



**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 rd 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

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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.

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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 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.

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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 noncompliance 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)

		Unrestricted	All	2023	Unrestricted	All	2022
Income from:	Note	£000	Restricted £000	Total £000	£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)
Net current assets		5,343	7,984	5,282	7,982
Net 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	All restricted	Total	Unrestricted	All restricted	Total
	£000	£000	£000	£000	£000	£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 Total £000	2022 Total £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 £000	All restricted £000	2023 Total £000	Unrestricted £000	All restricted £000	2022 Total £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 £000	All restricted £000	2023 Total £000	2022 Total £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 No.	2022 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 £000	2022 £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		The charity	
	2023	2022	2023	2022
	£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 £000	2022 £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 £000	2022 £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 £000	2022 £000
Gross income	11,366	10,998
Result for the year	(698)	1,218

18 Stock

	The group 2023 £000	The group 2022 £000	The charity 2023 £000	The charity 2022 £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		All	
	unrestricted	Designated	Restricted	Total funds
	funds	funds	funds	
	£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		All	
	unrestricted	Designated	Restricted	Total funds
	funds	funds	funds	
	£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	
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 2023 £000	Property 2022 £000	Equipment 2023 £000	Equipment 2022 £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 2023 £000	Property 2022 £000	Equipment 2023 £000	Equipment 2022 £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

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