices from their existing lotteries.

Fundraising

Farleigh Hospice raises money in a variety of ways. The single most significant source of fundraised income is from legacy gifts with In Memory income growing and now significant at just under £0.5m.

During 2023/4 Farleigh Hospice offered a full range of fundraising opportunities including Open gardens, Christmas Tree recycling, Quizzes, Skydive plus mass participation events such as Walk for Life, Cycle for Life and Santa Fun Run. The London Marathon continues to be a superb income generating area, raising £0.2m with one of the largest ever teams due to the final roll over places being used since Covid. Other challenges also proved popular with half marathons, sky dives and other individual challenges growing. Community involvement has seen good levels of support and growth. Large-scale events are still popular but create less income from sponsorship which is a historic decline and seen by many other charities. In common with other charities, Farleigh Hospice has also seen a marked decline in appeal income although using analytics to review who receives our mailings gave a better return on the investment than previous years.

The reindeer run initiative with nurseries and primary schools in the community continued to grow and do well.

The team continue to engage with corporates to offer annual partnerships and volunteering opportunities and also successfully apply for grants and trusts with funds being received core funding alongside a number of specific projects

Retail

Farleigh Hospice has grown to sixteen stores across mid Essex with the development of a new Chelmsford City Centre store named Full Circle. It is a large fashion store in an excellent location and has been very well received with a contemporary design to the interior.

The stores use donations of clothes, bric-a-brac and furniture to raise vital income for the Hospice. The donated items are sold in the stores and warehouses, online, or where not suitable for resale, are sold as recyclable items through a recycling agent. Farleigh Supplies Limited sells new goods (mostly cards) and operates a retail gift aid scheme on behalf of Farleigh Hospice. During the year Farleigh Hospice began a new concept named Farleigh House Clearance Services, alongside a man with a van option.

The Farleigh retail team continues to grow and had their most successful year in 2023/24 in terms of income with a gross income of over £2m for the first time - an incredible amount. This has been led by many individual stores having their best ever year of sales. The warehouse concept has been very successful, and it is hoped to find another suitable location in mid Essex soon.

Friends of Farleigh

Friends of Farleigh are a support group who control their own funds and make donations to Farleigh Hospice periodically.

Volunteers

Our volunteers provide a huge contribution to Farleigh Hospice. There are over 600 regular volunteers registered on our volunteer database with many more who give their time on an ad-hoc basis helping out at various fundraising events such as The Walk for Life and the Santa Fun Run. By multiplying the number of volunteers (600) by the average number of hours worked per week per volunteer (4) and the cost of minimum wage (£11.44 per hour), it is estimated that our volunteers save us over £1.4million per year in salary payments, completing nearly 125,000 hours of work annually.

There are over 30 different volunteer roles - both in the hospice building and out in retail stores and warehouses. Volunteer roles are varied throughout each department and include IPU volunteers, Welcome Team, gardeners, fundraising office support, cash counters, catering, admin support, bereavement support, counselling, spiritual care and complementary therapy.

Volunteers are an integral part of Farleigh Hospice - as well as helping to save money and provide essential support to services, volunteers are also key ambassadors and supporters for the charity, participating in fundraising, events and general awareness of the hospice and the work we do.

We appreciate all that our volunteers contribute and couldn't run the service the way we do without their support and dedication.

Strategic Report

Achievements and performance

Impact of Farleigh Hospice’s charitable activities

The trustees take care to ensure that limited charitable resources are directed to where they will have most impact. The activities section at the start of this report shows the variety of services Farleigh Hospice offers and the number of people accessing those services.

This work has a huge amount of impact on an ongoing basis across the local community. Key metrics to show the amount of work carried out across Farleigh Hospice teams are as follows:

	2019/20	2020/21	2021/22	2022/23	2023/24
Total people cared for	4,482	4,371	4,067	4,142	4,541
Accepted Referrals (excluding bereavement)	1,232	1,390	1,603	1,573	1,571
% of patients with a non-cancer diagnosis	37	38	39	43	47
% preferred place of death achieved	84	91	88	90	91
Number of other hospices supported by Local Hospice Lottery	22	26	28	31	35

This is the second year of Farleigh Hospice’s strategy ‘One Team with One Core Purpose’. Each year the trustees also review impact by considering a particular focus.

This year impact is focused on one of the three themes of the strategic plan – innovation.

Rapid Access Service

One of the greatest achievements in 2023 was the inception of the innovative Rapid Access Service. Working in partnership with the Integrated Care Board colleagues, and two other hospices in Essex, we have developed a pathway that ensures people have rapid and timely access to the care they need whether that be at home, in the hospice, or in a nursing home.

This unified pathway which has decreased inequity in patient and family experience across mid and south Essex. There is a true sense of partnership working and cohesion which has improved patient experience – care is effectively co-ordinated between our acute hospitals, our NHS community partners, primary care and the hospices.

Since September 2023, the Farleigh Hospice element of the service has received 771 referrals. 240 patients have received care in nursing homes, 369 have been cared for at home, and 67 have been cared for in the hospice Rapid Access beds in the Inpatient Unit.

One relative explains what a difference having Farleigh Hospice care at home means to them:



I want to thank the wonderful carers who looked after my husband...

The last two weeks were made so much easier knowing he had people around him that wanted to make his last few days comfortable and pain-free and I know I can always look back on that horrible time knowing no one could have been more committed to this, than the Farleigh team.



Education

The education team at Farleigh Hospice have developed new and innovative training courses which make a real contribution to end of life care provided at Farleigh Hospice and elsewhere in the community.

New staff joining Farleigh Hospice complete a diverse range of mandatory training and also attend an in-house eight-day course covering the essential elements of palliative care, during their first six months of employment.

New registered nurses will complete a drug competency assessment and be trained and assessed on verifying expected deaths. This all underpins and ensures the safety of patients and staff.

Further education is offered to all clinicians, via an advanced palliative care course, which supports clinicians to become experts in palliative and end of life care.

The success of this course in supporting Virtual Clinical Nurse Specialist and trainee Clinical Nurse Specialist teams was showcased at the Hospice UK Conference in Liverpool in the Autumn of 2023.

As well as the oral presentation, Farleigh staff presented several posters at the Hospice UK Conference and also presented at the World Congress of the European Association for Palliative Care Congress in Rotterdam in June 2023.

Sue Griffith, Farleigh Hospice's Head of Education and Research said:



The World Congress is an important international event for Farleigh to be a part of.

We have presented at previous EAPC conferences, but relished the opportunity to present these two projects on this occasion.

The 2023 Congress gave us the opportunity to share our successful projects, and also to keep abreast of innovative best practice in palliative care and bereavement support from other experts around the world.



Enhanced End of Life Overnight Service

For the last three months of 2023/24, Farleigh Hospice worked collaboratively with Marie Curie and the local Provide District Nursing Team to enhance access to specialist care out of hours.

During the pilot period calls that came to the existing district nurses were triaged to a specialist team of registered nurses and healthcare assistants who then supported patients in their own homes.

The pilot is still being evaluated but it was hoped that it would reduce avoidable admissions into Accident and Emergency.

Stephanie Dawe, CEO of Provide Health, said:



It is a privilege for our existing Overnight District Nursing Service to be able to work with Marie Curie and Farleigh Hospice in this pioneering initiative.

This project is about enhancing how palliative care is delivered in our community.

By providing overnight care, we are taking a significant step towards ensuring that individuals living with terminal illness receive the compassionate, specialist support they need, in the comfort of their own home.

This collaboration is testament to our commitment to delivering holistic and responsive healthcare, reducing the strain on emergency services, and most importantly, honours the dignity and comfort of our patients during their most critical times.



Local Hospice Lottery Ltd (LHL)

LHL remains one of the most successful examples of innovation and collaboration in the hospice movement and is the largest hospice lottery in the country, having contributed a total of £60 million to hospice care since it started in 1996.

By working together, hospices are able to minimise the costs of running a lottery, thus maximising the amount that can ultimately be used for patient care.

Partner hospices are also able to benefit from LHL's expertise in marketing and player recruitment.

Each year, LHL runs a partner conference where hospices can come together to share ideas.

Children's Hospices Across Scotland, who have been working with Local Hospice Lottery since 2014, outline how important the LHL partnership is to their hospice.

CHAS said:



Local Hospice Lottery is an incredibly important partner, helping CHAS achieve its strategic ambition, to reach every family in Scotland.

We are incredibly proud of the team at Local Hospice Lottery and the fundraisers engaging with communities in Scotland and growing our supporter base.

We feel incredibly lucky to be working with such a professional, transparent and innovative group of people and know that we can trust the team to act in our best interest. Thank you for all your incredibly hard work.



Achievement of goals set for the 2023/24 financial year

- **Implement IT managed service offer to external organisations**

During the year, Farleigh Hospice launched Deliver Digital IT Services, a comprehensive managed service offering which is tailored for external organisations. This new service is designed to provide robust, cost-effective IT solutions, ensuring these organisations can focus on their core activities while we manage their IT infrastructure efficiently. This initiative marks a significant step in expanding our service portfolio and supporting the broader community with reliable IT services.

- **Outpatient model: Scope opportunity for new clinics and develop collaborative business cases**

The launch of the new Rapid Access Service limited the time available to develop projects during the year. There was a pilot of a heart failure clinic in the early part of 2023/24. This will be considered in 2024/25 alongside any development plans for the Maldon site.

- **Prepare new income generation plan utilising business intelligence and trend analysis**

Data intelligence was used across all areas to minimise costs and maximise response levels by utilising previous giving trends and other intelligence from giving reports. This next year will see a data project which will aim to build on this and utilise all data and knowledge we have, to maximise the impact of all communications. New strategic plans for fundraising, retail and communications will be developed in the early part of 2024/25.

- **Clearly communicate Farleigh hospice current service offer both internally and externally**

Development of case studies and stories this last year has been key to building a case for support. We have been working with our clinical teams to get to know families who are happy to share their story of the support and care Farleigh has provided them and their families, and the impact this has had. The stories we can share are crucial to sharing the impact of our work to all those who need our support. This work will be ongoing with a new case story library being developed.

- **Further develop a digital approach to marketing/income generation**

As we move more and more into a digital world we have developed our opportunities to market our services and ways of giving in line with them. We offer online giving in various ways including by a QR code, via in memory and tribute online pages, website and text giving and also digital marketing such as digital screens across Chelmsford. We have utilised AI to ensure our messaging is clear and concise but without losing the personal link to the people we communicate with.

- **Implement new learning and development strategy**

Farleigh Hospice commits 1% of its salary budget towards costs of Learning and Development for all staff. There is a learning and development panel who review requests for approval. The initial development of a leadership development programme has taken place in 2023/24 and will be further developed in the coming years.

● Consolidate virtual support offer for patients/carer's/bereaved clients

During 2023/24 we continued to offer virtual support to our patients and families both for symptom control and bereavement support if this was the chosen or most effective method for the family.

We have a number of virtual clinical nurse specialist (CNS) posts who work as part of the locality multi-disciplinary holistic model. This was an innovative development and workforce solution as CNS posts are hard to recruit to. The model has proven to be a success, and the virtual posts are fully embedded in locality teams and will continue to be part of our workforce establishment.

SystemOne is our electronic patient record and has a function to enable us to provide virtual consultations with patients and families. This enables prompt and timely review of symptoms when a visit is not possible.

In 2023, we were successful in sourcing funding for 'Real Wear' headsets, which is another form of virtual connection with patients. It enables clinicians to have an eyes on close up view of the patient remotely when the clinician attending the patient is wearing the headset. These devices are already in use by our NHS community partners and have helped to provide accurate assessment of patient symptoms.

● Continue to build Farleigh Hospice one team vision - strengthen understanding of Farleigh Hospice values and culture

All leaders within the hospice are aware of the responsibilities in embedding the behaviours that underpin the values.

Posters are presented around the building. The Executive Team have held a number of sessions as to how to further embed the values within the organisation and positively influence culture. Further work will be carried out during 2024/25.

● Offer career pathways to 'grow' our own and attract staff

Pathways are in place for trainee clinical nurse specialists and trainee healthcare assistants and included in the recruitment advertising and paperwork.

These schemes have been successful in attracting staff. Farleigh Hospice has offered placements to students on the Nursing Associate programme.

The possibility of a partnering with a local university to offer this programme for our healthcare assistants is being investigated.

● Growth in Local Hospice Lottery membership

Local Hospice Lottery has reviewed the potential level of lottery membership by reviewing population data, demographics and penetration by other hospice lotteries.

It was concluded that there is still the capacity in each area to further grow existing lottery membership.

In 2023/24, Local Hospice Lottery partnered with four new hospices, bring the total (excluding Farleigh) to 35 partner hospices. Local Hospice Lottery has streamlined the process of on-boarding new partners which has increased the capacity to do so.

During 2023/24, Local Hospice Lottery employed Business Improvement Techniques to continue to streamline operations and has continued to develop and train staff in the application of these techniques.

Fundraising

Farleigh Hospice is registered with the Fundraising Regulator and complies with the Code of Fundraising Practice and Fundraising Promise. All fundraisers are aware of the need to act ethically in accordance with the Code of Fundraising Practice and Farleigh Hospice values. They are particularly sensitive to the vulnerability of those who use Farleigh Hospice services.

The Financial Governance Committee has specific delegation from the Board to review fundraising activities. It receives reports from the commercial director at each meeting. In addition, management accounts showing performance against budget and prior year are reviewed.

Any significant changes to fundraising expenditure are approved at Financial Governance Committee meetings. A summary of these discussions is notified to the full board. Trustees are actively involved in fundraising with many attending the large-scale events and representing Farleigh Hospice at other events, when they are able to take place.

In 2023/24 there were no upheld complaints relating to Farleigh Hospice's fundraising activities in mid Essex.

Where complaints are received they are all investigated fully and resolved where possible, in accordance with the Farleigh Hospice complaints policy. All complaints related to fundraising are reviewed by the Executive Team and the Financial Governance Committee.

Farleigh Hospice is signed up to the Fundraising Preference Service which enables individuals to opt out of receiving fundraising communications from Farleigh Hospice. There was one request to opt out of communications in 2023/24 (22/23: Three).

Farleigh Hospice does not employ third party professional fundraisers or commercial participators and therefore does not need to regulate their activities, Local Hospice Lottery has relationships with a number of professional fundraisers.

These are monitored in line with the relevant fundraising and gambling regulations. Local Hospice Lottery is registered with the Fundraising Regulator, licensed by the Gambling Commission and is an organisational 'Dementia Friend'.

Investments

The Financial Governance Committee regularly reviews the investment policy.

The trustees hold funds in pooled investment schemes with both CCLA and M&G. The aim of this is to offset the impact of inflation on the charities funds held in cash deposits.

The performance of these funds is regularly reviewed by the Financial Governance Committee. Farleigh Hospice keeps funds for short-term needs in deposit accounts and term cash deposits.

Financial review

Result for the year

The overall result for the year is a deficit of £0.5m, which is ahead of the 2022/23 deficit of £0.7m, mostly due to increased income. Trustees had budgeted for a higher deficit for the 2023/24 financial year, as whilst reserves remain relatively high trustees wish to invest in supporting patients and families.

The results above and in the detailed accounts later in this report show the overall group results. Figures for the Farleigh Hospice charitable group replacing the overall income and expenditure figures for Local Hospice Lottery Ltd with the net donation paid to Farleigh Hospice, are as follows;

	2023/24 £000s	2022/23 £000s
INCOME		
Donations and legacies	2,862	2,451
Charitable activities (NHS income)	7,114	5,587
Shop income	2,150	1,908
Donation from LHL	1,287	1,066
Other fundraising activities	253	183
Investments	258	80
Other income	42	75
Total income	13,966	11,350
EXPENDITURE		
Shop Costs	1,858	1,575
Fundraising costs	1,021	915
Charitable expenditure	11,682	9,545
Total expenditure	14,561	12,035
Net (loss) gain on investments	113	(7)
Net income /(expenditure) for the year	(482)	(692)

Farleigh Hospice is unable to accrue profits from trading subsidiaries not paid over in the year. There were £75k of profits still to be paid over at the end of the financial year (2023: £79k).

Income

Total group income for 2023/24 increased by £4.2m to a total of £26.7m.

Income from the Local Hospice Lottery Ltd (LHL) players increased by £1.7m to £14m, an increase of 12%. After offsetting £4.6m of costs associated with running the lottery and £8.1m in donations to other hospices, LHL donations due to Farleigh Hospice are £1.3m, which is £0.2m up on last year. The lottery business has had substantial growth in the year primarily as a result of taking on new partners. The number of partners has increased by 4 in the year bringing the total excluding Farleigh Hospice to 35. The business carries out face to face fundraising on behalf of partners but recruiting canvassers in the current employment market has been difficult.

NHS income has increased by 27% (£1.5m) to £7.1m during the year. This is primarily as the result of the new Rapid Access Service contract. Since 2020, Farleigh Hospice has cared for patients rapidly deteriorating and in the last three months of life at home. From August 2023, the hospice, working alongside other hospices in the Mid and South Essex ICB, has also placed patients who meet this criteria in care homes. This work is fully funded by the ICB, Farleigh Hospice has charged the ICB £1.2m for care homes since the contract, which explains most of the increase in NHS income.

Income from donations (gifts) and legacies has increased by £0.4m to £2.9m. This increase is due to legacy income which has gone up by £0.4m to £1.2m. This is because of two large estates recognised during the year. The most significant single income stream within donations is donations in memory which raised £0.5m in 2023/24, the same as 2022/23.

Shop income at £2.1m is up £0.2m on the previous year. Shop income has broken the £2m barrier for the first time this year. Although the new Chelmsford City Centre store only opened up in November, it accounted for £0.1m of this increase in sales. Increase in costs particularly setting up the new shop and salary costs has resulted in a reduction in the overall net profitability of the shops during the year.

Charitable expenditure

The Farleigh Hospice expenditure on its own charitable activities has increased to £12m, a 22% increase on the 2022/23 spend of £9.5m.

There has been an increase in costs on the Inpatient Unit, of £0.5m this is as a result of the unit operating at 10 beds for the full year compared with 2022/23 the unit operated at 6 beds for the first 6 months of the year.

Costs of community care increased by £1.7m largely due to the increased costs of the care home element of the Rapid Access Contract.

LHL donations to other hospices, to be used in accordance with Farleigh Hospice's charitable objectives, increased by £1.2m to £8.1m.

Reserves policy and going concern

All charities are required to consider how much they need to hold in reserves. The extent of these reserves varies depending on the scale and nature of the charity's activities.

Farleigh Hospice provides a range of critical health services on which the population of mid Essex depend. To fund these services, it is reliant on a number of fluctuating income streams from donations, legacies and shop and lottery profits.

To enable Farleigh Hospice to meet its commitments to the community and provide key hospice services, it needs to maintain its level of reserves so that it can continue operations in the event that an unforeseen decrease in income or increase in costs results in a significant deficit.

The trustees carry out a risk-based analysis in arriving at the level of reserves needed to protect against unforeseen events. This risk-based analysis looks at the amount of reserves that would be needed if there were a significant fall in income for eighteen months.

The desired level of reserves set for the 2023/24 financial year, is £4.3m which is the same as 2022/23. Note 24 to the accounts shows that the free unrestricted reserve is £6.5m (2023: £6.9m), a decrease of £0.4m on the previous year.

The trustees have set a negative budget for 2024/25 and are considering further investment of funds in commercial activities to ensure that the hospice income is financially resilient via diversification of income streams.

The trustees continue to hold designated funds for fixed assets (£3.6m) and the refurbishment of the new site in Maldon (£0.2m).

The trustees have reviewed the circumstances of Farleigh Hospice and its group companies and consider that adequate resources continue to be available to fund the activities of the charity and the group for the foreseeable future.

The trustees are of the view that Farleigh Hospice and the group companies are a going concern and likely to remain so for the foreseeable future.

Principal risks and uncertainties

Farleigh Hospice and Local Hospice Lottery Ltd both hold detailed risk registers that are reviewed regularly at committees and board. These risks are ranked by likelihood and impact to produce a score which ranks them red, amber or green in terms of their potential impact for the organisation.

The trustees have sought to mitigate risks as much as possible and the mitigation of these risks is explained below. The trustees consider the following to be the principal risks to which Farleigh Hospice is exposed.

1. Safety of service users, staff and volunteers

During the year, the clinical teams have reviewed a number of aspects of patient safety to ensure that they are fit for purpose. The recent CQC inspection raised the rating of the safe domain from requires improvement to good. Pressure of work is an issue raised by staff and there are a number of mitigations in place including emphasis on wellbeing and staff development.

2. Organisational overload due to increasing demand for services

Although referrals to core services was around the same as the previous year. There was a significant increase in activity as a result of the new Rapid Access Service contract. Over recent years there has been an increase in the complexity of patients particularly in the Inpatient Unit. These complex patients take more resource to care for them properly. With death rates set to increase substantially in the 2030s and limited resources both financially and in terms of qualified staff, it is a risk that is under close review by the hospice. A review of referral criteria will be carried out in 2024/25.

3. Future Financial stability

Farleigh Hospice has budgeted for a significant deficit again in 2024/25. Realistically it is simply not possible to provide the level of care needed for Farleigh Hospice patients from the current combination of statutory and charitable funding. Farleigh Hospice is exploring commercial opportunities with the launch of two new commercial ventures this year, a House Clearance business and Deliver Digital, an IT support business. Financial Governance Committee closely monitor three year forecasts and at this stage there is no cause for concern as the level of reserves will cover future deficit budgets. This a national picture amongst hospices with many facing similar issues as reported by Hospice UK.

4. NHS funding

NHS funding is provided locally by the Mid and South Essex Integrated Care Board (MSEICB). Farleigh Hospice have good relations with local commissioners and is working collaboratively with them and other hospices to develop services such as the Rapid Access Service. However, their contribution for core services has diminished in real terms both financially and when compared with the level of increased demand over recent years. MSEICB is facing its own financial pressures due to the level of funding it receives itself and will pay no inflationary uplift for core services in 2024/25.

5. Noncompliance with fundraising, data and other regulations

Farleigh Hospice, along with other charities, is subject to an ever-increasing number of regulations. Non-compliance could result in fines or reputational damage, which threatens the future of the charity. The trustees have considered this risk and in order to help mitigate against it they have a Board Governance Committee, which has as one of its objectives to ensure that all compliance matters are dealt with properly. The Chief Executive, Finance Director and the Compliance and Assurance Lead, work together to ensure that there are appropriate processes in place to evidence compliance.

Plans for the future

Farleigh Hospice has a strategy in place for the period 1st April 2022 to 31st March 2026. Central to this strategy is the aim of One team with One Core Purpose, working together to ensure the provision of inclusive, individualised palliative care. The strategy is based around three themes: Inspire, Innovate and Invest.

The following have been identified as goals to achieve in the coming year, as part of the 2022-2026 Strategy.

- Undertaking a programme of community engagement to understand the end of life needs across mid Essex. To include patients, families and carers past and present and those within our community who may find it difficult to reach out and access care.
- To test and pilot a revised bereavement model. As part of an organisational focus on early intervention and wellbeing.
- To undertake a review of data and processes for community working to assess the current model and clearly articulate capacity and demand.
- Establish a clear view on the workforce needed now and in the future. Achieving clarity of vision on staffing structures, volunteering, training, education and other collaborative models of working.
- Further development of commercial income, including the House Clearance business and Deliver Digital.
- To carry out a data project to understand and benchmark how data is currently used and create a data strategy. Having accurate and useful data will allow us to make a case for funding to our supporters and the NHS and understand how we can make best uses of the resources we have.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 4th March 1982 and registered as a charity on 5th May 1982.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is now governed under its Articles of Association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Farleigh Hospice is governed by a board of trustees who are also directors of the company. The maximum number of directors is set at 14 in the Articles of Association.

The trustees are mindful of the Charity Governance Code recommendation that the maximum number of trustees should be 12. The number of trustees at Farleigh Hospice was capped at 12 until 2016.

However, with a number of trustees reaching their 9 year anniversary where they must retire, the trustees were concerned that they could not adequately resource the Committee structure and the Local Hospice Lottery Ltd governance requirements with 12 trustees.

Day- to-day management is delegated to the Chief Executive and the Executive Team.

The full board is supported by a committee structure. This structure is designed to ensure that the committees support the full board in delivering Farleigh Hospice's strategic objectives and statutory obligations. There are four standing committees.

A Board Governance Committee oversees governance matters, in particular compliance with the Charity Governance Code. This committee also looks at trustees' recruitment, succession planning and performance.

A Remuneration Committee is delegated to look at matters concerning the Executive Team including pay.

The other three committees are Clinical Governance Committee (dealing with clinical matters); a Corporate Governance Committee (dealing with health, safety and environment, internal and external communication and matters relating to staff and volunteers) and a Financial Governance Committee (which deals with financial matters and oversees income generation).

Each committee is responsible for governance, quality, compliance and risk management in its area of responsibility.

The full board takes reports from the chair of each committee at all of its meetings. The full board meets four times per year and each of the committees meet quarterly.

Board members also sit alongside members of the Executive Team as directors of the two trading companies in the group.

Local Hospice Lottery Ltd runs a lottery on behalf of Farleigh Hospice and a number of other hospices across the UK.

Farleigh Supplies Limited deals with the purchasing of new goods for sale in the shops and administers the retail Gift Aid scheme. It also runs the two new commercial ventures the house clearance business and Deliver Digital.

Farleigh Hospice complies with the NHS requirement to produce a Quality Account and this documents the audit and quality improvement work that is carried out across the organisation. A copy of the Quality Account 2023/24 is available on the Farleigh hospice website: farleighhospice.org

Each year, alongside the board meetings, the full board meets for an away day. This gives the board an opportunity to discuss more strategic issues and their performance as a board. In addition, each year, a board self-assessment survey is undertaken to establish how the board is performing.

Each trustee has an annual one to one with the chair.

The vice chair undertakes a review of the chair and ensures appropriate feedback is given to the chair.

Appointment of trustees

When vacancies occur, trustees are recruited using a widespread recruitment campaign or in response to an approach by an interested party. They are interviewed by existing board members and a staff representative. If suitable, having the right breadth of skills and experience, they will attend three board or committee meetings and will then join the board if they and the rest of the board agree. Trustees can serve a maximum term of nine years.

Trustees are initially co-opted to the board but they stand down at the next AGM to be formally re-elected by the members. They do this again at three and six years and then formally stand down at the end of the ninth year.

Trustee Induction and Training

New trustees are supplied with a comprehensive induction pack and meetings arranged with key members of staff. They also have an existing board member to act as a mentor. Full board training is carried out as required, delivered by an appropriately qualified Farleigh Hospice staff member or an expert from within the board. External courses and opportunities to attend workshops and conferences are offered as opportunities arise.

Each board meeting includes either a patient story or a presentation from a member of staff relating to the services they deliver.

Chair

Trustees elect a chair and vice chair from within their numbers. The terms of office for each position is three years with an option to stand for a second term only. The current chair is Keith Spiller.

Related parties and relationships with other organisations

None of the trustees receive remuneration or other benefit from their work with the charity.

Farleigh Hospice requires trustees and executive directors to declare any interests that they may have outside of the charity. Transactions and contractual relationships with related parties must be disclosed.

One of our trustees (2023: one) is the Clinical Lead for Mid and South Essex Integrated Urgent Care Service.

One of our trustees is a partner at Birkett Long LLP, who periodically advise us on aspects of our activities including lease renewals. During the year, Farleigh Hospice spent £13,359 with Birkett Long LLP.

The hospice has a close working relationship with Mid and South Essex NHS Foundation Trust, which runs Broomfield Hospital, which is on a neighbouring site. The palliative care medical consultants who work at Farleigh Hospice are supplied under a Service Level Agreement with the trust.

The charity has two trading subsidiaries. Local Hospice Lottery Ltd runs a weekly lottery on behalf of Farleigh Hospice and a number of other hospices. Donations to those other hospices are made as part of the contractual relationship with these hospices. These donations must be used in furtherance of hospice care. The other hospices, as at 31st March 2024, are listed in note 7 of the accounts.

Farleigh Supplies Limited is another wholly owned subsidiary. This trades in new goods and operates the Farleigh Hospice retail Gift Aid scheme. Farleigh Supplies also now operates the newly formed House Clearance Company, which provides clearance and reuse services to the community. It also runs an IT service, Deliver Digital.

Remuneration policy for key management personnel

For Farleigh Hospice, the Remuneration Committee considers the pay and terms and conditions of the key management personnel. Although this committee consists of a subset of the board any decisions are taken by the full board. Pay is benchmarked by individual posts against roles in similar organisations through an external benchmarking process using an independent company.

For Local Hospice Lottery Ltd similar arrangements exist regarding benchmarking overseen by the Lottery Board, but the approval authority for the Chief Executive and Finance and Operations Director also sits with the Farleigh Hospice board.

Equality and Diversity

The trustees are committed to creating an inclusive environment where diversity is recognised and celebrated, amongst our staff and service users. Farleigh Hospice is committed to ensuring that services and employment opportunities are accessible by all regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

Farleigh Hospice operates an Equal Opportunities policy and expects all staff to share this commitment in relation to employment and service delivery. As part of this commitment, the hospice employs safer recruitment practices to ensure equality of access to all candidates, fair and consistent recruitment methods to enable candidates to be their best, and make reasonable adjustments to support disabilities both through recruitment and also to retain employment.

All employees and volunteers are treated equally. Selection for employment, promotion, training or any other benefit is on the basis of aptitude and ability. Should any staff member become disabled, reasonable effort is made to continue their employment and where necessary provide suitable adjustments and support.

Employee Information

Top 100 staff survey

Farleigh Hospice participates in the Best Companies Top 100 staff survey. In the most recent survey Farleigh staff took part in a staff 'pulse survey' run by Best Companies. The results show significant progress and Farleigh achieved a One Star Rating – Very Good Company to work for.

Staff feel really positive about the contribution Farleigh makes to the local community and giving something back is really important to the team. Approximately 90% of staff agree that they love working for Farleigh Hospice. Almost all staff (95%) said that they believed they were making a valuable contribution to the success of this organisation. There was a 3% increase in staff feeling they have a Fair Deal in relation to pay and benefits.

Although there are financial pressures, the trustees have maintained cost of living increases particularly recognising our lowest paid staff and we aim as a charity to match the Real Living Wage.

Environmental sustainability

The hospice has a green group who look at sustainability across the hospice, including waste management and reducing carbon emissions by various energy saving initiatives.

Due to its size, Farleigh Hospice is not required to disclose any specific environmental measures.

Statement of responsibilities of the trustees

The trustees (who are also directors of Farleigh Hospice for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Account Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources, including the income and expenditure, of the charitable company or group 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 in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the in financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £5 to the assets of the charity in the event of winding up.

Members pay their guarantee on joining the charity and it is held separately in a members' guarantee fund.

The total number of such guarantees at 31st March 2024 was 86 (2023: 83).

The trustees are members of the charity but this entitles them only to voting rights.

The trustees have no beneficial interest in the charity.

The Trustees' Annual Report, which includes the strategic report, has been approved by the trustees on 8th July 2024 and signed on their behalf by Keith Spiller.



K Spiller
Chair

Independent auditor's report

Opinion

We have audited the financial statements of Farleigh Hospice (the "parent charitable company") and its subsidiaries (the "group") for the year ended 31 March 2024 which comprise consolidated Statement of Financial Activity, the group and parent charitable company Balance Sheets, the Group Cashflow Statement and notes to the financial statements, including 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 the 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 UK, including the FRC'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 trustee's 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 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 contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 23 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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:

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102).

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud.

The laws and regulations we considered in this context were Care Quality Commission regulations.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the timing of recognition of grant income and legacies and override of controls by management.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, performing audit testing over grant and legacy income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and Care Quality Commission, and reading minutes of meetings of those charged with governance.

Owing 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.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is available 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin (Senior Statutory Auditor)
For and on behalf of Crowe U.K. LLP, Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham GL50 3PR

Date: 09 August 2024

Consolidated statement of financial activities for the year ended 31st March 2024

(incorporating a consolidated income and expenditure account)

Income from:	Note	All		2024	All		2023
		Unrestricted £000	Restricted £000	Total £000	Unrestricted £000	Restricted £000	Total £000
Donations and legacies	2	2,791	71	2,862	2,340	111	2,451
Charitable activities	3	7,114	-	7,114	5,587	-	5,587
Other trading activities							
Lottery Income		13,998	-	13,998	12,259	-	12,259
Shop Income		2,150	-	2,150	1,908	-	1,908
Other fundraising activities	4	248	5	253	174	9	183
Investments	5	308	-	308	89	-	89
Other		42	-	42	75	-	75
Total income		26,651	76	26,727	22,432	120	22,552
Expenditure on:							
Raising funds							
Lottery Costs	6	4,627	-	4,627	4,283	-	4,283
Shop Costs	6	1,858	-	1,858	1,575	-	1,575
Fundraising Costs	6	1,014	7	1,021	907	8	915
Income available for charitable activities		19,152	69	19,221	15,667	112	15,779
Charitable Activities							
Farleigh Hospice							
Inpatient Care	6	2,596	56	2,652	2,183	35	2,218
Community Care	6	8,129	124	8,253	6,346	178	6,524
Bereavement	6	530	38	568	513	70	583
Education and Information	6	209	-	209	217	3	220
Local Hospice Lottery Ltd donations to hospice care	6,7	8,146	-	8,146	6,884	-	6,884
Total expenditure		27,109	225	27,334	22,908	294	23,202
Net (expenditure) / income before net gains / (losses) on investments		(458)	(149)	(607)	(476)	(174)	(650)
Net gains/(losses) on investments		92	21	(113)	2	(9)	(7)
Net (expenditure) / income for the year and net movement in funds	8	(366)	(128)	(494)	(474)	(183)	(657)
Transfers between funds		-	-	-	-	-	-
Reconciliation of funds:							
Total funds brought forward		10,695	2,824	13,519	11,169	3,007	14,176
Total funds carried forward		10,329	2,696	13,025	10,695	2,824	13,519

*All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.
Movements in funds are disclosed in Note 24 to the financial statements.
The notes to the accounts are shown on pages 30 to 55.*

Balance sheets as at 31st March 2024

Company no. 01619905

	Note	The group 2024 £000	The group 2023 £000	The charity 2024 £000	The charity 2023 £000
Fixed assets					
Tangible assets	13	5,748	5,827	5,708	5,795
Investments	14	2,512	2,349	2,512	2,349
		8,260	8,176	8,220	8,144
Current assets:					
Stock	17	9	11	-	-
Debtors	18	1,231	1,315	957	1,120
Investments	19	3,264	1,863	2,011	1,863
Cash at bank and in hand		4,601	5,770	3,138	3,334
		9,105	8,959	6,106	6,317
Liabilities:					
Creditors: amounts falling due within one year	20	(4,340)	(3,616)	(1,374)	(1,035)
		4,765	5,343	4,732	5,282
Net current assets		4,765	5,343	4,732	5,282
Net assets		13,025	13,519	12,952	13,426
Funds					
Restricted endowment funds	24	2,570	2,621	2,570	2,621
Restricted income funds	24	126	203	126	203
Unrestricted income funds					
Designated Funds	24	3,788	3,795	3,788	3,795
General funds	24	6,541	6,900	6,468	6,807
Total unrestricted funds		10,329	10,695	10,256	10,602
Total funds		13,025	13,519	12,952	13,426

The notes to the accounts are shown on pages 30 to 55.

Approved by the trustees on 8th July 2024 and signed on their behalf by



K Spiller
Chair

Consolidated statement of cash flows

for the year ended 31st March 2024

	Note	2024 Total £000	2024 Total £000	2023 Total £000	2023 Total £000
Net cash provided by operating activities	25		49		977
Cash flows from investing activities:					
Dividends, interest and rents from investments		308		64	
Proceeds from the sale of fixed assets		-		50	
Purchase of fixed assets		(75)		(45)	
Purchase of investments		(1,451)		(1,031)	
Net cash provided by/(used in) investing activities			(1,218)		(962)
Change in cash and cash equivalents in the year			(1,169)		15
Cash and cash equivalents at the beginning of the year			5,770		5,755
Cash and cash equivalents at the end of the year	26		4,601		5,770

The notes to the accounts are shown on pages 30 to 55.

Notes to the financial statements

for the year ended 31st March 2024

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared 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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Local Hospice Lottery Ltd and Farleigh Supplies Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

b) Public benefit entity

Farleigh Hospice meets the definition of a public benefit entity under FRS 102.

c) Going concern and key judgements

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where these estimates and judgements have been made include the following:

i) Useful economic lives of tangible assets

See Note 13 for the carrying amount of tangible assets and accounting policy k for the useful lives of each class of asset.

ii) Accrued legacy income

See accounting policy d where this is set out in full.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. For the majority of income this will be on a cash received basis.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are shown as accrued income in debtors.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable and measurable when the amount can be measured reliably and there are no potential claims against the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Sponsorship from events and fundraising is recognised in income when the event takes place. Lottery income is accounted for in respect of those draws that have taken place during the year. Trading income is recognised at the point of sale for both donated and purchased goods.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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 cost for the charity which would far outweigh the benefits.

f) Interest and dividends receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Endowment funds are gifts of capital that must be retained and any income earned must be used in furtherance of Farleigh Hospice's charitable activities.

Unrestricted funds are donations and other incoming resources received or generated for general charitable purposes. They are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

The cost of raising and administering such funds are charged against the specific fund.

The aim and use of each material designated fund and restricted fund is set out in the notes to the financial statements.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified, on an accruals basis, under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any trading and other activities with a fundraising purpose, including those for Local Hospice Lottery Ltd.
- Expenditure on charitable activities includes the costs of specialist palliative care and bereavement support undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of estimates, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease. Benefits received or receivable as an incentive to sign an operating lease are recognised on a straight line basis over the minimum period of the lease. Farleigh Hospice classifies the lease of printing equipment as an operating lease and payments are recognised as incurred.

k) Tangible fixed assets

Individual Fixed Assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated expected useful life as follows:

- Buildings (75 years)
- Long Leasehold property (99 years)
- Short leasehold property improvements Computers and equipment (3 to 5 years)
- Computers and equipment (5 years)
- Motor vehicles (4 years)

Because of its high net residual value land is not depreciated.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

l) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing valuation. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are included at cost.

m) Stocks

Stock of bought in retail goods is included at the lower of cost or net realisable value.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

o) Cash at bank and in hand

Cash at bank and cash 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.

p) Current asset investments

Investments include cash with a maturity date of greater than three months but less than one year.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

r) Pensions

Staff joining from the NHS can choose to continue their membership of the NHS pension scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. Any deficit on the scheme is funded by the Treasury and an increase in future contributions. The scheme is therefore treated as a defined contribution scheme.

The employer's contributions made to the scheme in 2024 were £300,000 (2023:£272,000) with an employer's contribution rate of 14.38% of pensionable pay and employees' contributions between 5% and 13.5% of pensionable pay depending on the level of pay. The

trustees are satisfied that this and other foreseeable changes in employer's contribution rates can be budgeted for without detriment to the charity's ongoing activities.

All employees are entitled to join a defined contribution 'money purchase scheme' operated by Scottish Widows. Farleigh Hospice employers' contributions for the year were £330,000 (2023: £310,000). Employer's contributions are either 4%, 5% or 7% and employees' contributions are either 4% or 6%. Farleigh Hospice acts as an agent in collecting and paying over contributions. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

For both schemes the costs are included with the associated staff costs and allocated to raising funds, charitable activities, support and governance costs and charged to the unrestricted funds of the charity. All employer contributions are expensed as they fall due.

s) Financial instruments

Except for listed investments, all the group's financial instruments, both assets and liabilities, are measured at settlement value. Listed investments are recognised at market value. Financial assets include cash at bank and in hand, trade and other debtors and accrued income. Financial liabilities include trade and other creditors and accruals. The carrying values are shown in notes 14,18,19 and 20.

2 Income from donations and legacies

	Unrestricted £000	All restricted £000	2024	Unrestricted £000	All restricted £000	2023
			Total £000			Total £000
Gifts	1,583	71	1,654	1,488	111	1,599
Legacies	1,208	-	1,208	852	-	852
	2,791	71	2,862	2,340	111	2,451

Farleigh Hospice benefits greatly from the many hours our dedicated volunteers donate in a large number of different roles within the hospice. Further details of the volunteer contributions are given in the Trustees' Report. In accordance with FRS102 and the charities SORP (FRS102), the economic benefit of general volunteers is not recognised in the accounts.

No restricted legacies were received in 2024 (2023: 0).

In 2024, gifts totalling £71,000 were received, the purpose of which was restricted to Clinical Nurse Specialists (£12,000), Virtual Ward (£27,000), geographical areas (£10,000) and Catering Equipment (£8,000). The balance (£14,000) relates to a number of smaller projects.

In 2023, gifts totalling £111,000 were received, the purpose of which was restricted to Clinical Nurse Specialists (£30,000), Virtual Ward (£20,000), geographical areas (£17,000), Green Initiatives (£9,000) and Gardens (£8,000). The balance (£27,000) relates to a number of smaller projects.

As at 31st March 2024, the charity had been notified of residuary legacies where the value of these estates was uncertain as the executors had not yet compiled the estate accounts or because the executors are awaiting information on any claims to be made on these estates. Therefore no amount has been accrued in respect of these legacies which are estimated to be in excess of £317,000 (2023: £383,000).

3 Income from charitable activities

	2024	2023
	Total	Total
	£000	£000
Government Funding		
Core funding - Mid and South Essex ICB	2,138	2,085
Reimbursement of pharmacy costs - Mid and South Essex ICB	79	96
Enhanced End of Life funding - Mid and South Essex ICB	408	395
Rapid Access to End of Life funding - Mid and South Essex ICB	1,017	2,491
Rapid Access Service - Mid and South Essex ICB	3,164	-
Winter beds - Mid and South Essex ICB	222	484
Other funding - Mid and South Essex ICB	71	36
Core funding - Hertfordshire and West Essex ICB	15	-
	7,114	5,587

All income from charitable activities relate to unrestricted funds. The core funding relates to a two year contract with the Mid and South Essex ICB which supports the Inpatient Unit, community care and bereavement. The expiry date of this contract was 31st March 2024.

Farleigh Hospice also receives additional funding from Mid Essex and South Essex ICB to support in reach services into the local hospital and support patients at home (Enhanced End of Life).

Funding is also received to provide care for those patients in the last three months of life who are rapidly deteriorating. Until 31st August 2023 this service was provided under the Rapid Access to End of Life Funding and was for domiciliary care only.

In the summer of 2023, a new service was launched, under the Rapid Access Service Farleigh Hospice now places patients in Farleigh Hospice inpatient beds or nursing home beds (from 1st August 2023) and carries out domiciliary care (from 1st September 2023) to rapidly deteriorating patients in the last three months of life.

This work is being carried out pending the signing of a new contract in early 2024/25. This contract will run until the 31st March 2027. It is expected that the core funding and the Enhanced End of Life funding will also run until 31st March 2027.

Farleigh Hospice has received funds from Mid and South Essex ICB to support admission avoidance and discharge planning during the winter of 2022/23 and the early part of 2023/24.

4 Income from other trading activities

	Unrestricted	All restricted	2024	Unrestricted	All restricted	2023
	£000	£000	Total £000	£000	£000	Total £000
Fundraising Events	248	5	253	174	9	183
	248	5	253	174	9	183

No restricted income events were held in 2024 (2023 none).

Income from Friends of Farleigh for the year is £5,000 (2023 £9,000) this is dealt with directly by the Friends and is held in

a restricted fund until a donation is made directly to Farleigh Hospice.

All other trading income is unrestricted.

5 Income from investments

	Unrestricted	All restricted	2024	2023
	£000	£000	Total £000	Total £000
Bank Interest	211	-	211	60
Income received on common investment funds	97	-	97	29
	308	-	308	89

All income from investments in the prior year relates to unrestricted funds.

6 Analysis of expenditure 2024

	Direct Costs		Support costs				2024	2023
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000	Total £000
Fundraising costs	865	41	15	45	49	6	1,021	915
Shops Costs	1,605	116	5	79	37	16	1,858	1,375
Lottery costs	3,879	231	147	145	215	10	4,627	4,283
Raising funds	6,349	388	167	269	301	32	7,506	6,773
Local Hospice Lottery Ltd donations to hospice care (Note 7)	8,146	-	-	-	-	-	8,146	6,884
Inpatient Care	2,491	73	23	20	35	10	2,652	2,218
Community Care	7,425	258	82	330	122	36	8,253	6,524
Bereavement	475	28	9	39	13	4	568	583
Education & Information	188	6	2	9	3	1	209	220
Charitable Activities	10,579	365	116	398	173	51	11,682	9,545
Total expenditure 2024	25,074	753	283	667	474	83	27,334	23,202
Total expenditure 2023	21,224	721	259	501	439	58	23,202	

Of the total expenditure, £27,109,000 was unrestricted (2023: £22,909,000) and £225,000 was restricted (2023: £294,000).

6 Analysis of expenditure 2023

	Direct Costs		Support costs				2023
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000
Fundraising costs	772	44	4	43	48	4	915
Shops Costs	1,384	103	2	43	34	9	1,575
Lottery costs	3,654	179	147	115	180	8	4,283
Raising funds	5,810	326	153	201	262	21	6,773
Local Hospice Lottery Ltd donations to hospice care (Note 7)	6,884	-	-	-	-	-	6,884
Inpatient Care	2,067	74	20	17	33	7	2,218
Community Care	5,772	282	75	242	127	26	6,524
Bereavement	490	32	9	35	14	3	583
Education & Information	201	7	2	6	3	1	220
Charitable Activities	8,530	395	106	300	177	37	9,545
Total expenditure 2023	21,224	721	259	501	439	58	23,202

Of the total expenditure, £22,909,000 was unrestricted (2022: £16,466,000) and £3,106,000 was restricted (2022: £2,290,000).

7 Local Hospice Lottery Ltd donations to hospice care

Local Hospice Lottery Ltd makes donations to other hospices to be used in accordance with Farleigh Hospice's charitable objectives. The other hospice's participating in the draw are listed below:

Dorothy House	- Bath, North and West Wiltshire & North East Somerset
East Anglia's Children's Hospice (EACH)	- Cambridge, Norfolk, Suffolk & North Essex
Garden House Hospice Care	- Letchworth and surrounding areas, North Hertfordshire
Haven House Children's Hospice	- North East London and West Essex
Helen & Douglas House	- Oxfordshire and surrounding counties
Isabel Hospice	- Eastern Hertfordshire
Jessie May Hospice	- Bristol and surrounding areas
Katharine House Hospice	- Stafford
Lewis Manning Hospice	- Poole, Dorset
Martlets	- Brighton and Hove
Mary Ann Evans Hospice	- Nuneaton, Warwickshire
North London Hospice	- Barnet, Enfield and Haringey
Peace Hospice	- Watford and surrounding areas, West Hertfordshire
Princess Alice Hospice	- Surrey, Middlesex and South West London
Prince of Wales Hospice	- Pontefract and surrounding areas, West Yorkshire
Rotherham Hospice	- Rotherham
Rowans Hospice	- Pontefract and surrounding areas, West Yorkshire
Sobell House	- Oxfordshire
Springhill Hospice	- Rochdale, Heywood and Middleton
St Elizabeth Hospice	- Ipswich
St Gemma's Hospice	- Leeds
St Joseph's Hospice	- North and East London
St Luke's Hospice	- Basildon and surrounding areas, South Essex
St Michael's Hospice	- North Hampshire
St Peter & St James Hospice	- Lewes and surrounding areas, East and West Sussex
St Wilfrids Hospice	- Chichester and surrounding areas, West Sussex
St Wilfrids Hospice	- Eastbourne and surrounding areas, East Sussex
Wakefield Hospice	- Wakefield and surrounding areas, West Yorkshire
Woking and Sam Beare Hospices	- North West Surrey
The Hospice of the Valleys	- Gwent
Children's Hospices Across Scotland (CHAS)	- Scotland
Highlands Hospice	- Highlands
Kilbryde Hospice	- Scotland
St Vincents Hospice	- Renfrewshire and surrounding areas
Strathcarron Hospice	- Stirling and surrounding areas

These hospices received donations within the following bands:

	2024	2023
Received donations between the values of £0 and £199,999	19	16
Received donations between the values of £200,000 and £399,999	11	11
Received donations above the value of £400,000	5	4
	35	31

8 Net expenditure for the year

This is stated after charging / crediting:

	2024 £000	2023 £000
Depreciation	154	152
Operating lease rentals:		
Property	350	290
Other	20	20
Auditors' remuneration (excluding VAT):		
Audit - Charity	15	15
- Subsidiaries	14	12
Tax and Accounts Preparation - Subsidiaries	4	4

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £000	2023 £000
Salaries and wages	9,121	8,266
Redundancy and termination costs	-	11
Social security costs	836	781
Employer's contribution to defined contribution pension schemes	630	580
	10,587	8,704

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2024 No.	2023 No.
£60,000 - £69,999	3	1
£70,000 - £79,999	5	5
£80,000 - £89,999	4	3
£90,000 - £99,999	1	-
£100,000 - £109,999	-	-

The total employee benefits including pension contributions and social security costs of the key management personnel were £718,388 (2023: £643,846).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Farleigh Hospice purchases Trustee Indemnity Insurance on behalf of the trustees at a cost of £5,060 (2023: £5,060).

No trustees were paid for travel expenses during the year. (2023: Nil).

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

		2024 No.	2023 No.
Raising funds	Fundraising	19	18
	Shops	54	45
	Lottery (Including management 2, finance 6 and HR 5)	62	65
Charitable Activities	Inpatient Care	34	29
	Community Care	120	120
	Bereavement	13	14
	Education & Information	3	3
Support and Governance	HR	7	6
	Management	2	2
	IT	8	7
	Finance	4	4
	Governance	1	1
		327	314

11 Related party transactions

Related party transactions are disclosed on page 21 of the Trustees' Report.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Local Hospice Lottery Ltd and Farleigh Supplies Limited gift aid available profits to the parent charity.

Their charge to corporation tax in the year was:

	2024 £000	2023 £000
UK corporation tax at 19% (2023: 19%) - Local Hospice Lottery Ltd	-	-
UK corporation tax at 19% (2023: 19%) - Farleigh Supplies Limited	-	-

13 Tangible fixed assets 2024 - The group

The Group	Freehold property £000	Short leasehold property £000	Furniture & computer equipment £000	Motor vehicles £000	Asset held for sale £000	Total £000
Cost						
At the start of the year	7,269	272	1,327	45	-	8,913
Additions in year	-	-	39	36	-	75
Disposals in year	-	(12)	-	-	-	(12)
Transfers in year	-	-	-	-	-	-
At the end of the year	7,269	260	1,366	81	-	8,976
Depreciation						
At the start of the year	1,516	271	1,280	19	-	3,086
Charge for the year	95	1	43	15	-	154
Eliminated on disposal	-	(12)	-	-	-	(12)
Transfers in year	-	-	-	-	-	-
At the end of the year	1,611	260	1,323	34	-	3,228
Net book value						
At the end of the year	5,658	-	43	47	-	5,748
At the start of the year	5,753	1	47	26	-	5,827

Land with a value of £149,368 (2023: £149,368) is included within freehold property and not depreciated.
All of the above assets are used for charitable purposes.

13 Tangible fixed assets 2024 - The charity

The Charity	Freehold property £000	Short leasehold property £000	Furniture & computer equipment £000	Motor vehicles £000	Asset held for sale £000	Total £000
Cost						
At the start of the year	7,269	272	1,034	45	-	8,620
Additions in year	-	-	-	36	-	36
Disposals in year	-	(12)	-	-	-	(12)
Transfers in year	-	-	-	-	-	-
At the end of the year	7,269	260	1,034	81	-	8,644
Depreciation						
At the start of the year	1,516	271	1,019	19	-	2,825
Charge for the year	95	1	12	15	-	123
Eliminated on disposal	-	(12)	-	-	-	(12)
Transfers in year	-	-	-	-	-	-
At the end of the year	1,611	260	1,031	34	-	2,936
Net book value						
At the end of the year	5,658	-	3	47	-	5,708
At the start of the year	5,753	1	15	26	-	5,795

Land with a value of £149,368 (2023: £149,368) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

14 Listed investments

	The group		The charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Fair value at the start of the year	2,349	239	2,349	239
Additions at cost	50	2,117	50	2,117
Net gain on change in fair value	113	(7)	113	(7)
Fair value at the end of the year	2,512	2,349	2,512	2,349
Investments comprise:				
	The group		The charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
COIF Charities Investment Fund	1,409	1,292	1,409	1,292
M&G Charifund	1,103	1,057	1,103	1,057
Investments in subsidiary companies	-	-	-	-
	2,512	2,349	2,512	2,349

The charity holds investments in its subsidiary companies totalling £200 (2023:£200).

15 Subsidiary undertakings (Local Hospice Lottery Ltd.)

The charitable company owns the whole of the issued ordinary share capital of **Local Hospice Lottery Ltd**, a company registered in England (Company Number 03226004). The subsidiary is used for non-primary purpose trading activities.

Its principal activity is the promotion and running of a lottery in aid of Farleigh and other hospices across the country.

All activities have been consolidated on a line by line basis in the statement of financial activities.

Available profits are gift aided to the charitable company.

A summary of the results of the subsidiary is shown below:

Local Hospice Lottery Ltd.	2024	2023
	£000	£000
Turnover	13,998	12,259
Direct costs	(2,890)	(2,823)
Gross profit	11,108	9,436
Administrative expenses	(1,606)	(1,335)
Donation to other hospices	(8,146)	(6,884)
Licence Fees to other hospices	(131)	(125)
Operating profit	1,225	1,092
Interest receivable	50	9
Profit on ordinary activities	1,275	1,101
Donation to parent undertaking	(1,207)	(1,022)
Retained profit for the financial year	68	79
The aggregate of the assets, liabilities and funds was:		
Assets	3,041	2,684
Liabilities	(2,973)	(2,605)
Funds	68	79

15 Subsidiary undertakings (Farleigh Supplies Limited)

The charitable company owns the whole of the issued ordinary share capital of **Farleigh Supplies Limited** (Company number: 02576518), a company registered in England. The subsidiary is used for non-primary purpose trading activities.

Its principal activity is the buying and selling on of new goods primarily to Farleigh Hospice.

All activities have been consolidated on a line by line basis in the statement of financial activities.

Available profits are gift aided to the charitable company.

A summary of the results of the subsidiary is shown below:

Farleigh Supplies Limited	2024	2023
	£000	£000
Turnover	49	41
Cost of sales	(43)	(35)
Gross profit	6	6
Administrative expenses	(20)	(13)
Other operating income - gift aid commission	21	17
Profit on ordinary activities	7	10
Donation to parent undertaking	-	-
Retained profit for the financial year	7	10
The aggregate of the assets, liabilities and funds was:		
Assets	21	18
Liabilities	(14)	(8)
Funds	7	10

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2024	2023
	£000	£000
Gross income	14,087	11,366
Result for the year	(476)	(698)

17 Stock

	The group		The charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Goods for resale	9	11	-	-
	9	11	-	-

18 Debtors

	The group		The charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Taxation recoverable	110	86	110	86
Other debtors	497	489	313	333
Prepayments	458	344	352	276
Accrued income	166	396	166	396
Group undertakings	-	-	16	29
	1,231	1,315	957	1,120

19 Investments

	The group		The charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Cash on deposit more than three months	3,264	1,863	2,011	1,863
	3,264	1,863	2,011	1,863

20 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade creditors	1,414	983	681	401
Taxation and social security	208	194	160	146
Other creditors	234	224	191	189
Accruals	308	272	241	206
Group undertakings	-	-	5	2
Deferred income	2,176	1,943	96	91
	4,340	3,616	1,374	1,035

21 Deferred income

Deferred income relates to monies received for events, services and lottery draws that are yet to take place.

	The group		The charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Balance at the beginning of the year	1,943	1,550	91	26
Amount released to income in the year	(1,943)	(1,548)	(91)	(24)
Amount deferred in the year	2,176	1,941	96	89
Balance at the end of the year	2,176	1,943	96	91

22 Pension scheme

Further details of the Farleigh Hospice pension schemes are given in note 1r. At the year end there were 60 (2023: 57) members of the NHS scheme and there were 236 (2023:213)

members of the other arrangements. All contributions relating to 2023/24 were paid over to the relevant providers by the end of April 2024.

23 Analysis of group net assets between funds 2024

	General funds £000	Designated funds £000	All Restricted funds £000	Total funds £000
Tangible fixed assets	-	3,576	2,172	5,748
Investments	2,114	-	398	2,512
Net current assets	4,427	212	126	4,765
Net assets at the end of the year	6,541	3,788	2,696	13,025

23 Analysis of group net assets between funds 2023

	General funds £000	Designated funds £000	All Restricted funds £000	Total funds £000
Tangible fixed assets	-	3,583	2,244	5,827
Investments	1,972	-	377	2,349
Net current assets	4,928	212	203	4,343
Net assets at the end of the year	6,900	3,795	2,824	13,519

24 Movements in funds 2024

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,667	-	(57)	-	1,610
[B] Lantern Suite Fund	474	-	(13)	-	461
[C] Big Lottery Fund	103	-	(2)	-	101
[D] Walter Farthing Fund - Permanent	377	21	-	-	398
	2,621	21	(72)	-	2,570
Restricted income funds:					
[E] Restricted legacy, donation and grant funds	90	71	(130)	-	31
[F] Farleigh Homecare Fund	4	-	-	-	4
[G] Friends of Farleigh	4	5	(7)	-	2
[H] Maldon Fund	105	-	(16)	-	89
	203	76	(153)	-	126
Total restricted funds	2,824	97	(225)	-	2,696
Unrestricted funds:					
Designated funds:					
[I] Fixed Asset Fund	3,583	-	(82)	75	3,576
[L] Farleigh in Maldon Fund	212	-	-	-	212
Total designated funds	3,795	-	(82)	75	3,788
[K] Unrestricted income funds - general reserves	6,900	26,743	(27,027)	(75)	6,541
Total unrestricted funds	10,695	26,743	(27,109)	-	10,329
Total Funds	13,319	26,840	(27,334)	-	13,025

All transfers relate to Fixed Assets which are reported as designated funds.

24 Movements in funds 2023

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,724	-	(57)	-	1,667
[B] Lantern Suite Fund	487	-	(13)	-	474
[C] Big Lottery Fund	105	-	(2)	-	103
[D] Walter Farthing Fund - Permanent	386	-	(9)	-	377
	2,702	-	(81)	-	2,621
Restricted income funds:					
[E] Restricted legacy, donation and grant funds	181	111	(202)	-	90
[F] Farleigh Homecare Fund	4	-	-	-	4
[G] Friends of Farleigh	3	9	(8)	-	4
[H] Maldon Fund	117	-	(12)	-	105
	305	120	(222)	-	203
Total restricted funds	3,007	120	(303)	-	2,824
Unrestricted funds:					
Designated funds:					
[I] Fixed Asset Fund	3,637	-	(80)	26	3,583
[L] Farleigh in Maldon Fund	212	-	-	-	212
Total designated funds	3,849	-	(80)	26	3,795
[K] Unrestricted income funds - general reserves	7,320	22,434	(22,828)	(26)	6,900
Total unrestricted funds	11,169	22,434	(22,908)	-	10,695
Total Funds	14,176	22,554	(23,211)	-	13,519

All transfers relate to Fixed Assets which are reported as designated funds.

Purposes of restricted funds

- [A] The New Farleigh Fund was set up specifically to fund the construction and equipping of the hospice building in Chelmsford.
- [B] The Lantern Suite Fund refers to funds raised to build and equip the Lantern suite extension to the hospice.
- [C] The Big Lottery Fund grant relates to the funding of a healing garden at the hospice.
- [D] The Walter Farthing Fund are endowed funds held to generate unrestricted income for general charitable purposes.
- [E] Farleigh Hospice receives a number of legacies, donations and grants that where the donors restrict their purposes. These are accounted for separately but collated for reporting purposes.
- [F] The Farleigh Homecare fund is set up to specifically support patients staying at home and is used for equipment purchases and hardship funding.
- [G] The Friends of Farleigh funds are those held directly by the Friends of Farleigh support group. Farleigh Hospice does not have direct access to these funds until they are paid across as a donation.
- [H] The restricted Maldon fund represents funds donated specifically for the refurbishment of running of the Maldon premises.

Purposes of designated funds

- [I] The Fixed Asset Fund represent funds which have been designated to cover the value of Fixed Assets.
- [J] The Members Guarantee Fund balance £235 (2023:£200) represents funds received in advance to cover the members liability if the charity was to be wound up.
- [L] The trustees have designated a specific fund to provide funding towards the refurbishment/running of the new day hospice premises in Maldon.

Purposes of unrestricted general funds

- [K] Unrestricted general funds are held to bridge the gap between income and expenditure and to cover any unplanned events.

25 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2024	2023
	£000	£000
Net expenditure for the reporting period (as per the statement of financial activities)	(607)	(650)
Depreciation charges	154	152
Dividends and interest from investments	(308)	(89)
(Profit)/loss on the disposal of fixed assets	-	(31)
(Increase)/Decrease in stocks	2	(5)
Decrease/(increase) in debtors	84	958
Increase in creditors	724	642
Net cash provided by operating activities	49	977

26 Analysis of cash and cash equivalents

	At 1st April		At 31st March	At 1st April		At 31st
	2023	Cash flows	2024	2022	Cash flows	March 2023
	£000	£000	£000	£000	£000	£000
Cash at bank and in hand	1,961	(877)	1,084	1,486	475	1,961
Notice deposits (less than 3 months)	3,809	(292)	3,517	4,269	(460)	3,809
Total cash and cash equivalents	5,770	(1,169)	4,601	5,755	15	5,770

27 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2024 £000	2023 £000	2024 £000	2023 £000
Less than one year	326	290	21	9
One to five years	813	716	57	-
Over five years	-	25	-	-
	1,139	1,031	78	9

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2024 £000	2023 £000	2024 £000	2023 £000
Less than one year	262	238	21	9
One to five years	550	716	57	-
Over five years	-	25	-	-
	812	979	78	9

28 Capital commitments

There were no capital commitments at the balance sheet date. (2023: £30,000).

29 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5. Members pay guarantee funds in advance and they are held in a separate designated fund.



Thank you.

It is because you care that we can



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FARLEIGH HOSPICE

England & Wales - Charity number 284670

Accounts



**Farleigh
Hospice**

Report and financial statements

For the year ended 31st March 2023



farleighhospice.org

Company Number: 01619905 Charity Registration No: 284670

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Reference and administration information

Company number 01619905 (incorporated in England and Wales)

Charity number 284670 (registered in England and Wales)

**Registered office
and operational address**
Farleigh Hospice
North Court Road
Chelmsford
ESSEX CM1 7FH

Trustees: Trustees who are also directors under the company law, who served during the year and up to the date of this report were as follows:

Dr David Blainey	Resigned 14th November 2022
Emma-Jane Carrington	(3) (5)
Nic Crisp	Resigned 31st May 2023
Tracey Dickens	(5) Appointed 9th January 2023
Elizabeth Fox	(1)
Wanda Hamilton	Resigned 30th January 2023
Dr Ranjith Joseph	Resigned 14th November 2022
Mark Leach	(2) (3) Appointed 9th January 2023
Katie Lockwood	(1) (6) Chair COGC
Dr Donald McGeachy	(1) (6) Chair CLGC
Jim Miller	Resigned 14th November 2022
Joanna Pittman	(4) (6) Chair FGC
Caroline Russell	(1)
Emma Sayers	Resigned 14th November 2022
Richard Shail	(5) (6) Chair LHLL
Keith Spiller	(1) (2) (3) (4) (5) (6) Chair, Chair BGC, Chair FSL
Christopher Tilley	(4) Appointed 15th May 2023

**Independent director of
Local Hospice Lottery Ltd:** David Newman (5)

Subsidiary boards and committees:

- (1) Clinical Governance Committee (CLGC)
- (2) Corporate Governance Committee (COGC)
- (3) Farleigh Supplies Limited Board (FSL)
- (4) Financial Governance Committee (FGC)
- (5) Local Hospice Lottery Ltd Board (LHL)
- (6) Board Governance Committee (BGC)

Reference and administration information

Key management personnel: Farleigh Hospice

Sarah Green	Chief Executive (1) (2) (4) (5) (6) Appointed 12 th June 2023
Alison Stevens	Chief Executive Retired 18 th June 2023
Sharon Ellingham	Finance Director, Company Secretary (2) (3) (4) (5) (6)
Irene Ferguson	Corporate Services Director (2)
Pauline Harvey-Jones	Commercial Director (4)
Dr Eva Lew	Medical Director (1)
Ellie Miller	Director of Care (1) Appointed 12 th September 2022
Dr Matthew Sweeting	Director of Care, Resigned 27 th May 2022

Local Hospice Lottery Ltd

Gary Hawkes	Chief Executive Officer (5) (6)
Stephen Cain	Finance and Operations Director (4) (5)

Bankers:

Lloyds Bank plc	79/80 High Street Chelmsford Essex CM1 1DU
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Solicitors:

Bates Wells	10 Queen Street Place LONDON EC4R 1BE
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Auditors:

Crowe LLP Fourth Floor Statutory Auditor	St James House St James Square Cheltenham GL50 3PR
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Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31st March 2023.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This Trustees' Annual Report includes a directors' report as required by company law.

Objectives and activities

Purposes and aims

The 2022/23 financial year marked the start of our new 2022-2026 strategy of “**One Team with One Core Purpose**” which was created to build upon the success of our 2018-2022 strategy. The strategy has three main aims;



- TO INSPIRE:**
- Supporters and funders to support our work
 - People to join and excel as part of our workforce
 - Others to collaborate with us to provide the best possible care and support for our community

- TO INNOVATE:**
- In our service delivery, involving patients and families in service design
 - In generating income for sustainable hospice
 - In how we use our resources

- TO INVEST:**
- In the growth and development of our hospice
 - In technology and systems to be at the forefront of hospice care
 - Be creative in how we invest in supporting and developing our workforce



The strategy was devised in consultation with stakeholders, partners, internal teams and Trustees. As we recover from the effects of Covid-19, this strategy aims to ensure that the hospice is fit for the future and we have one team working together on a core purpose of ensuring the provision of inclusive, individualised palliative care.

Alongside the charitable objects, Farleigh Hospice operates in line with its vision, mission and values as appear in the illustration shown here.

Activities

Each year a detailed operational plan is developed outlining the short-term actions that will assist in the achievement of the overall strategic objectives.

The charity's main activities, and whom it tries to help, are described below. All its charitable activities focus on those affected by life limiting illnesses or bereavement and are undertaken to further Farleigh Hospice's charitable purposes for the public benefit.

The trustees have chosen to report their activities under a number of headings. Broadly speaking these headings reflect where our users access the service. Each of these services is supported by medical, allied health professionals and ancillary staff whose costs are apportioned in the accounts to the service on the basis of time spent.

Inpatient Unit

A ten-bed Inpatient Unit (IPU) operates in Chelmsford to provide short term care for those who need help with symptom control, rehabilitation to build confidence or respite care and to provide a place for those who are dying and wish to be in the hospice. All the ten beds are ensuite single rooms, two of which are 'flats' that are used for rehabilitation, younger patients or for families to stay with the patient.

During the year operation of the Inpatient Unit gradually returned to normal as it recovered from being closed during the pandemic. It continues to align with national trends where many more people are being cared for at the end of their lives at home. In 2022/23 the Virtual Ward service Farleigh Hospice continued to offer patients overnight nursing care at home, this means that it is only complex patients that are admitted to the Inpatient unit. In the first six months of the year there were typically between 4 and 6 beds open and there was rarely a waiting list. In September 2022 IPU capacity was increased to 10 beds. The additional 4 beds were commissioned as 'Winter Beds' to support admission avoidance and hospital discharges from the acute Hospital. This project was a combined effort between the Head of Nursing and IPU Medical team and staff, with support of the Operational Team.

In common with the wider healthcare sector there continued to be problems with staffing on the Inpatient Unit during the year. The unit is dependent on a number of regular agency staff the safety of which is kept under regular review.

During the year IPU has cared for 225 patients, up from the 110 in the previous year.

Community Care

Community services are delivered by three locality based multi-disciplinary community teams for North, South and Central areas in mid Essex. Each team is led by a Locality Care Team Manager and has an integrated team of professionals and care staff – sharing expertise and providing the wide range of skills that would benefit the care and support of patients and families. The ethos of the approach was 'One Team' of patient facing clinicians with standardised processes.

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This structure aligns with local NHS services, which are now organised in Primary Care Networks (PCNs) and offers opportunities to connect and work more closely with primary care and community colleagues within each locality.

These multi-disciplinary teams include Hospice at Home Health Care Assistants, Community Registered Nurses, Farleigh Clinical Nurse Specialists, Physiotherapists, Occupational Therapists, Social Workers, Family Support Workers and specialist posts, such as the Motor Neurone Disease (MND) Co-ordinator, working together in Locality Care Teams. Domiciliary Care Agencies are also involved in supporting the teams with personal care.

Referrals for community support are received directly into the Locality Team and assigned to the most appropriate health care professional. From 2021/22 to 2022/23 there was a 5% increase in the number of referrals accepted, and a 13% overall rise from the beginning of the pandemic. The main referral source remains the hospital, with GP's second. The Locality Teams continue in their commitment to the provision of specialist services to their shared caseload of patients. Each locality team responds appropriately to incoming calls made to the hospice's advice line. This line is staffed by a team of specially trained navigators supported by specialist nurses. During the year the hospice received 28,000 incoming calls.

The award-winning Virtual Ward initiative continued to operate in 2022/23 as the Hospice recovered from the impacts of the pandemic to full, normal operation. This is short-term care including an overnight service allowing patients to be cared for and to die at home. It helps avoid admission into hospital as end of life care is available 24/7. This service allowed many more people to die in the comfort of their own home. When the Inpatient Unit re-opened the clinical staff were very keen for this service to continue to ensure patient choice, and the trustees allocated charitable funds for it to continue. During the year 110 patients were admitted to the Virtual Ward with an average length of stay of 6 days. No patients were admitted to hospital whilst being cared for on the Virtual Ward.

Farleigh Hospice is contracted with Mid and South Essex Integrated Care Board (ICB) to provide personal care to those who are rapidly deteriorating and in the last three months of their life. This service is staffed by Farleigh Hospice at Home, Registered Nurses and Health Care Assistants with support from Domiciliary Care agencies who carried out a significant amount of care. In the period April 2022 to March 2023 the Hospice at Home staff delivered 31,161 (2022: 30,185) care hours supported by Domiciliary Care Agencies who delivered 58,933 (2022: 38,247) care hours.

Community services also includes Rapid Assessment & Discharge (RADs) team who ensure end of life care patients in hospital are rapidly identified, assessed and moved to the most appropriate place for their ongoing care. During the year the service received 268 referrals.

All community and Inpatient services are supported by a highly specialised medical team including five palliative care consultants.

The Farleigh Helpers befriending service was set up in September 2021 and celebrated its first birthday in September 2022. Part funded by the Essex Community Foundation, the service has gone from strength to strength, helping over 70 people in the local community to access support and friendship from one of our volunteer befrienders. Referrals to the service can be received internally from other Farleigh services or externally via Social prescribers, GPs or self-referral. Calls are generally arranged on a weekly basis and excellent feedback has been received from service users and volunteers.

Bereavement

Bereavement support continues to be available to adults through the CIRCLE program (age 18+), while children and young people are supported through the Yo-Yo Project initiative (age 4-18). It has been a period of adjustment over the past year as we moved out of Covid restrictions and a model of only offering telephone or virtual support, into a new hybrid way of working. Support is now offered flexibly with a choice of face-to-face, online and telephone sessions available.

Delivery of the service is by a core team of counselling and therapeutic professionals, with support from a large number of internally trained volunteers.

Throughout 2022/23, the bereavement service has adapted to deliver a programme of solution focused bereavement support with a grant of £100,000 from Essex County Council. The grant funded a project to provide short term solution focused bereavement support for anyone resident in the mid-Essex area. This programme called Living with Grief was devised and offered adults up to 8 sessions of individual counselling or support plus 6 sessions of psycho-educational group support. Children aged 10+ were offered up to 8 sessions of individual support or counselling and access to the other groups offered by the Yo-Yo Project. Over 390 people were supported (the grant set a requirement of 301) with 4 new team members joining to focus on this work.

Referrals into the Yo-Yo Project increased by over 10% compared to 2021-22. There has now been a 75% increase in referrals to the children and young people's service since 2020.

Specialist training to local schools and health/social care professionals (internal and external) has also continued during the last year. This approach helps people who work with or encounter bereaved people to have a greater understanding of the needs of the bereaved and how they can support them.

Education and Information Services

The Education Team at Farleigh Hospice supported internal and external education. They continued to work alongside the nursing teams in the IPU and the three locality care teams. The Education team offered role modelling, expert advice and opportunities for competency witnessing and sign off. The Principles of the Palliative Care Course has continued to be delivered throughout the timeframe, capturing new staff within their first few months of employment, and a minority of existing staff who had not previously been able to attend. This has helped the team to ensure that everyone commencing clinical roles at Farleigh has the opportunity to be prepared for their role, and to help standardise understanding of the complexities of palliative care.

The new Advanced Palliative Care Course, which has been designed to support progress from Trainee Clinical Nurse Specialist (CNS) to full CNS, and upskill other existing staff, is well under way now, and has been receiving excellent evaluations. The Trainee CNSs are reaching the halfway point in their two-year programme, and are supported in practice and through supervision, by the Education Team in conjunction with the Head of Nursing and Clinical Quality.

Sessions preparing registered Nurses to become competent at verifying expected deaths have been run regularly to upskill staff in this important area, which also involves competency sign off by the Education Team.

Externally, the team have been equally busy. The ongoing programme of end of life teaching for the Provide community team has continued, although attendance is not always as high as it could be due to the ongoing problems associated with the Covid-19 pandemic and its impact on staffing levels. The Head of Education and Research has recently published a guide to end of life care for non-specialist nurses in the Nursing Standard, designed to support the community teams in giving end-of-life care, and underpinning the teaching given to the Provide team.

Collaborative working with Essex County Council and two other local hospices to provide teaching to Domiciliary Care Agencies has also continued during the last year. This programme has been modified to be suitable to teach carer's working with adults with learning disabilities, and the adaptation of the project will be showcased at this year's Hospice UK conference in Glasgow.

The Education Team continue to be active within the Mid and South Essex (MSE) education work stream group, and have been central to the DNACPR teaching programme, which aims to upskill senior nurses across the whole MSE in the completion of timely DNACPR forms.

Local Hospice Lottery Ltd

Local Hospice Lottery, providing additional funding and opportunities for growth by inspiring people to support their local hospice in a fair, open and affordable way.

2022/23 was the third year of Local Hospice Lottery's new Strategy, 'Inspiring Commitment'. This plan defines the purpose of Local Hospice Lottery as being:

"Local Hospice Lottery exists to be the leading lottery for hospices, providing additional funding and opportunities for growth by inspiring people to support their local hospice in a fair, open and affordable way".

It identifies the values of the organisation as being: Supportive, Fair, Professional and Ambitious and lists the strategic pillars as: Supporting local hospices, Inspiring Membership; Enhancing our product; Valuing our people; Developing new routes to membership and Diversifying the business.

Over the period of the plan, the key financial objective is to almost double the contribution to hospice care from a total of £22 million in the preceding five-year period to a total of £40 million for the five years to 2024/25.

The number of players in the weekly draw at the end of 2022/23 was 236,466. During the year, four new hospice partners joined Local Hospice Lottery bringing the total of hospices supported (including Farleigh Hospice) to 32.

Fundraising

Farleigh Hospice raises money in a variety of ways. The single most significant source of fundraised income is from legacy gifts with in Memory income growing and now significant at just under £0.5m.

During 2022/23 Farleigh Hospice offered a full range of activities including open gardens, Christmas Tree recycling and Walk for Life. The London Marathon continues to be a superb income generating area raising over £0.14m. Other forms of fundraising, including community, have seen good growth with a change of emphasis onto individual challenges and personal support. Large-scale events are still showing less income than pre-pandemic, although this is an historic decline and seen by many other charities. In common with other charities Farleigh Hospice has also seen a marked decline in Appeal income despite including digital options alongside the normal ways to donate. Cycle for Life in 2022 was sadly cancelled as it was the weekend following the death of the late Queen Elizabeth II.

The team continue to successfully apply for grants and trusts with funds being received for core funding alongside a number of specific projects including the Virtual Ward, cuddle beds for the IPU and electric charging points.

Retail

Farleigh Hospice has fifteen stores across Mid Essex and the stores receive donations of clothes, bric-a-brac and furniture. The donated items are sold in the stores and warehouses, online, or where not suitable for resale, are sold as recyclable items through a recycling agent. Farleigh Supplies Limited sells new goods (mostly cards) and operates a retail gift aid scheme on behalf of Farleigh Hospice. During the year Farleigh Hospice opened a second warehouse in Maldon.

The Farleigh retail team had their best ever year in 2022/23 in terms of income with a net contribution of over £0.33m over 3 times the contribution in the previous years. This has been led by many individual stores having their best ever year of sales alongside the development of the second clearance warehouse in Maldon. The warehouse concept has been very successful.

Friends of Farleigh

Friends of Farleigh are a support group who control their own funds and make donations to Farleigh Hospice periodically.

Volunteers

Volunteers make a huge contribution to Farleigh Hospice. There are over 700 regular volunteers registered, there are many more who give their time on a more ad-hoc basis for example at events. Using the number of volunteers, their average hours worked and an appropriate hourly pay rate the value of their contribution (in a year with no pandemic restrictions) is estimated to be in excess of £1.0m. Volunteers assist in many other ways apart from retail. Roles include, working as part of the welcome team, in the bereavement team, in the Courtyard Café, in the garden and in supporting fund raising. Obviously, many of our volunteers were unable to carry out their duties whilst shops were shut or they were not able to come to the Farleigh Hospice buildings during the lockdowns. However, in most cases these volunteers are now back volunteering their valuable time. The trustees thank every one of them for their support and continued loyalty to Farleigh Hospice.

Strategic report

Achievements and performance

Impact of Farleigh Hospice's charitable activities

The trustees take care to ensure that limited charitable resources are directed to where they will have most impact. The activities section at the start of this report shows the variety of services Farleigh Hospice offers and the number of people accessing those services. This work has a huge amount of impact on an ongoing basis across the local community. Key metrics to show the amount of work carried out across Farleigh Hospice teams are as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23
Total people cared for	3,979	4,482	4,371	4,067	4,142
Accepted Referrals (excluding bereavement)	1,292	1,232	1,390	1,603	1,573
% of patients with a non cancer diagnosis	34	37	38	39	43
% preferred place of death achieved	80	84	91	88	90
Number of other hospices supported by Local Hospice Lottery	23	22	26	28	31

This is the first year of Farleigh Hospice's new strategy 'One Team with One Core Purpose'. Each year the trustees also review impact by considering a particular focus. This year impact is focused on how the Farleigh team work together and collaboratively to deliver impact as one team with one core purpose. Since the pandemic Farleigh Hospice has curtailed some of its lighter touch work which has resulted in a slight fall in the number of people cared for. Resources are focused on caring for those in the last three months of life or bereaved.

Inpatient Unit Winter Beds

As a result of additional funding the Inpatient Unit (IPU) opened an additional 4 winter beds. This was to help out the local acute hospitals through the very difficult winter where demand was exceeding capacity. These beds were to support hospital avoidance and admission discharges. This project was a combined effort between the Head of Nursing, IPU staff and the Medical team. They were supported by domestic and catering teams. The team were united in a desire for people to have a better experience at the end of their life. So much so that they were able to open the beds at short notice 3 days before the official start date. Working with the RADs team and IPU staff the IPU team were able to bring patients out of A&E and divert ambulances waiting at A&E. During the year these winter beds admitted 85 patients. Although at times patients were on the IPU for a short time families were very grateful to be admitted to the IPU where they felt so well looked after. As one family member of an IPU patient explains:

"To all the extraordinary staff at Farleigh. Losing my sister, at the age of 43 was the worst thing I've ever experienced, but your care, your compassion, the beautiful gardens and the atmosphere you create at your hospice, made all the difference. I hope you know how much you are appreciated - every one of you. Kind regards and thank you so much".

Multi-disciplinary locality teams

Farleigh Hospice staff from a wide range of specialties work collaboratively bringing their skills and experience together to work as one team. This allows for timely support to patients and carer's when they need it without the need for an internal referrals process. Daily team meetings discuss new referrals, complex cases and those that require intensive interventions in order to best support individual issues such as symptom management, emotional and psychological interventions. Regular caseload meetings with the Farleigh Hospice Palliative Care Consultants are also held. Clinicians from the relevant Locality Care Team attend Gold Standards Framework meetings with local GP surgeries. Stronger links have also been forged with the local District Nursing Teams with regular meetings taking place to provide a more seamless service to patients in the community.

Within these multi-disciplinary teams Farleigh staff together with those from Domiciliary Care Agencies to deliver personal care for those in the last three months of their life. They are able to call on the different specialisms from within the multi-disciplinary teams to quickly address any additional needs the patients may have. One relative explained how much this care meant to them:

"...And finally, to these truly remarkable ladies (and gent) that made up the Farleigh Hospice Care Team - they will be forever known as the lovely ladies in our house. No words would ever be enough to thank them - not only did they keep Mum comfortable & clean - they also made her laugh & kept her happy in her final few weeks. They also patiently put up with Dad's very lengthy stories and pretended to be excited about bundles of produce that he insisted on giving them! You are all amazing - thank you from the bottom of my heart."

Living with Grief

A new programme called Living with Grief funded by Essex County Council was devised and offered adults up to 8 sessions of individual counselling or support plus 6 sessions of psycho-educational group support. Children aged 10+ were offered up to 8 sessions of individual support or counselling and access to the other groups offered by the Yo-Yo Project. Over 390 people were supported during the year with 4 new staff joining the team.

The small core bereavement team has worked together to support this new work in order that more people can have bereavement support. Bereavement counselling has a positive impact on people's lives as one recipient sets out below:

"I wanted to write and express my heartfelt thanks for the massive difference this (Bereavement counselling) has made to me. When I started the sessions, I was completely at sea with where I was going with my life and was so terribly sad, I was finding it difficult to function. This helped me to understand those feelings and to work with them so that I have been able to begin to move on with my life and find some new purpose"

40th birthday celebrations

During the year Farleigh Hospice continued to celebrate its 40th birthday many of these celebrations, including a staff 80s party, were an opportunity to bring staff together and celebrate what Farleigh means to them and how staff feel about contributing to the core purpose of the hospice. A social media campaign 40 stories for 40 years included stories from those working and volunteering for Farleigh. In his story Farleigh Hospice's Facilities Manager Mark said:

"Working at Farleigh brings me a huge amount of job satisfaction. Although I am not a patient-facing member of staff, what I do directly helps patients and supports out clinical staff and knowing that I have made a difference to them is incredibly rewarding"

Local Hospice Lottery Ltd (LHL)

LHL remains one of the most successful examples of collaboration in the hospice movement. By working together, hospices are able to minimise the costs of running a lottery, thus maximising the amount that can ultimately be used for patient care. Partner hospices are also able to benefit from LHL's expertise in marketing and player recruitment. Each year LHL runs a partner conference where hospices can come together to share ideas.

Irene McKie, Chief Executive of Strathcarron Hospice outlines how important the LHL partnership is to their hospice.

"Local Hospice Lottery has provided a significant reliable income stream that helps us deliver our services. They have expertise and take on risk that would be hard to replicate in one individual hospice. The impact of this income has been hugely important to us."

Local Hospice Lottery will be looking to continue the implementation of the Strategic Plan. In particular LHL will be reviewing the level of membership that can be expected in the areas of existing hospices and the organisational capacity to recruit further hospices. LHL will also look to improve efficiency and effectiveness by using Business Improvement techniques across the whole organisation.

Fundraising

Farleigh Hospice is registered with the Fundraising Regulator and complies with the Code of Fundraising Practice and Fundraising Promise. All fundraisers are aware of the need to act ethically in accordance with the Code of Fundraising Practice and Farleigh Hospice values. They are particularly sensitive to the vulnerability of those who use Farleigh Hospice services.

The Financial Governance Committee has specific delegation from the Board to review fundraising activities. It receives reports from the Farleigh Hospice Commercial Director and LHL Finance and Operations Director at each meeting. In addition, management accounts showing performance against budget and prior year are reviewed. Any significant changes to fundraising expenditure are approved at Financial Governance Committee meetings. A summary of these discussions is notified to the full board. Trustees are actively involved in fundraising with many attending the large-scale events and representing Farleigh Hospice at other events, when they are able to take place. Each trustee acts as a buddy to their local shop and in normal times visits to support.

In 2022/23 there was one complaint relating to Farleigh Hospice's activities in Mid Essex. In 2021/22 there were no complaints received. Where complaints are received they are all investigated fully and resolved where possible, in accordance with the Farleigh Hospice complaints policy. All complaints related to fundraising are reviewed by the Executive Team and the Financial Governance Committee.

Farleigh Hospice is signed up to the Fundraising Preference Service which enables individuals to opt out of receiving fundraising communications from Farleigh Hospice. There were three requests to opt out of communications in 2022/23 (2022: Four).

Farleigh Hospice does not employ third party professional fundraisers or commercial participators and therefore does not need to regulate their activities, Local Hospice Lottery has relationships with a number of professional fundraisers. These are monitored in line with the relevant fundraising and gambling regulations. Local Hospice Lottery is registered with the Fundraising Regulator, licensed by the Gambling Commission and is an organisational 'Dementia Friend'.

Investments

The Financial Governance Committee regularly reviews the investment policy. During the year the trustees have placed additional funds into pooled investment schemes with both CCLA and M&G. The aim of this is to offset the impact of inflation on the charities funds held in cash deposits. The performance of these funds is regularly reviewed by the Financial Governance Committee. Farleigh Hospice keeps funds for short-term needs in deposit accounts and short-term cash deposits.

Achievement of goals set for the 2022/23 financial year

- **Building of a sustainable workforce using creative solutions to ensure the workforce of the future.**

Farleigh Hospice took an innovative approach in many areas when reviewing particularly difficult areas to recruit to. During the year the role of Virtual Clinical Nurse Specialist (VCNS) was introduced to support the wider clinical teams. The idea came to support the CNS roles as recruitment was proving to be challenging. By creating the Virtual CNS role, the recruiting pool of candidates became wider – national in fact meaning a wider skillset of staff employed.

Eight VCNS staff were successfully recruited; they are now fully integrated as part of the one team approach. Their virtual presence daily enables onsite staff to have more capacity to attend home visits. The VCNS project will be presented by our Head of Education at the European Association for Palliative Care (EAPC) International Congress in Rotterdam in June 2023.

- **Development of the virtual ward model to care for more people in their own homes and supporting people to die well at home.**

Farleigh Hospice has continued to deliver a Virtual Ward service for patients who require additional support due to increased symptom burden at end of life, carer crisis or to bridge the gap for those needing to move into 24-hour care either in our Inpatient Unit (IPU) or a care home. Up to 24 hours of care are provided for a maximum of two weeks, to enable these patients to be cared for at home. This care is provided by Healthcare Assistants and agency registered nurses and carer's dependent on the needs identified. This service allows Farleigh Hospice to support people's wish to stay in their own homes when their needs increase. These patients would otherwise need to be transferred to hospital, care home or IPU to manage their care.

During 2022/23 this service has been sourced entirely from savings made whilst the IPU was closed. In order to continue this very valuable service for the people of Mid Essex it will be necessary to raise funds externally.

- **Expansion of 'green' initiatives to further reduce the hospice's carbon footprint.**

In the year 2022/23 Farleigh Hospice has disposed of 50,000 kg of waste of which 0 kg has gone to landfill. 40,000 kg has been diverted to be reused as fuel and 10,000 kg has been sent for recycling. This means that there has been a reduced carbon footprint from the previous year. The reduction of 1000 kg of CO2 emissions equates to 3.69 trees planted, half a car off the road and 0.65 houses powered. These small changes give Farleigh Hospice launchpad from which to further reduce its environmental impact and are nonetheless excellent for Farleigh and the wider environment. The hospice also composts all food and plant waste to use on our own allotment.

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- **Service re-design through monitoring and developing the patient experience listening to patient's stories and involving users in service design.**

During 2022/23 Farleigh Hospice worked with the Mid and South Essex Hospice Collaborative Partnership (HCP) to facilitate a population health needs assessment. Funding was provided for this project by Mid and South Essex ICB and Healthwatch Essex were commissioned to undertake a system wide 'Lived Experience survey' as part of the project. The HCP then completed a report setting out the national drivers and previously completed gap analysis utilising the findings of the report to identify areas for further service improvement. This report has been widely shared with all stakeholders and is incorporated into the work of the system wide Palliative and End of Life Programme Board.

Farleigh inpatient patient experience forms were revised in 2022 and rolled out to support the Winter Beds project, which commenced on the last two days of September 2022 through to 2023. Of the forms returned 100% of patients and relatives stated they were likely or extremely likely to recommend Farleigh Hospice, and that they were happy with the care they received.

- **Launch of a new strategic plan as part of the 40th birthday year celebrations.**

As set out at the beginning of this report Farleigh Hospice successfully launched a new strategic plan at the beginning of the financial year. In arriving at this new strategy Farleigh Hospice considered the views of a wide range of stakeholders including patients, carer's and bereaved clients. Relevant statistical data and trends were also reviewed alongside the strategic plans of our system partners. The resultant strategy has three key goals Inspire, Innovate and Invest. The strategy was launched publicly and externally in the Spring of 2022. The Chief Executive attended team meetings across the hospice to explain the strategy and how each team could contribute to its success.

- **Review and investment in income generation activities to support the new strategic plan.**

Alongside the new strategic plan, a detailed review of income generation activities was carried out. This also reviewed current trends in income generation. A review of current fundraising activities alongside the PR exposure they create has led to the launch of an exciting new mass participation event in 2023. Farleigh Hospice is also working with local partners to develop an Art Trail in future years. A new Warehouse was opened in August 2022 and there are plans for a new Chelmsford City Centre store in 2023. Business plans have been passed by the Board for two new commercial ventures in the form of a House Clearance business and a Deliver Digital development launching in 2023.

- **Plans for refurbishment/extension of the Maldon premises as a base for the South locality team and a community hub.**

Planning permission for the Maldon premises was granted in December 2022. This is for a full refurbishment of the ground floor of the property and an additional floor which will house a community café. Work has now commenced on preparing the necessary engineering plans to enable surveyors to fully cost the individual elements of the project and commence the tender of the rebuild with a view to the building works commencing in 2023, subject to funding being available.

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- **Investment in a new Human Resources database to make efficient use of resources and monitor workforce metrics.**

During 2022/23 a new payroll and HR database was implemented, this includes a new managed payroll service, people database, modules to support learning and development, expenses, e-rostering, talent management and recruitment. Since the implementation there has been a significant improvement in monitoring of the workforce matrix including live data on mandatory training compliance, sickness performance and management of annual leave.

- **Development of a leadership programme to ensure all leaders have the skills needed to lead the organisation into the future.**

The Leadership Development programme was launched in April 2022 with a cohort of 25 leaders. The focus is on developing inclusive, authentic and compassionate leaders. The programme is run alongside the East of England leadership Academy and aims to support the role Farleigh Hospice plays within the changing health economy.

Financial review

Result for the year

The overall result for the year is a deficit of £0.7m. Trustees had budgeted for a higher deficit for the 2022/23 financial year. Following on from two years of significant surpluses, due to additional government Covid funding for hospices, the trustees are reinvesting these funds into patient care.

The results above and in the detailed accounts later in this report show the overall group results. Figures for the Farleigh Hospice charitable group replacing the overall income and expenditure figures for Local Hospice Lottery Ltd with the net donation paid to Farleigh Hospice, are as follows:

	2022/23 £000s	2021/22 £000s
Income		
Donations and legacies	2,451	2,604
Charitable activities (NHS income)	5,587	5,561
Shop Income	1,908	1,401
Donation from LHL	1,066	1,173
Other fundraising activities	183	183
Investments	80	16
Other Income	75	112
Total Income	11,350	11,050
Expenditure		
Shop Costs	1,575	1,312
Fundraising Costs	915	767
Charitable Expenditure	9,545	7,764
Total Expenditure	12,035	9,843
Net gains on investments	(7)	19
Net income /(expenditure) for the year	(692)	1,207

Farleigh Hospice is unable to accrue profits from trading subsidiaries not paid over in the year. There were £79k of profits still to be paid over at the end of the financial year (2022 £44k).

Income

Total income for 2022/23 increased by £1.8m to a total of £22.6m.

Income from the Local Hospice Lottery Ltd (LHL) players increased by £1.4m to £12.3m, an increase of 13%. After offsetting £4.3m of costs associated with running the lottery and £7m in donations and fees to other hospices, LHL donations due to Farleigh Hospice are £1.1m, which is the same as for the 2021/22 financial year. The successful change in payment model to a £5 monthly option and the increase in partner hospices is expected to lead to larger profits in 2023/24 and beyond.

Income from donations (gifts) and legacies has decreased by £0.1m to £2.5m. Legacy income has remained the same as the prior year. The fall in the amount received from donations is largely due to a fall in income from grants and trusts. In 2021/22 there was a large £0.1m grant from Essex County Council for the Living With Grief programme. No large grants and trust amounts have been received in 2022/23. The most significant single income stream is donations in memory which raised £0.5m in 2022/23.

Shop income at £1.9m is up £0.5m on the previous year. One of the contributors to this significant increase in income is the opening of a second warehouse in Maldon during the year. Across almost all the shops there has been an increase in income, which is reflective of the hard work of the shop staff and the upturn in charity shop income which has been felt across the sector. Once overheads such as HR and IT are allocated to the shops net shop income is in excess of £0.3m which makes 2022/23 the most successful year ever for the retail team.

Charitable Expenditure

The Farleigh Hospice expenditure on its own charitable activities has increased to £9.5m, a 23% increase on the 2021/22 spend of £7.8m. There has been an increase in costs on the Inpatient Unit, of £0.6m as it was open for the full year and for 6 months of the year it was operating 4 extra beds. Costs of Community Care increased by £1m largely due to the increased costs of the Rapid Access to End of Life domiciliary care contract variation.

LHL donations to other hospices, to be used in accordance with Farleigh Hospice's charitable objectives, increased by £1.1m to £6.9m.

Reserves policy and going concern

All charities are required to consider how much they need to hold in reserves. The extent of these reserves varies depending on the scale and nature of the charity's activities. Farleigh Hospice provides a range of critical health services on which the population of Mid Essex depend. To fund these services, it is reliant on a number of fluctuating income streams from donations, legacies and shop and lottery profits. To enable Farleigh Hospice to meet its commitments to the community and provide key hospice services, it needs to maintain its level of reserves so that it can continue operations in the event that an unforeseen decrease in income or increase in costs results in a significant deficit.

During the initial part of 2020/21 the Farleigh Hospice reserve policy was tested as a result of the closure of shops and curtailment of fundraising activities due to the Covid-19 pandemic. The level of reserves was found to be adequate for a period of disruption roughly equal to the 18 months of reduced income that was traditionally provided for in the reserves policy. The trustees with the knowledge that the disruption from the pandemic could be ongoing the period of income disruption to be provided for to two years during 2021/22 and 2022/23. As the risk of disruption due to the pandemic is now reduced the trustees have now reduced the period of disruption to 18 months.

The trustees carry out a risk-based analysis in arriving at the level of reserves needed to protect against unforeseen events. This risk-based analysis looks at the amount of reserves that would be needed if there were a significant fall in income for eighteen months. The desired level of reserves set for the 2022/23 financial year, is £4.3m. Note 24 to the accounts shows that the free unrestricted reserve is £6.9m (2022: £7.3m), a decrease of £0.4m on the previous year. The trustees have set a negative budget for 2023/24 and are considering further investment of funds in commercial activities to ensure that the hospice income is financially resilient via diversification of income streams.

The trustees continue to hold designated funds for fixed assets (£3.6m) and the refurbishment of the new site in Maldon (£0.2m).

The trustees have reviewed the circumstances of Farleigh Hospice and its group companies and consider that adequate resources continue to be available to fund the activities of the charity and the group for the foreseeable future. The trustees are of the view that Farleigh Hospice and the group companies are a going concern and likely to remain so for the foreseeable future.

Principal risks and uncertainties

Farleigh Hospice and Local Hospice Lottery Ltd both hold detailed risk registers that are reviewed regularly at committees and board. These risks are ranked by likelihood and impact to produce a score which ranks them red, amber or green in terms of their potential impact for the organisation. The Covid-19 pandemic resulted in high levels of risks and uncertainty in both 2020/21 and 2021/22 and were mitigated in 2022/23 and replaced by emerging risks associated with the cost of living crisis including fuel costs and inflationary pay pressures.

The trustees have sought to mitigate risks as much as possible and the mitigation of these risks is explained below. The trustees consider the following to be the principal risks to which Farleigh Hospice is exposed.

1. Safety of service users, staff and volunteers

2022/23 saw continued high levels of absence as a result of positive covid 19 testing and the need for isolation. We adapted to the changing government guidance to maintain high levels of infection prevention and control in order to mitigate the impact. We responded to the high fuel costs for staff by offering a mid-month early payment where needed and seized opportunities' for reducing the number of visits through virtual meetings/consultations and car sharing wherever possible. To support staff through the cost-of-living crisis the Board agreed to bring forward a proportion of the following year's cost of living increase to December 2022.

2. Organisational overload due to increasing demand for services

2022/23 continued to see high levels of referrals as seen in the previous year, coupled with an increase in the complexity of the patients admitted to the Inpatient Unit. The combination raised the risk of staff-patient ratio resulting in a further review of the staffing establishment. Additional resources were provided to ensure patient safety and to meet the demand, much of which was met through agencies at increased cost.

3. **Future Financial stability**

With a significant amount of support from NHSE via the Hospice UK scheme in both 2020/21 and 2021/22 reserves at Farleigh Hospice are strong. However, with a deficit result for 2022/23 as outlined in this report and a further significant deficit budget approved for 2023/24 longer term forecasts show a position where reserves would fall below a level the trustees would be comfortable with. Realistically it is simply not possible to provide the level of care needed for Farleigh Hospice patients from the current combination of statutory and charitable funding. There is a prospect that the continued success of the Local Hospice Lottery will move the organisation back to a break-even position. However, this may be short lived as there is likely to be an ever-increasing need for staff and resources as the death rates are predicted to increase significantly in the 2030s. The cost of living crisis is also likely to impact the amount of voluntary income that Farleigh receives. The loyal supporters of the hospice are incredibly generous but it is clear they face their own challenges. Farleigh Hospice has an active Financial Governance Committee who review three yearly forecasts and seek to identify and mitigate risks as appropriate. During the year the hospice has signed off business plans for two commercial ventures in the hope of moving the hospice to a more sustainable footing.

4. **NHS funding**

Over the years Farleigh Hospice developed very good working relationships with Mid Essex Clinical Commissioning Group (CCG) over recent years. During 2022/23 the mid Essex CCG merged with the four CCG's in South Essex to become the Mid and South Essex Integrated Care Board (ICB). The new organisation has indicated that it will be looking to sign longer term contracts with all three hospices, in the new ICB, however it is hoping to do this under revised commissioning arrangements. The ICB itself is operating under significant financial constraints and as a result Farleigh Hospice has not been able to obtain levels of funding from the NHS that reflect the increased demand Farleigh Hospice is seeing for its services. Where possible Farleigh Hospice is engaging with all areas of the NHS and fellow providers to develop relationships and services.

5. **Non compliance with fundraising, data and other regulations**

Farleigh Hospice along with other charities is subject to an ever-increasing number of regulations. Noncompliance could result in fines or reputational damage, which threatens the future of the charity. The trustees have considered this risk and in order to help mitigate against it they have a Board Governance Committee, which has as one of its objectives to ensure that all compliance matters are dealt with properly. The Chief Executive, Finance Director and the Compliance and Assurance Lead work together to ensure that there are appropriate processes in place to evidence compliance.

6. **Inflation**

Although inflation rates now appear to be plateauing, continued periods of high inflation have a significant risk for Farleigh Hospice. Over a period of time it devalues the value of reserves. Whilst the impact of inflation is felt within the hospice's cost base – there is no evidence that income is being uplifted in the same way. In fact, the impact of inflation on the cost of living of individuals means that it's difficult for donors to afford to support Farleigh Hospice in the way they have done previously. The trustees have decided to place as much of the reserves as possible into pooled funds in the hope of mitigating the impact of inflation. The inflation and cost of living crisis will also undoubtedly have an impact on voluntary income as supporters have less disposable income to donate.

Plans for the future

Farleigh Hospice has a strategy in place for the period 1st April 2022 to 31st March 2026. Central to this strategy is the aim of One team with One Core Purpose, working together to ensure the provision of inclusive, individualised palliative care. The strategy is based around three themes: Inspire, Innovate and Invest.

The following have been achieved in 2022/23 in year one of this 4-year strategic plan.

Innovate

- Implement IT managed service offer to external organisations
- Outpatient model: Scope opportunity for new clinics and develop collaborative business cases
- Prepare new income generation plan utilising business intelligence and trend analysis

Inspire

- Clearly communicate Farleigh hospice current service offer both internally and externally
- Further develop a digital approach to marketing/income generation
- Implement new Learning and development strategy

Invest

- Consolidate virtual support offer for patients/carer's/bereaved clients
- Continue to build FH one team vision - strengthen understanding of FH values and culture
- Offer career pathways to 'grow' our own and attract staff

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 4th March 1982 and registered as a charity on 5th May 1982.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is now governed under its Articles of Association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Farleigh Hospice is governed by a board of trustees who are also directors of the company. The maximum number of directors is set at 14 in the Articles of Association. The trustees are mindful of the Charity Governance Code recommendation that the maximum number of trustees should be 12. The number of trustees at Farleigh Hospice was capped at 12 until 2016. However, with a number of trustees reaching their 9-year anniversary where they must retire the trustees were concerned that they could not adequately resource the Committee structure and the Local Hospice Lottery Ltd governance requirements with 12 trustees. Day-to-day management is delegated to the Chief Executive and the Executive Team.

The full board is supported by a committee structure. This structure is designed to ensure that the committees support the full board in delivering Farleigh Hospice's strategic objectives and statutory obligations. There are four standing committees. A board governance committee oversees governance matters, in particular compliance with the Charity Governance Code. This committee also looks at trustees' recruitment, succession planning and performance. The board governance committee is also delegated to look at matters concerning the Executive Team including pay. The other three committees are clinical governance committee (dealing with clinical matters and NHS commissioning); a corporate governance committee (dealing with health, safety and environment, internal and external communication and matters relating to staff and volunteers) and a financial governance committee (which

deals with financial matters and oversees income generation). Each committee is responsible for governance, quality, compliance and risk management in its area of responsibility. The full board takes reports from the chair of each committee at all of its meetings. The full board meets six times per year and each of the committees meet quarterly.

Following issues raised in the media relating to safeguarding procedures in some charities, the clinical and corporate governance committees have reviewed safeguarding procedures and are satisfied that there are sufficient procedures in place to mitigate any risk to patients, staff and volunteers.

Board members also sit alongside members of the Executive team as directors of the two trading companies in the group. Local Hospice Lottery Ltd runs a lottery on behalf of Farleigh Hospice and a number of other hospices across the UK. Farleigh Supplies Limited deals with the purchasing of new goods for sale in the shops and administers the retail Gift Aid scheme.

Farleigh Hospice complies with the NHS requirement to produce a Quality Account and this documents the audit and quality improvement work that is carried out across the organisation. A copy of the Quality Account 2022/23 is available on the Farleigh hospice website: www.farleighhospice.org

Alongside the Farleigh Hospice strategy, the board have identified a suite of Key Performance Indicators (KPIs) to assess performance against the strategic goals; these are monitored by the board on a quarterly basis.

Each year alongside the board meetings the full board meets for an away day. This gives the board an opportunity to discuss more strategic issues and their performance as a board. In addition, each year a board self-assessment survey is undertaken to establish how the board is performing. Each trustee has an annual one to one with the chair. The vice chair undertakes a review of the chair and ensures appropriate feedback is given to the chair.

Appointment of trustees

When vacancies occur, trustees are recruited using a widespread recruitment campaign or in response to an approach by an interested party. They are interviewed by existing board members and a staff representative. If suitable, having the right breadth of skills and experience, they will attend three board or committee meetings and will then join the board if they and the rest of the board agree. Trustees can serve a maximum term of nine years.

Trustees are initially co-opted to the board but they stand down at the next AGM to be formally re-elected by the members. They do this again at three and six years and then formally stand down at the end of the ninth year.

Trustee Induction and Training

New trustees are supplied with a comprehensive induction pack and meetings arranged with key members of staff. They also have an existing board member to act as a mentor. Full board training is carried out as required, delivered by an appropriately qualified Farleigh Hospice staff member or an expert from within the board. External courses and opportunities to attend workshops and conferences are offered as opportunities arise. Each board meeting includes either a patient story or a presentation from a member of staff relating to the services they deliver.

Chair

Trustees elect a chair and vice chair from within their numbers. The terms of office for each position is three years with an option to stand for a second term only. The current chair is Keith Spiller.

Related Parties and relationships with other organisations

None of the trustees receive remuneration or other benefit from their work with the charity.

Farleigh Hospice requires trustees and executive directors to declare any interests that they may have outside of the charity. Transactions and contractual relationships with related parties must be disclosed.

One of our trustees (2022: one) is the Clinical Lead for Mid and South Essex Integrated Urgent Care Service. They are also the Group Chief Medical Officer for Provide CIC who Farleigh Hospice who have provided overnight care staff to Farleigh Hospice.

One of our trustees is a partner at Birkett Long LLP, who periodically advise us on aspects of our activities including lease renewals. During the year Farleigh Hospice spent £10,721 with Birkett Long LLP.

The hospice has a close working relationship with Mid Essex and South NHS Foundation Trust, which runs Broomfield Hospital, which is on a neighbouring site. The palliative care medical consultants who work at Farleigh Hospice are supplied under a Service Level Agreement with the trust.

The charity has two trading subsidiaries. Local Hospice Lottery Ltd runs a weekly lottery on behalf of Farleigh Hospice and a number of other hospices. Donations to those other hospices are made as part of the contractual relationship with these hospices. These donations must be used in furtherance of Farleigh Hospice's charitable objects. The other hospices as at 31st March 2023 are listed in note 8 of the accounts.

Farleigh Supplies Limited is another wholly owned subsidiary. This trades in new goods and operates the Farleigh Hospice retail Gift Aid scheme.

Remuneration policy for key management personnel

For Farleigh Hospice the board governance committee considers the pay and terms and conditions of the key management personnel. Although this committee consists of a subset of the board any decisions are taken by the full board. Pay is benchmarked by individual posts against roles in similar organisations through an external benchmarking process using an independent company.

For Local Hospice Lottery Ltd similar arrangements exist regarding benchmarking overseen by the Lottery Board, but the approval authority for the Chief Executive and Finance and Operations Director also sits with the Farleigh Hospice board.

Equality and Diversity

The trustees are committed to creating an inclusive environment where diversity is recognised and celebrated, amongst our staff and service users. Farleigh Hospice is committed to ensuring that services and employment opportunities are accessible by all regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

Farleigh Hospice operates an Equal Opportunities policy and expects all staff to share this commitment in relation to employment and service delivery. As part of this commitment the hospice employs safer recruitment practices to ensure equality of access to all candidates, fair and consistent recruitment methods to enable candidates to be their best, and make reasonable adjustments to support disabilities both through recruitment and also to retain employment.

All employees and volunteers are treated equally. Selection for employment, promotion, training or any other benefit is on the basis of aptitude and ability. Should any staff member become disabled reasonable effort is made to continue their employment and where necessary provide suitable adjustments and support.

Our plans for an Equality, Diversity and Inclusion group in 2022/23 was unfortunately not achieved due to organisational workloads. Trustees demonstrated their commitment to the importance of progressing this work by agreeing budgetary provision for an additional resource to ensure this project is achieved in 2023/24.

Employee Information

Top 100 staff survey

In October 2022 Farleigh staff took part in a staff 'pulse survey run by Best Companies. The results show significant progress and Farleigh achieved a One Star Rating – Very Good Company to work for.

The results have been shared with the Farleigh Executive Team and Heads of Department and were cascaded down to all staff.

Staff feel really positive about the contribution Farleigh makes to the local community and giving something back is really important to our team

In 2022 Farleigh Hospice launched a Staff Wellbeing Strategy and Learning and Development Strategy. The results in November 2022 showed that good improvement has been made in how staff feel about their wellbeing and opportunities for training and development to improve their skills and knowledge. Further work will take place in 2023 to deliver these strategies and support our journey to become one of the top 100 companies to work for. The results also showed that the cost of living crisis was being felt by staff and that for many they did not have a strong feeling of receiving a fair deal. The cost of living increase for 2023/24 recognised our lowest paid staff and we aim as a charity to match the Real Living Wage.

Overall the survey has indicated a positive step in the right direction despite the challenges of coming out of the pandemic, new ways of working and the cost of living crisis. We are keen for teams to celebrate their successes and identify areas where further improvements can be made.

Environmental sustainability

The hospice has a green group who look at sustainability across the hospice, including waste management and reducing carbon emissions by various energy saving initiative.

Statement of responsibilities of the trustees

The trustees (who are also directors of Farleigh Hospice for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Account Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources, including the income and expenditure, of the charitable company or group 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 in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the in financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £5 to the assets of the charity in the event of winding up. Members pay their guarantee on joining the charity and it is held separately in a members' guarantee fund. The total number of such guarantees at 31st March 2023 was 83 (2022: 80). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The Trustees' Annual Report, which includes the strategic report, has been approved by the trustees on 10th July 2023 and signed on their behalf by Keith Spiller.



K Spiller
Chair

Independent auditors' report

Opinion

We have audited the financial statements of Farleigh Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise consolidated Statement of Financial Activity, the group and parent charitable company Balance Sheets, the Group Cashflow Statement and the related notes to the financial statements, 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 statement of the group's and parent charitable company's affairs as at 31 March 2023 and of its 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 and charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 trustee's 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 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 contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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, which includes the directors' report (and the strategic report) prepared for the company law purposes, for the financial years for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report has 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatement in the trustees' report (including the strategic 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 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; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 25) the trustees (who are also the directors of the parent 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 and 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context were CQC Regulations.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income and legacies and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Investment and Finance Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Guy Biggin (Senior statutory auditor)
For and on behalf of Crowe U.K. LLP, Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 12th September 2023

Consolidated statement of financial activities for the year ended 31 March 2023

(incorporating a consolidated income and expenditure account)

Income from:	Note	All		2023	All		2022
		Unrestricted £000	Restricted £000	Total £000	Unrestricted £000	Restricted £000	Total £000
Donations and legacies	2	2,340	111	2,451	2,375	229	2,604
Charitable activities	3	5,587	-	5,587	3,954	1,607	5,561
Other trading activities							
Lottery Income		12,259	-	12,259	10,862	-	10,862
Shop Income		1,908	-	1,908	1,401	-	1,401
Other fundraising activities	4	174	9	183	178	5	183
Investments	5	89	-	89	16	-	16
Other		75	-	75	112	-	112
Total income		22,432	120	22,552	18,898	1,841	20,739
Expenditure on:							
Raising funds							
Lottery Costs	7	4,283	-	4,283	3,877	-	3,877
Shop Costs	7	1,575	-	1,575	1,312	-	1,312
Fundraising Costs	7	907	8	915	762	5	767
Income available for charitable activities		15,667	112	15,779	12,947	1,836	14,783
Charitable Activities							
Farleigh Hospice							
Inpatient Care	7	2,183	35	2,218	887	684	1,571
Community Care	7	6,346	178	6,524	3,224	2,251	5,475
Bereavement	7	513	70	583	355	116	471
Education and Information	7	217	3	220	197	50	247
Local Hospice Lottery Ltd donations to hospice care	7,8	6,884	-	6,884	5,852	-	5,852
Total expenditure		22,908	294	23,202	16,466	3,106	19,572
Net income/(expenditure) before net gains/(losses) on investments		(476)	(174)	(650)	2,432	(1,265)	1,167
Net gains/(losses) on investments		2	(9)	(7)	-	19	19
Net income/(expenditure) for the year and net movement in funds	9	(474)	(183)	(657)	2,432	(1,246)	1,186
Transfers between funds		-	-	-	-	-	-
Reconciliation of funds:							
Total funds brought forward		11,169	3,007	14,176	8,737	4,253	12,990
Total funds carried forward		10,695	2,824	13,519	11,169	3,007	14,176

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 25 to the financial statements. The notes to the accounts are shown on pages 33 to 55.

Balance Sheets

For the year ended 31 March 2023

Company no. 01619905

	Note	The group 2023 £000	The group 2022 £000	The charity 2023 £000	The charity 2022 £000
Fixed assets					
Tangible assets	14	5,827	5,953	5,795	5,902
Investments	15	2,349	239	2,349	239
		8,176	6,192	8,144	6,141
Current assets:					
Stock	18	11	6	-	-
Debtors	19	1,315	2,273	1,120	2,183
Investments	20	1,863	2,924	1,863	2,924
Cash at bank and in hand		5,770	5,755	3,334	3,689
		8,959	10,958	6,317	8,796
Liabilities:					
Creditors: amounts falling due within one year	21	(3,616)	(2,974)	(1,035)	(814)
		5,343	7,984	5,282	7,982
Net current assets					
		13,519	14,176	13,426	14,123
Funds					
Restricted endowment funds	25	2,621	2,702	2,621	2,702
Restricted income funds	25	203	305	203	305
Unrestricted income funds					
Designated Funds	25	3,795	3,849	3,795	3,849
General funds	25	6,900	7,320	6,807	7,267
Total unrestricted funds		10,695	11,169	10,602	11,116
Total funds		13,519	14,176	13,426	14,123

Approved by the trustees on 10th July 2023 and signed on their behalf by

K Spiller
Chair

The notes to the accounts are shown on pages 33 to 55.

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023 Total £000	2023 Total £000	2022 Total £000	2022 Total £000
Net cash provided by operating activities	26		977		1,320
Cash flows from investing activities:					
Dividends, interest and rents from investments		64		16	
Proceeds from the sale of fixed assets		50		-	
Purchase of fixed assets		(45)		(12)	
(Purchase)/Sale of investments		(1,031)		(1,706)	
Net cash provided by/(used in) investing activities			(962)		(1,702)
Change in cash and cash equivalents in the year			15		(382)
Cash and cash equivalents at the beginning of the year			5,755		6,137
Cash and cash equivalents at the end of the year	27		5,770		5,755

The notes to the accounts are shown on pages 33 to 55.

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared 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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Local Hospice Lottery Ltd and Farleigh Supplies Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

b) Public benefit entity

Farleigh Hospice meets the definition of a public benefit entity under FRS 102.

c) Going concern and key judgements

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where these estimates and judgements have been made include the following:

- i) Useful economic lives of tangible assets See Note 14 for the carrying amount of tangible assets and accounting policy k for the useful lives of each class of asset.
- ii) Accrued legacy income See accounting policy d where this is set out in full.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. For the majority of income this will be on a cash received basis.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are shown as accrued income in debtors.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable and measurable when the amount can be measured reliably and there are no potential claims against the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Sponsorship from events and fundraising is recognised in income when the event takes place. Lottery income is accounted for in respect of those draws that have taken place during the year. Trading income is recognised at the point of sale for both donated and purchased goods.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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 cost for the charity which would far outweigh the benefits.

f) Interest and dividends receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Endowment funds are gifts of capital that must be retained and any income earned must be used in furtherance of Farleigh Hospice's charitable activities.

Unrestricted funds are donations and other incoming resources received or generated for general charitable purposes. They are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

The cost of raising and administering such funds are charged against the specific fund.

The aim and use of each material designated fund and restricted fund is set out in the notes to the financial statements.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified, on an accruals basis, under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any trading and other activities with a fundraising purpose, including those for Local Hospice Lottery Ltd.
- Expenditure on charitable activities includes the costs of specialist palliative care and bereavement support undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of estimates, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease. Benefits received or receivable as an incentive to sign an operating lease are recognised on a straight line basis over the minimum period of the lease. Farleigh Hospice classifies the lease of printing equipment as an operating lease and payments are recognised as incurred.

k) Tangible fixed assets

Individual Fixed Assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated expected useful life as follows:

- Buildings 75 years
- Long Leasehold property 99 years
- Short leasehold property improvements 3 to 5 years
- Computers and equipment 5 years
- Motor vehicles 4 years

Because of its high net residual value land is not depreciated.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

l) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing valuation. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are included at cost.

m) Stocks

Stock of bought in retail goods is included at the lower of cost or net realisable value.

n) Debtors

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

Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

o) Cash at bank and in hand

Cash at bank and cash 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.

p) Current asset investments

Investments include cash with a maturity date of greater than three months but less than one year.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

r) Pensions

Staff joining from the NHS can choose to continue their membership of the NHS pension scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. Any deficit on the scheme is funded by the Treasury and an increase in future contributions. The scheme is therefore treated as a defined contribution scheme.

The employer's contributions made to the scheme in 2023 were £272,000 (2022:£240,000) with an employer's contribution rate of 14.3% of pensionable pay and employees' contributions between 5% and 14.5% of pensionable pay depending on the level of pay. The trustees are satisfied that this and other foreseeable changes in employer's contribution rates can be budgeted for without detriment to the charity's ongoing activities.

All employees are entitled to join a defined contribution 'money purchase scheme' operated by Scottish Widows. Farleigh Hospice employers' contributions for the year were £312,000 (2022: £258,000). Employer's contributions are either 4% or 7% and employees' contributions are either 4% or 6%. Farleigh Hospice acts as an agent in collecting and paying over contributions. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

For both schemes the costs are included with the associated staff costs and allocated to raising funds, charitable activities, support and governance costs and charged to the unrestricted funds of the charity. All employer contributions are expensed as they fall due.

s) Financial Instruments

Except for listed investments, all the group's financial instruments, both assets and liabilities, are measured at settlement value. Listed investments are recognised at market value. Financial assets include cash at bank and in hand, trade and other debtors and accrued income. Financial liabilities include trade and other creditors and accruals. The carrying values are shown in notes 15,19,20 and 21.

2 Income from donations and legacies

			2023			2022
	Unrestricted £000	All restricted £000	Total £000	Unrestricted £000	All restricted £000	Total £000
Gifts	1,488	111	1,599	1,504	229	1,733
Legacies	852	-	852	871	-	871
	2,340	111	2,451	2,375	229	2,604

Farleigh Hospice benefits greatly from the many hours our dedicated volunteers donate in a large number of different roles within the hospice. Further details of the volunteer contributions are given in the Trustees' Report. In accordance with FRS102 and the charities SORP (FRS102), the economic benefit of general volunteers is not recognised in the accounts.

No restricted legacies was received in 2023 (2022: 0).

In 2023 gifts totalling £111,000 were received, the purpose of which was restricted to Clinical Nurse Specialists (£30,000), Virtual Ward (£20,000), geographical areas (£17,000), Green Initiatives (£9,000) and Gardens (£8,000). The balance (£27,000) relates to a number of smaller projects.

In 2022 gifts totalling £229,000 were received, the purpose of which was restricted to Essex County Council's Living with Grief Programme (£100,000), Virtual Ward (£23,000), Care Home co-ordinator (£23,000), IPU beds (£22,000), Children's Bereavement (£20,000), the Farleigh Hospice MND co-ordinator (£10,000), Farleigh Helpers (£10,000) and the Summer House project (£8,000). The balance (£13,000) relates to a number of smaller projects..

As at 31st March 2023 the charity had been notified of residuary legacies where the value of these estates was uncertain as the executors had not yet compiled the estate accounts or because the executors are awaiting information on any claims to be made on these estates. Therefore no amount has been accrued in respect of these legacies which are estimated to be in excess of £383,000 (2022: £334,000).

3 Income from charitable activities

	2023	2022
	Total	Total
	£000	£000
Government Funding		
Core funding - Mid and South Essex ICB	2,085	1,994
Reimbursement of pharmacy costs - Mid and South Essex ICB	96	54
Enhanced End of Life – Mid Essex CCG	395	375
Rapid Access to End of Life funding - Mid and South Essex ICB	2,491	1,531
Winter Beds - Mid and South Essex ICB	484	-
Other funding - Mid and South Essex ICB	36	-
Ageing Well - Mid Essex CCG	-	50
NHS England (NHSE) Grant Scheme administered by Hospice UK	-	1,557
	5,587	5,561

All income from charitable activities apart from the Ageing Well fund and NHS England Grant scheme in both the current and previous year relates to unrestricted funds. The core funding relates to a two year contract with the Mid and South Essex ICB which supports the inpatient unit, community care and bereavement. The expiry date of this contract is 31st March 2024. Farleigh Hospice also receives additional funding from Mid Essex and South Essex ICB to support in reach services into the local hospital and support patients at home (Enhanced End of Life). Funding is also received to provide domiciliary care for those patients in the last three months of life who are rapidly deteriorating (Rapid Access to End of Life Care). These contracts are also due to expire on the 31st March 2024. Farleigh Hospice has received funds from Mid and South Essex ICB to support admission avoidance and discharge planning during the winter of 2022/23 (Winter Beds).

The NHSE grant scheme awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022. This funding allowed the hospice to support more people with complex needs in the context of the Covid-19 situation.

4 Income from other trading activities

	Unrestricted	All restricted	2023	Unrestricted	All restricted	2022
	£000	£000	Total	£000	£000	Total
			£000			£000
Fundraising Events	174	9	183	178	5	183
	174	9	183	178	5	183

No restricted income events were held in 2023 (2022 none).

Income from Friends of Farleigh for the year is £9,000 (2022 £3,000) this is dealt with directly by the Friends and is held in a restricted fund until a donation is made directly to Farleigh Hospice. All other trading income is unrestricted.

5 Income from investments

	Unrestricted	All restricted	2023	2022
	£000	£000	Total	Total
			£000	£000
Bank Interest	60	-	60	9
Income received on common investment funds	29	-	29	7
	89	-	89	16

All income from investments in the prior year relates to unrestricted funds.

6 Exceptional Items

Included within other income is £Nil (2022:£48,000) received from the UK Government under the various Covid-19 retail relief schemes. Also included within other income is £Nil (2022: £21,000) relating to income received from the UK government under the Coronavirus Job Retention Scheme.

7 Analysis of expenditure 2023

	Direct Costs		Support costs				2023	2022
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000	Total £000
Fundraising costs	772	44	4	43	48	4	915	767
Shops Costs	1,384	103	2	43	34	9	1,575	1,312
Lottery costs	3,654	179	147	115	180	8	4,283	3,877
Raising funds	5,810	326	153	201	262	21	6,773	5,956
Local Hospice Lottery Ltd donations to hospice care (Note 8)	6,884	-	-	-	-	-	6,884	5,852
Inpatient Care	2,067	74	20	17	33	7	2,218	1,571
Community Care	5,772	282	75	242	127	26	6,524	5,475
Bereavement	490	32	9	35	14	3	583	471
Education & Information	201	7	2	6	3	1	220	247
Charitable Activities	8,530	395	106	300	177	37	9,545	7,764
Total expenditure 2023	21,224	721	259	501	439	58	23,202	19,572
Total expenditure 2022	17,853	526	261	464	394	74	19,572	

Of the total expenditure, £22,909,000 was unrestricted (2022: £16,466,000) and £294,000 was restricted (2022: £3,106,000).

7 Analysis of expenditure 2022

	Direct Costs		Support costs				2022
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000
Fundraising costs	651	29	4	32	47	4	767
Shops Costs	1,158	70	3	43	28	10	1,312
Lottery costs	3,288	144	136	107	180	22	3,877
Raising funds	5,097	243	143	182	255	36	5,956
Local Hospice Lottery Ltd hospice donations to care	5,852	-	-	-	-	-	5,852
Inpatient Care	1,445	51	21	26	21	7	1,571
Community Care	4,862	201	84	218	83	27	5,475
Bereavement	373	22	9	32	32	3	471
Education and Information	224	9	4	6	3	1	247
Charitable Activities	6,904	283	118	282	139	38	7,764
Total expenditure 2021	17,853	526	261	464	394	74	19,572

Of the total expenditure, £16,466,000 was unrestricted (2021: £14,615,000) and £3,106,000 was restricted (2021: £2,290,000).

8 Local Hospice Lottery Ltd donations to hospice care

Local Hospice Lottery Ltd makes donations to other hospices to be used in accordance with Farleigh Hospice's charitable objectives. The other hospice's are listed below:

Dorothy House - Bath, North and West Wiltshire & North East Somerset
 East Anglia's Children's Hospice (EACH) - Cambridge, Norfolk, Suffolk & North Essex
 Garden House Hospice Care - Letchworth and surrounding areas, North Hertfordshire
 Haven House Children's Hospice - North East London and West Essex
 Helen & Douglas House - Oxfordshire and surrounding counties
 Isabel Hospice - Eastern Hertfordshire
 Jessie May Hospice - Bristol and surrounding areas
 Katharine House Hospice - Stafford
 Lewis Manning Hospice - Poole, Dorset
 Martlets - Brighton and Hove
 Mary Ann Evans Hospice - Nuneaton, Warwickshire
 North London Hospice - Barnet, Enfield and Haringey
 Peace Hospice - Watford and surrounding areas, West Hertfordshire
 Prince of Wales Hospice - Pontefract and surrounding areas, West Yorkshire
 Rotherham Hospice - Rotherham
 Rowans Hospice - Pontefract and surrounding areas, West Yorkshire
 Sobell House - Oxfordshire
 St Elizabeth Hospice - Ipswich
 St Gemma's Hospice - Leeds
 St Joseph's Hospice - North and East London
 St Luke's Hospice - Basildon and surrounding areas, South Essex
 St Peter & St James Hospice - Lewes and surrounding areas, East and West Sussex
 St Wilfrids Hospice - Chichester and surrounding areas, West Sussex
 St Wilfrids Hospice - Eastbourne and surrounding areas, East Sussex
 Wakefield Hospice - Wakefield and surrounding areas, West Yorkshire
 The Hospice of the Valleys - Gwent
 Children's Hospices Across Scotland (CHAS) - Scotland
 Highlands Hospice - Highlands
 Kilbryde Hospice - Scotland
 St Vincents Hospice - Renfrewshire and surrounding areas
 Strathcarron Hospice - Stirling and surrounding areas

These hospices received donations within the following bands:

	2023	2022
£0-£199,999	16	13
£200,000-£399,999	11	10
Above £400,000	4	4
	31	27

9 Net expenditure for the year

This is stated after charging / crediting:

	2023 £000	2022 £000
Depreciation	152	200
Operating lease rentals:		
Property	290	260
Other	20	20
Auditors' remuneration (excluding VAT):		
Audit - Charity	15	12
- Subsidiaries	12	12
Tax and Accounts Preparation - Subsidiaries	4	4

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £000	2022 £000
Salaries and wages	8,394	7,538
Redundancy and termination costs	11	-
Social security costs	787	667
Employer's contribution to defined contribution pension schemes	582	499
	9,774	8,704

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2023 No.	2022 No.
£60,000 - £69,999	1	2
£70,000 - £79,999	5	3
£80,000 - £89,999	3	2
£90,000 - £99,999	-	-
£100,000 - £109,999	-	1

The total employee benefits including pension contributions and social security costs of the key management personnel were £643,846 (2022: £662,236).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Farleigh Hospice purchases Trustee Indemnity Insurance on behalf of the trustees at a cost of £5,060 (2022:£4,399).

No trustees were paid for travel expenses during the year. (2022: Nil).

11 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

		2023	2022
		No.	No.
Raising funds	Fundraising	19	17
	Shops	45	41
	Lottery (Including management 2, finance 6 and HR 5)	65	67
Charitable Activities	Inpatient Care	32	30
	Community Care	123	118
	Bereavement	14	13
	Education & Information	3	5
Support and Governance	HR	6	5
	Management	2	2
	IT	7	6
	Finance	4	4
	Governance	1	1
		321	309

12 Related party transactions

Related party transactions are disclosed on page 23 of the Trustees' Report

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

13 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Local Hospice Lottery Ltd and Farleigh Supplies Limited gift aid available profits to the parent charity. Their charge to corporation tax in the year was:

	2023	2022
	£000	£000
UK corporation tax at 19% (2022: 19%) - Local Hospice Lottery Ltd	-	-
UK corporation tax at 19% (2022: 19%) - Farleigh Supplies Limited	-	-

14 Tangible fixed assets 2023

The Group	Freehold property £000	Short Leasehold Property £000	Furniture & Computer Equipment £000	Motor vehicles £000	Asset held for sale £000	Total £000
Cost						
At the start of the year	7,269	272	1,314	13	130	8,998
Additions in year	-	-	13	32	-	45
Disposals in year	-	-	-	-	(130)	(130)
Transfers in year	-	-	-	-	-	-
At the end of the year	7,269	272	1,327	45	-	8,913
Depreciation						
At the start of the year	1,421	267	1,233	13	111	3,045
Charge for the year	95	4	47	6	-	152
Eliminated on disposal	-	-	-	-	(111)	(111)
Transfers in year	-	-	-	-	-	-
At the end of the year	1,516	271	1,280	19	-	3,086
Net book value						
At the end of the year	5,753	1	47	26	-	5,827
At the start of the year	5,848	5	81	-	19	5,953

Land with a value of £149,368 (2022: £149,368) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

The Charity	Freehold property £000	Short Leasehold Property £000	Furniture & Computer Equipment £000	Motor vehicles £000	Asset held for sale £000	Total £000
Cost						
At the start of the year	7,269	272	1,034	13	130	8,718
Additions in year	-	-	-	32	-	32
Disposals in year	-	-	-	-	(130)	(130)
Transfers in year	-	-	-	-	-	-
At the end of the year	7,269	272	1,034	45	-	8,620
Depreciation						
At the start of the year	1,421	267	1,004	13	111	2,816
Charge for the year	95	4	15	6	-	120
Eliminated on disposal	-	-	-	-	(111)	(111)
Transfers in year	-	-	-	-	-	-
At the end of the year	1,516	271	1,019	19	-	2,825
Net book value						
At the end of the year	5,753	1	15	26	-	5,795
At the start of the year	5,848	5	30	-	19	5,902

Land with a value of £149,368 (2022: £149,368) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

15 Listed investments

	The group		The charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Fair value at the start of the year	239	220	239	220
Additions at cost	2,117	-	2,117	-
Net gain on change in fair value	(7)	19	(7)	19
Fair value at the end of the year	2,349	239	2,349	239
Investments comprise:				
	The group	2022	The charity	2022
	2023	£000	2023	£000
	£000	£000	£000	£000
COIF Charities Investment Fund	1,292	239	1,292	239
M&G Charifund	1,057	-	1,057	-
Investments in subsidiary companies	-	-	-	-
	2,349	239	2,349	239

The charity holds investments in its subsidiary companies totalling £200 (2022:£200).

16 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Local Hospice Lottery Ltd, a company registered in England (Company Number 03226004). The subsidiary is used for non-primary purpose trading activities. Its principal activity is the promotion and running of a lottery in aid of Farleigh and other hospices across the country. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2023	2022
	£000	£000
Turnover	12,259	10,862
Direct costs	(2,823)	(2,401)
Gross profit	9,436	8,461
Administrative expenses	(1,335)	(1,392)
Donation to other hospices	(6,884)	(5,852)
Licence Fees to other hospices	(125)	(84)
Operating profit	1,092	1,133
Interest receivable	9	1
Profit on ordinary activities	1,101	1,134
Donation to parent undertaking	(1,022)	(1,089)
Retained profit for the financial year	79	45
The aggregate of the assets, liabilities and funds was:		
Assets	2,684	2,231
Liabilities	(2,605)	(2,186)
Funds	79	45

16 Subsidiary undertakings (continued)

The charitable company owns the whole of the issued ordinary share capital of Farleigh Supplies Limited (Company number: 02576518), a company registered in England. The subsidiary is used for non-primary purpose trading activities. Its principal activity is the buying and selling on of new goods primarily to Farleigh Hospice. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2023	2022
	£000	£000
Turnover	41	39
Costs of sales	(35)	(32)
Gross profit	6	7
Administrative expenses	(13)	(11)
Other operating income - gift aid commission	17	11
Profit on ordinary activities	10	7
Donation to parent undertaking	-	-
Retained profit for the financial year	10	7
The aggregate of the assets, liabilities and funds was:		
Assets	18	15
Liabilities	(8)	(8)
Funds	10	7

17 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2023	2022
	£000	£000
Gross income	11,366	10,998
Result for the year	(698)	1,218

18 Stock

	The group	The group	The charity	The charity
	2023	2022	2023	2022
	£000	£000	£000	£000
Goods for resale	11	6	-	-
	11	6	-	-

19 Debtors

	The group	The group	The charity	The charity
	2023	2022	2023	2022
	£000	£000	£000	£000
Taxation recoverable	86	103	86	103
Other debtors	489	518	333	469
Prepayments	344	276	276	205
Accrued income	396	1,376	396	1,376
Group undertakings	-	-	29	30
	1,315	2,273	1,120	2,183

20 Investments

	The group	The group	The charity	The charity
	2023	2022	2023	2022
	£000	£000	£000	£000
Cash on deposit more than three months	1,863	2,924	1,863	2,924
	1,863	2,924	1,863	2,924

21 Creditors: amounts falling due within one year

	The group	The group	The charity	The charity
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	983	763	401	278
Taxation and social security	194	174	146	132
Other creditors	224	244	189	221
Accruals	272	243	206	154
Group undertakings	-	-	2	3
Deferred income	1,943	1,550	91	26
	3,616	2,974	1,035	814

22 Deferred income

Deferred income relates to monies received for events, services and lottery draws that are yet to take place.

	The group	The group	The charity	The charity
	2023	2022	2023	2022
	£000	£000	£000	£000
Balance at the beginning of the year	1,550	1,479	26	111
Amount released to income in the year	(1,548)	(1,468)	(24)	(100)
Amount deferred in the year	1,941	1,539	89	15
Balance at the end of the year	1,943	1,550	91	26

23 Pension scheme

Further details of the Farleigh Hospice pension schemes are given in note 1r. At the year end there were 57 (2022: 48) members of the NHS scheme and there were 213 (2022:196) members of the other arrangements. All contributions relating to 2022/23 were paid over to the relevant providers by the end of April 2023..

24 Analysis of group net assets between funds 2023

	General	Designated	All	
	unrestricted	funds	Restricted	Total funds
	funds	funds	funds	£000
	£000	£000	£000	£000
Tangible fixed assets	-	3,583	2,244	5,827
Investments	1,972	-	377	2,349
Net current assets	4,928	212	203	5,343
Net assets at the end of the year	6,900	3,795	2,824	13,519

24 Analysis of group net assets between funds 2023

	General	Designated	All	
	unrestricted	funds	Restricted	Total funds
	funds	funds	funds	£000
	£000	£000	£000	£000
Tangible fixed assets	-	3,637	2,316	5,953
Investments	-	-	239	239
Net current assets	7,320	212	452	7,984
Net assets at the end of the year	7,320	3,849	3,007	14,176

25 Movements in funds 2023

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,724	-	(57)	-	1,667
[B] Lantern Suite Fund	487	-	(13)	-	474
[C] Big Lottery Fund	105	-	(2)	-	103
[D] Walter Farthing Fund - Permanent	386	-	(9)	-	377
	2,702	-	(81)	-	2,621
Restricted income funds:					
[E] Restricted legacy, donation and grant funds	181	111	(202)	-	90
[F] Farleigh Homecare Fund	4	-	-	-	4
[G] Friends of Farleigh	3	9	(8)	-	4
[H] NHS England Grant Scheme	-	-	-	-	-
[M] Maldon Fund	117	-	(12)	-	105
	305	120	(222)	-	203
Total restricted funds	3,007	120	(303)	-	2,824
Unrestricted funds:					
Designated funds:					
[I] Fixed Asset Fund	3,637	-	(80)	26	3,583
[L] Farleigh in Maldon Fund	212	-	-	-	212
Total designated funds	3,849	-	(80)	26	3,795
[K] Unrestricted income funds - general reserves	7,320	22,434	(22,828)	(26)	6,900
Total unrestricted funds	11,169	22,434	(22,908)	-	10,695
Total Funds	14,176	22,554	(23,211)	-	13,519

25 Movements in funds 2022

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,781	-	(57)	-	1,724
[B] Lantern Suite Fund	500	-	(13)	-	487
[C] Big Lottery Fund	107	-	(2)	-	105
[D] Walter Farthing Fund - Permanent	367	19	-	-	386
[E] Fair value reserve			-	-	-
	2,755	19	(72)	-	2,702
Restricted income funds:					
[E] Restricted legacy, donation and grant funds	30	227	(126)	-	181
[F] Farleigh Homecare Fund	4	-	-	-	4
[G] Friends of Farleigh	3	5	(5)	-	3
[H] NHS England Grant Scheme	1,342	1,557	(2,899)	-	-
[M] Maldon Fund	119	2	(4)	-	117
	1,498	1,841	(3,034)	-	305
Total restricted funds	4,253	1,860	(3,106)	-	3,007
Unrestricted funds:					
Designated funds:					
[I] Fixed Asset Fund	3,790	-	(123)	51	3,637
[L] Farleigh in Maldon Fund	212	-	-	-	212
Total designated funds	3,921	-	(123)	51	3,849
[K] Unrestricted income funds - general reserves	4,816	18,898	(16,343)	(51)	7,320
Total unrestricted funds	8,737	18,898	(16,466)	-	11,169
Total Funds	12,990	20,758	(19,572)	-	14,176

All transfers relate to Fixed Assets which are reported as designated funds.

Purposes of restricted funds

[A] The New Farleigh Fund was set up specifically to fund the construction and equipping of the hospice building in Chelmsford.

[B] The Lantern Suite Fund refers to funds raised to build and equip the Lantern suite extension to the hospice.

[C] The Big Lottery Fund grant relates to the funding of a healing garden at the hospice.

[D] The Walter Farthing Fund are endowed funds held to generate unrestricted income for general charitable purposes.

[E] Farleigh Hospice receives a number of legacies, donations and grants that where the donors restrict their purposes. These are accounted for separately but collated for reporting purposes.

[F] The Farleigh Homecare fund is set up to specifically support patients staying at home and is used for equipment purchases and hardship funding.

[G] The Friends of Farleigh funds are those held directly by the Friends of Farleigh support group. Farleigh Hospice does not have direct access to these funds until they are paid across as a donation.

[H] The NHSE grant scheme funds represents funds received from the NHSE via Hospice UK, not spent in 2021 due to the timing of receipt these are restricted for inpatient and community care in 2022. Further restricted income was received in 2022 but was all spent by the end of the year.

Purposes of designated funds

[I] The Fixed Asset Fund represent funds which have been designated to cover the value of Fixed Assets.

[J] The Members Guarantee Fund balance £200 (2022:£200) represents funds received in advance to cover the members liability if the charity was to be wound up.

[L] Following the closure of the Farleigh in Maldon premises during the year the trustees have designated a specific fund to provide funding towards the refurbishment/running of the new day hospice premises in Maldon.

[M] The restricted Maldon fund represents funds donated specifically for the refurbishment of running of the Maldon premises.

Purposes of unrestricted general funds

[K] Unrestricted general funds are held to bridge the gap between income and expenditure and to cover any unplanned events..

26 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2023 £000	2022 £000
Net income for the reporting period (as per the statement of financial activities)	(650)	1,167
Depreciation charges	152	200
Dividends and interest from investments	(89)	(16)
(Profit)/loss on the disposal of fixed assets	(31)	2
(Increase)/Decrease in stocks	(5)	1
Decrease/(increase) in debtors	958	(246)
Increase in creditors	642	212
Net cash provided by operating activities	977	1,320

27 Analysis of cash and cash equivalents

	At 1st April		At 31st March		At 1st April		At 31st March	
	2022	Cash flows	2023		2021	Cash flows	2022	
	£000	£000	£000		£000	£000	£000	£000
Cash at bank and in hand	1,486	475	1,961		2,669	(1,183)		1,486
Notice deposits (less than 3 months)	4,269	(460)	3,809		3,468	801		4,269
Total cash and cash equivalents	5,755	15	5,770		6,137	(382)		5,755

28 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2023	Property 2022	2023	Equipment 2022
	£000	£000	£000	£000
Less than one year	290	260	9	21
One to five years	716	307	-	9
Over five years	25	14	-	-
	1,031	581	9	30

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2023	Property 2022	2023	Equipment 2022
	£000	£000	£000	£000
Less than one year	238	260	9	20
One to five years	716	307	-	9
Over five years	25	14	-	-
	979	581	9	29

29 Capital commitments

At the balance sheet date, the group had committed to purchasing a new retail van at a cost of £30,000. (2022: No capital commitments on the balance sheet date.)

30 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5. Members pay guarantee funds in advance and they are held in a separate designated fund.



Thank you.
It is because you care that we can



Farleigh Hospice

North Court Road, Chelmsford CM1 7FH

farleighhospice.org 01245 457300 info@farleighhospice.org

FARLEIGH HOSPICE

England & Wales - Charity number 284670

Accounts



Report and financial statements

For the year ended 31st March 2022

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Reference and administration information

Company number 01619905 (incorporated in England and Wales)

Charity number 284670 (registered in England and Wales)

Registered office and operational address
Farleigh Hospice
North Court Road
Chelmsford
ESSEX CM1 7FH

Trustees: Trustees who are also directors under the company law, who served during the year and up to the date of this report were as follows:

Andrew Balfour	Retired 8th November 2021
Dr David Blainey	(1) (2) (4) (6) Chair COGC
Emma-Jane Carrington	(5)
Nic Crisp	(2) (6) Vice Chair
Elizabeth Fox	(1)
Ron Goodyear	Resigned 10th May 2021
Wanda Hamilton	(4) Appointed 24th January 2022
Dr Ranjith Joseph	(1)
Katie Lockwood	(2)
Dr Donald McGeachy	(1) (6) Chair CLGC
Jim Miller	(2) Appointed 13th September 2021
Joanna Pittman	(3) (4) (6) Chair FGC, Chair FSL
Caroline Russell	(1)
Emma Sayers	(2)
Richard Shail	(3) (4) (5) (6) Chair LHL
Keith Spiller	(1) (2) (4) (5) (6) Chair

Independent director of Local Hospice Lottery Ltd: David Newman (5)

Subsidiary boards and committees:

- (1) Clinical Governance Committee (CLGC)
- (2) Corporate Governance Committee (COGC)
- (3) Farleigh Supplies Limited Board (FSL)
- (4) Financial Governance Committee (FGC)
- (5) Local Hospice Lottery Ltd Board (LHL)
- (6) Board Governance Committee (BGC)

Reference and administration information

Key management personnel:

Farleigh Hospice

Alison Stevens	Chief Executive (1) (2) (3) (4) (6)
Sharon Ellingham	Finance Director, Company Secretary (2) (4) (5) (6)
Irene Ferguson	Corporate Services Director (2)
Pauline Harvey-Jones	Commercial Director (3) (4)
Dr Eva Lew	Medical Director (1)
Dr Matthew Sweeting	Director of Care (1) Resigned 27rd May 2022

Local Hospice Lottery Ltd

Gary Hawkes	Chief Executive Officer (5) (6)
Stephen Cain	Finance and Operations Director (4) (5)

Bankers:

Lloyds Bank plc	79/80 High Street Chelmsford Essex CM1 1DU
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Solicitors:

Bates Wells	10 Queen Street Place LONDON EC4R 1BE
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Auditors:

Crowe LLP Statutory Auditor	Fourth Floor St James House St James Square Cheltenham GL50 3PR
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Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31st March 2022.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This Trustees' Annual Report includes a directors' report as required by company law.

Objectives and activities

Purposes and aims

The 2021/22 financial year is the fourth and final year of the Farleigh Hospice Future Farleigh Strategy. This strategy timed to end on the 40th Anniversary of the founding of Farleigh Hospice, set out ambitious targets to serve all those in the community who are in need of Farleigh Hospice's services. The strategy was developed in consultation with a large number of stakeholders. This Trustees' Report 'Innovation in partnership working' focuses on the goal of empowerment, particularly empowering people to work collaboratively and reviews the activities of Farleigh Hospice during the reporting year. Once again this year the activities of Farleigh Hospice have taken place in the context of the Covid-19 pandemic. In adapting to the situation the trustees have been mindful of the need to maximize public benefit and act in a manner which is consistent with the longer term strategic goals to build a strong sustainable future for Farleigh Hospice.

Alongside the charitable objects, Farleigh Hospice operates in line with its vision, mission and values as appear in the illustration below.



Activities

The trustees regularly review activities against the charitable objects and mission statement. The framework for this is the strategic plan in place until 31st March 2022. The strategic plan ran from 2018 to 2022 and had four overall themes: Reach out, Empower, Inspire and Invest.

Reach out

- Reach out to provide hospice care for all who need it in our community
- Reach out and be alongside people who want hospice support
- Reach out to provide advice and support 24/7

Empower

- Empower communities to care for those who are affected by life-limiting illnesses or bereavement through training, education and support
- Empower people to work collaboratively
- Empower people by providing accessible information

Inspire

- Inspire our communities to support the hospice in any way they can
- Inspire our funders to continue to support the work of the hospice
- Inspire our people to be ambassadors for our hospice in everything they do

Invest

- Invest for growth and development in our hospice
- Invest in our infrastructure to build our organisational resilience
- Invest in our people to deliver quality services across the organisation

Each year a detailed operational plan is developed outlining the short-term actions that will assist in the achievement of the overall strategic objectives.

The charity's main activities, and whom it tries to help, are described below. All its charitable activities focus on those affected by life limiting illnesses or bereavement and are undertaken to further Farleigh Hospice's charitable purposes for the public benefit.

The trustees have chosen to report their activities under a number of headings. Broadly speaking these headings reflect where our users access the service. Each of these services is supported by medical, allied health professionals and ancillary staff whose costs are apportioned in the accounts to the service on the basis of time spent.

Inpatient Unit

A ten-bed Inpatient Unit (IPU) operates in Chelmsford to provide short term care for those who need help with symptom control, rehabilitation to build confidence or respite care and to provide a place for those who are dying and wish to be in the hospice. All the ten beds are ensuite single rooms, two of which are 'flats' that are used for rehabilitation, younger patients or for families to stay with the patient.

During the peaks of the pandemic the Inpatient Unit was closed allowing all resources to be concentrated on caring for patients in their own homes where they could be cared for safely away from possible Covid-19 outbreaks and could be with their family. In line with national trends many more people are being cared for at the end of their lives at home. As part of their virtual ward service Farleigh Hospice now offer patients overnight nursing care at home, this means that it is only complex patients that are admitted to the Inpatient unit. There are typically between 4 and 6 beds open and there is rarely a waiting list. In common with the healthcare sector there have been problems with staffing on the Inpatient Unit during the year. The staffing numbers on the Inpatient Unit when everyone is in post are such that more beds can be opened should they be needed.

IPU reopened to patients from August 2021 and since it has reopened it has cared for 110 patients across 1,021 occupied bed days.

Community Care

In March 2020 in response to the Covid-19 pandemic and government regulations/ restrictions clinical services were reconfigured to focus all clinical services into providing a community service delivered by three locality based multi-disciplinary community teams for North, South and Central areas in mid Essex. Each team is led by a Locality Care Team Manager and has an integrated team of professionals and care staff – sharing expertise and providing the wide range of skills that would benefit the care and support of patients and families. The ethos of the approach was 'One Team', patient facing clinicians with standardised processes.

The new structure aligns with local NHS services, which are now organised in Primary Care Networks (PCNs) and offers opportunities to connect and work more closely with primary care and community colleagues within each locality.

These multi-disciplinary teams include Hospice at Home Health Care Assistants, Community Registered Nurses, Farleigh Clinical Nurse Specialists, Physiotherapists, Occupational Therapists, Social Workers, Family Support Workers and specialist posts, such as the Motor Neurone Disease (MND) Co-ordinator, working together in Locality Care Teams. Domiciliary Care Agencies are also involved in supporting the teams with personal care.

Within each locality team patients are triaged according to their needs. During 2022 the average caseload across all localities was 454 patients. The figure for the previous year 2020-21 was 413 patients, this is an increase of 10% in the caseloads in one year.

Each locality team responds appropriately to incoming calls made to the hospice's advice line. This line is staffed by a team of specially trained navigators supported by specialist nurses. During the year the hospice received 32,359 incoming calls an 11% increase on the previous year.

Whilst the Inpatient Unit was closed during 2020-21 Farleigh Hospice redeployed staff to care for patients at home on the Virtual Ward. This is short-term care including an overnight service allowing patients to be cared for and to die at home. It helps avoid admission into hospital as end of life care is available 24/7. This service allowed many more people to die in the comfort of their own home. When the Inpatient Unit re-opened the clinical staff were very keen for this service to continue to ensure patient choice, the trustees allocated charitable funds for it to continue. During the year there were 124 admissions to the virtual ward. Since its inception in 2020 only one patient has been admitted to an acute hospital whilst on the Virtual Ward.

Farleigh Hospice is contracted with mid Essex Clinical Commissioning Group (CCG) to provide personal care to those who are rapidly deteriorating and in the last three months of their life. This service is staffed by Farleigh Hospice at Home Registered Nurses and Health Care Assistants with support from Domiciliary Care agencies who carried out a significant amount of care. In the period April 2021 to March 2022 the Hospice at Home staff delivered 30,185 care hours supported by Domiciliary Care Agencies who delivered 38,247 care hours.

A number of specific services sit within the Core team. This includes the Rapid Assessment & Discharge (RADs) team who ensure end of life care patients in hospital are rapidly identified, assessed and moved to the most appropriate place for their ongoing care. The RADs service remained in place throughout the pandemic with a concerted effort to urgently transfer patients out of hospital or prevent them being admitted. During the year the service received 386 referrals.

All community and Inpatient services are supported by a highly specialised medical team including five palliative care consultants.

In addition to the clinical team Farleigh Hospice patients and those not previously known to Farleigh Hospice are supported by the Farleigh Helper Service volunteers. The Farleigh Helpers service was set up in September 2021 and already has 50 regular service users receiving weekly befriending calls. Referrals for this service come from the Farleigh Hospice care teams, social prescribers, GPs, Community nurses and self-referrals.

Bereavement

Farleigh Hospice provides bereavement support to both adults (Circle) and children and young people (Yo-Yo). In the adult services staff are assisted by specially trained volunteers.

In March 2020 in response to the Covid-19 pandemic and government regulations/ restrictions the bereavement service had to change how services were provided. Adult and children's bereavement services continued to accept referrals and provided all of their service via telephone or virtual support. During 2021/22 some services particularly those with children have returned to face to face. Referrals have increased in the latter half of 2021/22. The childrens' service has very close links with local services and offers training to school staff. Approximately half the referrals for the childrens' service originate from school staff.

In 2021/22 there were 1,034 referrals to the adult service (2020: 820) and 280 referrals to the children's service (2021: 180). These levels are now at similar numbers to pre pandemic. However many cases are very complex due to the particularly difficult circumstances surrounding deaths during the pandemic.

In March 2022 the bereavement team were awarded a £100,000 grant to set up a Living with Grief Programme which hopes to support 300 additional people during the forthcoming financial year.

Education and Information Services

The Education team deliver education both internally and externally. As well as delivering specialist internal training they have continued to work alongside the nursing teams both within the IPU and locality teams offering role modelling, expert advice and oversee the competencies programme.

Externally the team continue to deliver education to the local community provider and local care homes. The team also worked with Essex County Council and two other local hospices to deliver training to Domiciliary Care Agencies. This initiative won a national award.

The trustees see providing high quality education on how to care for people at the end of their life as a clear priority as many agencies are involved in care of the patient and they need to be able to provide high quality care.

Farleigh Hospice Information Services have been curtailed this year with the Hospice Outreach project (HOP) off the road, initially due to the pandemic. Following a review of the services following the first year of the pandemic trustees decided that there are many new virtual methods of providing information and support to those in need in the community. It was decided that the Hospice Outreach Project was no longer the best use of resources. The service is now closed and the vehicle is for sale.

Local Hospice Lottery Ltd

Local Hospice Lottery is a wholly owned subsidiary of Farleigh Hospice that exists to be the leading lottery for hospices across Great Britain, providing additional funding and opportunities for growth by inspiring people to support their local hospice in a fair, open and affordable way.

2021/22 was the second year of Local Hospice Lottery's new Strategy "Inspiring Commitment", with the values of the organisation being defined as: Supportive, Fair, Professional and Ambitious and with strategic pillars of Supporting local hospices, Inspiring Membership and Enhancing our product; Valuing our people; Developing new routes to membership and Diversifying the business.

Over the period of the plan, the aim is to almost double the contribution to hospice care from a total of £22 million in the preceding five-year period to a total of £40 million for the five years to 2024/25.

The number of players in the weekly draw at the end of 2021/22 was 197,009. During the year, one new hospice partner was recruited bringing the total of other hospices supported to 28.

Fundraising

Farleigh Hospice raises money in a variety of ways. The single most significant source of fundraising income continues to be from legacy gifts. Funds are also received in the form of general donations and donations in memory. These forms of income have held up well during the pandemic.

Many of the other forms of fundraising including community and large scale events were severely impacted by the pandemic both in 2020/21 and the first half of 2021/22. As restrictions have eased the hospice is able to reintroduce its mass participation events with Cycle for Life in September 2021. The London Marathon returned in October 2021 bringing a much needed boost to funds, raising over £133,000.

During 2022/23 Farleigh Hospice expects to be able to offer a full range of activities including open gardens and Walk for Life returning after a break of a couple of years. As this year marks the 40th anniversary of Farleigh Hospice all this year's events will be special celebratory events.

The fundraising team continue to successfully apply for grants and trusts with funds being received for a number of projects including Bereavement, the Virtual Ward, Farleigh Helpers and the Care Home Co-ordinator.

Retail

Farleigh Hospice has fifteen shops across Mid Essex. Shops receive donations of clothes, bric-a-brac and furniture. Goods are sold in the shops, on eBay, or where not suitable for resale, are sold as 'rags'. Farleigh Supplies Limited sells new goods (mostly cards) and operates a retail gift aid scheme on behalf of Farleigh Hospice.

Having been closed for much of 2020-21 the shops re-opened in mid April 2021. The shops are now trading back to levels seen pre-pandemic. Farleigh Hospice operates a discount warehouse based in Maldon which has been very successful and plans are underway to take on an additional adjacent unit.

Friends of Farleigh

Friends of Farleigh are a support group who control their own funds and make donations to Farleigh Hospice periodically.

Volunteers

Volunteers make a huge contribution to Farleigh Hospice.

There are 700 regular volunteers registered, there are many more who give their time on a more ad-hoc basis for example at events. Using the number of volunteers, their average hours worked and an appropriate hourly pay rate the value of their contribution (in a year with no pandemic restrictions) is estimated to be in excess of £1.0m.

Volunteers assist in many other ways apart from retail. Roles include, working as part of the welcome team, in the bereavement team, in the Courtyard Café, in the garden and in supporting fund raising. Obviously, many of our volunteers were unable to carry out their duties whilst shops were shut or they were not able to come to the Farleigh Hospice buildings during the lockdowns. However, in most cases these volunteers are now back volunteering their valuable time.

The trustees thank every one of them for their support and continued loyalty to Farleigh Hospice.

Strategic report

Achievements and performance

Impact of Farleigh Hospice's charitable activities

The trustees take care to ensure that limited charitable resources are directed to where they will have most impact. The activities section at the start of this report shows the variety of services Farleigh Hospice offers and the number of people accessing those services. This work has a huge amount of impact on an ongoing basis across the local community. Key metrics to show the amount of work carried out across Farleigh Hospice teams are as follows:

	2017/18	2018/19	2019/20	2020/21	2021/22
Total people cared for	3,858	3,979	4,482	4,371	4,067
Accepted Referrals (excluding bereavement)	1,095	1,292	1,232	1,390	1,603
% of patients with a non cancer diagnosis	27	34	37	38	39
% preferred place of death achieved	77	80	84	91	88
Number of other hospices supported by Local Hospice Lottery	19	23	22	26	28

As this year marks the end of the strategic plan the trustees have considered how they have achieved their goals. The chart above shows how successful the hospice has been in meeting its strategic aim of reaching out. The number of accepted referrals at 1,603 is 46% higher than it was four years ago. The goal was also to reach out to those with a non-cancer diagnosis. In 2021/22 39% of patients had a non-cancer diagnosis up from 27% four years ago. In 2021/22 11% of patients had a dementia diagnosis. The total people cared for includes patients, carers, information visitors and the bereaved. Whilst the number of patients has increased some of the additional services have been scaled back as a result of the pandemic resulting in a fall in total people cared for shown in the table above.

Each year the trustees also review impact by considering a particular focus. This year this report is titled "Innovation in Partnership". This is the title of the national hospice award that Farleigh Hospice was awarded at the Hospice UK annual conference in November 2021. This fits well with the strategic goal of empowering people to work collaboratively. Empower is one of the key themes of the 4 year strategy and one of the key changes that has come about as a result of the pandemic is the need to empower people and in particular to empower them to work collaboratively.

Hospice UK Innovation in Partnership award 2021

The winning entry 'integrated community care in a pandemic' showcased the one team approach Farleigh Hospice took to maximize its ability to care for people in the community and in their own homes when the pandemic struck, which included reorganization of clinical services and the creation of the Farleigh virtual ward.

At the time the chair of the Board of Trustees Keith Spiller sent a congratulatory message to all staff

“This is a welcome recognition of the part you have all played over the last 18 months or so, and a recognition of how you have all adapted to change to cope with circumstances and to improve our ways of delivering services, which will stand us in good stead for the future. I cannot claim to understand how difficult this period must have been for some of you, but can at least thank you again for your dedication and hard work in the most trying of circumstances.”

Multi-disciplinary locality teams

Farleigh Hospice staff from a wide range of specialties now work collaboratively bringing their skills and experience together to work as one team. This allows for timely support to patients and cares when they need it without the need for an internal referrals process. Daily team meetings discuss new referrals, complex cases and those that require intensive interventions in order to best support individual issues such as symptom management, emotional and psychological interventions. Regular caseload meetings with the Farleigh Hospice Palliative Care Consultants are also held. One relative sums up below the care that these teams work so hard to deliver.

“I would like to thank everyone who attended my dad in his final days they were all truly amazing treated him so well, talking to him throughout making sure he understood what they were doing, we would hear laughter coming from his room his laughter and that brought happy tears to our eyes. They were so dedicated to their job, without the team my Dad wouldn't have come home and we wouldn't have had the last 12 days with him. Thank you from the bottom of my heart”

Clinicians from the relevant Locality Care Team attend Gold Standards Framework meetings with local GP surgeries. Stronger links have also been forged with the local District Nursing Teams with regular meetings taking place to provide a more seamless service to patients in the community.

Working with other hospices

Following a close working relationship between all local hospices during the pandemic, it was decided to create a Hospice Collaborative Partnership. This group currently includes the Hospice Chief Executives and Directors of Care working closely with the Communication leads. The main purpose of the group is to work together to ensure there is an equitable offer to communities in Mid and South Essex, understand the needs of the local population, identify gaps in service and seek opportunities for joint business cases where appropriate. The hospices come together as one voice working with CCG commissioners to improve services overall for people who are at end of life. As the local NHS transitions over to the Mid and South Essex Integrated Care Board, Farleigh Hospice will be commissioned by the same organisation as the South Essex hospices. Farleigh Hospice already has an active part in the local Alliance and wider system planning meetings.

Recuperation – decompression programme

In common with most healthcare professionals staff at Farleigh have had a very difficult two years. Some teams had become disconnected due to the need to work from home in order to maintain infection control and social distancing guidelines. In August 2021 we ran a month of recuperation and decompression, a time for teams to come together to reflect on the past months/years, celebrate their successes and have some fun. Farleigh Hospice has adopted a one team approach and aims to empower all staff to work collaboratively across all disciplines. This focused time along with other initiatives such as the Well-being week and the 40th birthday celebrations help bring people together again.

Christmas Tree Recycling

After having to be cancelled in the previous year, in January 2021 the Christmas Tree recycling scheme was back and raised £37,000 for local charities. In order to collect 2,600 trees over the weekend the scheme relied on a large number of individuals, companies and organisations working together to collect trees across mid Essex. These include local councils, removal companies, solicitors, clubs and individual volunteers. Councillor Rose Moore, Cabinet Member for Greener and Safer Chelmsford said:

“Congratulations for Farleigh Hospice for another successful Christmas Tree recycling event. This fantastic campaign gives people a chance to reduce their carbon footprint and support the charity's vital work. It has also brought the community together with businesses, organisations and individuals offering their time for a worthy cause.”

Gardening Club

Working collaboratively our maintenance, clinical and fundraising teams worked together to launch a Gardening Club in August 2021. The club is open to all friends of Farleigh Hospice, patients and their families, staff, volunteers, friends and neighbours and has been particularly beneficial to those that are supported through our bereavement services. One club member outlines the benefits:

“The gardening club has been great for me as well, I can come to Farleigh and spend time in the lovely gardens. I feel as though I can be me there, talk about my husband if I want to and not have to put on a brave face and pretend I'm OK, when I'm feeling sad.”

Care Home Support

Many of Farleigh's patients end their lives in local care homes. During the year Farleigh Hospice employed a Care Home Co-ordinator to help improve access to palliative and end of life care to those in care homes. One care home that has benefitted from this service is Cherry Wood Grange in Chelmsford. Jo Savidge their Director of Nursing says:

“The Farleigh hospice team are an invaluable support to us here at Cherry Wood Grange. They always deliver and advocate the highest form of professionalism and we really value their ongoing expertise and guidance. It gives us the skills and confidence to provide exceptional end of life care to our treasured residents when the time comes ensuring we do what is right for each person at this crucial time.”

Local Hospice Lottery Ltd (LHL)

LHL is one of the most successful examples of collaboration in the hospice movement. By working together the hospices are able to minimise the costs of running a lottery thus maximising the amount that can ultimately be used for patient care. Partners are also able to benefit from LHL's expertise in marketing and player recruitment. Each year LHL runs a partner conference where hospices can come together to share ideas. Jackie Johnston from Strathcarron Hospice outlines how important the LHL partnership is to Strathcarron.

“The local hospice lottery has been a game-changer for us in terms of income. It requires little input from me and I thoroughly enjoy working alongside this team; always friendly and willing to help. They are well established and I feel as if we are in safe hands.”

Achievement of goals set for the 2021/22 financial year

- **To develop new ways of working to provide 24/7 care for people at the end of their life. This will include developing the 'virtual ward' model and support to care homes in relation to their residents at the end of life**

Farleigh Hospice originally implemented the virtual ward model in early 2021 as a response to the second wave of the pandemic. This 24/7 service allows for an enhanced level of support for patients who are in need of extra care and would previously been admitted to an inpatient setting. Although the service has no additional statutory funding the trustees have decided to fund it on an ongoing basis from charitable funds. In 2021/22 the service cared for over 100 patients with only patient requiring admission to hospital.

For many people at the end of their life their home is in a residential or care home setting. During the year Farleigh Hospice has employed a Care home co-ordinator whose role has been to work with care homes to ensure they know how to care for their residents in an appropriate way and know how to contact their local multi-disciplinary team.

- **To consolidate the new Locality Care Team structure to support multi-professional and cross organisational working**

The multi professional Locality Care Teams were originally created to increase resilience during the first wave of the pandemic. The three teams North, South and Central work across disciplines to create a team around patients, families and carers. The structure is now well embedded and these teams care for a large number of patients at any one time. The caseload for each team at anyone point in time is around 160 patients.

- **To develop bereavement support including new ways of working to support clients and improve community engagement**

During the pandemic the work of the bereavement services continued virtually where possible. Some clients were happy with either a telephone or virtual offering, however some patients wanted to wait until such time as services could be resumed face to face. As soon as guidelines allowed face to support was reintroduced. Clients are now able to choose between telephone, online and face to face support. Bereavement help points have restarted. To ensure that services could be accessed easily the adult service introduced e-referrals. Online training for school staff took place to assist staff in supporting the children in their care who had suffered a bereavement during the pandemic.

- **To collaborate with and support other organisations to deliver education to improve care and support for people at the end of their life**

The Farleigh Education Team continued to work closely with other organisations during the year. They continued teaching for the local community health provider, local domiciliary care agency staff, paramedics and care homes. A collaborative training needs analysis was carried out early in year, which highlighted a need for more teaching on frailty recognition and management of symptoms along with advance care planning. As a result of this a learning resources platform has been created to address these needs.

- **To carry out a review of the governance arrangements between Farleigh Hospice and Local Hospice Lottery Ltd**

Farleigh Hospice commissioned governance experts working with the National Council of Voluntary Organisations (NCVO) to review current arrangements to ensure they complied with best practice. The report concluded that both Farleigh Hospice and Local Hospice Lottery Ltd are well run organisations in terms of governance and management processes. The review did make some recommendations for additional measures be put in place to evidence that the lottery company focuses primarily on benefitting Farleigh Hospice and the other member hospices.

- **To finalise the workforce review**

Although there is still a small amount of work to be carried out in 2022-23 the workforce review is largely completed. This huge undertaking involved producing a new staff handbook, moving all Job Descriptions to a new format, reviewing pay to bring it into line with market rates, reviewing policies and procedures and working with staff on wellbeing and culture at Farleigh Hospice.

- **To refurbish/extend the Maldon premises as a base for the South locality team and a community hub**

Plans were delayed as the original plans for the extended building were rejected by the local council. Plans have been revised and it is hoped that permission will be granted and works can start in 2022-23

- **To develop a new strategy for 2022 onwards**

Work on the new strategy was well underway when the 3rd wave of the pandemic hit in the Winter of 2021/22. This delay has meant that the launch of the new strategy will take place in early 2022-23. Farleigh Hospice had discussed plans for the future internally with board and staff. A number of online consultation events were held with all stakeholders. These consultations asked three key questions. What do you feel is most important for people who are at the end of life? How do you feel Farleigh Hospice can best support its community? What do you think Farleigh's future could, and should look like? There are also areas of the current strategy that continue to be relevant. The new draft strategy was approved by board in May 22 and will be launched over the summer of 2022.

- **To consolidate income generation activities following the disruption of the pandemic this year. To further develop the digital approach and engage supporters and ensure a positive supporter journey**

Although the Covid-19 pandemic caused issues for in person events for the early part of 2021/22 by the autumn in person events such as Cycle for Life and the Santa Fun Run were able to return. The fundraising team worked tirelessly to raise funds in difficult circumstances. In recognition of this they were awarded Team of the Year in the Farleigh Hospice team of the year awards. The team was reorganized to focus on the digital journey for those supporters who chose to fundraise in this way. The team also developed an online chat facility to enable a quick response to supporters.

- Local Hospice Lottery will be looking to continue the implementation of the Strategic Plan by building upon the work undertaken in 2020/21. Crucial will be a successful emergence from the lockdowns and restrictions occasioned by the Coronavirus Pandemic and Government actions thereon. In particular, Local Hospice Lottery is planning to further diversify fundraising routes, recruit additional partner hospices; build the fundraising teams, all with the objective of achieving the targets for donations to hospice care.**

From April 2021 restrictions eased so that face to face fundraising could resume. Work continues on diversifying fundraising routes, During the year one new partner joined the lottery, with two more already signed up for 2022/23. Although there continues to be difficulties in recruiting fundraisers in some areas overall the total payable to partner hospices was 6% above the budget for the year.

Fundraising

Farleigh Hospice is registered with the Fundraising Regulator and complies with the Code of Fundraising Practice and Fundraising Promise. All fundraisers are aware of the need to act ethically in accordance with the Code of Fundraising Practice and Farleigh Hospice values. They are particularly sensitive to the vulnerability of those who use Farleigh Hospice services.

The Financial Governance Committee has specific delegation from the Board to review fundraising activities. It receives reports from the Commercial Director at each meeting. In addition, management accounts showing performance against budget and prior year are reviewed. Any significant changes to fundraising expenditure are approved at Financial Governance Committee meetings. A summary of these discussions are notified to the full board. Trustees are actively involved in fundraising with many attending the large-scale events and representing Farleigh Hospice at other events, when they are able to take place. Each trustee acts as a buddy to their local shop and in normal times visits to support.

In 2021/22 there were no complaints relating to Farleigh Hospice's activities in Mid Essex. In 2020/21 there was one complaint received. All complaints are investigated fully and resolved where possible, in accordance with the Farleigh Hospice complaints policy. All complaints related to fundraising are reviewed by the Executive Team and the Financial Governance Committee.

Farleigh Hospice is signed up to the Fundraising Preference Service which enables individuals to opt out of receiving fundraising communications from Farleigh Hospice. There were four requests to opt out of communications in 2021/22 (2021: Two).

Farleigh Hospice does not employ third party professional fundraisers or commercial participators and therefore does not need to regulate their activities, Local Hospice Lottery has relationships with a number of professional fundraisers. These are monitored in line with the relevant fundraising and gambling regulations. Local Hospice Lottery is registered with the Fundraising Regulator, licensed by the Gambling Commission and is an organisational 'Dementia Friend'.

Investments

The Financial Governance Committee regularly reviews the investment policy. Over the last few years Farleigh Hospice has had limited funds for investment. These funds have mostly been kept in UK bank deposits. Following both the increase in funds due to the NHSE/Hospice UK additional Covid-19 funding and the need to preserve the value of reserves in terms of inflationary times the trustees have resolved to place funds in pooled investment funds. The performance of these will be closely monitored by the Financial Governance Committee.

Financial review

Result for the year

The overall result for the year is a surplus of £1.2m. This is an extraordinary result in this second year of the pandemic and was as a direct result of non-recurrent funding received from the UK government which totaled £1.6m. The trustees had budgeted for a significant deficit in 2021/22.

This government scheme which provided funding from NHS England via Hospice UK was to secure capacity in hospices during the third wave of the pandemic from December 2021 to March 2022.

The results above and in the detailed accounts later in this report show the overall group results. Figures for the Farleigh Hospice charitable group replacing the overall income and expenditure figures for Local Hospice Lottery Ltd with the net donation paid to Farleigh Hospice, are as follows:

	2021/22 £000s	2020/21 £000s
Income		
Donations and legacies	2,604	2,541
Charitable activities (NHS income)	5,561	7,231
Shop Income	1,401	459
Donation from LHL	1,173	1,388
Other fundraising activities	183	105
Investments	16	14
Other Income	112	476
Total Income	11,050	12,214
Expenditure		
Shop Costs	1,312	976
Fundraising Costs	767	748
Charitable Expenditure	7,764	7,132
Total Expenditure	9,843	8,856
Net gains on investments	19	38
Net income /(expenditure) for the year	1,207	3,396

Farleigh Hospice is unable to accrue profits from trading subsidiaries not paid over in the year. There were £44k of profits still to be paid over at the end of the financial year (2021 £89k).

Income

Total income for 2021/22 increased by £0.4m to a total of £20.8m.

The most significant source of the variance of total income is the reduction in monies provided by NHS England to support hospices in the pandemic which has fallen by £1.8m.

Income from the Local Hospice Lottery Ltd (LHL) players increased by £1.7m to £10.9m, an increase of 18%. After offsetting £3.9m of costs associated with running the lottery and £5.8m in donations to other hospices, LHL donations due to Farleigh Hospice are £1.1m, which is 7% below the 2020/21 total of £1.4m. The lottery business carries out face-to-face fundraising for new players which was of course curtailed by the pandemic in 2020/21. This resulted in an increase in the prior year's profits as fundraising costs were not incurred. The successful change in payment model to a £5 monthly option and the increase in partner hospices is expected to lead to larger profits in 2022/23 and beyond.

Income from donations (gifts) and legacies has increased by £0.1m to £2.6m. Legacy income has remained the same as the prior year. Income from donations and gifts has increased by £0.1m during the year. In common with many other hospices Farleigh Hospice ran an emergency appeal in 2020/21 which raised £0.2m in income. With the exception of large scale events most income streams are back to or above their pre pandemic levels. The most significant single income stream is donations in memory which raised £0.5m in 2021/22.

Shop income at £1.4m is up £0.9m on the previous year, this is because shops were shut for 31 weeks of the year in 2020-21 due to the Covid pandemic. Shop turnover has returned to pre-pandemic levels in 2021/22. Once overheads such as HR and IT are allocated to the shops it is apparent that the level of margin within the retail operation needs to be enhanced.

Charitable Expenditure

With the investment in new services particularly the Rapid Access to End of Life project Farleigh Hospice's spend on charitable services has increased by £0.7m (8%) to £7.8m

LHL donations to other hospices, to be used in accordance with Farleigh Hospice's charitable objectives, increased by £0.8m to £5.8m.

Reserves policy and going concern

All charities are required to consider how much they need to hold in reserves. The extent of these reserves varies depending on the scale and nature of the charity's activities. Farleigh Hospice provides a range of critical health services on which the population of Mid Essex depend. To fund these services it is reliant on a number of fluctuating income streams from donations, legacies and shop and lottery profits. To enable Farleigh Hospice to meet its commitments to the community and provide key hospice services, it needs to maintain its level of reserves so that it can continue operations in the event that an unforeseen decrease in income or increase in costs results in a significant deficit.

During the initial part of 2020/21 the Farleigh Hospice reserve policy was tested as a result of the closure of shops and curtailment of fundraising activities. The level of reserves was found to be adequate for a period of disruption roughly equal to the 18 months of reduced income that was traditionally provided for in the reserves policy. The trustees with the knowledge that the disruption from the pandemic has been ongoing for over a year have increased the period of income disruption to be provided for to two years.

The trustees carry out a risk based analysis in arriving at the level of reserves needed to protect against unforeseen events. This risk based analysis looks at the amount of reserves that would be needed if there were a significant fall in income for two years. The desired level of reserves set for the 2021/22 financial year, was £4.7m. Note 25 to the accounts shows that the free unrestricted reserve is £7.3m (2021: £4.8m), an increase of £2.5m on the previous year. The trustees have set a negative budget for 2022/23 and are considering further investment of funds in systems and staffing to ensure that the hospice is operating as efficiently and effectively as possible and to support the forthcoming strategic plan.

The trustees continue to hold designated funds for fixed assets (£3.6m) and the refurbishment of the new site in Maldon (£0.2m).

The trustees have reviewed the circumstances of Farleigh Hospice and its group companies and consider that adequate resources continue to be available to fund the activities of the charity and the group for the foreseeable future. The trustees are of the view that Farleigh Hospice and the group companies are a going concern and likely to remain so for the foreseeable future.

Principal risks and uncertainties

Farleigh Hospice and Local Hospice Lottery Ltd both hold detailed risk registers that are reviewed regularly at committees and board. These risks are ranked by likelihood and impact to produce a score which ranks them red, amber or green in terms of their potential impact for the organisation.

The Covid-19 pandemic resulted in high levels of risks and uncertainty in both 2020/21 and 2021/22. It is hoped that as we move into 2022/23 the Covid-19 risks have been mitigated. However, there is still a number of issues to be considered; the cost of living crisis and the war in Ukraine concern have an impact in the environment in which Farleigh Hospice operates.

The trustees have sought to mitigate risks as much as possible and the mitigation of these risks is explained below. The trustees consider the following to be the principal risks to which Farleigh Hospice is exposed.

1. Safety of service users, staff and volunteers

As the threat of Covid-19 subsides it is apparent that the efforts over the last two years have placed a great deal of strain on the organisation and staff. Staff sickness has increased and trustees are aware of the need to support staff in their recovery from what has been a difficult time. The cost of living crisis together with increased fuel costs will undoubtedly have an impact on our most vulnerable service users who may well need additional support.

2. Organisational overload due to increasing demand for services

Referrals to Farleigh Hospice are up 30% since the start of the pandemic. Many of these patients have increased complexity. Complexity of patient workload has increased as the hospice is still seeing a number of patients where delays in diagnosis have meant there is no longer a chance of curative treatment. These patients and their families understandably need additional support. It is also the case that many more patients are dying at home – this is a national picture. Farleigh Hospice has seen a 38% shift in people dying at home in the last year. To support so many more patients at home places an increased strain on the patient facing staff and the organisation as a whole.

3. Future Financial stability

With a significant amount of support from NHSE via the Hospice UK scheme in both 2020/21 and 2021/22 reserves at Farleigh Hospice are strong. However, the board have approved a significant deficit budget for 2022/23. It is simply not possible to provide the level of care needed for Farleigh Hospice patients from the current combination of statutory and charitable funding. Although there is a prospect that the continued success of the Local Hospice Lottery will move the organisation back to a break even position. However, this may be short lived as there is likely to be an ever increasing need for staff and resources as the death rates are predicted to increase significantly in the 2030s. The cost of living crisis is also likely to impact the amount of voluntary income that Farleigh receives. The loyal supporters of the hospice are incredibly generous but it is clear they will face their own challenges over the next few months. Farleigh Hospice has an active Financial Governance Committee who review three yearly forecasts and seek to identify and mitigate risks as appropriate.

4. NHS funding

Farleigh Hospice has developed very good working relationships with Mid Essex Clinical Commissioning Group (CCG) over recent years. During 2022/23 this CCG is merging with the four CCG's in South Essex to become the Mid and South Essex Integrated Care Board (ICB). The new organisation has said that it will be looking to sign two year contracts with all the hospices initially. The new organisation has indicated that it will be looking to sign longer term contracts with all three hospices in the new ICB. The new organisations still need to be set up under an Act of Parliament and this is unlikely to take place until July at the earliest. Therefore there remains a period of uncertainty as to what will happen once the new organisation is set up. Where possible Farleigh hospice is engaging with all areas of the NHS and fellow providers to develop relationships and services.

5. Non compliance with fundraising, data and other regulations

Farleigh Hospice along with other charities is subject to an ever-increasing number of regulations. Non compliance could result in fines or reputational damage, which threatens the future of the charity. The trustees have considered this risk and in order to help mitigate against it they have a Board Governance Committee, which has as one of its objectives to ensure that all compliance matters are dealt with properly. The Chief Executive, Finance Director and the Compliance and Assurance Lead work together to ensure that there are appropriate processes in place to evidence compliance.

6. Inflation

Inflation rates within the UK are the highest they have been for over 40 years. The hospice faces the reality that its reserves could be worth 10% less at the end of the year than they were at the beginning. The trustees have decided to place as much of the reserves as possible into pooled funds in the hope of mitigating the impact of inflation. The inflation and cost of living crisis will also undoubtedly have an impact on our voluntary income as supporters have less disposable income to donate.

Plans for the future

Farleigh Hospice has a strategy in place for the period 1st April 2018 to 31st March 2022. The strategic goals were in place until Farleigh Hospice's 40th anniversary year in 2022. Central to this strategy was the aim to grow and help more people in the future. The strategy was based around four themes: Reach out, Empower, Inspire and Invest.

The following has been achieved as part of this 4 year strategic plan.

- Building of a sustainable workforce using creative solutions to ensure the workforce of the future
- Development of the virtual ward model to care for more people in their own homes and supporting people to die well at home

- Expansion of 'green' initiatives to further reduce the hospice's carbon footprint
- Service re-design through monitoring and developing the patient experience listening to patient's stories and involving users in service design
- Launch of a new strategic plan as part of the 40th birthday year celebrations
- Review and investment in income generation activities to support the new strategic plan
- Plans for refurbishment/extension of the Maldon premises as a base for the South locality team and a community hub
- Investment in a new Human Resources database to make efficient use of resources and monitor workforce metrics.
- Development of a leadership programme to ensure all leaders have the skills needed to lead the organisation into the future.
- Local Hospice Lottery will be looking to continue the implementation of the Strategic Plan. In particular LHL will be reviewing the level of membership that can be expected in the areas of existing hospices and the organisational capacity to recruit further hospices. LHL will also look to improve efficiency and effectiveness by using Business Improvement techniques across the whole organisation.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 4th March 1982 and registered as a charity on 5th May 1982.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is now governed under its Articles of Association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Farleigh Hospice is governed by a board of trustees who are also directors of the company. The maximum number of directors is set at 14 in the Articles of Association. The trustees are mindful of the Charity Governance Code recommendation that the maximum number of trustees should be 12. The number of trustees at Farleigh Hospice was capped at 12 until 2016. However, with a number of trustees reaching their 9 year anniversary where they must retire the trustees were concerned that they could not adequately resource the Committee structure and the Local Hospice Lottery Ltd governance requirements with 12 trustees. Day- to-day management is delegated to the Chief Executive and the Executive Team.

The full board is supported by a committee structure. This structure is designed to ensure that the committees support the full board in delivering Farleigh Hospice's strategic objectives and statutory obligations. There are four standing committees. A board governance committee oversees governance matters, in particular compliance with the Charity Governance Code. This committee also looks at trustees' recruitment, succession planning and performance. The board governance committee is also delegated to look at matters concerning the Executive Team including pay. The other three committees are clinical governance committee (dealing with clinical matters); a corporate governance committee (dealing with health, safety and environment, internal and external communication and matters relating to staff and volunteers) and a financial governance committee (which deals with financial matters and oversees income generation)

Each committee is responsible for governance, quality, compliance and risk management in its area of responsibility. The full board takes reports from the chair of each committee at all of its meetings. The full board meets six times per year and each of the committees meet quarterly.

In 2020/21 the trustees commissioned an external board evaluation run by the National Council of Voluntary Organisations (NCVO). The NCVO mapped compliance with the Charity Governance Code using their Governance Wheel tool. Their report was very pleasing "Our overall reflection from our engagement with Farleigh Hospice is of a high performing, well run organisation which takes governance seriously." During 2021/22 the NCVO also reviewed the governance arrangements in place between Farleigh Hospice and Local Hospice Lottery Ltd.

Following issues raised in the media relating to safeguarding procedures in some charities, the clinical and corporate governance committees have reviewed safeguarding procedures and are satisfied that there are sufficient procedures in place to mitigate any risk to patients, staff and volunteers.

In addition to serving on these committees, trustees engage in a regular cycle of visits to observe the provision of services in the main hospice site, in community buildings, and patients' homes, interviewing service users and staff/volunteers in order to assure themselves of the quality of services. These visits have had to cease during the Covid 19 pandemic but have now resumed with a visit taking place in May 2022. Board members also sit alongside members of the Executive team as directors of the two trading companies in the group. Local Hospice Lottery Ltd runs a lottery on behalf of Farleigh Hospice and a number of other hospices across the UK. Farleigh Supplies Limited deals with the purchasing of new goods for sale in the shops and administers the retail Gift Aid scheme. Farleigh Hospice complies with the NHS requirement to produce a Quality Account and this documents the audit and quality improvement work that is carried out across the organisation. A copy of the Quality Account 2021/22 is available on the Farleigh hospice website: www.farleighhospice.org.

Alongside the Farleigh Hospice strategy, the board have identified a suite of Key Performance Indicators (KPIs) to assess performance against the strategic goals; these are monitored by the board on a quarterly basis.

Each year alongside the board meetings the full board meets for an away day. This gives the board an opportunity to discuss more strategic issues and their performance as a board. In addition each year a board self-assessment survey is undertaken to establish how the board is performing. Each trustee has an annual one to one with the chair. The vice chair undertakes a review of the chair and ensures appropriate feedback is given to the chair.

Appointment of trustees

When vacancies occur trustees are recruited using a widespread recruitment campaign or in response to an approach by an interested party. They are interviewed by existing board members and a staff representative. If suitable, having the right breadth of skills and experience, they will attend three board or committee meetings and will then join the board if they and the rest of the board agree. Trustees can serve a maximum term of nine years.

Trustees are initially co-opted to the board but they stand down at the next AGM to be formally re-elected by the members. They do this again at three and six years and then formally stand down at the end of the ninth year.

At the 2022 Annual General Meeting one trustee, Dr David Blainey, will reach the end of his maximum term.

Trustee Induction and Training

New trustees are supplied with a comprehensive induction pack and meetings arranged with key members of staff. They also have an existing board member to act as a mentor. Full board training is carried out as required, delivered by an appropriately qualified Farleigh Hospice staff member or an expert from within the board. External courses and opportunities to attend workshops and conferences are offered as opportunities arise.

Each board meeting includes either a patient story or a presentation from a member of staff relating to the services they deliver.

Chair

Trustees elect a chair and vice chair from within their numbers. The terms of office for each position is three years with an option to stand for a second term only. The current chair is Keith Spiller.

Related Parties and relationships with other organisations

None of the trustees receive remuneration or other benefit from their work with the charity.

Farleigh Hospice requires trustees and executive directors to declare any interests that they may have outside of the charity. Transactions and contractual relationships with related parties must be disclosed.

One of our trustees (2021: one) is a member of the board of Mid Essex Clinical Commissioning Group.

The hospice has a close working relationship with Mid Essex Hospitals Trust (MEHT), which runs Broomfield Hospital, which is on a neighbouring site. The palliative care medical consultants who work at Farleigh Hospice are supplied under a Service Level Agreement with MEHT.

The charity has two trading subsidiaries. Local Hospice Lottery Ltd runs a weekly lottery on behalf of Farleigh Hospice and a number of other hospices. Donations to those other hospices are made as part of the contractual relationship with these hospices. These donations must be used in furtherance of hospice care. The other hospices as at 31st March 2022 are listed in note 8 of the accounts.

Farleigh Supplies Limited is another wholly owned subsidiary. This trades in new goods and operates the Farleigh Hospice retail Gift Aid scheme.

Remuneration policy for key management personnel

For Farleigh Hospice the board governance committee considers the pay and terms and conditions of the key management personnel. Although this committee consists of a subset of the board any decisions are taken by the full board. Pay is benchmarked by individual posts against roles in similar organisations through an external benchmarking process using an independent company.

For Local Hospice Lottery Ltd similar arrangements exist regarding benchmarking overseen by the Lottery Board, but the approval authority for the Chief Executive and Finance and Operations Director also sits with the Farleigh Hospice board.

Equality and Diversity

The trustees are committed to diversity and providing equal treatment to all potential and existing employees and all service users irrespective of gender, race, ethnic origin, disability, age, nationality, sexuality, religion or belief. All forms of unlawful and unfair discrimination are not tolerated.

All employees and volunteers are treated equally. Selection for employment, promotion, training or any other benefit is on the basis of aptitude and ability. Should any staff member become disabled reasonable effort is made to continue their employment and where necessary provide suitable adjustments and support.

Trustees are keen to ensure that Farleigh Hospice is working in line with its commitment to this matter and a new cross organisation Equality, Diversity and Inclusion Group will commence in 2022 made up of trustees, staff and advisors where appropriate.

Employee Information

Employees have the opportunity to have their views heard through a variety of means including suggestion boxes, employee surveys, Chief Executive open forums and the line management structure. There are fortnightly Executive Team meetings and monthly Heads of Department meetings. All managers are expected to hold regular meetings with their staff and ensure that they are aware of all issues that may affect their own roles and factors influencing the organisation as a whole. A bi-annual staff survey is carried out which includes benchmarking information against previous years and with other organisations. In October 2021 the bi-annual staff survey took place, there was a 72% response rate. The hospice was benchmarked as 'One to watch' moving closer to 1 star status than the previous survey. The survey showed that staff feel well supported by their line manager and have a strong sense of team work and pride in the organisation. However as always there is things to learn and it is clear that staff feel under pressure and want more opportunities for personal growth. The Chief Executive carries out a monthly all staff virtual briefing.

Each year staff are asked to feedback on the priorities for the forthcoming year's operational plan. This year all staff were given the opportunity to take part in workshops to discuss the new strategic plan to be launched in 2022/23.

Channels of communication with volunteers operate in a similar manner and they are also updated and consulted with via the centralised volunteering function.

Environmental sustainability

The hospice has a green group who look at sustainability across the hospice, including waste management and reducing carbon emissions by various energy saving initiatives,

Statement of responsibilities of the trustees

The trustees (who are also directors of Farleigh Hospice for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Account Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources, including the income and expenditure, of the charitable company or group 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 in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the in financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £5 to the assets of the charity in the event of winding up. Members pay their guarantee on joining the charity and it is held separately in a members' guarantee fund. The total number of such guarantees at 31st March 2022 was 80 (2021:75). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The Trustees' Annual Report, which includes the strategic report, has been approved by the trustees on 8th August 2022 and signed on their behalf by Keith Spiller.

K Spiller
Chair

Independent auditors' report

Opinion

We have audited the financial statements of Farleigh Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise consolidated Statement of Financial Activity, the group and parent charitable company Balance Sheets, the Group Cashflow Statement and the related notes to the financial statements, 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 statement of the group's and parent charitable company's affairs as at 31 March 2022 and of its 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 and charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees 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. 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.

Opinions 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, which includes the directors' report (and the strategic report) prepared for the company law purposes, for the financial years for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report has 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatement in the trustees' report (including the strategic 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 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; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on pages 24-25) the trustees (who are also the directors of the parent 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 and 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context were CQC Regulations.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within to be within the timing of recognition of grant income and legacies and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Investment and Finance Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Guy Biggin (Senior statutory auditor)
For and on behalf of Crowe U.K. LLP, Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 14th September 2022

Consolidated statement of financial activities for the year ended 31 March 2022

(incorporating a consolidated income and expenditure account)

Income from:	Note	All		2022 Total £000	All		2021 Total £000
		Unrestricted £000	Restricted £000		Unrestricted £000	Restricted £000	
Donations and legacies	2	2,375	229	2,604	2,326	215	2,541
Charitable activities	3	3,954	1,607	5,561	3,782	3,449	7,231
Other trading activities							
Lottery Income		10,862	-	10,862	9,189	-	9,189
Shop Income		1,401	-	1,401	459	-	459
Other fundraising activities	4	178	5	183	92	13	105
Investments	5	16	-	16	15	-	15
Other		112	-	112	797	-	797
Total income		18,898	1,841	20,739	16,660	3,677	20,337
Expenditure on:							
Raising funds							
Lottery Costs	7	3,877	-	3,877	3,158	-	3,158
Shop Costs	7	1,312	-	1,312	976	-	976
Fundraising Costs	7	762	5	767	745	3	748
Income available for charitable activities		12,947	1,836	14,783	11,781	3,674	15,455
Charitable Activities							
Farleigh Hospice							
Inpatient Care	7	887	684	1,571	771	53	824
Community Care	7	3,224	2,251	5,475	3,387	2,179	5,566
Bereavement	7	355	116	471	447	54	501
Education and Information	7	197	50	247	240	1	241
Local Hospice Lottery Ltd donations to hospice care	7,8	5,852	-	5,852	4,891	-	4,891
Total expenditure		16,466	3,106	19,572	14,615	2,290	16,905
Net income/(expenditure) before net gains/(losses) on investments		2,432	(1,265)	1,167	2,045	1,387	3,432
Net gains/(losses) on investments		-	19	19	-	38	38
Net income/(expenditure) for the year and net movement in funds	9	2,432	(1,246)	1,186	2,045	1,425	3,470
Transfers between funds		-	-	-	-	-	-
Reconciliation of funds:							
Total funds brought forward		8,737	4,253	12,990	6,692	2,828	9,520
Total funds carried forward		11,169	3,007	14,176	8,737	4,253	12,990

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 25 to the financial statements.
The notes to the accounts are shown on pages 33 to 55.

Balance Sheets

For the year ended 31 March 2022

Company no. 01619905

	Note	The group 2022 £000	The group 2021 £000	The charity 2022 £000	The charity 2021 £000
Fixed assets					
Tangible assets	14	5,953	6,143	5,902	6,055
Investments	15	239	220	239	220
		6,192	6,363	6,141	6,275
Current assets:					
Stock	18	6	7	-	-
Debtors	19	2,273	2,027	2,183	1,973
Investments	20	2,924	1,218	2,924	1,218
Cash at bank and in hand		5,755	6,137	3,689	4,304
		10,958	9,389	8,796	7,495
Liabilities:					
Creditors: amounts falling due within one year	21	(2,974)	(2,762)	(814)	(858)
Net current assets		7,984	6,627	7,982	6,637
Net assets		14,176	12,990	14,123	12,912
Funds					
Restricted endowment funds	25	2,702	2,755	2,702	2,755
Restricted income funds	25	305	1,498	305	1,498
Unrestricted income funds					
Designated Funds	25	3,849	3,921	3,849	3,921
General funds	25	7,320	4,816	7,267	4,738
Total unrestricted funds		11,169	8,737	11,116	8,659
Total funds		14,176	12,990	14,123	12,912

Approved by the trustees on 8th August 2022 and signed on their behalf by

K Spiller
Chair

The notes to the accounts are shown on pages 33 to 55.

Consolidated statement of cash flows

For the year ended 31 March 2022

	Note	2022 Total £000	2022 Total £000	2021 Total £000	2021 Total £000
Net cash provided by operating activities	26		1,320		2,902
Cash flows from investing activities:					
Dividends, interest and rents from investments		16		15	
Purchase of fixed assets		(12)		(45)	
(Purchase)/Sale of investments		(1,706)		(954)	
Net cash provided by/(used in) investing activities			(1,702)		(984)
Change in cash and cash equivalents in the year			(382)		1,918
Cash and cash equivalents at the beginning of the year			6,137		4,219
Cash and cash equivalents at the end of the year	27		5,755		6,137

The notes to the accounts are shown on pages 33 to 55.

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared 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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Local Hospice Lottery Ltd and Farleigh Supplies Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

b) Public benefit entity

Farleigh Hospice meets the definition of a public benefit entity under FRS 102.

c) Going concern and key judgements

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where these estimates and judgements have been made include the following:

- i) Useful economic lives of tangible assets
See Note 14 for the carrying amount of tangible assets and accounting policy k for the useful lives of each class of asset.
- ii) Accrued legacy income
See accounting policy d where this is set out in full.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. For the majority of income this will be on a cash received basis.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are shown as accrued income in debtors.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable and measurable when the amount can be measured reliably and there are no potential claims against the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Sponsorship from events and fundraising is recognised in income when the event takes place. Lottery income is accounted for in respect of those draws that have taken place during the year. Trading income is recognised at the point of sale for both donated and purchased goods.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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 cost for the charity which would far outweigh the benefits.

f) Interest and dividends receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Endowment funds are gifts of capital that must be retained and any income earned must be used in furtherance of Farleigh Hospice's charitable activities.

Unrestricted funds are donations and other incoming resources received or generated for general charitable purposes. They are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

The cost of raising and administering such funds are charged against the specific fund.

The aim and use of each material designated fund and restricted fund is set out in the notes to the financial statements.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified, on an accruals basis, under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any trading and other activities with a fundraising purpose, including those for Local Hospice Lottery Ltd.
- Expenditure on charitable activities includes the costs of specialist palliative care and bereavement support undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of estimates, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease. Benefits received or receivable as an incentive to sign an operating lease are recognised on a straight line basis over the minimum period of the lease. Farleigh Hospice classifies the lease of printing equipment as an operating lease and payments are recognised as incurred.

k) Tangible fixed assets

Individual Fixed Assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated expected useful life as follows:

● Buildings	75 years
● Long Leasehold property	99 years
● Short leasehold property improvements	3 to 5 years
● Computers and equipment	5 years
● Motor vehicles	4 years

Because of its high net residual value land is not depreciated.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

l) Fixed asset investments

"Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing valuation. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments."

Investments in subsidiaries

Investments in subsidiaries are included at cost.

m) Stocks

Stock of bought in retail goods is included at the lower of cost or net realisable value.

n) Debtors

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

Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

o) Cash at bank and in hand

Cash at bank and cash 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.

p) Current asset investments

Investments include cash with a maturity date of greater than three months but less than one year.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

r) Pensions

Staff joining from the NHS can choose to continue their membership of the NHS pension scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. Any deficit on the scheme is funded by the Treasury and an increase in future contributions. The scheme is therefore treated as a defined contribution scheme.

The employer's contributions made to the scheme in 2022 were £240,000 (2021:£212,000) with an employer's contribution rate of 14.3% of pensionable pay and employees' contributions between 5% and 14.5% of pensionable pay depending on the level of pay. The trustees are satisfied that this and other foreseeable changes in employer's contribution rates can be budgeted for without detriment to the charity's ongoing activities.

All employees are entitled to join a defined contribution 'money purchase scheme' operated by Scottish Widows. Farleigh Hospice employers' contributions for the year were £258,000 (2021: £252,000). Employer's contributions are either 4% or 7% and employees' contributions are either 4% or 6%. Farleigh Hospice acts as an agent in collecting and paying over contributions. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

For both schemes the costs are included with the associated staff costs and allocated to raising funds, charitable activities, support and governance costs and charged to the unrestricted funds of the charity. All employer contributions are expensed as they fall due.

s) Financial Instruments

Except for listed investments, all the group's financial instruments, both assets and liabilities, are measured at settlement value. Listed investments are recognised at market value. Financial assets include cash at bank and in hand, trade and other debtors and accrued income. Financial liabilities include trade and other creditors and accruals. The carrying values are shown in notes 15,19,20 and 21.

2 Income from donations and legacies

	2022			2021		
	Unrestricted £000	All restricted £000	Total £000	Unrestricted £000	All restricted £000	Total £000
Gifts	1,504	229	1,733	1,528	110	1,638
Legacies	871	-	871	798	105	903
	2,375	229	2,604	2,326	215	2,541

Farleigh Hospice benefits greatly from the many hours our dedicated volunteers donate in a large number of different roles within the hospice. Further details of the volunteer contributions are given in the Trustees' Report. In accordance with FRS102 and the charities SORP (FRS102), the economic benefit of general volunteers is not recognised in the accounts.

No restricted legacies was received in 2022 (2021: 1). The 2021 funds were restricted for use for Maldon premises.

In 2022 gifts totalling £229,000 were received, the purpose of which was restricted to Essex County Council's Living with Grief Programme (£100,000), Virtual Ward (£23,000), Care Home co-ordinator (£23,000), IPU beds (£22,000), Children's Bereavement (£20,000), the Farleigh Hospice MND co-ordinator (£10,000), Farleigh Helpers (£10,000) and the Summer House project (£8,000). The balance (£13,000) relates to a number of smaller projects.

In 2021 gifts totalling £110,000 were received, the purpose of which was restricted to Children's Bereavement (£46,000), the Farleigh Hospice MND co-ordinator (£23,000), the Covid-19 response (£21,000) and Maldon premises (£8,000). The balance (£12,000) relates to a number of smaller projects.

As at 31st March 2022 the charity had been notified of residuary legacies where the value of these estates was uncertain as the executors had not yet compiled the estate accounts or because the executors are awaiting information on any claims to be made on these estates. Therefore no amount has been accrued in respect of these legacies which are estimated to be in excess of £334,000 (2021: £292,000).

3 Income from charitable activities

	2022 Total £000	2021 Total £000
Government Funding		
Core funding – Mid and North Essex CCG	1,994	1,942
Reimbursement of pharmacy costs – Mid Essex CCG	54	28
Enhanced End of Life – Mid Essex CCG	375	366
Rapid Access to End of Life funding – Mid Essex CCG	1,531	1,226
Community 24/7 response - Mid Essex CCG	-	212
Community Technology Support - Mid Essex CCG	-	35
Ageing Well - Mid Essex CCG	50	-
NHS England (NHSE) Grant Scheme administered by Hospice UK	1,557	3,414
Other Government funding	-	8
	5,561	7,231

All income from charitable activities apart from the Ageing Well fund, Community Technology support and NHS England Grant scheme in both the current and previous year relates to unrestricted funds. The core funding relates to a one year contract with the CCG which supports all services equally. The expiry date of this contract was 31st March 2022. Farleigh Hospice also receives additional funding from Mid Essex CCG to support in reach services into the local hospital and support patients at home (Enhanced End of Life). Funding is also received to provide domiciliary care for those patients in the last three months of life who are rapidly deteriorating (Rapid Access to End of Life Care). These contracts also expired on the 31st March 2022. Farleigh Hospice has agreed in principle to a 2 year contract for NHS services but the contracting body will be Mid and South Essex Integrated Care Board which is expected to be formed in July 2022.

The NHSE grant scheme awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022. This funding allowed the hospice to support more people with complex needs in the context of the Covid-19 situation. This was Phase 3 of the scheme. Income for Phase 1 and 2 was received in the prior year. This funding was to allow the hospice to make available bed capacity and community support from April 2020 to June 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

4 Income from other trading activities

	2022		2021 Total £000
	Unrestricted £000	All restricted £000	
Fundraising Events	178	5	183
	178	5	183

No restricted income events were held in 2022. In 2021 a total of £10,000 funding was raised from a virtual Santa Fun Run event the proceeds of which were restricted to Children's Bereavement.

Income from Friends of Farleigh for the year is £3,000 (2021 £3,000) this is dealt with directly by the Friends and is held in a restricted fund until a donation is made directly to Farleigh Hospice. All other trading income is unrestricted.

5 Income from investments

	2022		2021 Total £000
	Unrestricted £000	All restricted £000	
Bank Interest	9	-	9
Income received on common investment funds	7	-	7
	16	-	16

All income from investments in the prior year relates to unrestricted funds.

6 Exceptional Items

Included within other income is £48,000 (2021:£194,000) received from the UK Government under the various Covid-19 retail relief schemes. Also included within other income is £21,000 (2021: £428,000) relating to income received from the UK government under the Coronavirus Job Retention Scheme.

7 Analysis of expenditure 2022

	Direct Costs		Support costs				2022	2021
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000	Total £000
Fundraising costs	651	29	4	32	47	4	767	748
Shops Costs	1,158	70	3	43	28	10	1,312	976
Lottery costs	3,288	144	136	107	180	22	3,877	3,158
Raising funds	5,097	243	143	182	255	36	5,956	4,882
Local Hospice Lottery Ltd donations to hospice care (Note 8)	5,852	-	-	-	-	-	5,852	4,891
Inpatient Care	1,445	51	21	26	21	7	1,571	824
Community Care	4,862	201	84	218	83	27	5,475	5,566
Bereavement	373	22	9	32	32	3	471	501
Education & Information	224	9	4	6	3	1	247	241
Charitable Activities	6,904	283	118	282	139	38	7,764	7,132
Total expenditure 2022	17,853	526	261	464	394	74	19,572	16,905
Total expenditure 2021	15,440	362	251	453	328	71	16,905	

Of the total expenditure, £16,466,000 was unrestricted (2021: £14,615,000) and £3,106,000 was restricted (2021: £2,290,000).

7 Analysis of expenditure 2021

	Direct Costs		Support costs				2021
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000
Fundraising costs	631	24	3	38	47	5	748
Shops Costs	904	28	2	20	17	5	976
Lottery costs	2,701	64	127	88	161	17	3,158
Raising funds	4,236	116	132	146	225	27	4,882
Local Hospice Lottery Ltd hospice donations to care	4,891	-	-	-	-	-	4,891
Inpatient Care	758	22	11	20	9	4	824
Community Care	4,910	194	93	252	82	35	5,566
Bereavement	428	22	11	27	9	4	501
Education and Information	217	8	4	8	3	1	241
Charitable Activities	6,313	246	119	307	103	44	7,132
Total expenditure 2021	15,440	362	251	453	328	71	16,905

Of the total expenditure, £14,615,000 was unrestricted (2020: £16,568,000) and £2,290,000 was restricted (2020: £223,000).

8 Local Hospice Lottery Ltd donations to hospice care

Local Hospice Lottery Ltd makes donations to other hospices to be used in accordance with Farleigh Hospice's charitable objectives. The other hospice's are listed below:

Dorothy House - Bath, North and West Wiltshire & North East Somerset
 East Anglia's Children's Hospice (EACH) - Cambridge, Norfolk, Suffolk & North Essex
 Garden House Hospice Care - Letchworth and surrounding areas, North Hertfordshire
 Haven House Children's Hospice - North East London and West Essex
 Helen & Douglas House - Oxfordshire and surrounding counties
 Isabel Hospice - Eastern Hertfordshire
 Jessie May Hospice - Bristol and surrounding areas
 Lewis Manning Hospice - Poole, Dorset
 Mary Ann Evans Hospice - Nuneaton, Warwickshire
 North London Hospice - Barnet, Enfield and Haringey
 Peace Hospice - Watford and surrounding areas, West Hertfordshire
 Prince of Wales Hospice - Pontefract and surrounding areas, West Yorkshire
 Rowans Hospice - Pontefract and surrounding areas, West Yorkshire
 Sobell House - Oxfordshire
 St Gemma's Hospice - Leeds
 St Joseph's Hospice - North and East London
 St Luke's Hospice - Basildon and surrounding areas, South Essex
 St Peter & St James Hospice - Lewes and surrounding areas, East and West Sussex
 St Wilfrids Hospice - Chichester and surrounding areas, West Sussex
 St Wilfrids Hospice - Eastbourne and surrounding areas, East Sussex
 Wakefield Hospice - Wakefield and surrounding areas, West Yorkshire
 The Hospice of the Valleys - Gwent
 Children's Hospices Across Scotland (CHAS) - Scotland
 Highlands Hospice - Highlands
 Kilbryde Hospice - Scotland
 St Vincents Hospice - Renfrewshire and surrounding areas
 Strathcarron Hospice - Stirling and surrounding areas

These hospices received donations within the following bands:

	2022	2021
£0-£199,999	13	15
£200,000-£399,999	10	7
Above £400,000	4	4
	27	26

9 Net expenditure for the year

This is stated after charging / crediting:

	2022 £000	2021 £000
Depreciation	200	202
Operating lease rentals:		
Property	260	237
Other	20	18
Auditors' remuneration (excluding VAT):		
Audit - Charity	12	8
- Subsidiaries	12	20
Tax and Accounts Preparation - Subsidiaries	4	-

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £000	2021 £000
Salaries and wages	7,538	6,572
Redundancy and termination costs	-	52
Social security costs	667	572
Employer's contribution to defined contribution pension schemes	499	464
	8,704	7,660

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2022 No.	2021 No.
£60,000 - £69,999	4	-
£70,000 - £79,999	3	4
£80,000 - £89,999	1	-
£90,000 - £99,999	2	1
£100,000 - £109,999	1	1

The total employee benefits including pension contributions and social security costs of the key management personnel were £662,236 (2021: £561,926).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Farleigh Hospice purchases Trustee Indemnity Insurance on behalf of the trustees at a cost of £4,399 (2021:£3,519).

No trustees were paid for travel expenses during the year. (2021: Nil).

11 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Raising funds		
Fundraising	17	18
Shops	41	38
Lottery (Including management 3, finance 5 and HR 4)	67	54
Charitable Activities		
Inpatient Care	30	14
Community Care	118	124
Bereavement	13	14
Education & Information	5	5
Support and Governance		
HR	5	6
Management	2	2
IT	6	6
Finance	4	4
Governance	1	1
	309	286

12 Related party transactions

Related party transactions are disclosed on page 23 of the Trustees' Report

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

13 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Local Hospice Lottery Ltd and Farleigh Supplies Limited gift aid available profits to the parent charity. Their charge to corporation tax in the year was:

	2022 £000	2021 £000
UK corporation tax at 19% (2020: 19%) - Local Hospice Lottery Ltd	-	-
UK corporation tax at 19% (2020: 19%) - Farleigh Supplies Limited	-	(1)

14 Tangible fixed assets 2022

The Group	Freehold property £000	Leasehold Property £000	Computer Equipment £000	Motor vehicles £000	Asset held for sale £000	Total £000
Cost						
At the start of the year	7,269	272	1,302	152	-	8,995
Additions in year	-	-	12	-	-	12
Disposals in year	-	-	-	(9)	-	(9)
Transfers in year	-	-	-	(130)	130	-
At the end of the year	7,269	272	1,314	13	130	8,998
Depreciation						
At the start of the year	1,326	259	1,169	98	-	2,852
Charge for the year	95	8	64	33	-	200
Eliminated on disposal	-	-	-	(7)	-	(7)
Transfers in year	-	-	-	(111)	111	-
At the end of the year	1,421	267	1,233	13	111	3,045
Net book value						
At the end of the year	5,848	5	81	-	19	5,953
At the start of the year	5,943	13	133	54	-	6,143

Land with a value of £149,368 (2021: £149,368) is included within freehold property and not depreciated

All of the above assets are used for charitable purposes.

The Charity

	Freehold property £000	Leasehold Property £000	Computer Equipment £000	Motor vehicles £000	Asset held for sale £000	Total £000
Cost						
At the start of the year	7,269	272	1,034	152	-	8,995
Additions in year	-	-	-	-	-	12
Disposals in year	-	-	-	(9)	-	(9)
Transfers in year	-	-	-	(130)	130	-
At the end of the year	7,269	272	1,034	13	130	8,998
Depreciation						
At the start of the year	1,326	259	989	98	-	2,852
Charge for the year	95	8	15	33	-	200
Eliminated on disposal	-	-	-	(7)	-	(7)
Transfers in year	-	-	-	(111)	111	-
At the end of the year	1,421	267	1,004	13	111	2,816
Net book value						
At the end of the year	5,848	5	30	-	19	5,902
At the start of the year	5,943	13	45	54	-	6,055

Land with a value of £149,368 (2021: £149,368) is included within freehold property and not depreciated

All of the above assets are used for charitable purposes.

15 Listed investments

	The group 2022 £000	The group 2021 £000	The charity 2022 £000	The charity 2021 £000
Fair value at the start of the year	220	182	220	182
Net gain on change in fair value	19	38	19	38
Fair value at the end of the year	239	220	239	220
Historic cost at the end of the year	70	70	70	70

Investments comprise:	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
COIF Charities Investment Fund	239	220	239	220
Investments in subsidiary companies	-	-	-	-
Fair value at the end of the year	239	220	239	220

The charity holds investments in its subsidiary companies totalling £200 (2021: £200).

16 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Local Hospice Lottery Ltd, a company registered in England (Company Number 03226004). The subsidiary is used for non-primary purpose trading activities.

Its principal activity is the promotion and running of a lottery in aid of Farleigh and other hospices across the country. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2022	2021
	£000	£000
Turnover	10,862	9,189
Direct costs	(2,401)	(1,773)
Gross profit	8,461	7,416
Administrative expenses	(1,392)	(1,212)
Donation to other hospices	(5,852)	(4,891)
Licence Fees to other hospices	(84)	(173)
Other Income	-	321
Operating profit	1,133	1,461
Interest receivable	1	1
Profit on ordinary activities	1,134	1,462
Donation to parent undertaking	(1,089)	(1,388)
Retained profit for the financial year	45	74
The aggregate of the assets, liabilities and funds was:		
Assets	2,231	2,002
Liabilities	(2,186)	(1,928)
Funds	45	74

16 Subsidiary undertakings (continued)

The charitable company owns the whole of the issued ordinary share capital of Farleigh Supplies Limited (Company number: 02576518), a company registered in England. The subsidiary is used for non-primary purpose trading activities.

Its principal activity is the buying and selling on of new goods primarily to Farleigh Hospice. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2022	2021
	£000	£000
Turnover	39	31
Costs of sales	(32)	(22)
Gross profit	7	9
Administrative expenses	(11)	(6)
Other operating income - gift aid commission	11	2
Profit on ordinary activities	7	5
Donation to parent undertaking	-	-
Retained profit for the financial year	7	5
The aggregate of the assets, liabilities and funds was:		
Assets	15	16
Liabilities	(8)	(11)
Funds	7	5

17 Parent charity

	2022	2021
	£000	£000
Gross income	10,998	10,792
Result for the year	1,213	3,396

18 Stock

	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Goods for resale	6	7	-	-
	6	7	-	-

19 Debtors

	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Taxation recoverable	103	57	103	57
Other debtors	518	271	469	180
Prepayments	276	191	205	191
Accrued income	1,376	1,508	1,376	1,508
Group undertakings	-	-	30	37
	2,273	2,027	2,183	1,973

20 Investments

	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Cash on deposit more than three months	2,924	1,218	2,924	1,218
	2,924	1,218	2,924	1,218

21 Creditors: amounts falling due within one year

	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade creditors	763	762	278	268
Taxation and social security	174	144	132	105
Other creditors	244	160	221	160
Accruals	243	217	154	214
Group undertakings	-	-	3	-
Deferred income	1,550	1,479	26	111
	2,974	2,762	814	858

22 Deferred income

Deferred income relates to monies received for events, services and lottery draws that are yet to take place.

	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Balance at the beginning of the year	1,479	1,176	111	81
Amount released to income in the year	(1,468)	(1,176)	(100)	(81)
Amount deferred in the year	1,539	1,479	15	111
Balance at the end of the year	1,550	1,479	26	111

23 Pension scheme

Further details of the Farleigh Hospice pension schemes are given in note 1r. At the year end there were 48 (2021: 48) members of the NHS scheme and there were 196 (2021:181) members of the other arrangements. All contributions relating to 2021/22 were paid over to the relevant providers by the end of May 2022.

24 Analysis of group net assets between funds 2022

	General	Designated	All	
	unrestricted	funds	Restricted	Total funds
	funds	funds	funds	£000
	£000	£000	£000	£000
Tangible fixed assets	-	3,637	2,316	5,953
Investments	-	-	239	239
Net current assets	7,345	197	452	7,994
Net assets at the end of the year	7,345	3,834	3,007	14,186

24 Analysis of group net assets between funds 2021

	General	Designated	All	
	unrestricted	funds	Restricted	Total funds
	funds	funds	funds	£000
	£000	£000	£000	£000
Tangible fixed assets	-	3,755	2,388	6,143
Investments	-	-	220	220
Net current assets	4,816	166	1,645	6,627
Net assets at the end of the year	4,816	3,921	4,253	12,990

25 Movements in funds 2022

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,781	-	(57)	-	1,724
[B] Lantern Suite Fund	500	-	(13)	-	487
[C] Big Lottery Fund	107	-	(2)	-	105
[D] Walter Farthing Fund - Permanent	367	-	-	-	386
[E] Fair value reserve	-	19	-	-	-
	2,755	19	(72)	-	2,702
Restricted income funds:					
[E] Restricted legacy, donation and grant funds	30	277	(126)	-	181
[F] Farleigh Homecare Fund	4	-	-	-	4
[G] Friends of Farleigh	3	5	(5)	-	3
[H] NHS England Grant Scheme	1,342	1,557	(2,899)	-	-
[M] Maldon Fund	119	2	(4)	-	117
	1,498	1,841	(3,034)	-	305
Total restricted funds	4,253	1,860	(3,106)	-	3,007
Unrestricted funds:					
Designated funds:					
[I] Fixed Asset Fund	3,709	-	(123)	51	3,637
[L] Farleigh in Maldon Fund	212	-	-	-	212
Total designated funds	3,921	-	(123)	51	3,849
[K] Unrestricted income funds - general reserves					
	4,816	18,898	(16,343)	(51)	7,320
Total unrestricted funds	8,737	18,898	(16,466)	-	11,169
Total Funds	12,990	20,758	(19,572)	-	14,176

25 Movements in funds 2021

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,838	-	(57)	-	1,781
[B] Lantern Suite Fund	513	-	(13)	-	500
[C] Big Lottery Fund	109	-	(2)	-	107
[D] Walter Farthing Fund - Permanent	329	38	-	-	367
	2,789	38	(79)	-	2,755
Restricted income funds:					
[E] Restricted legacy, donation and grant funds	32	137	(139)	-	30
[F] Farleigh Homecare Fund	4	-	-	-	4
[G] Friends of Farleigh	3	3	(3)	-	3
[H] NHS England Grant Scheme		3,414	(2,072)		1,342
[M] Maldon Fund		123	(4)		119
	39	3,677	(2,218)	-	1,498
Total restricted funds	2,828	3,715	(2,290)	-	4,253
Unrestricted funds:					
Designated funds:					
[I] Fixed Asset Fund	3,790	-	(81)		3,709
[L] Farleigh in Maldon Fund	212	-			212
Total designated funds	4,002	-	(81)	-	3,921
[K] Unrestricted income funds - general reserves					
	2,690	16,660	(14,534)		4,816
Total unrestricted funds	6,692	16,660	(14,615)	-	8,737
Total Funds	9,520	20,375	(16,905)	-	12,990

All transfers relate to Fixed Assets which are reported as designated funds.

Purposes of restricted funds

- [A] The New Farleigh Fund was set up specifically to fund the construction and equipping of the hospice building in Chelmsford.
- [B] The Lantern Suite Fund refers to funds raised to build and equip the Lantern suite extension to the hospice.
- [C] The Big Lottery Fund grant relates to the funding of a healing garden at the hospice.
- [D] The Walter Farthing Fund are endowed funds held to generate unrestricted income for general charitable purposes.

- [E] The Fair value reserve reflects the revaluation of the investments.
- [E] Farleigh Hospice receives a number of legacies, donations and grants that where the donors restrict their purposes. These are accounted for separately but collated for reporting purposes.
- [F] The Farleigh Homecare fund is set up to specifically support patients staying at home and is used for equipment purchases and hardship funding.
- [G] The Friends of Farleigh funds are those held directly by the Friends of Farleigh support group. Farleigh Hospice does not have direct access to these funds until they are paid across as a donation.
- [H] The NHSE grant scheme funds represents funds received from the NHSE via Hospice UK, not spent in 2021 due to the timing of receipt these are restricted for inpatient and community care in 2022. Further restricted income was received in 2022 but was all spent by the end of the year.

Purposes of designated funds

- [I] The Fixed Asset Fund represent funds which have been designated to cover the value of Fixed Assets.
- [J] The Members Guarantee Fund balance £200 (2021:£380) represents funds received in advance to cover the members liability if the charity was to be wound up.
- [L] Following the closure of the Farleigh in Maldon premises during the year the trustees have designated a specific fund to provide funding towards the refurbishment/running of the new day hospice premises in Maldon.
- [M] The restricted Maldon fund represents funds donated specifically for the refurbishment of running of the Maldon premises.

Purposes of unrestricted general funds

- [K] Unrestricted general funds are held to bridge the gap between income and expenditure and to cover any unplanned events.

26 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2022 £000	2021 £000
Net income for the reporting period (as per the statement of financial activities)	1,167	3,432
Depreciation charges	200	202
Dividends, interest and rent from investments	(16)	(15)
(Profit)/loss on the disposal of fixed assets	2	-
Decrease/(increase) in stocks	1	1
(Increase)/decrease in debtors	(246)	(1,129)
Increase in creditors	212	411
Net cash provided by operating activities	1,320	2,902

27 Analysis of cash and cash equivalents

	at 1st April 2021 £000	Cash flows £000	at 31st March 2022 £000	at 1st April 2020 £000	Cash flows £000	at 31st March 2021 £000
Cash at bank and in hand	2,669	(1,183)	1,486	1,303	1,366	2,669
Notice deposits (less than 3 months)	3,468	801	4,269	2,916	552	3,468
Total cash and cash equivalents	6,137	(382)	5,755	4,219	1,918	6,137

28 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2022 £000	Property 2021 £000	Equipment 2022 £000	Equipment 2021 £000
Less than one year	260	278	21	20
One to five years	307	362	9	32
Over five years	14	10	-	-
	581	650	30	52

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2022 £000	Property 2021 £000	Equipment 2022 £000	Equipment 2021 £000
Less than one year	260	227	20	20
One to five years	307	310	9	21
Over five years	14	10	-	-
	581	547	29	41

29 Capital commitments

At the balance sheet date, the group had no capital commitments. (2021: No capital commitments on the balance sheet date.)

30 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5. Members pay guarantee funds in advance and they are held in a separate designated fund.



**Farleigh
Hospice**

**Thank you.
It is because you care that we can**



Farleigh Hospice

North Court Road, Chelmsford CM1 7FH

www.farleighhospice.org 01245 457300 info@farleighhospice.org

FARLEIGH HOSPICE

England & Wales - Charity number 284670

Accounts



Report and financial statements

For the year ended 31st March 2021



Inspiration in a time of uncertainty

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Reference & administration information

Company number 01619905 (incorporated in the United Kingdom)

Charity number 284670 (registered in England and Wales)

Registered office and operational address
Farleigh Hospice
North Court Road
Chelmsford
ESSEX
CM1 7FH

Trustees Trustees who are also directors under the company law, who served during the year and up to the date of this report were as follows:

Hilary Bebb	Retired 9th November 2020
Andrew Balfour	(4) (5) Chair LHL until April 2021
Dr David Blainey	(1) (2) (4) (6) Chair and acting chair COGC
Emma-Jane Carrington	(5) Appointed 11th January 2021
Nic Crisp	(5)
Elizabeth Fox	(1)
Ron Goodyear	Resigned 10th May 2021
Dr Ranjith Joseph	(1)
Katie Lockwood	(2)
Dr Donald McGeachy	(1) (6) Chair CLGC
Joanna Pittman	(3) (4) (6) Chair FGC, Chair FSL
Caroline Russell	(2) Appointed 8th March 2021
Emma Sayers	(2)
Richard Shail	(3) (4) (5) (6) Chair LHL from April 2021
Keith Spiller	(1) (3) (4) (5) (6) Vice Chair

Independent Director Local Hospice Lottery Ltd David Newman (5)

Subsidiary boards and committees:

- (1) Clinical Governance Committee (CLGC)
- (2) Corporate Governance Committee (COGC)
- (3) Farleigh Supplies Limited Board (FSL)
- (4) Financial Governance Committee (FGC)
- (5) Local Hospice Lottery Limited Board (LHL)
- (6) Board Governance Committee (BGC)

Reference & administration information

Key management personnel

Farleigh Hospice

Alison Stevens	Chief Executive (1) (2) (3) (4) (5) (6)
Sharon Ellingham	Finance Director, Company Secretary (2) (4) (5) (6)
Irene Ferguson	Corporate Services Director (2)
Pauline Harvey-Jones	Commercial Director (3) (4)
Dr Eva Lew	Medical Director (1)
Dr Matthew Sweeting	Director of Care (1) Appointed 22 June 2020

Local Hospice Lottery Ltd

Gary Hawkes	Chief Executive Officer (5) (6)
Stephen Cain	Finance and Operations Director (4) (5)

Bankers

Lloyds Bank plc	79/80 High Street Chelmsford ESSEX CM1 1DU
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Solicitors

Bates Wells	10 Queen Street Place LONDON EC4R 1BE
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Auditors

Rickard Luckin Statutory Auditor	Aquila House Waterloo Lane Chelmsford ESSEX CM1 1BN
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Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31st March 2021.

Reference and administrative information set out on pages 3 and 4 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This Trustees' Annual Report includes a directors' report as required by company law.

As an introduction to this standard report trustees would like to acknowledge the impact that Covid-19 pandemic has had throughout the year. This has been a year where all at Farleigh Hospice have stepped forward to support the community and in turn the community has supported Farleigh Hospice. The trustees would like to thank all those involved in helping Farleigh Hospice continue to deliver high quality end of life care and bereavement services during such a difficult time.

In recognition of their efforts, in 2020, the trustees published an open letter to thank staff and volunteers for all their efforts.

“Above all we recognise the extraordinary way in which our staff and volunteers have accepted the many changes in the way they work. These have been dramatic for some, and have come at a time of great stress and anxiety for all. We were very pleased to hear that despite the personal pressures on everyone, our services have never been so highly regarded.”

Objectives and activities

Purposes and aims

The 2020/21 financial year is the third year of the Farleigh Hospice four year Future Farleigh Strategy. This strategy due to end on the 40th Anniversary of the founding of Farleigh Hospice, sets out ambitious targets to serve all those in the community that are in need of Farleigh Hospice’s services. The strategy was developed in consultation with a large number of stakeholders. This Trustees’ Report ‘Inspiration in a time of uncertainty’ reviews the activities of Farleigh Hospice during the reporting year.

All of the plans for the year have been impacted in some way by the Covid-19 pandemic. In adapting to the situation the trustees have been mindful of the need to maximize public benefit and act in a manner which is consistent with the longer term strategic goals to build a strong sustainable future for Farleigh Hospice.

Alongside the charitable objects, Farleigh Hospice operates in line with its vision, mission and values.



Activities

The trustees regularly review activities against the charitable objects and mission statement. The framework for this is the current strategic plan. The strategic plan runs from 2018 to 2022 and had four overall themes: Reach out, Empower, Inspire and Invest.

Reach out

- Reach out to provide hospice care for all who need it in our community
- Reach out and be alongside people who want hospice support
- Reach out to provide advice and support 24/7

Empower

- Empower communities to care for those who are affected by life-limiting illnesses or bereavement through training, education and support
- Empower people to work collaboratively
- Empower people by providing accessible information

Inspire

- Inspire our communities to support the hospice in any way they can
- Inspire our funders to continue to support the work of the hospice
- Inspire our people to be ambassadors for our hospice in everything they do

Invest

- Invest for growth and development in our hospice
- Invest in our infrastructure to build our organisational resilience
- Invest in our people to deliver quality services across the organisation

Each year a detailed operational plan is developed outlining the short-term actions that will assist in the achievement of the overall strategic objectives.

The charity's main activities, and whom it tries to help, are described below. All its charitable activities focus on those affected by life limiting illnesses or bereavement and are undertaken to further Farleigh Hospice's charitable purposes for the public benefit.

The trustees have chosen to report their activities under a number of headings. Broadly speaking these headings reflect where our users access the service. Each of these services is supported by medical, allied health professionals and ancillary staff whose costs are apportioned in the accounts to the service on the basis of time spent.

During the year, initially due to Covid-19 and then after acknowledging that this new structure supported patients and their families in a more cohesive manner, a major restructuring of clinical services has taken place. Instead of staff working in teams according to their role, three large multi-disciplinary teams were created. These teams are known as North, South and Central Locality Teams. They are supported by a Core Team which includes the Inpatient Unit along with other specific core functions. The Bereavement and Education teams provide services for those connected directly with Farleigh Hospice or for those who need this support who do not have a direct connection with Farleigh.

Inpatient Unit

A ten-bed Inpatient Unit (IPU) operates in Chelmsford to provide short term care for those who need help with symptom control, rehabilitation to build confidence or respite care and to provide a place for those who are dying and wish to be in the hospice. All the ten beds are ensuite single rooms, two of which are 'flats' that are used for rehabilitation, younger patients or for families to stay with the patient.

During the peaks of the Covid-19 pandemic the Inpatient Unit closed to patients. This allowed all resources to be directed to caring for patients in the community, in their own homes where they could be with their families where possible. It also allowed the local NHS to use the Farleigh Hospice facilities. During the closure the hospice medical and domestic staff provided support to Braintree Community hospital in caring for end of life patients. The medical team also provided additional support for Broomfield Hospital.

IPU was open to patients from August 2020 to November 2020 during which time it cared for 52 patients across 411 occupied bed days. Plans are underway to reopen IPU from the summer of 2021. During the periods of closure community staff have supported patients at home who would have previously been admitted to IPU (including 24/7 care on a 'virtual ward'). The aim is to continue to support those patients at home where it is possible and is the patients' wish. When IPU reopens it will open as a more specialist unit with the ability to treat patients with complex needs who would have previously been cared for in an acute hospital.

Community Care

In March 2020, in response to the Covid-19 pandemic and government regulations/ restrictions, clinical services were reconfigured to focus all clinical services into providing a community service delivered by three locality based multi-disciplinary community teams for North, South and Central areas in mid Essex. Each team is led by a Locality Care Team Manager and has an integrated team of professionals and care staff – sharing expertise and providing the wide range of skills that would benefit the care and support of patients and families. The ethos of the approach was 'One Team', patient facing clinicians with standardised processes.

The new structure aligns with local NHS services, which are now organised in Primary Care Networks (PCNs) and offers opportunities to connect and work more closely with primary care and community colleagues within each locality.

Over the year the caseloads of Hospice at Home, Farleigh Clinical Nurse Specialists, Physiotherapists, Occupational Therapists, Social Workers, Family Support Workers, Admiral Nurse and Motor Neurone Disease (MND) Co-ordinator were merged into the Locality Care Teams caseloads. Domiciliary Care Agencies were also involved in supporting the teams with personal care.

Within each locality team patients are triaged according to their needs. During 2021 the average caseload across all localities was 413 patients.

Each locality team responds appropriately to incoming calls made to the hospice's advice line. This line is staffed by a team of specially trained navigators supported by specialist nurses. During the year the hospice received 29,214 incoming calls.

Since January 2020 Farleigh Hospice is contracted with mid Essex Clinical Commissioning Group (CCG) to provide personal care to those in the last three months of their life. Extra funding enabled Farleigh Hospice to supplement the existing Hospice at Home service and with support from Domiciliary Care Agencies

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carried out a significant amount of care, in often very difficult conditions, especially at the start of the pandemic whilst adapting to wearing PPE and different ways of working to minimise the risk of infection. In the period May 2020 to March 2021 the Hospice at Home staff delivered 27,506 care hours supported by Domiciliary Care Agencies who delivered 33,815 care hours.

A number of specific services sit within the Core team. This includes the Rapid Assessment & Discharge (RADs) team who ensure end of life care patients in hospital are rapidly identified, assessed and moved to the most appropriate place for their ongoing care. The RADs service remained in place throughout the pandemic with a concerted effort to urgently transfer patients out of hospital. Despite there being periods when, in reaching into local hospital was difficult, the team received 398 referrals only 8% down on the prior year. Of these referrals 351 were assessed within 24 hours.

Also as part of the core team Farleigh Hospice provides carer co-ordination, dementia support, spiritual care and MND co-ordination and support. All services are supported by a highly specialised medical team including five palliative care consultants.

Due to the Covid-19 pandemic Farleigh Hospice has not offered any in person day services during the year. Where possible telephone and virtual support has continued. Plans to re-introduce group support will be developed once it is safe to do so. It is envisaged that each locality team will provide this as part of the offering to their caseload as part of the multi-disciplinary approach.

Bereavement

Farleigh Hospice provides bereavement support to both adults (Circle) and children and young people (Yo-Yo). In the adult services staff are assisted by specially trained volunteers.

In March 2020 in response to the Covid-19 pandemic and government regulations/ restrictions the bereavement service had to change how services were provided. Adult and children's bereavement services continued to accept referrals and provided all of their service via telephone or virtual support. Although initially it had been anticipated that there would be an increase in referrals for bereavement support, the numbers actually reduced, in some part this was due to the closure of schools who would frequently make referrals to the children's service.

In 2020-21 there were 820 referrals to the adult service (2020: 937) and 180 referrals to the children's service (2020: 269).

Education and Information Services

Initially during the beginning of the pandemic the focus of the education team was supporting in house staff with new ways of working during the pandemic. They flexed their external teaching programme to urgently meet the needs of other clinical staff, this included a programme to teach end of life skills to local community provider staff redeployed to local hospitals and a programme for Nurse verification of death for community and care home staff.

The education team have rewritten the Farleigh Hospice nursing competency programme and worked alongside staff so that they can demonstrate their competencies in line with the framework.

Farleigh Hospice Information Services have been curtailed this year with the Hospice Outreach Project (HOP) off the road, due to the pandemic. Initially, an additional helpline was put in place to provide telephone support to those who did not require clinical advice, provided by the information service and other staff members who were required to shield. As other community telephone services became available this additional support was no longer required and all calls were directed to the advice line, as before.

Local Hospice Lottery Ltd

Local Hospice Lottery is a wholly owned subsidiary of Farleigh Hospice that exists to be the leading lottery for hospices across Great Britain, providing additional funding and opportunities for growth by inspiring people to support their local hospice in a fair, open and affordable way.

2020/21 was the first year of Local Hospice Lottery's new Strategy "Inspiring Commitment", with the values of the organisation being defined as: Supportive, Fair, Professional and Ambitious and with strategic pillars of Supporting local hospices, Inspiring Membership and Enhancing our product; Valuing our people; Developing new routes to membership and Diversifying the business.

Over the period of the plan, the aim is to almost double the contribution to hospice care from a total of £22 million in the preceding five-year period to a total of £40 million for the five years to 2024/25.

The key achievements in 2020/21 were as follows:

Supporting local hospices

Local Hospice Lottery contributed a record total of £6.5 million to Hospice Care during the year, with Farleigh Hospice receiving £0.3m as a partner hospice and £1.1 million as shareholder. During 2020/21, four new partners joined Local Hospice Lottery thereby increasing the number of hospices working with Local Hospice Lottery to twenty seven.

Inspiring Membership

The pandemic significantly affected Local Hospice Lottery's ability to increase membership, with its team of face-to-face fundraisers furloughed for much of the year. Despite this, overall membership in the weekly draw grew from 177k to 182k.

Enhancing Our Product

A major development in 2020/21 was the introduction of a £5 monthly payment model. As part of this product development, the prize fund was restructured, increasing the weekly prizes to 201 with a total of £5,200 per week to be won. This new development was well received by existing players with higher numbers than anticipated upgrading to the new scheme. This change alone is expected to raise in excess of £3 million over the strategic period.

Valuing Our People

The Local Hospice Lottery People and Culture Strategy was introduced at the end of 2020/21, following an extensive period of consultation across all of the people within the organisation

Fundraising

Farleigh Hospice raises money in a variety of ways. The single most significant source of fundraising income continues to be from legacy gifts. Funds are also received in the form of general donations and donations in memory. These sources of income have not been significantly impacted by the pandemic.

Many of the other forms of fundraising from community events and large scale events were severely impacted by the pandemic. A community appeal was launched in March 2020 and trustees were very grateful for the support from the local community.

Farleigh Hospice had been reviewing the return of mass participation events run directly by the hospice and, with the prospect of these not returning in the near future, it was decided to review the staffing levels in fundraising, resulting in a small number of redundancies.

A number of grant funders set up opportunities for emergency applications because of the pandemic and the trustees are grateful for their support.

The fundraising team were resourceful in moving to virtual methods of fundraising particularly successful was a 30 day sit up challenge which raised over £27,000.

Retail

Farleigh Hospice has fifteen shops across Mid Essex. Shops receive donations of clothes, bric-a-brac and furniture. Goods are sold in the shops, on eBay, or where not suitable for resale, are sold as 'rags'. Farleigh Supplies Limited sells new goods (mostly cards) and operates a retail gift aid scheme on behalf of Farleigh Hospice.

This year has been a difficult year for retail with shops shut for a total of 8 months of the year during the lockdowns due to the Covid-19 pandemic. When the shops were open they were also impacted by social distancing restrictions in terms of numbers in the shops and the ability to process donated goods in a safe manner.

Friends of Farleigh

Friends of Farleigh are a support group who control their own funds and make donations to Farleigh Hospice periodically.

Volunteers

Volunteers make a huge contribution to Farleigh Hospice. There are 703 regular volunteers registered, there are many more who give their time on a more ad-hoc basis for example at events. Using the number of volunteers, their average hours worked and an appropriate hourly pay rate the value of their contribution (in a year with no pandemic restrictions) is estimated to be in excess of £1.0m. Volunteers assist in many other ways apart from retail. Roles include, working as part of the welcome team, in the bereavement team, in the Courtyard Café, in the garden and in supporting fund raising.

Obviously many of our volunteers were unable to carry out their duties whilst shops were shut or they were not able to come to the Farleigh Hospice buildings during the lockdowns. However when they have been able to they have been back to support Farleigh Hospice. The volunteer team have had a keeping in touch programme to ensure that volunteers were supported during the year. With the restrictions easing many of the volunteers are back working. Many of our wonderful volunteers have been helping their local communities during the lockdown. The trustees thank every one of them for their support and continued loyalty to Farleigh Hospice.

Strategic report

Achievements and performance

Impact of Farleigh Hospice's charitable activities

The trustees take care to ensure that limited charitable resources are directed to where they will have most impact. The activities section at the start of this report shows the variety of services Farleigh Hospice offers and the number of people accessing those services. This work has a huge amount of impact on an ongoing basis across the local community. Key metrics to show the amount of work carried out across Farleigh Hospice teams are as follows:

	2016/17	2017/18	2018/19	2019/20	2020/21
Total people cared for	3,704	3,858	3,979	4,482	4,371
Accepted Referrals (excluding bereavement)	1,111	1,095	1,292	1,232	1,390
% of patients with a non cancer diagnosis	29	27	34	37	38
% preferred place of death achieved	73	77	80	84	91
Number of other hospices supported by Local Hospice Lottery	15	19	23	22	26

Each year the trustees also review impact by considering a particular focus. This year this report is titled 'Inspiration in a time of uncertainty'. Inspire is one of the key themes of the 4 year strategy and during the year despite the huge amounts of uncertainty, especially at the start of the year, staff and volunteers have been truly inspiring. Back in March and April 2020 when shops were shut and fundraising curtailed, PPE was in short supply and our Farleigh staff were going into homes not knowing if the patient had Covid-19. The future looked very uncertain and it took a whole team effort to meet the growing demand to safely care for patients and families. The response from all involved has been inspiring, it would be impossible to record all that has happened within one document.

Alison Stevens the Farleigh Hospice Chief Executive summarises the impact across the organisation.

"Over the past year I have been totally inspired by the dedication, commitment and bravery of our Farleigh team in how they have responded to provide an ongoing excellent service to our local community, regardless of the uncertainty faced month after month. All teams were faced with many changes and staff stepped forward to undertake duties that were unfamiliar to ensure that patients and families were cared for and supported during the pandemic year"

Delivering exceptional care in difficult circumstances

Farleigh Hospice community teams go into people's homes to look after the patients with compassion and dignity. To continue to offer care and expert advice during this very difficult time meant so much to the patients and families that we support. For the team to still be able to do this with kindness and compassion through a mask and all the necessary PPE is truly inspiring. Throughout the pandemic compliments from grateful families, who trusted Farleigh Hospice staff to come into their houses and keep them safe, were appreciated by all staff. As one family said:

"We will be eternally grateful to Farleigh for all that they have done for our family. We could not have coped without them and they were so good we did not wish to have any other carers in our home"

In this year due to the pandemic, families were very keen for their loved ones not to go into hospital. Farleigh medical and nursing teams worked hard to care for patients at home that would normally be cared for in a hospice or an acute hospital. Interventions like daytime and overnight sits where a nurse would stay 24/7 with a patient were invaluable.

At the May board meeting one family member spoke about the care Farleigh Hospice had provided for her nan. Her report summarises the difference Farleigh Hospice care makes to so many families. Her nan was suffering with dementia and had complex care needs and it was being recommended that her nan go into residential care. As she was nearing the end of her life Farleigh Hospice became involved and her care improved and Farleigh Hospice committed to do all they could for her nan to remain at home.

"We can't thank Farleigh Hospice enough for making it possible for nan to be at home in the last stages of her life and for the great quality of life she has had as a result of the great care she received. It sounds silly, but within the last period of time it was like she had a better quality of life than she'd had in a while. She was smiling and interacting and that's all thanks to the Farleigh nurses. They took time to get to know her even though it was virtually impossible because of the stage she was at with her dementia. They still put that effort in and she really benefitted from that. We couldn't have asked for any more really".

Urgent appeal to our supporters

During March and April 2020 when it became apparent that the shops were going to shut and fundraising would be curtailed there was a fantastic response to the Covid appeal with many very generous donations. Farleigh Hospice also received many donations of supplies and PPE. Particular mention to all those that put a lot of effort into sewing sets of scrubs for the care staff. At a really difficult time for all the staff it was really inspiring to see the support that came from the local community.

Retail and fundraising staff step forward to help

Retail and fundraising staff who would have been furloughed were given the opportunity to work as support workers assisting our qualified staff in caring for patients in their own homes. One of those who took up the challenge was an Area Retail Manager. *"I have never done anything like this before. It was my biggest challenge and my biggest achievement. It's amazing what our nurses do every day, offering comfort and support to both patients and their families"* Most of the staff have returned to retail and fundraising determined to raise as much money as possible to support the inspirational work of the care staff. Two members of the retail staff have chosen to remain in the care team and now have new career paths training to become Healthcare Assistants.

IT support in facilitating staff working from home

Farleigh Hospice's forward thinking IT team had been working on increasing the ability for staff to work from home for some time. Before March 2020 the most obvious need for this was to alleviate the pressure on the car park and offices. When all non-patient staff moved to working from home this planning was put to the test and worked almost seamlessly. Staff were quickly able to organize virtual meetings, divert their phones to laptops and have access to their files. Helped by some very generous grants and trust donations, staff were issued with laptops who hadn't had them before to enable them to work from home. The hard work and support of the IT team inspired all staff who in year voted IT 'team of the year' for the second year running.

Creation of new locality teams and a new Maldon base

In order to support quick response times, encourage multi-disciplinary visits and reduce the risk of large outbreaks of Covid-19 three locality care teams were immediately set up. It made sense for the South team to be based at the newly acquired Maldon premises however it was not in a fit state for use. With an inspiring team effort from shop and fundraising staff cleaning the premises, IT and facilities putting in office furniture, computers and phones in quick time, the premises was soon made fit for purpose. A local plumber even fundraised for and installed a shower free of charge for staff to use. The premises was up and running very quickly.

Support from the NHS and local partners

NHS England and Hospice UK teams worked together to develop two grant schemes to secure the capacity of the hospice sector to meet the needs of those who were in need of End of Life care across England. This was much appreciated as was the support the hospice received from the local NHS in the form of Mid Essex CCG. Their agreement to close the Inpatient Unit to be able to care for more people at home and be with their loved ones where possible was very welcome. This was an unusual approach for a hospice and could have caused issues but the CCG were forward thinking to support what with hindsight was the correct decision. The CCG have also included Farleigh Hospice as a key partner in the many decisions that have been made over the year and Farleigh staff have been included in all local testing and vaccination programmes. The Farleigh Hospice trustees wrote to the CCG board in July 2020 expressing their gratitude for the support. Later in the year Farleigh Hospice trustees also wrote to the Hospice UK expressing thanks for the work they had done to achieve the additional funding.

When there were some issues with PPE in the early months of the pandemic local healthcare organisations shared their PPE with Farleigh Hospice to enable vital visits to take place. After the initial months all PPE was supplied to Farleigh Hospice free of charge via NHS England.

Support for local organisations in their Covid response

Prior to the pandemic Farleigh Hospice had appointed Dr Matt Sweeting as the new Director of Care. At the time he was Divisional Director of Medicine and Emergency Care at Broomfield Hospital. With the Covid-19 pandemic hitting the acute sector hard trustees agreed to allow Dr Sweeting to take up his role at a later date so as to support the local hospital. The Chief Executive and Medical Director stepped in to share the Director of Care role at a hugely difficult time and worked tirelessly to keep patients and staff safe. Whilst the IPU was closed, the facilities were offered to the hospital to use as appropriate to their needs.

After Dr Matt Sweeting joined Farleigh Hospice and when the second wave of Covid-19 occurred Dr Sweeting led a 24/7 Geriatrician/Physician rota for a targeted response and a single point of access to care homes. This avoided 24 admissions into hospitals.

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In order to provide an enhanced service in Mid Essex, Farleigh worked with the local community nursing organisation (Provide) to integrate a Palliative and End of Life care nurse with the day time and overnight District Nursing Service. True partnership working was achieved with Farleigh Hospice providing staff to work alongside the Provide nurses. This work was funded by the local CCG in January 2021-March 2021 and during this time an additional 134 visits were carried out each week. The majority of visits were for much needed pain management and symptom control.

Education Team

Farleigh Hospice have a small education team who have contributed significantly across the hospice during the year. As well as running existing courses and creating new ones at short notice (including nurse certification of expected death which was introduced as a direct result of the pandemic) they have worked alongside care teams both in the community and IPU mentoring, supporting and carrying out caring duties where needed. They also wrote and taught additional modules on Infection and Prevention Control. Their commitment was rewarded with a prestigious Patient Safety Award for their work with Essex County Council, St Francis and St Luke's Hospices creating and delivering a three day course of education on End of Life Care for domiciliary care agencies.

Local Hospice Lottery Ltd (LHL)

A strength of the Local Hospice Lottery model is that the majority of revenues and donations arise from existing players. The impact of the Coronavirus pandemic was therefore limited against this recurrent revenue, though severe against new, and anticipated revenue. As a consequence, and enhanced by the support from government in terms of the furlough scheme, Local Hospice Lottery incurred fewer fundraising costs and were thus able to maintain, and enhance, donation levels.

Achievement of goals set for the 2020/21 financial year

- **Stabilise the charity following the impact of the Covid-19 pandemic.** Due to the significant amount of funding received from the NHS England grant scheme the financial position of the charity is as robust as it has been for many months. The turmoil of the last year has however put a strain on the staff within the organisation and on our service users. There is much work still to do to recover from the impact from the Covid-19 pandemic over the next few years.

- **The development of a satellite hospice site in Maldon to provide a base for support in the Maldon area.**

In January 2020 a new hospice building was purchased in Maldon. The plan for the site was to refurbish it to offer a full range of services for patients, carers and the bereaved as well as an office base for staff working in the Maldon area. However the Covid-19 pandemic delayed these original plans. In order to provide resilience in the community teams the building was rapidly converted into a base for the South locality team. During the year Farleigh hospice has worked with a local architect to develop plans to refurbish/extend the building and planning permission for the exciting new premises will be applied for in the next few months.

- **To shape the hospice's approach to staff wellbeing and mental health looking at physical, financial and emotional areas of support.** Prior to the pandemic work had been underway across these three wellbeing workstreams. As a result of the pandemic it was clear that there needed to be a major focus on supporting staff through this difficult time. An email address for staff support was set up staffed by the Farleigh Hospice spiritual, bereavement, education and family support teams who also offered telephone and virtual support. The Farleigh Hospice intranet system, Workplace, was also used to offer support with the opportunity to exchange messages via the Farleigh Smiles page (offering good news stories and funny comments). During the first wave of the pandemic the Farleigh Hospice chaplain supported staff to take a 'daily pause' reflect, practice self-care and reach out for support.
- **To develop the Rapid Access to End of Life Care Service to support people in the last twelve weeks of life.** This extension to the Hospice at Home service to provide personal care for all patients in their last twelve weeks of life (not just those who had been previously referred to Farleigh Hospice) was an important development to ensure care and support was available to all. This has resulted in a significant increase in the workload for the clinical teams. Funding for the work was through a contract variation funded by the local NHS – Mid Essex Clinical Commissioning Group. As part of the overall response to the pandemic the personal care services including Hospice at Home became part of the multi-disciplinary locality teams. Farleigh Hospice also contracts local domiciliary care agencies to carry out this work. During May 2020 to March 2021 61,320 hours of care were delivered in people's homes as part of this project.
- **To plan and develop a programme of activities to celebrate the hospice's 40th birthday.** Farleigh Hospice's 40th birthday in 2022 is reason for a celebration and it was hoped that events would be planned in advance leading up to this. However with the social distancing restrictions in force for most of 2020/21 it has been difficult to know what options, for celebration, will be available. As restrictions are hopefully coming to an end planning can begin in earnest for these celebratory events.
- **To carry out an external board evaluation.** Trustees commissioned specialists from the National Council for Voluntary Organisations (NCVO) to carry out this review. The overall framework NCVO used for this was the 2017 Charity Governance Code. NCVO surveyed the board, reviewed a number of key documents and minutes. They attended a board away day to observe and to present their findings which were very positive.
- **To carry out a workforce review.** Progress on this goal has been delayed due to the pandemic – the overall aims and scope of the workforce review have now been set and plans are in place to conclude this during 2021.
- **To review the practicalities of large scale fundraising events and develop virtual and other opportunities.** Trustees had been reviewing the return on investment of the Farleigh Hospice large scale events for some time. It is essential to ensure that as much of the entry fees and sponsorship goes towards patient care. With the significant overheads and a team of people who would not be able to run large scale Farleigh events during the pandemic year it was decided to stop running these events in the current form and unfortunately a number of fundraising staff were made redundant. As restrictions come to an end in 2021/22 some large scale events will return and will run with the assistance of volunteers.
- **To diversify the fundraising routes for lottery membership enhancing on-line recruitment opportunities.** Sign-ups by digital methods made a significant contribution during the year, building on that seen towards the end of the previous year.

Fundraising

Farleigh Hospice is registered with the Fundraising Regulator and complies with the Code of Fundraising Practice and Fundraising Promise. All fundraisers are aware of the need to act ethically in accordance with the Code of Fundraising Practice and Farleigh Hospice values. They are particularly sensitive to the vulnerability of those who use Farleigh Hospice services.

The Financial Governance Committee has specific delegation from the Board to review fundraising activities. It receives reports from the Commercial Director at each meeting. In addition, management accounts showing performance against budget and prior year are reviewed. Any significant changes to fundraising expenditure are approved at Financial Governance Committee meetings. A summary of these discussions are notified to the full board. Trustees are actively involved in fundraising with many attending the large-scale events and representing Farleigh Hospice at other events, when they are able to take place. Each trustee acts as a buddy to their local shop and in normal times visits to support.

In 2020/21 there was one complaint relating to Farleigh Hospice's activities in Mid Essex. In 2019/20 there was also one complaint received. All complaints are investigated fully and resolved where possible, in accordance with the Farleigh Hospice complaints policy. All complaints related to fundraising are reviewed by the Executive Team and the Financial Governance Committee.

Farleigh Hospice is signed up to the Fundraising Preference Service which enables individuals to opt out of receiving fundraising communications from Farleigh Hospice. There were two requests to opt out of communications in 2020/21.

Farleigh Hospice does not employ professional fundraisers or commercial participators and therefore does not need to regulate their activities. Local Hospice Lottery has relationships with a number of professional fundraisers. These are monitored in line with the relevant fundraising and gambling regulations. Local Hospice Lottery is registered with the Fundraising Regulator, licensed by the Gambling Commission and is an organisational 'Dementia Friend'.

Investments

The Financial Governance Committee regularly reviews the investment policy. Over the last few years Farleigh Hospice has had limited funds for investment. These funds have mostly been kept in UK bank deposits. There is a small amount of investments held and consideration will be given to increasing these now funds allow.

Financial review

Result for the year

The overall result for the year is a surplus of £3.5m. This is an extraordinary result in this highly unusual year and was as a direct result of £4.2m of non-recurrent funding received from the UK government under a number of Covid support schemes.

Prior to the pandemic the trustees had agreed a budgeted deficit of £360k for the year. In March 2020, with the closure of shops and the curtailment of fundraising, the reforecasts were for much larger deficits. This was, however, affordable within the reserves policy after a spending review curtailed some activities. Hospices nationally, represented by Hospice UK, flagged that there was a danger to the level of support hospices would be able to offer the NHS during the pandemic because of widespread falls in charitable income and the impact this would have on hospices generally. The UK government was supportive of this case and implemented a funding scheme via NHS England. Farleigh Hospice received a total of £3.4m through this scheme. The scheme operated to secure hospice capacity during both waves of the pandemic. The first wave funding from April to June 2020 was calculated to bring the hospices to a break even position and £0.7m was received by Farleigh Hospice. The second wave was based on the amount of activity the hospice was carrying out to support those at the end of life and to support the NHS. This funding ran from November 2020 to March 2021 and Farleigh Hospice received £2.7m. This income is all restricted to inpatient and community care. Due to the uncertainty of amounts and the timing of the receipts (£1.6m was received February/March 2021 and £1.1m in May 2021) trustees were unable to spend all the money within the financial year and so a total of £1.3m was carried forward in a restricted fund which will be spent in 2021/22 on clinical activities

The results above and in the detailed accounts later in this report show the overall group results. Figures for the Farleigh Hospice charity only, which show the net donation from Local Hospice Lottery Ltd to the Farleigh Hospice charity, are shown as follows:

	2020/21 £000s	2019/20 £000s
Income		
Donations and legacies	2,541	1,927
Charitable activities (NHS income)	7,231	2,870
Shop Income	459	1,428
Donation from LHL	1,388	1,095
Other fundraising activities	105	471
Investments	14	32
Other Income	476	317
Total Income	12,214	8,140
Expenditure		
Shop Costs	976	1,387
Fundraising Costs	748	1,026
Charitable Expenditure	7,132	6,480
Total Expenditure	8,856	8,893
Net gains on investments	38	(6)
Net income /(expenditure) for the year	3,396	(759)

Farleigh Hospice is unable to accrue profits from trading subsidiaries not paid over in the year. There were £89k of profits still to be paid over at the end of the financial year (2020 £75k)

Income

Total income for 2020/21 increased by just under £4m to a total of £20m.

The most significant source of this increase in income is from charitable activities which has increased from £2.9m to £7.2m mostly because of the £3.4m from the NHS England/Hospice UK grant scheme referred to above. Income from the local CCG also increased due to a full year for the Rapid Access to End of Life funding (an additional £0.7m funding) and additional funding for community response during the year (£0.3m).

Income from the Local Hospice Lottery Ltd (LHL) players increased by £0.2m to £9.2m, an increase of 3%. After offsetting £2.7m of costs associated with running the lottery and £5.1m in donations to other hospices, LHL donations due to Farleigh Hospice are £1.4m, which is 27% above the 2019/20 total of £1.1m. The lottery business carries out face-to-face fundraising for new players which was of course curtailed by the pandemic.

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This results in an increase in the year's profits as fundraising costs are not incurred. The successful change in payment model to a £5 monthly option and the increase in partner hospices during the year is expected to offset the longer term impact of the reduction in sales during 2020/21.

Income from donations (gifts) and legacies has increased by £0.6m to £2.5m. Legacy income has increased by £0.2m despite continued delays in the processing of probate and legacy notifications during the pandemic. Income from donations and gifts has increased by £0.4m during the year, £0.1m from generous donations to the urgent appeal received in April and May 2020. Trusts and grant income, donations and donations in memory also increased during the year. Income from fundraising events is £0.1m, down from £0.5m in the previous year. The large scale fundraising events normally run by Farleigh Hospice were not possible during the year explaining this significant fall. Fundraising costs at £0.7m are £0.3m down on the previous year as a result of the cost savings of running these large scale events and some cost saving redundancies in the fundraising team made early in the year. After deducting fundraising costs this gives a net income from legacies, donations and events of £1.9m, up £0.5m on the previous year.

Shop income at £0.5m is down £0.9m on the previous year. Due to the Covid-19 restrictions the shops have been shut for 31 weeks of the year. Farleigh Hospice has furloughed staff and has been grateful to those landlords who have waived their rent, which has resulted in costs being £1m which is £0.4m down on last year. Overall the shops have operated at a loss of £0.5m, mitigated by income from the Coronavirus Job Retention (furlough) Scheme and retail grant income which is shown in other income in the Statement of Financial Activities.

Other income includes retail grants made via local authorities (£0.2m) and payments received under the Coronavirus Job Retention Scheme (£0.6m) for those staff furloughed during the year.

Charitable Expenditure

With the investment in new services particularly the Rapid Access to End of Life project Farleigh Hospice's spend on charitable services has increased by £0.6m (9%) to £7.1m

LHL donations to other hospices, to be used in accordance with Farleigh Hospice's charitable objectives, increased by £0.6m to £5m.

Reserves policy and going concern

All charities are required to consider how much they need to hold in reserves. The extent of these reserves varies depending on the scale and nature of the charity's activities. Farleigh Hospice provides a range of critical health services on which the population of Mid Essex depend. To fund these services it is reliant on a number of fluctuating income streams from donations, legacies and shop and lottery profits. To enable Farleigh Hospice to meet its commitments to the community and provide key hospice services, it needs to maintain its level of reserves so that it can continue operations in the event that an unforeseen decrease in income or increase in costs results in a significant deficit.

During the initial part of the year (and prior to the announcement of the UK Government's funding scheme for hospices) it was anticipated that the Farleigh Hospice reserve policy would be tested as a result of the closure of shops and curtailment of fundraising activities. Nevertheless, the level of reserves was determined to be adequate for a period of disruption roughly equal to the 18 months of reduced income provided for in the reserves policy. In the event, the receipts from the funding scheme for hospices lifted the pressure on the reserves, but the experience of the disruption caused by the pandemic, which has continued for well over a year and is still on-going, has led the trustees to decide that the period of income disruption to be contemplated under the reserves policy should be increased to two years.

The trustees carry out a risk based analysis in arriving at the level of reserves needed to protect against unforeseen events. This risk based analysis now, therefore, looks at the amount of reserves that would be needed if there were a significant fall in income for two years. The desired level of reserves set for the 2021/22 financial year is £3.6m. Note 25 to the accounts shows that the free unrestricted reserve is £4.8m (2020: £2.7m), an increase of £2.1m on the previous year. There is also a restricted reserve of £1.3m which is the remainder of the NHS England grant scheme which can be used for inpatient and community care in future years.

It is anticipated that Farleigh Hospice will need to undertake a considerable amount of re-building and re-structuring in the coming months as it recovers from the impact of the pandemic. Major internal changes were implemented last year with considerable speed to enable the charity to cope with the impact of Covid and to provide the services which were demanded of it. These changes have led to new ways of working, many of which may become permanent, but which now need to be embedded in a sustainable structure. During the coming financial year and beyond will be necessary to incur expenditure to stabilise the organisational structure and to re-establish the long-term resilience of the charity. With this in mind, the trustees have set a negative budget of £0.8m for 2021/22 and are considering further investment of funds in systems, consultancy and operations to ensure that the hospice is operating as efficiently and effectively as possible.

In addition to the unrestricted reserves, the trustees continue to hold designated funds for the refurbishment of the new site in Maldon (£0.2m). There is also a reserve of £3.7m designated for future depreciation of Fixed Assets.

The trustees have reviewed the circumstances of Farleigh Hospice and its group companies and consider that adequate resources continue to be available to fund the activities of the charity and the group for the foreseeable future. The trustees are of the view that Farleigh Hospice and the group companies are a going concern and likely to remain so for the foreseeable future.

Principal risks and uncertainties

Farleigh Hospice and Local Hospice Lottery Ltd both hold detailed risk registers that are reviewed regularly at committees and board. These risks are ranked by likelihood and impact to produce a score which ranks them red, amber or green in terms of their potential impact for the organisation. The Covid-19 pandemic resulted in high levels of risks and uncertainty. With the success of the vaccination programme it is hoped that 2021/22 will bring more stability and less uncertainty. The trustees have sought to mitigate risks as much as possible and the mitigation of these risks is explained below. The trustees consider the following to be the principal risks to which Farleigh Hospice is exposed.

1. Safety of service users, staff and volunteers

Priority was given at the start of the pandemic to ensuring the safety of staff and patients – IPU was closed and the locality teams were formed to minimise the risk of large outbreaks of Covid and ensure patients could be safely cared for in their own homes. This was largely successful with very low staff numbers contracting Covid-19. All Farleigh Hospice staff were offered the opportunity to take part in the vaccination programme and the majority of staff have received both doses of the vaccination.

As the threat of Covid-19 subsides it is apparent that the efforts over the last 15 months have placed a great deal of strain on the organisation and staff. Staff sickness has increased and trustees are aware of the need to support staff in their recovery from what has been a difficult year. Complexity of patient workload has increased as the hospice is seeing a number of patients where delays in diagnosis have meant there is no longer a chance of curative treatment. These patients and their families understandably need additional support.

2. Organisational overload due to increasing demand for services and need to embed changes made during 2020/21

Increased demand for services particularly in the first full year of the Rapid Access to End of Life Care (personal care) contract and the need to manage complex situations and care due to the pandemic has resulted in an increased workload for staff. The necessary reorganisations to facilitate these changes has resulted in a year in which executive directors within the organisation have been busy managing the day to day work as duty managers. Conscious of the need to develop procedures and systems ready for the post pandemic world, the Corporate Services Director was seconded to develop a number of transformation projects starting in September 2020. However the second wave of Covid infections hit and clinical teams were unable to engage fully to assist in this project work. During summer 2021 this project will restart with the help of external consultancy with the aim of decreasing workload through more efficient processes and effective systems.

3. Future Financial stability

As a result of the Covid-19 pandemic many of the income streams at Farleigh Hospice were seriously impacted and there was a threat to financial stability in the short-term. The very significant amounts of funding received from NHS England have provided much needed funding to ensure clinical service delivery for more people along with increased reserves. However with an expected budget deficit of £800k in 2021/22, there is much work to be done to ensure that the hospice can build to a position where it can fund all of its existing services from either voluntary or NHS income. As the UK economy recovers from the pandemic, any recession will impact on the voluntary sector. In particular the future of the High Street and its impact on the Farleigh Hospice net retail income will be something that the trustees will be monitoring closely. Farleigh Hospice has an active Financial Governance Committee who review three yearly forecasts and seek to identify and mitigate risks as appropriate.

4. NHS funding

Farleigh Hospice has developed very good working relationships with Mid Essex Clinical Commissioning Group (CCG) over recent years. During 2021/22 this CCG is merging with the four CCG's in South Essex and will be looking to contract with Farleigh Hospice and the other two main hospices in the region in similar ways. The new organisation has indicated that it will be looking to sign long term contracts with all three hospices, after a major review in the last six months of 2021/22. NHS England are reviewing the guidance they give to local organisations in terms of payments for End of Life services which will hopefully mean that hospice care will be placed on a more sustainable footing. Where possible Farleigh hospice is engaging with all areas of the NHS and fellow providers to develop relationships and services.

5. Non compliance with fundraising, data and other regulations

Farleigh Hospice along with other charities is subject to an ever-increasing number of regulations. Non compliance could result in fines or reputational damage, which threatens the future of the charity. The trustees have considered this risk and in order to help mitigate against it they have a Board Governance Committee, which has as one of its objectives to ensure that all compliance matters are dealt with properly. The Chief Executive, Finance Director and the Compliance and Assurance Lead work together to ensure that there are appropriate processes in place to evidence compliance.

Plans for the future

Farleigh Hospice has a strategy in place for the period 1st April 2018 to 31st March 2022. The strategic goals will take Farleigh Hospice to its 40th anniversary in 2022. Central to this strategy is the aim to grow and help more people in the future. The strategy is based around four themes: Reach out, Empower, Inspire and Invest.

The following plans have been identified as a key focus over the next 12 months

- To develop new ways of working to provide 24/7 care for people at the end of their life. This will include developing the 'virtual ward' model and support to care homes in relation to their residents at the end of life
- To consolidate the new Locality Care Team structure to support the multi-professional and cross organisational working
- To develop bereavement support including new ways of working and to support clients and improve community engagement
- To collaborate with and support other organisations to deliver education to improve care and support for people at the end of their life
- To carry out a review of the governance arrangements between Farleigh Hospice and Local Hospice Lottery Ltd
- To finalise the workforce review
- To refurbish/extend the Maldon premises as a base for the locality teams and a community hub
- To develop a new strategy for 2022 onwards
- To consolidate income generation activities following the disruption of the pandemic this year. To further develop the digital approach and engage supporters and ensure a positive supporter journey.
- Local Hospice Lottery will be looking to continue the implementation of the Strategic Plan by building upon the work undertaken in 2020/21. Crucial will be a successful emergence from the lockdowns and restrictions occasioned by the Coronavirus Pandemic and Government actions thereon. In particular, Local Hospice Lottery is planning to further diversify fundraising routes, to recruit additional partner hospices and to build its fundraising teams, all with the objective of achieving its targets for donations to hospice care.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 4th March 1982 and registered as a charity on 5th May 1982.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is now governed under its Articles of Association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Farleigh Hospice is governed by a board of trustees who are also directors of the company. The maximum number of directors is set at 14 in the Articles of Association. The trustees are mindful of the Charity Governance Code recommendation that the maximum number of trustees should be 12. The number of trustees at Farleigh Hospice was capped at 12 until 2016. However the trustees were concerned that they could not adequately resource the Committee structure and the Local Hospice Lottery Ltd governance requirements with 12 trustees. Day- to-day management is delegated to the Chief Executive and the Executive Team.

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The full board is supported by a committee structure. This structure is designed to ensure that the committees support the full board in delivering Farleigh Hospice's strategic objectives and statutory obligations. There are four standing committees. A board governance committee oversees governance matters, in particular compliance with the Charity Governance Code. This committee also looks at trustees' recruitment, succession planning and performance. The board governance committee is also delegated to look at matters concerning the Executive Team including pay. The other three committees are clinical governance committee (dealing with clinical matters); a corporate governance committee (dealing with health, safety and environment, internal and external communication and matters relating to staff and volunteers) and a financial governance committee (which deals with financial matters and oversees income generation)

Each committee is responsible for governance, quality, compliance and risk management in its area of responsibility. The full board takes reports from the chair of each committee at all of its meetings. The full board meets six times per year and each of the committees meet quarterly.

During the year trustees commissioned an external board evaluation run by the National Council of Voluntary Organisations (NCVO). The NCVO mapped compliance with the Charity Governance Code using their Governance Wheel tool. Their report was very pleasing "Our overall reflection from our engagement with Farleigh Hospice is of a high performing, well-run organisation which takes governance seriously." The key finding from the report was that the sub-committees of the board work so well that the board meetings don't feel as effective. As a response to this a project to refresh the board agenda and papers is underway and NCVO have made a number of recommendations to facilitate this.

Following issues raised in the media relating to safeguarding procedures in some charities, the clinical and corporate governance committees have reviewed safeguarding procedures and are satisfied that there are sufficient procedures in place to mitigate any risk to patients, staff and volunteers.

In addition to serving on these committees, trustees engage in a regular cycle of visits to observe the provision of services in the main hospice site, in community buildings, and patients' homes, interviewing service users and staff/volunteers in order to assure themselves of the quality of services. These visits have had to cease during the Covid 19 pandemic. Board members also sit alongside members of the Executive team as directors of the two trading companies in the group. Local Hospice Lottery Ltd runs a lottery on behalf of Farleigh Hospice and a number of other hospices across the UK. Farleigh Supplies Limited deals with the purchasing of new goods for sale in the shops and administers the retail Gift Aid scheme. Farleigh Hospice complies with the NHS requirement to produce a Quality Account and this documents the audit and quality improvement work that is carried out across the organisation. A copy of the Quality Account 2020/21 is available on the Farleigh hospice website: www.farleighhospice.org.

Alongside the Farleigh Hospice strategy, the board have identified a suite of Key Performance Indicators (KPIs) to assess performance against the strategic goals; these are monitored by the board on a quarterly basis.

Each year alongside the board meetings the full board meets for an away day. This gives the board an opportunity to discuss more strategic issues and their performance as a board. In addition each year a board self-assessment survey is undertaken to establish how the board is performing. Each trustee has an annual one to one with the chair. The vice chair undertakes a review of the chair and ensures appropriate feedback is given to the chair.

Appointment of trustees

When vacancies occur trustees are recruited using a widespread recruitment campaign or in response to an approach by an interested party. They are interviewed by existing board members and a staff representative. If suitable, having the right breadth of skills and experience, they will attend three board or committee meetings and will then join the board if they and the rest of the board agree. Trustees can serve a maximum term of nine years.

Trustees are initially co-opted to the board but they stand down at the next AGM to be formally re-elected by the members. They do this again at three and six years and then formally stand down at the end of the ninth year.

At the 2021 Annual General Meeting one trustee, Andrew Balfour, will reach the end of his maximum term.

Trustee Induction and Training

New trustees are supplied with a comprehensive induction pack and meetings arranged with key members of staff. They also have an existing board member to act as a mentor. Full board training is carried out, as required, by Farleigh Hospice staff or an expert from within the board. External courses and opportunities to attend workshops and conferences are offered as opportunities arise.

Each board meeting includes either a patient story or a presentation from a member of staff relating to the services they deliver.

Chair

Trustees elect a chair and vice chair from within their numbers. The terms of office for each position is three years with an option to stand for a second term only. The current chair is Dr David Blainey who is standing down at the Annual General Meeting in November 2021 he will be succeeded by Keith Spiller.



Related Parties and relationships with other organisations

None of the trustees receive remuneration or other benefit from their work with the charity.

Farleigh Hospice requires trustees and executive directors to declare any interests that they may have outside of the charity. Transactions and contractual relationships with related parties must be disclosed.

One of our trustees (2020: one) is a member of the board of Mid Essex Clinical Commissioning Group.

The hospice has a close working relationship with Mid Essex Hospitals Trust (MEHT), which runs Broomfield Hospital, which is on a neighbouring site. The palliative care medical consultants who work at Farleigh Hospice are supplied under a Service Level Agreement with MEHT.

The charity has two trading subsidiaries. Local Hospice Lottery Ltd runs a weekly lottery on behalf of Farleigh Hospice and a number of other hospices. Donations to those other hospices are made as part of the contractual relationship with these hospices. These donations must be used in furtherance of hospice care. The other hospices as at 31st March 2021 are listed in note 8 of the accounts.

Farleigh Supplies Limited is another wholly owned subsidiary. This trades in new goods and operates the Farleigh Hospice retail Gift Aid scheme.

Remuneration policy for key management personnel

For Farleigh Hospice the board governance committee considers the pay and terms and conditions of the key management personnel. Any decisions are taken by the full board. Pay is benchmarked by individual posts against roles in similar organisations through an external benchmarking process using an independent company.

For Local Hospice Lottery Ltd similar arrangements exist regarding benchmarking, but the approval authority is the Lottery Board.

Equality and Diversity

The trustees are committed to diversity and providing equal treatment to all potential and existing employees and all service users irrespective of sex, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, disability, age, nationality, sexual orientation, religion or belief. All forms of unlawful and unfair discrimination are not tolerated.

All employees and volunteers are treated fairly and without discrimination. Selection for employment, promotion, training or any other benefit is on the basis of aptitude and ability. Should any staff member become disabled reasonable effort is made to continue their employment and where necessary provide suitable adjustments and support.

Trustees are keen to ensure that Farleigh Hospice is working in line with its commitment. New cross organisation Equality, Diversity and Inclusion Group will commence work in 2021 made up of trustees, staff and advisors where appropriate.

Employee Information

Employees have the opportunity to have their views heard through a variety of means including suggestion boxes, employee surveys, Chief Executive open forums and the line management structure. There are fortnightly Executive Team meetings and monthly Heads of Department meetings. All managers are expected to hold regular meetings with their staff and ensure that they are aware of all issues that may affect their own roles and factors influencing the organisation as a whole. A bi-annual staff survey is carried out which includes benchmarking information against previous years and with other organisations. The Chief Executive carries out a monthly all staff virtual briefing.

Each year staff are asked to feedback on the priorities for the forthcoming year's operational plan.

Channels of communication with volunteers operate in a similar manner and they are also updated and consulted with via the centralised volunteering function.

Statement of responsibilities of the trustees

The trustees (who are also directors of Farleigh Hospice for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Account Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

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- Select suitable accounting policies and then apply them consistently
 - Observe the methods and principles in the Charities SORP
 - Make judgements and estimates that are reasonable and prudent
 - State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the in financial statements
 - Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £5 to the assets of the charity in the event of winding up. Members pay their guarantee on joining the charity and it is held separately in a members guarantee fund. The total number of such guarantees at 31st March 2020 was 80 (2019:75). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The Trustees' Annual Report, which includes the strategic report, has been approved by the trustees on 6th July 2021 and signed on their behalf by Dr David Blainey.

Dr AD Blainey
Chair

Independent auditors' report

Opinion

We have audited the financial statements of Farleigh Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group Statement of Financial Activity, the group and parent charitable company Balance Sheets, the group Statement of Cash Flows, and notes to the financial statements, 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 FRS 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 the parent charitable company's affairs as at 31 March 2021 and of its 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 and charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 and 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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, which includes the directors' report (and strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (including the strategic report).

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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.

Capability of the audit in detecting irregularities, including fraud

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.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management and via inspection of the group's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the group and the parent charitable company.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group and parent charitable company is subject to laws and regulations that directly affect the financial statements, including: the charitable company's constitution, relevant financial reporting standards; company law and tax legislation and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the group and parent charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: Care Quality Commission; Fundraising Regulator, operating licences regarding gambling and the regulatory requirements of the Gambling Commission, Employment Legislation; Health and Safety Legislation; GDPR; Anti-bribery and Public Interest Disclosure Act.

ISAs (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance with laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates in particular: depreciation, reinstatement provisions, bad debts and royalty payments.
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting cash or any revenue account, large and year end journals.
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the performance statements, and the Balance Sheet includes a number of items selected on a random basis;

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing 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 ISAs (UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

A further description of our responsibilities 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 parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Caroline Peters (Senior Statutory Auditor)

For and on behalf of Rickard Luckin Limited, Statutory Auditor

Aquila House
Waterloo Lane
Chelmsford
Essex CM1 1BN

Consolidated statement of financial activities (incorporating a consolidated income and expenditure account) For the year ended 31 March 2021

	Note	Unrestricted £000	All Restricted £000	2021 Total £000	Unrestricted £000	All Restricted £000	2020 Total £000
Income from:							
Donations and legacies	2	2,326	215	2,541	1,780	147	1,927
Charitable activities	3	3,782	3,449	7,231	2,870	-	2,870
Other trading activities							
Lottery Income		9,189	-	9,189	8,950	-	8,950
Shop Income		459	-	459	1,428	-	1,428
Other fundraising activities	4	92	13	105	459	12	471
Investments	5	15	-	15	45	-	45
Other		797	-	797	317	-	317
Total income		16,660	3,677	20,337	15,849	159	16,008
Expenditure on:							
Raising funds							
Lottery Costs	7	3,158	-	3,158	3,538	-	3,538
Shop Costs	7	976	-	976	1,387	-	1,387
Fundraising Costs	7	745	3	748	1,015	11	1,026
Income available for charitable activities		11,781	3,674	15,455	9,909	148	10,057
Charitable Activities							
Farleigh Hospice							
Inpatient Care	7	771	53	824	1,908	49	1,957
Community Care	7	3,387	2,179	5,566	3,674	61	3,735
Bereavement	7	447	54	501	453	76	529
Education and Information	7	240	1	241	233	26	259
Local Hospice Lottery Ltd donations to hospice care	7,8	4,891	-	4,891	4,360	-	4,360
Total expenditure		14,615	2,290	16,905	16,568	223	16,791
Net income/(expenditure) before net gains/(losses) on investments							
		2,045	1,387	3,432	(719)	(64)	(783)
Net gains/(losses) on investments		-	38	38	-	(6)	(6)
Net income/(expenditure) for the year and net movement in funds	9	2,045	1,425	3,470	(719)	(70)	(789)
Transfers between funds		-	-	-	-	-	-
Reconciliation of funds:							
Total funds brought forward		6,692	2,828	9,520	7,411	2,898	10,309
Total funds carried forward		8,737	4,253	12,990	6,692	2,828	9,520

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 25 to the financial statements.

The notes to the accounts are shown on pages 34 to 55.

Balance Sheets

For the year ended 31 March 2021

Company number: 01619905

	Note	The group 2021 £000	The group 2020 £000	The charity 2021 £000	The charity 2020 £000
Fixed assets					
Tangible assets	14	6,143	6,300	6,055	6,208
Investments	15	220	182	220	182
		6,363	6,482	6,275	6,390
Current assets:					
Stock	18	7	8	-	-
Debtors	19	2,027	898	1,973	792
Investments	20	1,218	264	1,218	264
Cash at bank and in hand		6,137	4,219	4,304	2,733
		9,389	5,389	7,495	3,789
Liabilities:					
Creditors: amounts falling due within one year	21	(2,762)	(2,351)	(858)	(735)
		6,627	3,038	6,637	3,054
Net current assets		6,627	3,038	6,637	3,054
Net assets		12,990	9,520	12,912	9,444
Funds					
Restricted endowment funds	25	2,755	2,789	2,755	2,789
Restricted income funds	25	1,498	39	1,498	39
Unrestricted income funds					
Designated Funds	25	3,921	4,002	3,921	4,002
General funds	25	4,816	2,690	4,738	2,614
Total unrestricted funds		8,737	6,692	8,659	6,616
Total funds		12,990	9,520	12,912	9,444

Approved by the trustees on 6th July 2021 and signed on their behalf by

 Dr AD Blainey
Chair

The notes to the accounts are shown on pages 34 to 55.

Consolidated statement of cash flows

For the year ended 31 March 2021

	Note	2021 Total £000	2021 Total £000	2020 Total £000	2020 Total £000
Cash flows from operating activities	26				
Net cash provided by operating activities			2,902		(534)
Cash flows from investing activities:					
Dividends, interest and rents from investments		15		45	
Purchase of fixed assets		(45)		(617)	
(Purchase)/Sale of investments		(954)		440	
Net cash provided by/(used in) investing activities			(984)		(132)
Change in cash and cash equivalents in the year			1,918		(666)
Cash and cash equivalents at the beginning of the year			4,219		4,885
Cash and cash equivalents at the end of the year	27		6,137		4,219

The notes to the accounts are shown on pages 34 to 55.

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared 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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Local Hospice Lottery Ltd and Farleigh Supplies Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies and its subsidiaries are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

b) Public benefit entity

Farleigh Hospice meets the definition of a public benefit entity under FRS 102.

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The key judgement that the charitable company has made which has a significant effect on the accounts is estimating the value of the contingent assets relating to legacies.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1 Accounting policies (continued)

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. For the majority of income this will be on a cash received basis.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are shown as accrued income in debtors.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable and measurable when the amount can be measured reliably and there are no potential claims against the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Sponsorship from events and fundraising is recognised in income when the event takes place. Lottery income is accounted for in respect of those draws that have taken place during the year. Trading income is recognised at the point of sale for both donated and purchased goods.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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 cost for the charity which would far outweigh the benefits.

1 Accounting policies (continued)

f) Interest and dividends receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Endowment funds are gifts of capital that must be retained and any income earned must be used in furtherance of Farleigh Hospice's charitable activities.

Unrestricted funds are donations and other incoming resources received or generated for general charitable purposes. They are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

The cost of raising and administering such funds are charged against the specific fund.

The aim and use of each material designated fund and restricted fund is set out in the notes to the financial statements.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified, on an accruals basis, under the following activity headings:

Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any trading and other activities with a fundraising purpose including those for Local Hospice Lottery Ltd.

Expenditure on charitable activities includes the costs of specialist palliative care and bereavement support undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of estimates, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease. Benefits received or receivable as an incentive to sign an operating lease are recognised on a straight line basis over the minimum period of the lease. Farleigh Hospice classifies the lease of printing equipment as an operating lease and payments are recognised as incurred.

k) Tangible fixed assets

Individual Fixed Assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated expected useful life as follows:

Buildings	75 years
Long Leasehold property	99 years
Short leasehold property improvements	3 to 5 years
Computers and equipment	5 years
Motor vehicles	4 years

Because of its high net residual value land is not depreciated.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

l) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing valuation. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are included at cost.

m) Stocks

Stock of bought in retail goods is included at the lower of cost or net realisable value.

n) Debtors

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

Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

o) Cash at bank and in hand

Cash at bank and cash 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.

p) Current asset investments

Investments included cash with a maturity date of greater than three months but less than one year.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

r) Pensions

Staff joining from the NHS can choose to continue their membership of the NHS pension scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. Any deficit on the scheme is funded by the Treasury and an increase in future contributions. The scheme is therefore treated as a defined contribution scheme.

1 Accounting policies (continued)

r) Pensions (continued)

The employer's contributions made to the scheme in 2021 were £212,000 (2020:£209,000) with an employer's contribution rate of 14.3% of pensionable pay and employees' contributions between 5% and 14.5% of pensionable pay depending on the level of pay. The trustees are satisfied that this and other foreseeable changes in employer's contribution rates can be budgeted for without detriment to the charity's ongoing activities.

All employees are entitled to join a defined contribution 'money purchase scheme' operated by Scottish Widows. Farleigh Hospice employers' contributions for the year were £252,000 (2020: £256,000). Employer's contributions are either 4% or 7% and employees' contributions are either 4% or 6%. Farleigh Hospice acts as an agent in collecting and paying over contributions. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

For both schemes the costs are included with the associated staff costs and allocated to raising funds, charitable activities, support and governance costs and charged to the unrestricted funds of the charity. All employer contributions are expensed as they fall due.

2 Income from donations and legacies

	Unrestricted £000	All restricted £000	2021 Total £000	Unrestricted £000	All restricted £000	2020 Total £000
Gifts	1,528	110	1,638	1,134	147	1,281
Legacies	798	105	903	646	-	646
	2,326	215	2,541	1,780	147	1,927

Farleigh Hospice benefits greatly from the many hours our dedicated volunteers donate in a large number of different roles within the hospice. Further details of the volunteer contributions are given in the Trustee's Report. In accordance with the FRS102 and the charities SORP (FRS102), the economic benefit of general volunteers is not recognised in the accounts.

One restricted legacy was received in 2021 (2020: Nil). These funds are restricted for use for Maldon premises.

In 2021 gifts totalling £110,000 were received, the purpose of which was restricted to Children's Bereavement (£46,000), the Farleigh Hospice MND co-ordinator (£23,000), the Covid-19 response (£21,000) and Maldon premises (£8,000). The balance (£12,000) relates to a number of smaller projects.

In 2020 gifts totalling £147,000 were received, the purpose of which was restricted to operating the Hospice Outreach Project vehicle (£25,000), Children's Bereavement (£71,000), the Farleigh Hospice Admiral Nurse (£6,000), the Farleigh Hospice MND co-ordinator (£24,000) and beds and equipment on the Inpatient Unit (£11,000). The balance (£10,000) relates to a number of smaller projects.

As at 31st March 2021 the charity had been notified of residuary legacies where the value of these estates was uncertain as the executors had not yet compiled the estate accounts or because the executors are awaiting information on any claims to be made on these estates. Therefore no amount has been accrued in respect of these legacies which are estimated to be in excess of £292,000 (2020: £594,000).

2 Income from donations and legacies (continued)

As at 31st March 2020 the charity had been notified of residuary legacies where the value of these estates was uncertain as the executors had not yet compiled the estate accounts or because the executors are awaiting information on any claims to be made on these estates. Therefore no amount has been accrued in respect of these legacies which are estimated to be in excess of £594,000 (2019: £469,000).

3 Income from charitable activities

	2021	2020
	Total	Total
	£000	£000
Government Funding		
Core funding – Mid and North Essex CCG	1,942	2,061
Reimbursement of pharmacy costs – Mid Essex CCG	28	94
Enhanced End of Life – Mid Essex CCG	366	352
Rapid Access to End of Life funding – Mid Essex CCG	1,226	289
Community 24/7 response - Mid Essex CCG	212	-
Community Technology Support - Mid Essex CCG	35	-
NHS England (NHSE) Grant Scheme administered by Hospice UK	3,414	-
Health Education England	-	74
Other Government funding	8	-
	7,231	2,870

All income from charitable activities apart from the Community Technology support and NHS England Grant scheme in both the current and previous year relates to unrestricted funds. The core funding relates to a one year contract with the CCG which supports all services equally. The expiry date of this contract is 31st March 2022. Farleigh Hospice also receives additional funding from Mid Essex CCG to support in reach services into the local hospital and support patients at home (Enhanced End of Life). In January 2020 this service was extended further and now includes domiciliary care for those patients in the last three months of life (Rapid Access to End of Life Care). This contract will also expire on the 31st March 2022. During 2020 funds were received from Health Education England to create a programme of education for local health care professionals.

The NHSE Grant scheme awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to June 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

4 Income from other trading activities

	Unrestricted £000	All restricted £000	2021	Unrestricted £000	All restricted £000	2020
			Total £000			Total £000
Fundraising Events	92	13	105	459	12	471
	92	13	105	459	12	471

No restricted income events were held in 2020. In 2021 a total of £10,000 funding was raised from a virtual Santa Fun Run event the proceeds of which were restricted to Children's Bereavement.

Income from Friends of Farleigh for the year is £3,000 (2020 £12,000) this is dealt with directly by the Friends and is held in a restricted fund until a donation is made directly to Farleigh Hospice. All other trading income is unrestricted.

5 Income from investments

	Unrestricted £000	All restricted £000	2021	2020
			Total £000	Total £000
Bank Interest	8	-	8	39
Income received on common investment funds	7	-	7	6
	15	-	15	45

All income from investments in the prior year relates to unrestricted funds.

6 Exceptional Item

Included within other income is £194,000 (2020:£250,000) received from the UK Government under the various Covid-19 retail relief schemes. Also included within other income is £428,000 (2020: Nil) relating to income received from the UK government under the Coronavirus Job Retention Scheme.

7 Analysis of expenditure 2021

	Direct Costs		Support costs				2021	2020
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000	Total £000
Fundraising costs	631	24	3	38	47	5	748	1,026
Shops Costs	904	28	2	20	43	5	976	1,387
Lottery costs	2,701	64	127	88	161	17	3,158	3,538
Raising funds	4,236	116	132	146	225	27	4,882	5,951
Local Hospice Lottery Ltd donations to hospice care (Note 8)	4,891	-	-	-	-	-	4,891	4,360
Inpatient Care	758	22	11	20	9	4	824	1,957
Community Care	4,910	194	93	252	82	35	5,566	3,735
Bereavement	428	22	11	27	9	45	501	529
Education & Information	217	8	4	8	3	1	241	259
Charitable Activities	6,313	249	119	307	103	44	7,132	6,480
Total expenditure 2021	15,440	362	251	453	328	71	16,905	16,791
Total expenditure 2020	15,370	405	243	345	363	65	16,791	

Of the total expenditure, £14,615,000 was unrestricted (2020: £16,568,000) and £2,290,000 was restricted (2020: £223,000). During the year clinical services have been restructured, costs are now allocated on the basis of the new structure. Comparatives have been restated in the 2021 note only.

7 Analysis of expenditure 2020

	Direct Costs		Support costs				2020
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000
Fundraising costs	879	37	16	43	45	6	1,026
Shops Costs	1,206	73	7	46	43	12	1,387
Lottery costs	3,123	46	126	47	188	8	3,538
Raising funds	5,208	156	149	136	276	26	5,951
Local Hospice Lottery Ltd donations to hospice care	4,360	-	-	-	-	-	4,360
Inpatient Care	1,784	74	28	33	26	12	1,957
Day & Therapy Services	689	42	16	48	15	7	817
Community Care	1,286	46	17	36	16	7	1,408
Initial Contact	788	29	11	29	10	4	871
Bereavement & Family Support	634	34	13	34	12	5	732
Education & Information	243	5	2	7	1	1	259
Enhanced End of Life	378	19	7	22	7	3	436
Charitable Activities	5,802	249	94	209	87	39	6,480
Total expenditure 2020	15,370	405	243	345	363	65	16,791

Of the total expenditure, £16,568,000 was unrestricted (2019: £15,017,000) and £223,000 was restricted (2019: £263,000).

8 Local Hospice Lottery Ltd donations to hospice care

Local Hospice Lottery Ltd makes donations to other hospices to be used in accordance with Farleigh Hospice's charitable objectives. The other hospice's are listed below:

Dorothy House - Bath, North and West Wiltshire & North East Somerset
 East Anglia's Children's Hospice (EACH) - Cambridge, Norfolk, Suffolk & North Essex
 Garden House Hospice Care - Letchworth and surrounding areas, North Hertfordshire
 Haven House Children's Hospice - North East London and West Essex
 Helen & Douglas House - Oxfordshire and surrounding counties
 Isabel Hospice - Eastern Herfordshire
 Jessie May Hospice - Bristol and surrounding areas
 Lewis Manning Hospice - Poole, Dorset
 Mary Ann Evans Hospice - Nuneaton, Warwickshire
 North London Hospice - Barnet, Enfield and Haringey
 Peace Hospice - Watford and surrounding areas, West Hertfordshire
 Prince of Wales Hospice - Pontefract and surrounding areas, West Yorkshire
 Rowans Hospice - Pontefract and surrounding areas, West Yorkshire
 Sobell House - Oxfordshire
 St Gemma's Hospice - Leeds
 St Joseph's Hospice - North and East London
 St Luke's Hospice - Basildon and surrounding areas, South Essex
 St Peter & St James Hospice - Lewes and surrounding areas, East and West Sussex
 St Wilfrids Hospice - Chichester and surrounding areas, West Sussex
 St Wilfrids Hospice - Eastbourne and surrounding areas, East Sussex
 The Hospice of the Valleys - Gwent
 Children's Hospices Across Scotland (CHAS) - Scotland
 Highlands Hospice - Highlands
 Kilbryde Hospice - Scotland
 St Vincents Hospice - Renfrewshire and surrounding areas
 Strathcarron Hospice - Stirling and surrounding areas

These hospices received donations within the following bands:

	2021	2020
£0-£199,999	15	12
£200,000-£399,999	6	5
Above £400,000	5	4
	26	21

9 Net expenditure for the year

This is stated after charging /crediting:

	2021	2020
	£000	£000
Depreciation	202	186
Operating lease rentals:		
Property	237	260
Other	18	12
Auditors' remuneration (excluding VAT):		
Audit - Charity	8	8
- Subsidiaries	20	13

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£000	£000
Salaries and wages	6,572	6,709
Redundancy and termination costs	52	-
Social security costs	572	573
Employer's contribution to defined contribution pension schemes	464	465
	7,660	7,747

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2021	2020
	No.	No.
£60,000 - £69,999	-	4
£70,000 - £79,999	4	4
£80,000 - £89,999	-	-
£90,000 - £99,999	1	1
£100,000 - £109,999	1	1

The total employee benefits including pension contributions and social security costs of the key management personnel were £561,926 (2020: £566,825).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Farleigh Hospice purchases Trustee Indemnity Insurance on behalf of the trustees at a cost of £3,519 (2020:£2,762)

No trustees were paid for travel expenses during the year. (2020: Nil)

11 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

		2021	2020
		No.	No.
Raising funds	Fundraising	18	22
	Shops	38	43
	Lottery (Including management 3, finance 4 and HR 1)	54	54
Charitable Activities	Inpatient Care	14	44
	Community Care	124	85
	Bereavement	14	14
	Education & Information	5	6
Support and Governance	HR	6	8
	Management	2	3
	IT	6	5
	Finance	4	4
	Governance	1	1
		286	289

12 Related party transactions

Related party transactions are disclosed on pages 24 of the Trustees' Report

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

13 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Local Hospice Lottery Ltd and Farleigh Supplies Limited gift aid available profits to the parent charity. Their charge to corporation tax in the year was:

	2021	2020
	£000	£000
UK corporation tax at 19% (2020 19%) - Local Hospice Lottery Ltd	-	-
UK corporation tax at 19% (2020: 19%) - Farleigh Supplies Limited	(1)	(1)

14 Tangible fixed assets 2021

The group	Freehold property £000	Short Leasehold Property £000	Furniture & Computer Equipment £000	Motor vehicles £000	Total £000
Cost					
At the start of the year	7,269	272	1,257	152	8,950
Additions in year	-	-	45	-	45
Disposals in year	-	-	-	-	-
At the end of the year	7,269	272	1,302	152	8,995
Depreciation					
At the start of the year	1,231	251	1,105	63	2,650
Charge for the year	95	8	64	35	202
Eliminated on disposal	-	-	-	-	-
At the end of the year	1,326	259	1,169	98	2,852
Net book value					
At the end of the year	5,943	13	133	54	6,143
At the start of the year	6,038	21	152	89	6,300

Land with a value of £149,368 (2020: £149,368) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

The charity	Freehold property £000	Short Leasehold Property £000	Furniture & Computer Equipment £000	Motor vehicles £000	Total £000
Cost					
At the start of the year	7,269	272	1,034	152	8,727
Additions in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
At the end of the year	7,269	272	1,034	152	8,727
Depreciation					
At the start of the year	1,231	251	974	63	2,519
Charge for the year	95	8	15	35	153
Eliminated on disposal	-	-	-	-	-
At the end of the year	1,326	259	989	98	2,672
Net book value					
At the end of the year	5,943	13	45	54	6,055
At the start of the year	6,038	21	60	89	6,208

Land with a value of £149,368 (2020: £149,368) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

15 Listed investments

	The group 2021 £000	The group 2020 £000	The charity 2021 £000	The charity 2020 £000
Fair value at the start of the year	182	188	182	188
Net gain/(loss) on change in fair value	38	(6)	38	(6)
Fair value at the end of the year	220	182	220	182
Historic cost at the end of the year	70	70	70	70
	The group 2021 £000	The group 2020 £000	The charity 2021 £000	The charity 2020 £000
Investments comprise:				
COIF Charities Investment Fund	220	182	220	182
Investments in subsidiary companies	-	-	-	-
Fair value at the end of the year	220	182	220	182

The charity holds investments in its subsidiary companies totalling £200 (2019:£200)

16 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Local Hospice Lottery Ltd, a company registered in England (Company Number 03226004). The subsidiary is used for non-primary purpose trading activities. Its principal activity is the promotion and running of a lottery in aid of Farleigh and other hospices across the country. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2021 £000	2020 £000
Turnover	9,189	8,950
Direct costs	(1,773)	(2,256)
Gross profit	7,416	6,694
Administrative expenses	(1,212)	(1,172)
Donation to other hospices	(4,891)	(4,360)
Licence Fees to other hospices	(173)	(110)
Other Income	321	-
Operating profit	1,461	1,052
Interest receivable	1	12
Profit on ordinary activities	1,462	1,064
Donation to parent undertaking	(1,388)	(989)
Profit for the financial year	74	75
The aggregate of the assets, liabilities and funds was:		
Assets	2,002	1,700
Liabilities	(1,928)	(1,625)
Funds	74	75

16 Subsidiary undertakings (continued)

The charitable company owns the whole of the issued ordinary share capital of Farleigh Supplies Limited (Company number: 02576518), a company registered in England. The subsidiary is used for non-primary purpose trading activities. Its principal activity is the buying and selling on of new goods primarily to Farleigh Hospice. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2021 £000	2020 £000
Turnover	31	51
Costs of sales	(22)	(47)
Gross profit	9	4
Administrative expenses	(6)	(14)
Other operating income - gift aid commission	2	14
Profit on ordinary activities	5	4
Donation to parent undertaking	-	(6)
Profit for the financial year	5	(2)
The aggregate of the assets, liabilities and funds was:		
Assets	16	13
Liabilities	(11)	(12)
Funds	5	1

17 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021 £000	2020 £000
Gross income	10,792	8,140
Result for the year	3,396	(759)

18 Stock

	The group 2021 £000	The group 2020 £000	The charity 2021 £000	The charity 2020 £000
Goods for resale	7	8	-	-
	7	8	-	-

19 Debtors

	The group 2021 £000	The group 2020 £000	The charity 2021 £000	The charity 2020 £000
Taxation recoverable	57	100	57	100
Other debtors	271	463	180	364
Prepayments	191	199	191	166
	1,508	136	1,508	136
Group undertakings	-	-	37	26
	2,027	898	1,973	792

20 Investments

	The group 2021 £000	The group 2020 £000	The charity 2021 £000	The charity 2020 £000
Cash on deposit more than three months	1,218	264	1,218	264
	1,218	264	1,218	264

21 Creditors: amounts falling due within one year

	The group 2021 £000	The group 2020 £000	The charity 2021 £000	The charity 2020 £000
Trade creditors	762	657	268	250
Taxation and social security	144	144	105	110
Other creditors	160	231	160	154
Accruals	217	143	214	140
Deferred income	1,479	1,176	111	81
	2,762	2,351	858	735

22 Deferred income

Deferred income relates to monies received for events, services and lottery draws that are yet to take place.

	The group 2021 £000	The group 2020 £000	The charity 2021 £000	The charity 2020 £000
Balance at the beginning of the year	1,176	1,114	81	155
Amount released to income in the year	(1,176)	(1,114)	(81)	(155)
Amount deferred in the year	1,479	1,176	111	81
Balance at the end of the year	1,479	1,176	111	81

23 Pension scheme

Further details of the Farleigh Hospice pension schemes are given in note 1r. At the year end there were 48 (2020: 51) members of the NHS scheme and there were 181 (2020:187) members of the other arrangements. All contributions relating to 2020/21 were paid over to the relevant providers by the end of May 2021.

24 Analysis of group net assets between funds 2021

	General unrestricted funds £000	Designated funds £000	All Restricted funds £000	Total funds £000
Tangible fixed assets	-	3,755	2,388	6,143
Investments	-	-	220	220
Net current assets	4,816	166	1,645	6,627
Net assets at the end of the year	4,816	3,921	4,253	12,990

Analysis of group net assets between funds 2020

	General unrestricted funds £000	Designated funds £000	All Restricted funds £000	Total funds £000
Tangible fixed assets	-	3,790	2,510	6,300
Investments	-	-	182	182
Net current assets	2,440	212	136	3,038
Net assets at the end of the year	2,440	4,002	2,828	9,520

25 Movements in funds 2021

	At the start of the year £000	Incoming resources & gains £000	Outgoing resources & losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,838	-	(57)	-	1,781
[B] Lantern Suite Fund	513	-	(13)	-	500
[C] Big Lottery Fund	109	-	(2)	-	107
[D] Walter Farthing Fund - Permanent	217	-	-	-	217
[E] Fair value reserve	112	38	(6)	-	150
	2,789	38	(79)	-	2,755
Restricted income funds:					
[F] Restricted legacy, donation and grant funds	32	137	(139)	-	30
[G] Farleigh Homecare Fund	4	-	-	-	4
[H] Friends of Farleigh	3	3	(3)	-	3
[I] NHS England Grant Scheme		3,414	(2,072)		1,342
[N] Maldon Fund		123	(4)		119
	39	3,677	(2,218)	-	1,498
Total restricted funds	2,828	3,715	(2,290)	-	4,253
Unrestricted funds:					
Designated funds:					
[J] Fixed Asset Fund	3,790	-	(81)		3,709
[M] Farleigh in Maldon Fund	212	-			212
Total designated funds	4,002	-	(81)	-	3,921
[L] Unrestricted income funds - general reserves	2,690	16,660	(14,534)		4,816
Total unrestricted funds	6,692	16,660	(14,615)	-	8,737
Total Funds	9,520	20,375	(16,905)	-	12,990

25 Movements in funds 2020

	At the start of the year £000	Restated Incoming resources & gains £000	Restated Outgoing resources & losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,896	-	(58)	-	1,838
[B] Lantern Suite Fund	526	-	(13)	-	513
[C] Big Lottery Fund	111	-	(2)	-	109
[D] Walter Farthing Fund -Permanent	217	-	-	-	217
[E] Fair value reserve	118	-	(79)	-	112
	2,868	-	(73)	-	2,789
Restricted income funds:					
[F] Restricted donation and grant funds	24	147	(139)	-	32
[G] Farleigh Homecare Fund	4			-	4
[H] Friends of Farleigh	2	12	(11)	-	2
	30	159	(150)	-	39
Total restricted funds	2,898	159	(229)	-	2,828
Unrestricted funds:					
Designated funds:					
[J] Fixed Asset Fund	3,336	-	(71)	525	3,790
[M] Farleigh in Maldon Fund	1,000	-	(13)	(775)	212
Total designated funds	4,336	-	(84)	(250)	4,002
[L] Unrestricted income funds - general reserves	3,075	15,849	(16,484)	250	2,690
Total unrestricted funds	7,411	15,849	(16,568)	-	6,692
Total Funds	10,309	16,008	(16,797)	-	9,520

All transfers relate to Fixed Assets which are reported as designated funds.

Purposes of restricted funds

- [A] The New Farleigh Fund was set up specifically to fund the construction and equipping of the hospice building in Chelmsford.
- [B] The Lantern Suite Fund refers to funds raised to build and equip the Lantern suite extension to the hospice.
- [C] The Big Lottery Fund grant relates to the funding of a healing garden at the hospice.

Purposes of restricted funds (continued)

- [D] The Walter Farthing Fund are endowed funds held to generate unrestricted income for general charitable purposes.
- [E] The Fair value reserve reflects the revaluation of the investments.
- [F] Farleigh Hospice receives a number of legacies, donations and grants that where the donors restrict their purposes. These are accounted for separately but collated for reporting purposes.
- [G] The Farleigh Homecare fund is set up to specifically support patients staying at home and is used for equipment purchases and hardship funding.
- [H] The Friends of Farleigh funds are those held directly by the Friends of Farleigh support group. Farleigh Hospice does not have direct access to these funds until they are paid across as a donation.
- [I] The NHSE grant scheme funds represents funds received from the NHSE via Hospice UK, not spent in 2021 due to the timing of receipt these are restricted for inpatient and community care in 2022.

Purposes of designated funds

- [J] The Fixed Asset Fund represent funds which have been designated to cover the value of Fixed Assets.
- [K] The Members Guarantee Fund balance £380 (2020:£370) represents funds received in advance to cover the members liability if the charity was to be wound up.
- [M] Following the closure of the Farleigh in Maldon premises during the year the trustees have designated a specific fund to provide funding towards the refurbishment/running of the new day hospice premises in Maldon.

Purposes of unrestricted general funds

- [L] Unrestricted general funds are held to bridge the gap between income and expenditure and to cover any unplanned events.

26 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2021 £000	2020 £000
Net income for the reporting period (as per the statement of financial activities)	3,432	(783)
Depreciation charges	202	186
Dividends, interest and rent from investments	(15)	(45)
(Profit)/loss on the disposal of fixed assets	-	-
Decrease/(increase) in stocks	1	7
(Increase)/decrease in debtors	(1,129)	78
Increase in creditors	411	23
Net cash provided by operating activities	2,902	(534)

27 Analysis of cash and cash equivalents

	At 1 April 2020 £000	Cash Flows £000	At 31 March 2021 £000	At 1 April 2019 £000	Cash Flows £000	At 31 March 2020 £000
Cash at bank and in hand	1,303	1,366	2,669	1,129	174	1,303
Notice deposits (less than 3 months)	2,916	552	3,468	3,756	(840)	2,916
Total cash and cash	4,219	1,918	6,137	4,885	(666)	4,219

28 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2021 £000	Property 2020 £000	Equipment 2021 £000	Equipment 2020 £000
Less than one year	278	290	20	17
One to five years	362	641	32	35
Over five years	10	59	-	-
	650	990	52	52

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2021 £000	Property 2020 £000	Equipment 2021 £000	Equipment 2020 £000
Less than one year	227	240	20	16
One to five years	310	488	31	32
Over five years	10	59	-	-
	547	787	51	48

29 Capital commitments

At the balance sheet date, the group had no capital commitments. (2020: No capital commitments on the balance sheet date.)

30 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5. Members pay guarantee funds in advance and they are held in a separate designated fund.



**Thank you.
It is because you care that we can**

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Company number: 01619905

Charity number: 284670