



Celebrating 40 years of care
www.farleighhospice.org



Report and financial statements

For the year ended 31st March 2022

Company number: 01619905

Charity number: 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:

Andrew Balfour	Retired 8th November 2021
Dr David Blainey	(1) (2) (4) (6) Chair COGC
Emma-Jane Carrington	(5)
Nic Crisp	(2) (6) Vice Chair
Elizabeth Fox	(1)
Ron Goodyear	Resigned 10th May 2021
Wanda Hamilton	(4) Appointed 24th January 2022
Dr Ranjith Joseph	(1)
Katie Lockwood	(2)
Dr Donald McGeachy	(1) (6) Chair CLGC
Jim Miller	(2) Appointed 13th September 2021
Joanna Pittman	(3) (4) (6) Chair FGC, Chair FSL
Caroline Russell	(1)
Emma Sayers	(2)
Richard Shail	(3) (4) (5) (6) Chair LHL
Keith Spiller	(1) (2) (4) (5) (6) Chair

Independent director of Local Hospice Lottery Ltd: David Newman (5)

Subsidiary boards and committees:

- (1) Clinical Governance Committee (CLGC)
- (2) Corporate Governance Committee (COGC)
- (3) Farleigh Supplies Limited Board (FSL)
- (4) Financial Governance Committee (FGC)
- (5) Local Hospice Lottery Ltd Board (LHL)
- (6) Board Governance Committee (BGC)

Reference and administration information

Key management personnel:

Farleigh Hospice

Alison Stevens	Chief Executive (1) (2) (3) (4) (6)
Sharon Ellingham	Finance Director, Company Secretary (2) (4) (5) (6)
Irene Ferguson	Corporate Services Director (2)
Pauline Harvey-Jones	Commercial Director (3) (4)
Dr Eva Lew	Medical Director (1)
Dr Matthew Sweeting	Director of Care (1) Resigned 27rd May 2022

Local Hospice Lottery Ltd

Gary Hawkes	Chief Executive Officer (5) (6)
Stephen Cain	Finance and Operations Director (4) (5)

Bankers:	Lloyds Bank plc	79/80 High Street Chelmsford Essex CM1 1DU
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Solicitors:	Bates Wells	10 Queen Street Place LONDON EC4R 1BE
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Auditors:	Crowe LLP Statutory Auditor	Fourth Floor St James House St James Square Cheltenham GL50 3PR
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Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31st March 2022.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This Trustees' Annual Report includes a directors' report as required by company law.

Objectives and activities

Purposes and aims

The 2021/22 financial year is the fourth and final year of the Farleigh Hospice Future Farleigh Strategy. This strategy timed to end on the 40th Anniversary of the founding of Farleigh Hospice, set out ambitious targets to serve all those in the community who are in need of Farleigh Hospice's services. The strategy was developed in consultation with a large number of stakeholders. This Trustees' Report 'Innovation in partnership working' focuses on the goal of empowerment, particularly empowering people to work collaboratively and reviews the activities of Farleigh Hospice during the reporting year. Once again this year the activities of Farleigh Hospice have taken place in the context of the Covid-19 pandemic. In adapting to the situation the trustees have been mindful of the need to maximize public benefit and act in a manner which is consistent with the longer term strategic goals to build a strong sustainable future for Farleigh Hospice.

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



Activities

The trustees regularly review activities against the charitable objects and mission statement. The framework for this is the strategic plan in place until 31st March 2022. The strategic plan ran from 2018 to 2022 and had four overall themes: Reach out, Empower, Inspire and Invest.

Reach out

- Reach out to provide hospice care for all who need it in our community
- Reach out and be alongside people who want hospice support
- Reach out to provide advice and support 24/7

Empower

- Empower communities to care for those who are affected by life-limiting illnesses or bereavement through training, education and support
- Empower people to work collaboratively
- Empower people by providing accessible information

Inspire

- Inspire our communities to support the hospice in any way they can
- Inspire our funders to continue to support the work of the hospice
- Inspire our people to be ambassadors for our hospice in everything they do

Invest

- Invest for growth and development in our hospice
- Invest in our infrastructure to build our organisational resilience
- Invest in our people to deliver quality services across the organisation

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

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

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

Inpatient Unit

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

During the peaks of the pandemic the Inpatient Unit was closed allowing all resources to be concentrated on caring for patients in their own homes where they could be cared for safely away from possible Covid-19 outbreaks and could be with their family. In line with national trends many more people are being cared for at the end of their lives at home. As part of their virtual ward service Farleigh Hospice now offer patients overnight nursing care at home, this means that it is only complex patients that are admitted to the Inpatient unit. There are typically between 4 and 6 beds open and there is rarely a waiting list. In common with the healthcare sector there have been problems with staffing on the Inpatient Unit during the year. The staffing numbers on the Inpatient Unit when everyone is in post are such that more beds can be opened should they be needed.

IPU reopened to patients from August 2021 and since it has reopened it has cared for 110 patients across 1,021 occupied bed days.

Community Care

In March 2020 in response to the Covid-19 pandemic and government regulations/ restrictions clinical services were reconfigured to focus all clinical services into providing a community service delivered by three locality based multi-disciplinary community teams for North, South and Central areas in mid Essex. Each team is led by a Locality Care Team Manager and has an integrated team of professionals and care staff – sharing expertise and providing the wide range of skills that would benefit the care and support of patients and families. The ethos of the approach was 'One Team', patient facing clinicians with standardised processes.

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

These multi-disciplinary teams include Hospice at Home Health Care Assistants, Community Registered Nurses, Farleigh Clinical Nurse Specialists, Physiotherapists, Occupational Therapists, Social Workers, Family Support Workers and specialist posts, such as the Motor Neurone Disease (MND) Co-ordinator, working together in Locality Care Teams. Domiciliary Care Agencies are also involved in supporting the teams with personal care.

Within each locality team patients are triaged according to their needs. During 2022 the average caseload across all localities was 454 patients. The figure for the previous year 2020-21 was 413 patients, this is an increase of 10% in the caseloads in one year.

Each locality team responds appropriately to incoming calls made to the hospice's advice line. This line is staffed by a team of specially trained navigators supported by specialist nurses. During the year the hospice received 32,359 incoming calls an 11% increase on the previous year.

Whilst the Inpatient Unit was closed during 2020-21 Farleigh Hospice redeployed staff to care for patients at home on the Virtual Ward. This is short-term care including an overnight service allowing patients to be cared for and to die at home. It helps avoid admission into hospital as end of life care is available 24/7. This service allowed many more people to die in the comfort of their own home. When the Inpatient Unit re-opened the clinical staff were very keen for this service to continue to ensure patient choice, the trustees allocated charitable funds for it to continue. During the year there were 124 admissions to the virtual ward. Since its inception in 2020 only one patient has been admitted to an acute hospital whilst on the Virtual Ward.

Farleigh Hospice is contracted with mid Essex Clinical Commissioning Group (CCG) to provide personal care to those who are rapidly deteriorating and in the last three months of their life. This service is staffed by Farleigh Hospice at Home Registered Nurses and Health Care Assistants with support from Domiciliary Care agencies who carried out a significant amount of care. In the period April 2021 to March 2022 the Hospice at Home staff delivered 30,185 care hours supported by Domiciliary Care Agencies who delivered 38,247 care hours.

A number of specific services sit within the Core team. This includes the Rapid Assessment & Discharge (RADs) team who ensure end of life care patients in hospital are rapidly identified, assessed and moved to the most appropriate place for their ongoing care. The RADs service remained in place throughout the pandemic with a concerted effort to urgently transfer patients out of hospital or prevent them being admitted. During the year the service received 386 referrals.

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

In addition to the clinical team Farleigh Hospice patients and those not previously known to Farleigh Hospice are supported by the Farleigh Helper Service volunteers. The Farleigh Helpers service was set up in September 2021 and already has 50 regular service users receiving weekly befriending calls. Referrals for this service come from the Farleigh Hospice care teams, social prescribers, GPs, Community nurses and self-referrals.

Bereavement

Farleigh Hospice provides bereavement support to both adults (Circle) and children and young people (Yo-Yo). In the adult services staff are assisted by specially trained volunteers.

In March 2020 in response to the Covid-19 pandemic and government regulations/ restrictions the bereavement service had to change how services were provided. Adult and children's bereavement services continued to accept referrals and provided all of their service via telephone or virtual support. During 2021/22 some services particularly those with children have returned to face to face. Referrals have increased in the latter half of 2021/22. The childrens' service has very close links with local services and offers training to school staff. Approximately half the referrals for the childrens' service originate from school staff.

In 2021/22 there were 1,034 referrals to the adult service (2020: 820) and 280 referrals to the children's service (2021: 180). These levels are now at similar numbers to pre pandemic. However many cases are very complex due to the particularly difficult circumstances surrounding deaths during the pandemic.

In March 2022 the bereavement team were awarded a £100,000 grant to set up a Living with Grief Programme which hopes to support 300 additional people during the forthcoming financial year.

Education and Information Services

The Education team deliver education both internally and externally. As well as delivering specialist internal training they have continued to work alongside the nursing teams both within the IPU and locality teams offering role modelling, expert advice and oversee the competencies programme.

Externally the team continue to deliver education to the local community provider and local care homes. The team also worked with Essex County Council and two other local hospices to deliver training to Domiciliary Care Agencies. This initiative won a national award.

The trustees see providing high quality education on how to care for people at the end of their life as a clear priority as many agencies are involved in care of the patient and they need to be able to provide high quality care.

Farleigh Hospice Information Services have been curtailed this year with the Hospice Outreach project (HOP) off the road, initially due to the pandemic. Following a review of the services following the first year of the pandemic trustees decided that there are many new virtual methods of providing information and support to those in need in the community. It was decided that the Hospice Outreach Project was no longer the best use of resources. The service is now closed and the vehicle is for sale.

Local Hospice Lottery Ltd

Local Hospice Lottery is a wholly owned subsidiary of Farleigh Hospice that exists to be the leading lottery for hospices across Great Britain, providing additional funding and opportunities for growth by inspiring people to support their local hospice in a fair, open and affordable way.

2021/22 was the second year of Local Hospice Lottery's new Strategy "Inspiring Commitment", with the values of the organisation being defined as: Supportive, Fair, Professional and Ambitious and with strategic pillars of Supporting local hospices, Inspiring Membership and Enhancing our product; Valuing our people; Developing new routes to membership and Diversifying the business.

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

The number of players in the weekly draw at the end of 2021/22 was 197,009. During the year, one new hospice partner was recruited bringing the total of other hospices supported to 28.

Fundraising

Farleigh Hospice raises money in a variety of ways. The single most significant source of fundraising income continues to be from legacy gifts. Funds are also received in the form of general donations and donations in memory. These forms of income have held up well during the pandemic.

Many of the other forms of fundraising including community and large scale events were severely impacted by the pandemic both in 2020/21 and the first half of 2021/22. As restrictions have eased the hospice is able to reintroduce its mass participation events with Cycle for Life in September 2021. The London Marathon returned in October 2021 bringing a much needed boost to funds, raising over £133,000.

During 2022/23 Farleigh Hospice expects to be able to offer a full range of activities including open gardens and Walk for Life returning after a break of a couple of years. As this year marks the 40th anniversary of Farleigh Hospice all this year's events will be special celebratory events.

The fundraising team continue to successfully apply for grants and trusts with funds being received for a number of projects including Bereavement, the Virtual Ward, Farleigh Helpers and the Care Home Co-ordinator.

Retail

Farleigh Hospice has fifteen shops across Mid Essex. Shops receive donations of clothes, bric-a-brac and furniture. Goods are sold in the shops, on eBay, or where not suitable for resale, are sold as 'rags'. Farleigh Supplies Limited sells new goods (mostly cards) and operates a retail gift aid scheme on behalf of Farleigh Hospice.

Having been closed for much of 2020-21 the shops re-opened in mid April 2021. The shops are now trading back to levels seen pre-pandemic. Farleigh Hospice operates a discount warehouse based in Maldon which has been very successful and plans are underway to take on an additional adjacent unit.

Friends of Farleigh

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

Volunteers

Volunteers make a huge contribution to Farleigh Hospice.

There are 700 regular volunteers registered, there are many more who give their time on a more ad-hoc basis for example at events. Using the number of volunteers, their average hours worked and an appropriate hourly pay rate the value of their contribution (in a year with no pandemic restrictions) is estimated to be in excess of £1.0m.

Volunteers assist in many other ways apart from retail. Roles include, working as part of the welcome team, in the bereavement team, in the Courtyard Café, in the garden and in supporting fund raising. Obviously, many of our volunteers were unable to carry out their duties whilst shops were shut or they were not able to come to the Farleigh Hospice buildings during the lockdowns. However, in most cases these volunteers are now back volunteering their valuable time.

The trustees thank every one of them for their support and continued loyalty to Farleigh Hospice.



Strategic report

Achievements and performance

Impact of Farleigh Hospice's charitable activities

The trustees take care to ensure that limited charitable resources are directed to where they will have most impact. The activities section at the start of this report shows the variety of services Farleigh Hospice offers and the number of people accessing those services. This work has a huge amount of impact on an ongoing basis across the local community. Key metrics to show the amount of work carried out across Farleigh Hospice teams are as follows:

	2017/18	2018/19	2019/20	2020/21	2021/22
Total people cared for	3,858	3,979	4,482	4,371	4,067
Accepted Referrals (excluding bereavement)	1,095	1,292	1,232	1,390	1,603
% of patients with a non cancer diagnosis	27	34	37	38	39
% preferred place of death achieved	77	80	84	91	88
Number of other hospices supported by Local Hospice Lottery	19	23	22	26	28

As this year marks the end of the strategic plan the trustees have considered how they have achieved their goals. The chart above shows how successful the hospice has been in meeting its strategic aim of reaching out. The number of accepted referrals at 1,603 is 46% higher than it was four years ago. The goal was also to reach out to those with a non-cancer diagnosis. In 2021/22 39% of patients had a non-cancer diagnosis up from 27% four years ago. In 2021/22 11% of patients had a dementia diagnosis. The total people cared for includes patients, carers, information visitors and the bereaved. Whilst the number of patients has increased some of the additional services have been scaled back as a result of the pandemic resulting in a fall in total people cared for shown in the table above.

Each year the trustees also review impact by considering a particular focus. This year this report is titled "Innovation in Partnership". This is the title of the national hospice award that Farleigh Hospice was awarded at the Hospice UK annual conference in November 2021. This fits well with the strategic goal of empowering people to work collaboratively. Empower is one of the key themes of the 4 year strategy and one of the key changes that has come about as a result of the pandemic is the need to empower people and in particular to empower them to work collaboratively.

Hospice UK Innovation in Partnership award 2021

The winning entry 'integrated community care in a pandemic' showcased the one team approach Farleigh Hospice took to maximize its ability to care for people in the community and in their own homes when the pandemic struck, which included reorganization of clinical services and the creation of the Farleigh virtual ward.

At the time the chair of the Board of Trustees Keith Spiller sent a congratulatory message to all staff

"This is a welcome recognition of the part you have all played over the last 18 months or so, and a recognition of how you have all adapted to change to cope with circumstances and to improve our ways of delivering services, which will stand us in good stead for the future. I cannot claim to understand how difficult this period must have been for some of you, but can at least thank you again for your dedication and hard work in the most trying of circumstances."

Multi-disciplinary locality teams

Farleigh Hospice staff from a wide range of specialties now work collaboratively bringing their skills and experience together to work as one team. This allows for timely support to patients and cares when they need it without the need for an internal referrals process. Daily team meetings discuss new referrals, complex cases and those that require intensive interventions in order to best support individual issues such as symptom management, emotional and psychological interventions. Regular caseload meetings with the Farleigh Hospice Palliative Care Consultants are also held. One relative sums up below the care that these teams work so hard to deliver.

"I would like to thank everyone who attended my dad in his final days they were all truly amazing treated him so well, talking to him throughout making sure he understood what they were doing, we would hear laughter coming from his room his laughter and that brought happy tears to our eyes. They were so dedicated to their job, without the team my Dad wouldn't have come home and we wouldn't have had the last 12 days with him. Thank you from the bottom of my heart"

Clinicians from the relevant Locality Care Team attend Gold Standards Framework meetings with local GP surgeries. Stronger links have also been forged with the local District Nursing Teams with regular meetings taking place to provide a more seamless service to patients in the community.

Working with other hospices

Following a close working relationship between all local hospices during the pandemic, it was decided to create a Hospice Collaborative Partnership. This group currently includes the Hospice Chief Executives and Directors of Care working closely with the Communication leads. The main purpose of the group is to work together to ensure there is an equitable offer to communities in Mid and South Essex, understand the needs of the local population, identify gaps in service and seek opportunities for joint business cases where appropriate. The hospices come together as one voice working with CCG commissioners to improve services overall for people who are at end of life. As the local NHS transitions over to the Mid and South Essex Integrated Care Board, Farleigh Hospice will be commissioned by the same organisation as the South Essex hospices. Farleigh Hospice already has an active part in the local Alliance and wider system planning meetings.

Recuperation – decompression programme

In common with most healthcare professionals staff at Farleigh have had a very difficult two years. Some teams had become disconnected due to the need to work from home in order to maintain infection control and social distancing guidelines. In August 2021 we ran a month of recuperation and decompression, a time for teams to come together to reflect on the past months/years, celebrate their successes and have some fun. Farleigh Hospice has adopted a one team approach and aims to empower all staff to work collaboratively across all disciplines. This focused time along with other initiatives such as the Well-being week and the 40th birthday celebrations help bring people together again.



Christmas Tree Recycling

After having to be cancelled in the previous year, in January 2021 the Christmas Tree recycling scheme was back and raised £37,000 for local charities. In order to collect 2,600 trees over the weekend the scheme relied on a large number of individuals, companies and organisations working together to collect trees across mid Essex. These include local councils, removal companies, solicitors, clubs and individual volunteers. Councillor Rose Moore, Cabinet Member for Greener and Safer Chelmsford said:

"Congratulations for Farleigh Hospice for another successful Christmas Tree recycling event. This fantastic campaign gives people a chance to reduce their carbon footprint and support the charity's vital work. It has also brought the community together with businesses, organisations and individuals offering their time for a worthy cause."

Gardening Club

Working collaboratively our maintenance, clinical and fundraising teams worked together to launch a Gardening Club in August 2021. The club is open to all friends of Farleigh Hospice, patients and their families, staff, volunteers, friends and neighbours and has been particularly beneficial to those that are supported through our bereavement services. One club member outlines the benefits:

"The gardening club has been great for me as well, I can come to Farleigh and spend time in the lovely gardens. I feel as though I can be me there, talk about my husband if I want to and not have to put on a brave face and pretend I'm OK, when I'm feeling sad."

Care Home Support

Many of Farleigh's patients end their lives in local care homes. During the year Farleigh Hospice employed a Care Home Co-ordinator to help improve access to palliative and end of life care to those in care homes. One care home that has benefitted from this service is Cherry Wood Grange in Chelmsford. Jo Savidge their Director of Nursing says:

"The Farleigh hospice team are an invaluable support to us here at Cherry Wood Grange. They always deliver and advocate the highest form of professionalism and we really value their ongoing expertise and guidance. It gives us the skills and confidence to provide exceptional end of life care to our treasured residents when the time comes ensuring we do what is right for each person at this crucial time."

Local Hospice Lottery Ltd (LHL)

LHL is one of the most successful examples of collaboration in the hospice movement. By working together the hospices are able to minimise the costs of running a lottery thus maximising the amount that can ultimately be used for patient care. Partners are also able to benefit from LHL's expertise in marketing and player recruitment. Each year LHL runs a partner conference where hospices can come together to share ideas. Jackie Johnston from Strathcarron Hospice outlines how important the LHL partnership is to Strathcarron.

"The local hospice lottery has been a game-changer for us in terms of income. It requires little input from me and I thoroughly enjoy working alongside this team; always friendly and willing to help. They are well established and I feel as if we are in safe hands."

Achievement of goals set for the 2021/22 financial year

- **To develop new ways of working to provide 24/7 care for people at the end of their life. This will include developing the 'virtual ward' model and support to care homes in relation to their residents at the end of life**

Farleigh Hospice originally implemented the virtual ward model in early 2021 as a response to the second wave of the pandemic. This 24/7 service allows for an enhanced level of support for patients who are in need of extra care and would previously been admitted to an inpatient setting. Although the service has no additional statutory funding the trustees have decided to fund it on an ongoing basis from charitable funds. In 2021/22 the service cared for over 100 patients with only patient requiring admission to hospital.

For many people at the end of their life their home is in a residential or care home setting. During the year Farleigh Hospice has employed a Care home co-ordinator whose role has been to work with care homes to ensure they know how to care for their residents in an appropriate way and know how to contact their local multi-disciplinary team.

- **To consolidate the new Locality Care Team structure to support multi-professional and cross organisational working**

The multi professional Locality Care Teams were originally created to increase resilience during the first wave of the pandemic. The three teams North, South and Central work across disciplines to create a team around patients, families and carers. The structure is now well embedded and these teams care for a large number of patients at any one time. The caseload for each team at anyone point in time is around 160 patients.

- **To develop bereavement support including new ways of working to support clients and improve community engagement**

During the pandemic the work of the bereavement services continued virtually where possible. Some clients were happy with either a telephone or virtual offering, however some patients wanted to wait until such time as services could be resumed face to face. As soon as guidelines allowed face to support was reintroduced. Clients are now able to choose between telephone, online and face to face support. Bereavement help points have restarted. To ensure that services could be accessed easily the adult service introduced e-referrals. Online training for school staff took place to assist staff in supporting the children in their care who had suffered a bereavement during the pandemic.

- **To collaborate with and support other organisations to deliver education to improve care and support for people at the end of their life**

The Farleigh Education Team continued to work closely with other organisations during the year. They continued teaching for the local community health provider, local domiciliary care agency staff, paramedics and care homes. A collaborative training needs analysis was carried out early in year, which highlighted a need for more teaching on frailty recognition and management of symptoms along with advance care planning. As a result of this a learning resources platform has been created to address these needs.

- **To carry out a review of the governance arrangements between Farleigh Hospice and Local Hospice Lottery Ltd**

Farleigh Hospice commissioned governance experts working with the National Council of Voluntary Organisations (NCVO) to review current arrangements to ensure they complied with best practice. The report concluded that both Farleigh Hospice and Local Hospice Lottery Ltd are well run organisations in terms of governance and management processes. The review did make some recommendations for additional measures be put in place to evidence that the lottery company focuses primarily on benefitting Farleigh Hospice and the other member hospices.

- **To finalise the workforce review**

Although there is still a small amount of work to be carried out in 2022-23 the workforce review is largely completed. This huge undertaking involved producing a new staff handbook, moving all Job Descriptions to a new format, reviewing pay to bring it into line with market rates, reviewing policies and procedures and working with staff on wellbeing and culture at Farleigh Hospice.

- **To refurbish/extend the Maldon premises as a base for the South locality team and a community hub**

Plans were delayed as the original plans for the extended building were rejected by the local council. Plans have been revised and it is hoped that permission will be granted and works can start in 2022-23

- **To develop a new strategy for 2022 onwards**

Work on the new strategy was well underway when the 3rd wave of the pandemic hit in the Winter of 2021/22. This delay has meant that the launch of the new strategy will take place in early 2022-23. Farleigh Hospice had discussed plans for the future internally with board and staff. A number of online consultation events were held with all stakeholders. These consultations asked three key questions. What do you feel is most important for people who are at the end of life? How do you feel Farleigh Hospice can best support its community? What do you think Farleigh's future could, and should look like? There are also areas of the current strategy that continue to be relevant. The new draft strategy was approved by board in May 22 and will be launched over the summer of 2022.

- **To consolidate income generation activities following the disruption of the pandemic this year. To further develop the digital approach and engage supporters and ensure a positive supporter journey**

Although the Covid-19 pandemic caused issues for in person events for the early part of 2021/22 by the autumn in person events such as Cycle for Life and the Santa Fun Run were able to return. The fundraising team worked tirelessly to raise funds in difficult circumstances. In recognition of this they were awarded Team of the Year in the Farleigh Hospice team of the year awards. The team was reorganized to focus on the digital journey for those supporters who chose to fundraise in this way. The team also developed an online chat facility to enable a quick response to supporters.

- Local Hospice Lottery will be looking to continue the implementation of the Strategic Plan by building upon the work undertaken in 2020/21. Crucial will be a successful emergence from the lockdowns and restrictions occasioned by the Coronavirus Pandemic and Government actions thereon. In particular, Local Hospice Lottery is planning to further diversify fundraising routes, recruit additional partner hospices; build the fundraising teams, all with the objective of achieving the targets for donations to hospice care.**

From April 2021 restrictions eased so that face to face fundraising could resume. Work continues on diversifying fundraising routes, During the year one new partner joined the lottery, with two more already signed up for 2022/23. Although there continues to be difficulties in recruiting fundraisers in some areas overall the total payable to partner hospices was 6% above the budget for the year.

Fundraising

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

The Financial Governance Committee has specific delegation from the Board to review fundraising activities. It receives reports from the Commercial Director at each meeting. In addition, management accounts showing performance against budget and prior year are reviewed. Any significant changes to fundraising expenditure are approved at Financial Governance Committee meetings. A summary of these discussions are notified to the full board. Trustees are actively involved in fundraising with many attending the large-scale events and representing Farleigh Hospice at other events, when they are able to take place. Each trustee acts as a buddy to their local shop and in normal times visits to support.

In 2021/22 there were no complaints relating to Farleigh Hospice's activities in Mid Essex. In 2020/21 there was one complaint received. All complaints are investigated fully and resolved where possible, in accordance with the Farleigh Hospice complaints policy. All complaints related to fundraising are reviewed by the Executive Team and the Financial Governance Committee.

Farleigh Hospice is signed up to the Fundraising Preference Service which enables individuals to opt out of receiving fundraising communications from Farleigh Hospice. There were four requests to opt out of communications in 2021/22 (2021: Two).

Farleigh Hospice does not employ third party professional fundraisers or commercial participators and therefore does not need to regulate their activities, Local Hospice Lottery has relationships with a number of professional fundraisers. These are monitored in line with the relevant fundraising and gambling regulations. Local Hospice Lottery is registered with the Fundraising Regulator, licensed by the Gambling Commission and is an organisational 'Dementia Friend'.

Investments

The Financial Governance Committee regularly reviews the investment policy. Over the last few years Farleigh Hospice has had limited funds for investment. These funds have mostly been kept in UK bank deposits. Following both the increase in funds due to the NHSE/Hospice UK additional Covid-19 funding and the need to preserve the value of reserves in terms of inflationary times the trustees have resolved to place funds in pooled investment funds. The performance of these will be closely monitored by the Financial Governance Committee.

Financial review

Result for the year

The overall result for the year is a surplus of £1.2m. This is an extraordinary result in this second year of the pandemic and was as a direct result of non-recurrent funding received from the UK government which totaled £1.6m. The trustees had budgeted for a significant deficit in 2021/22.

This government scheme which provided funding from NHS England via Hospice UK was to secure capacity in hospices during the third wave of the pandemic from December 2021 to March 2022.

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

	2021/22 £000s	2020/21 £000s
Income		
Donations and legacies	2,604	2,541
Charitable activities (NHS income)	5,561	7,231
Shop Income	1,401	459
Donation from LHL	1,173	1,388
Other fundraising activities	183	105
Investments	16	14
Other Income	112	476
Total Income	11,050	12,214
Expenditure		
Shop Costs	1,312	976
Fundraising Costs	767	748
Charitable Expenditure	7,764	7,132
Total Expenditure	9,843	8,856
Net gains on investments	19	38
Net income /(expenditure) for the year	1,207	3,396

Farleigh Hospice is unable to accrue profits from trading subsidiaries not paid over in the year. There were £44k of profits still to be paid over at the end of the financial year (2021 £89k).

Income

Total income for 2021/22 increased by £0.4m to a total of £20.8m.

The most significant source of the variance of total income is the reduction in monies provided by NHS England to support hospices in the pandemic which has fallen by £1.8m.

Income from the Local Hospice Lottery Ltd (LHL) players increased by £1.7m to £10.9m, an increase of 18%. After offsetting £3.9m of costs associated with running the lottery and £5.8m in donations to other hospices, LHL donations due to Farleigh Hospice are £1.1m, which is 7% below the 2020/21 total of £1.4m. The lottery business carries out face-to-face fundraising for new players which was of course curtailed by the pandemic in 2020/21. This resulted in an increase in the prior year's profits as fundraising costs were not incurred. The successful change in payment model to a £5 monthly option and the increase in partner hospices is expected to lead to larger profits in 2022/23 and beyond.

Income from donations (gifts) and legacies has increased by £0.1m to £2.6m. Legacy income has remained the same as the prior year. Income from donations and gifts has increased by £0.1m during the year. In common with many other hospices Farleigh Hospice ran an emergency appeal in 2020/21 which raised £0.2m in income. With the exception of large scale events most income streams are back to or above their pre pandemic levels. The most significant single income stream is donations in memory which raised £0.5m in 2021/22.

Shop income at £1.4m is up £0.9m on the previous year, this is because shops were shut for 31 weeks of the year in 2020-21 due to the Covid pandemic. Shop turnover has returned to pre-pandemic levels in 2021/22. Once overheads such as HR and IT are allocated to the shops it is apparent that the level of margin within the retail operation needs to be enhanced.

Charitable Expenditure

With the investment in new services particularly the Rapid Access to End of Life project Farleigh Hospice's spend on charitable services has increased by £0.7m (8%) to £7.8m

LHL donations to other hospices, to be used in accordance with Farleigh Hospice's charitable objectives, increased by £0.8m to £5.8m.

Reserves policy and going concern

All charities are required to consider how much they need to hold in reserves. The extent of these reserves varies depending on the scale and nature of the charity's activities. Farleigh Hospice provides a range of critical health services on which the population of Mid Essex depend. To fund these services it is reliant on a number of fluctuating income streams from donations, legacies and shop and lottery profits. To enable Farleigh Hospice to meet its commitments to the community and provide key hospice services, it needs to maintain its level of reserves so that it can continue operations in the event that an unforeseen decrease in income or increase in costs results in a significant deficit.

During the initial part of 2020/21 the Farleigh Hospice reserve policy was tested as a result of the closure of shops and curtailment of fundraising activities. The level of reserves was found to be adequate for a period of disruption roughly equal to the 18 months of reduced income that was traditionally provided for in the reserves policy. The trustees with the knowledge that the disruption from the pandemic has been ongoing for over a year have increased the period of income disruption to be provided for to two years.

The trustees carry out a risk based analysis in arriving at the level of reserves needed to protect against unforeseen events. This risk based analysis looks at the amount of reserves that would be needed if there were a significant fall in income for two years. The desired level of reserves set for the 2021/22 financial year, was £4.7m. Note 25 to the accounts shows that the free unrestricted reserve is £7.3m (2021: £4.8m), an increase of £2.5m on the previous year. The trustees have set a negative budget for 2022/23 and are considering further investment of funds in systems and staffing to ensure that the hospice is operating as efficiently and effectively as possible and to support the forthcoming strategic plan.

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

The trustees have reviewed the circumstances of Farleigh Hospice and its group companies and consider that adequate resources continue to be available to fund the activities of the charity and the group for the foreseeable future. The trustees are of the view that Farleigh Hospice and the group companies are a going concern and likely to remain so for the foreseeable future.

Principal risks and uncertainties

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

The Covid-19 pandemic resulted in high levels of risks and uncertainty in both 2020/21 and 2021/22. It is hoped that as we move into 2022/23 the Covid-19 risks have been mitigated. However, there is still a number of issues to be considered; the cost of living crisis and the war in Ukraine concern have an impact in the environment in which Farleigh Hospice operates.

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

1. Safety of service users, staff and volunteers

As the threat of Covid-19 subsides it is apparent that the efforts over the last two years have placed a great deal of strain on the organisation and staff. Staff sickness has increased and trustees are aware of the need to support staff in their recovery from what has been a difficult time. The cost of living crisis together with increased fuel costs will undoubtedly have an impact on our most vulnerable service users who may well need additional support.

2. Organisational overload due to increasing demand for services

Referrals to Farleigh Hospice are up 30% since the start of the pandemic. Many of these patients have increased complexity. Complexity of patient workload has increased as the hospice is still seeing a number of patients where delays in diagnosis have meant there is no longer a chance of curative treatment. These patients and their families understandably need additional support. It is also the case that many more patients are dying at home - this is a national picture. Farleigh Hospice has seen a 38% shift in people dying at home in the last year. To support so many more patients at home places an increased strain on the patient facing staff and the organisation as a whole.

3. Future Financial stability

With a significant amount of support from NHSE via the Hospice UK scheme in both 2020/21 and 2021/22 reserves at Farleigh Hospice are strong. However, the board have approved a significant deficit budget for 2022/23. It is simply not possible to provide the level of care needed for Farleigh Hospice patients from the current combination of statutory and charitable funding. Although there is a prospect that the continued success of the Local Hospice Lottery will move the organisation back to a break even position. However, this may be short lived as there is likely to be an ever increasing need for staff and resources as the death rates are predicted to increase significantly in the 2030s. The cost of living crisis is also likely to impact the amount of voluntary income that Farleigh receives. The loyal supporters of the hospice are incredibly generous but it is clear they will face their own challenges over the next few months. Farleigh Hospice has an active Financial Governance Committee who review three yearly forecasts and seek to identify and mitigate risks as appropriate.

4. NHS funding

Farleigh Hospice has developed very good working relationships with Mid Essex Clinical Commissioning Group (CCG) over recent years. During 2022/23 this CCG is merging with the four CCG's in South Essex to become the Mid and South Essex Integrated Care Board (ICB). The new organisation has said that it will be looking to sign two year contracts with all the hospices initially. The new organisation has indicated that it will be looking to sign longer term contracts with all three hospices in the new ICB. The new organisations still need to be set up under an Act of Parliament and this is unlikely to take place until July at the earliest. Therefore there remains a period of uncertainty as to what will happen once the new organisation is set up. Where possible Farleigh hospice is engaging with all areas of the NHS and fellow providers to develop relationships and services.

5. Non compliance with fundraising, data and other regulations

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

6. Inflation

Inflation rates within the UK are the highest they have been for over 40 years. The hospice faces the reality that its reserves could be worth 10% less at the end of the year than they were at the beginning. The trustees have decided to place as much of the reserves as possible into pooled funds in the hope of mitigating the impact of inflation. The inflation and cost of living crisis will also undoubtedly have an impact on our voluntary income as supporters have less disposable income to donate.

Plans for the future

Farleigh Hospice has a strategy in place for the period 1st April 2018 to 31st March 2022. The strategic goals were in place until Farleigh Hospice's 40th anniversary year in 2022. Central to this strategy was the aim to grow and help more people in the future. The strategy was based around four themes: Reach out, Empower, Inspire and Invest.

The following has been achieved as part of this 4 year strategic plan.

- Building of a sustainable workforce using creative solutions to ensure the workforce of the future
- Development of the virtual ward model to care for more people in their own homes and supporting people to die well at home

- Expansion of 'green' initiatives to further reduce the hospice's carbon footprint
- Service re-design through monitoring and developing the patient experience listening to patient's stories and involving users in service design
- Launch of a new strategic plan as part of the 40th birthday year celebrations
- Review and investment in income generation activities to support the new strategic plan
- Plans for refurbishment/extension of the Maldon premises as a base for the South locality team and a community hub
- Investment in a new Human Resources database to make efficient use of resources and monitor workforce metrics.
- Development of a leadership programme to ensure all leaders have the skills needed to lead the organisation into the future.
- Local Hospice Lottery will be looking to continue the implementation of the Strategic Plan. In particular LHL will be reviewing the level of membership that can be expected in the areas of existing hospices and the organisational capacity to recruit further hospices. LHL will also look to improve efficiency and effectiveness by using Business Improvement techniques across the whole organisation.

Structure, governance and management

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

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

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

Farleigh Hospice is governed by a board of trustees who are also directors of the company. The maximum number of directors is set at 14 in the Articles of Association. The trustees are mindful of the Charity Governance Code recommendation that the maximum number of trustees should be 12. The number of trustees at Farleigh Hospice was capped at 12 until 2016. However, with a number of trustees reaching their 9 year anniversary where they must retire the trustees were concerned that they could not adequately resource the Committee structure and the Local Hospice Lottery Ltd governance requirements with 12 trustees. Day- to-day management is delegated to the Chief Executive and the Executive Team.

The full board is supported by a committee structure. This structure is designed to ensure that the committees support the full board in delivering Farleigh Hospice's strategic objectives and statutory obligations. There are four standing committees. A board governance committee oversees governance matters, in particular compliance with the Charity Governance Code. This committee also looks at trustees' recruitment, succession planning and performance. The board governance committee is also delegated to look at matters concerning the Executive Team including pay. The other three committees are clinical governance committee (dealing with clinical matters); a corporate governance committee (dealing with health, safety and environment, internal and external communication and matters relating to staff and volunteers) and a financial governance committee (which deals with financial matters and oversees income generation)

Each committee is responsible for governance, quality, compliance and risk management in its area of responsibility. The full board takes reports from the chair of each committee at all of its meetings. The full board meets six times per year and each of the committees meet quarterly.

In 2020/21 the trustees commissioned an external board evaluation run by the National Council of Voluntary Organisations (NCVO). The NCVO mapped compliance with the Charity Governance Code using their Governance Wheel tool. Their report was very pleasing "Our overall reflection from our engagement with Farleigh Hospice is of a high performing, well run organisation which takes governance seriously." During 2021/22 the NCVO also reviewed the governance arrangements in place between Farleigh Hospice and Local Hospice Lottery Ltd.

Following issues raised in the media relating to safeguarding procedures in some charities, the clinical and corporate governance committees have reviewed safeguarding procedures and are satisfied that there are sufficient procedures in place to mitigate any risk to patients, staff and volunteers.

In addition to serving on these committees, trustees engage in a regular cycle of visits to observe the provision of services in the main hospice site, in community buildings, and patients' homes, interviewing service users and staff/volunteers in order to assure themselves of the quality of services. These visits have had to cease during the Covid 19 pandemic but have now resumed with a visit taking place in May 2022. Board members also sit alongside members of the Executive team as directors of the two trading companies in the group. Local Hospice Lottery Ltd runs a lottery on behalf of Farleigh Hospice and a number of other hospices across the UK. Farleigh Supplies Limited deals with the purchasing of new goods for sale in the shops and administers the retail Gift Aid scheme. Farleigh Hospice complies with the NHS requirement to produce a Quality Account and this documents the audit and quality improvement work that is carried out across the organisation. A copy of the Quality Account 2021/22 is available on the Farleigh hospice website: www.farleighhospice.org.

Alongside the Farleigh Hospice strategy, the board have identified a suite of Key Performance Indicators (KPIs) to assess performance against the strategic goals; these are monitored by the board on a quarterly basis.

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

Appointment of trustees

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

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

At the 2022 Annual General Meeting one trustee, Dr David Blainey, will reach the end of his maximum term.

Trustee Induction and Training

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

Chair

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

Related Parties and relationships with other organisations

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

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

One of our trustees (2021: one) is a member of the board of Mid Essex Clinical Commissioning Group.

The hospice has a close working relationship with Mid Essex Hospitals Trust (MEHT), which runs Broomfield Hospital, which is on a neighbouring site. The palliative care medical consultants who work at Farleigh Hospice are supplied under a Service Level Agreement with MEHT.

The charity has two trading subsidiaries. Local Hospice Lottery Ltd runs a weekly lottery on behalf of Farleigh Hospice and a number of other hospices. Donations to those other hospices are made as part of the contractual relationship with these hospices. These donations must be used in furtherance of hospice care. The other hospices as at 31st March 2022 are listed in note 8 of the accounts.

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

Remuneration policy for key management personnel

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

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

Equality and Diversity

The trustees are committed to diversity and providing equal treatment to all potential and existing employees and all service users irrespective of gender, race, ethnic origin, disability, age, nationality, sexuality, religion or belief. All forms of unlawful and unfair discrimination are not tolerated.

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

Trustees are keen to ensure that Farleigh Hospice is working in line with its commitment to this matter and a new cross organisation Equality, Diversity and Inclusion Group will commence in 2022 made up of trustees, staff and advisors where appropriate.

Employee Information

Employees have the opportunity to have their views heard through a variety of means including suggestion boxes, employee surveys, Chief Executive open forums and the line management structure. There are fortnightly Executive Team meetings and monthly Heads of Department meetings. All managers are expected to hold regular meetings with their staff and ensure that they are aware of all issues that may affect their own roles and factors influencing the organisation as a whole. A bi-annual staff survey is carried out which includes benchmarking information against previous years and with other organisations. In October 2021 the bi-annual staff survey took place, there was a 72% response rate. The hospice was benchmarked as 'One to watch' moving closer to 1 star status than the previous survey. The survey showed that staff feel well supported by their line manager and have a strong sense of team work and pride in the organisation. However as always there is things to learn and it is clear that staff feel under pressure and want more opportunities for personal growth. The Chief Executive carries out a monthly all staff virtual briefing.

Each year staff are asked to feedback on the priorities for the forthcoming year's operational plan. This year all staff were given the opportunity to take part in workshops to discuss the new strategic plan to be launched in 2022/23.

Channels of communication with volunteers operate in a similar manner and they are also updated and consulted with via the centralised volunteering function.

Environmental sustainability

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

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the in financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £5 to the assets of the charity in the event of winding up. Members pay their guarantee on joining the charity and it is held separately in a members' guarantee fund. The total number of such guarantees at 31st March 2022 was 80 (2021:75). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The Trustees' Annual Report, which includes the strategic report, has been approved by the trustees on 8th August 2022 and signed on their behalf by Keith Spiller.

K Spiller
Chair

Independent auditors' report

Opinion

We have audited the financial statements of Farleigh Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise consolidated Statement of Financial Activity, the group and parent charitable company Balance Sheets, the Group Cashflow Statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the statement of the group's and parent charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatement in the trustees' report (including the strategic report).

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on pages 24-25) the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within to be within the timing of recognition of grant income and legacies and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Investment and Finance Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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

Use of our report

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

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

Date: 14th September 2022

Consolidated statement of financial activities for the year ended 31 March 2022

(incorporating a consolidated income and expenditure account)

	Note	Unrestricted £000	All Restricted £000	2022 Total £000	Unrestricted £000	All Restricted £000	2021 Total £000
Income from:							
Donations and legacies	2	2,375	229	2,604	2,326	215	2,541
Charitable activities	3	3,954	1,607	5,561	3,782	3,449	7,231
Other trading activities							
Lottery Income		10,862	-	10,862	9,189	-	9,189
Shop Income		1,401	-	1,401	459	-	459
Other fundraising activities	4	178	5	183	92	13	105
Investments	5	16	-	16	15	-	15
Other		112	-	112	797	-	797
Total income		18,898	1,841	20,739	16,660	3,677	20,337
Expenditure on:							
Raising funds							
Lottery Costs	7	3,877	-	3,877	3,158	-	3,158
Shop Costs	7	1,312	-	1,312	976	-	976
Fundraising Costs	7	762	5	767	745	3	748
Income available for charitable activities		12,947	1,836	14,783	11,781	3,674	15,455
Charitable Activities							
Farleigh Hospice							
Inpatient Care	7	887	684	1,571	771	53	824
Community Care	7	3,224	2,251	5,475	3,387	2,179	5,566
Bereavement	7	355	116	471	447	54	501
Education and Information	7	197	50	247	240	1	241
Local Hospice Lottery Ltd donations to hospice care	7,8	5,852	-	5,852	4,891	-	4,891
Total expenditure		16,466	3,106	19,572	14,615	2,290	16,905
Net income/(expenditure) before net gains/(losses) on investments		2,432	(1,265)	1,167	2,045	1,387	3,432
Net gains/(losses) on investments		-	19	19	-	38	38
Net income/(expenditure) for the year and net movement in funds	9	2,432	(1,246)	1,186	2,045	1,425	3,470
Transfers between funds		-	-	-	-	-	-
Reconciliation of funds:							
Total funds brought forward		8,737	4,253	12,990	6,692	2,828	9,520
Total funds carried forward		11,169	3,007	14,176	8,737	4,253	12,990

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 25 to the financial statements.

The notes to the accounts are shown on pages 33 to 55.

Balance Sheets

For the year ended 31 March 2022

Company no. 01619905

	Note	The group 2022 £000	The group 2021 £000	The charity 2022 £000	The charity 2021 £000
Fixed assets					
Tangible assets	14	5,953	6,143	5,902	6,055
Investments	15	239	220	239	220
		6,192	6,363	6,141	6,275
Current assets:					
Stock	18	6	7	-	-
Debtors	19	2,273	2,027	2,183	1,973
Investments	20	2,924	1,218	2,924	1,218
Cash at bank and in hand		5,755	6,137	3,689	4,304
		10,958	9,389	8,796	7,495
Liabilities:					
Creditors: amounts falling due within one year	21	(2,974)	(2,762)	(814)	(858)
Net current assets		7,984	6,627	7,982	6,637
Net assets		14,176	12,990	14,123	12,912
Funds					
Restricted endowment funds	25	2,702	2,755	2,702	2,755
Restricted income funds	25	305	1,498	305	1,498
Unrestricted income funds					
Designated Funds	25	3,849	3,921	3,849	3,921
General funds	25	7,320	4,816	7,267	4,738
Total unrestricted funds		11,169	8,737	11,116	8,659
Total funds		14,176	12,990	14,123	12,912

Approved by the trustees on 8th August 2022 and signed on their behalf by

K Spiller
Chair

The notes to the accounts are shown on pages 33 to 55.

Consolidated statement of cash flows

For the year ended 31 March 2022

		2022	2022	2021	2021
	Note	Total	Total	Total	Total
		£000	£000	£000	£000
Net cash provided by operating activities	26		1,320		2,902
Cash flows from investing activities:					
Dividends, interest and rents from investments		16		15	
Purchase of fixed assets		(12)		(45)	
(Purchase)/Sale of investments		(1,706)		(954)	
Net cash provided by/(used in) investing activities			(1,702)		(984)
Change in cash and cash equivalents in the year			(382)		1,918
Cash and cash equivalents at the beginning of the year			6,137		4,219
Cash and cash equivalents at the end of the year	27		5,755		6,137

The notes to the accounts are shown on pages 33 to 55.

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

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

a) Basis of preparation

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

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

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

b) Public benefit entity

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

c) Going concern and key judgements

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

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

- i) Useful economic lives of tangible assets
See Note 14 for the carrying amount of tangible assets and accounting policy k for the useful lives of each class of asset.
- ii) Accrued legacy income
See accounting policy d where this is set out in full.

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

d) Income

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

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

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

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

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

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

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

e) Donations of gifts, services and facilities

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

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

Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock-take would incur cost for the charity which would far outweigh the benefits.

f) Interest and dividends receivable

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

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

g) Fund accounting

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

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

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

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

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

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

h) Expenditure and irrecoverable VAT

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

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

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

i) Allocation of support costs

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

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

j) Operating leases

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

k) Tangible fixed assets

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

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

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

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

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

l) Fixed asset investments

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

Investments in subsidiaries

Investments in subsidiaries are included at cost.

m) Stocks

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

n) Debtors

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

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

o) Cash at bank and in hand

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



p) Current asset investments

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

q) Creditors and provisions

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pensions

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

The employer's contributions made to the scheme in 2022 were £240,000 (2021:£212,000) with an employer's contribution rate of 14.3% of pensionable pay and employees' contributions between 5% and 14.5% of pensionable pay depending on the level of pay. The trustees are satisfied that this and other foreseeable changes in employer's contribution rates can be budgeted for without detriment to the charity's ongoing activities.

All employees are entitled to join a defined contribution 'money purchase scheme' operated by Scottish Widows. Farleigh Hospice employers' contributions for the year were £258,000 (2021: £252,000). Employer's contributions are either 4% or 7% and employees' contributions are either 4% or 6%. Farleigh Hospice acts as an agent in collecting and paying over contributions. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

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

s) Financial Instruments

Except for listed investments, all the group's financial instruments, both assets and liabilities, are measured at settlement value. Listed investments are recognised at market value. Financial assets include cash at bank and in hand, trade and other debtors and accrued income. Financial liabilities include trade and other creditors and accruals. The carrying values are shown in notes 15,19,20 and 21.

2 Income from donations and legacies

	2022		2021
	Unrestricted £000	All restricted £000	
Gifts	1,504	229	1,733
Legacies	871	-	871
	2,375	229	2,604
	1,528	110	1,638
	798	105	903
	2,326	215	2,541

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

No restricted legacies was received in 2022 (2021: 1). The 2021 funds were restricted for use for Maldon premises.

In 2022 gifts totalling £229,000 were received, the purpose of which was restricted to Essex County Council's Living with Grief Programme (£100,000), Virtual Ward (£23,000), Care Home co-ordinator (£23,000), IPU beds (£22,000), Children's Bereavement (£20,000), the Farleigh Hospice MND co-ordinator (£10,000), Farleigh Helpers (£10,000) and the Summer House project (£8,000). The balance (£13,000) relates to a number of smaller projects.

In 2021 gifts totalling £110,000 were received, the purpose of which was restricted to Children's Bereavement (£46,000), the Farleigh Hospice MND co-ordinator (£23,000), the Covid-19 response (£21,000) and Maldon premises (£8,000). The balance (£12,000) relates to a number of smaller projects.

As at 31st March 2022 the charity had been notified of residuary legacies where the value of these estates was uncertain as the executors had not yet compiled the estate accounts or because the executors are awaiting information on any claims to be made on these estates. Therefore no amount has been accrued in respect of these legacies which are estimated to be in excess of £334,000 (2021: £292,000).

3 Income from charitable activities

	2022	2021
	Total £000	Total £000
Government Funding		
Core funding – Mid and North Essex CCG	1,994	1,942
Reimbursement of pharmacy costs – Mid Essex CCG	54	28
Enhanced End of Life – Mid Essex CCG	375	366
Rapid Access to End of Life funding – Mid Essex CCG	1,531	1,226
Community 24/7 response - Mid Essex CCG	-	212
Community Technology Support - Mid Essex CCG	-	35
Ageing Well - Mid Essex CCG	50	-
NHS England (NHSE) Grant Scheme administered by Hospice UK	1,557	3,414
Other Government funding	-	8
	5,561	7,231

All income from charitable activities apart from the Ageing Well fund, Community Technology support and NHS England Grant scheme in both the current and previous year relates to unrestricted funds. The core funding relates to a one year contract with the CCG which supports all services equally. The expiry date of this contract was 31st March 2022. Farleigh Hospice also receives additional funding from Mid Essex CCG to support in reach services into the local hospital and support patients at home (Enhanced End of Life). Funding is also received to provide domiciliary care for those patients in the last three months of life who are rapidly deteriorating (Rapid Access to End of Life Care). These contracts also expired on the 31st March 2022. Farleigh Hospice has agreed in principle to a 2 year contract for NHS services but the contracting body will be Mid and South Essex Integrated Care Board which is expected to be formed in July 2022.

The NHSE grant scheme awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022. This funding allowed the hospice to support more people with complex needs in the context of the Covid-19 situation. This was Phase 3 of the scheme. Income for Phase 1 and 2 was received in the prior year. This funding was to allow the hospice to make available bed capacity and community support from April 2020 to June 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

4 Income from other trading activities

	2022		2021	
	Unrestricted £000	All restricted £000	Unrestricted £000	All restricted £000
Fundraising Events	178	5	92	13
	178	5	92	13

No restricted income events were held in 2022. In 2021 a total of £10,000 funding was raised from a virtual Santa Fun Run event the proceeds of which were restricted to Children's Bereavement.

Income from Friends of Farleigh for the year is £3,000 (2021 £3,000) this is dealt with directly by the Friends and is held in a restricted fund until a donation is made directly to Farleigh Hospice. All other trading income is unrestricted.

5 Income from investments

	2022		2021	
	Unrestricted £000	All restricted £000	Unrestricted £000	All restricted £000
Bank Interest	9	-	-	-
Income received on common investment funds	7	-	-	-
	16	-	-	-

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

6 Exceptional Items

Included within other income is £48,000 (2021:£194,000) received from the UK Government under the various Covid-19 retail relief schemes. Also included within other income is £21,000 (2021: £428,000) relating to income received from the UK government under the Coronavirus Job Retention Scheme.

7 Analysis of expenditure 2022

	Direct Costs		Support costs				2022	2021
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000	Total £000
Fundraising costs	651	29	4	32	47	4	767	748
Shops Costs	1,158	70	3	43	28	10	1,312	976
Lottery costs	3,288	144	136	107	180	22	3,877	3,158
Raising funds	5,097	243	143	182	255	36	5,956	4,882
Local Hospice Lottery Ltd donations to hospice care (Note 8)	5,852	-	-	-	-	-	5,852	4,891
Inpatient Care	1,445	51	21	26	21	7	1,571	824
Community Care	4,862	201	84	218	83	27	5,475	5,566
Bereavement	373	22	9	32	32	3	471	501
Education & Information	224	9	4	6	3	1	247	241
Charitable Activities	6,904	283	118	282	139	38	7,764	7,132
Total expenditure 2022	17,853	526	261	464	394	74	19,572	16,905
Total expenditure 2021	15,440	362	251	453	328	71	16,905	

Of the total expenditure, £16,466,000 was unrestricted (2021: £14,615,000) and £3,106,000 was restricted (2021: £2,290,000).

7 Analysis of expenditure 2021

	Direct Costs		Support costs				2021
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000
Fundraising costs	631	24	3	38	47	5	748
Shops Costs	904	28	2	20	17	5	976
Lottery costs	2,701	64	127	88	161	17	3,158
Raising funds	4,236	116	132	146	225	27	4,882
Local Hospice Lottery Ltd hospice donations to care	4,891	-	-	-	-	-	4,891
Inpatient Care	758	22	11	20	9	4	824
Community Care	4,910	194	93	252	82	35	5,566
Bereavement	428	22	11	27	9	4	501
Education and Information	217	8	4	8	3	1	241
Charitable Activities	6,313	246	119	307	103	44	7,132
Total expenditure 2021	15,440	362	251	453	328	71	16,905

Of the total expenditure, £14,615,000 was unrestricted (2020: £16,568,000) and £2,290,000 was restricted (2020: £223,000).


8 Local Hospice Lottery Ltd donations to hospice care

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

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

These hospices received donations within the following bands:

	2022	2021
£0-£199,999	13	15
£200,000-£399,999	10	7
Above £400,000	4	4
	27	26

9 Net expenditure for the year

This is stated after charging / crediting:

	2022 £000	2021 £000
Depreciation	200	202
Operating lease rentals:		
Property	260	237
Other	20	18
Auditors' remuneration (excluding VAT):		
Audit - Charity	12	8
- Subsidiaries	12	20
Tax and Accounts Preparation - Subsidiaries	4	-

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

Staff costs were as follows:

	2022 £000	2021 £000
Salaries and wages	7,538	6,572
Redundancy and termination costs	-	52
Social security costs	667	572
Employer's contribution to defined contribution pension schemes	499	464
	8,704	7,660

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

	2022 No.	2021 No.
£60,000 - £69,999	4	-
£70,000 - £79,999	3	4
£80,000 - £89,999	1	-
£90,000 - £99,999	2	1
£100,000 - £109,999	1	1

The total employee benefits including pension contributions and social security costs of the key management personnel were £662,236 (2021: £561,926).



The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Farleigh Hospice purchases Trustee Indemnity Insurance on behalf of the trustees at a cost of £4,399 (2021:£3,519).

No trustees were paid for travel expenses during the year. (2021: Nil).

11 Staff numbers

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

	2022 No.	2021 No.
Raising funds		
Fundraising	17	18
Shops	41	38
Lottery (Including management 3, finance 5 and HR 4)	67	54
Charitable Activities		
Inpatient Care	30	14
Community Care	118	124
Bereavement	13	14
Education & Information	5	5
Support and Governance		
HR	5	6
Management	2	2
IT	6	6
Finance	4	4
Governance	1	1
	309	286

12 Related party transactions

Related party transactions are disclosed on page 23 of the Trustees' Report

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

13 Taxation

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

	2022 £000	2021 £000
UK corporation tax at 19% (2020 19%) - Local Hospice Lottery Ltd	-	-
UK corporation tax at 19% (2020: 19%) - Farleigh Supplies Limited	-	(1)

14 Tangible fixed assets 2022

The Group	Freehold property £000	Leasehold Property £000	Computer Equipment £000	Motor vehicles £000	Asset held for sale £000	Total £000
Cost						
At the start of the year	7,269	272	1,302	152	-	8,995
Additions in year	-	-	12	-	-	12
Disposals in year	-	-	-	(9)	-	(9)
Transfers in year	-	-	-	(130)	130	-
At the end of the year	7,269	272	1,314	13	130	8,998
Depreciation						
At the start of the year	1,326	259	1,169	98	-	2,852
Charge for the year	95	8	64	33	-	200
Eliminated on disposal	-	-	-	(7)	-	(7)
Transfers in year	-	-	-	(111)	111	-
At the end of the year	1,421	267	1,233	13	111	3,045
Net book value						
At the end of the year	5,848	5	81	-	19	5,953
At the start of the year	5,943	13	133	54	-	6,143

Land with a value of £149,368 (2021: £149,368) is included within freehold property and not depreciated

All of the above assets are used for charitable purposes.

The Charity

	Freehold property £000	Leasehold Property £000	Computer Equipment £000	Motor vehicles £000	Asset held for sale £000	Total £000
Cost						
At the start of the year	7,269	272	1,034	152	-	8,995
Additions in year	-	-	-	-	-	12
Disposals in year	-	-	-	(9)	-	(9)
Transfers in year	-	-	-	(130)	130	-
At the end of the year	7,269	272	1,034	13	130	8,998
Depreciation						
At the start of the year	1,326	259	989	98	-	2,852
Charge for the year	95	8	15	33	-	200
Eliminated on disposal	-	-	-	(7)	-	(7)
Transfers in year	-	-	-	(111)	111	-
At the end of the year	1,421	267	1,004	13	111	2,816
Net book value						
At the end of the year	5,848	5	30	-	19	5,902
At the start of the year	5,943	13	45	54	-	6,055

Land with a value of £149,368 (2021: £149,368) is included within freehold property and not depreciated

All of the above assets are used for charitable purposes.

15 Listed investments

	The group 2022 £000	The group 2021 £000	The charity 2022 £000	The charity 2021 £000
Fair value at the start of the year	220	182	220	182
Net gain on change in fair value	19	38	19	38
Fair value at the end of the year	239	220	239	220
Historic cost at the end of the year	70	70	70	70

Investments comprise:	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
COIF Charities Investment Fund	239	220	239	220
Investments in subsidiary companies	-	-	-	-
Fair value at the end of the year	239	220	239	220

The charity holds investments in its subsidiary companies totalling £200 (2021: £200).

16 Subsidiary undertakings

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

Its principal activity is the promotion and running of a lottery in aid of Farleigh and other hospices across the country. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2022	2021
	£000	£000
Turnover	10,862	9,189
Direct costs	(2,401)	(1,773)
Gross profit	8,461	7,416
Administrative expenses	(1,392)	(1,212)
Donation to other hospices	(5,852)	(4,891)
Licence Fees to other hospices	(84)	(173)
Other Income	-	321
Operating profit	1,133	1,461
Interest receivable	1	1
Profit on ordinary activities	1,134	1,462
Donation to parent undertaking	(1,089)	(1,388)
Retained profit for the financial year	45	74
The aggregate of the assets, liabilities and funds was:		
Assets	2,231	2,002
Liabilities	(2,186)	(1,928)
Funds	45	74

16 Subsidiary undertakings (continued)

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

Its principal activity is the buying and selling on of new goods primarily to Farleigh Hospice. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2022	2021
	£000	£000
Turnover	39	31
Costs of sales	(32)	(22)
Gross profit	7	9
Administrative expenses	(11)	(6)
Other operating income - gift aid commission	11	2
Profit on ordinary activities	7	5
Donation to parent undertaking	-	-
Retained profit for the financial year	7	5
The aggregate of the assets, liabilities and funds was:		
Assets	15	16
Liabilities	(8)	(11)
Funds	7	5

17 Parent charity

	2022	2021
	£000	£000
Gross income	10,998	10,792
Result for the year	1,213	3,396

18 Stock

	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Goods for resale	6	7	-	-
	6	7	-	-

19 Debtors

	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Taxation recoverable	103	57	103	57
Other debtors	518	271	469	180
Prepayments	276	191	205	191
Accrued income	1,376	1,508	1,376	1,508
Group undertakings	-	-	30	37
	2,273	2,027	2,183	1,973

20 Investments

	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Cash on deposit more than three months	2,924	1,218	2,924	1,218
	2,924	1,218	2,924	1,218

21 Creditors: amounts falling due within one year

	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade creditors	763	762	278	268
Taxation and social security	174	144	132	105
Other creditors	244	160	221	160
Accruals	243	217	154	214
Group undertakings	-	-	3	-
Deferred income	1,550	1,479	26	111
	2,974	2,762	814	858

22 Deferred income

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

	The group	The group	The charity	The charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Balance at the beginning of the year	1,479	1,176	111	81
Amount released to income in the year	(1,468)	(1,176)	(100)	(81)
Amount deferred in the year	1,539	1,479	15	111
Balance at the end of the year	1,550	1,479	26	111

23 Pension scheme

Further details of the Farleigh Hospice pension schemes are given in note 1r. At the year end there were 48 (2021: 48) members of the NHS scheme and there were 196 (2021:181) members of the other arrangements. All contributions relating to 2021/22 were paid over to the relevant providers by the end of May 2022.

24 Analysis of group net assets between funds 2022

	General unrestricted funds £000	Designated funds £000	All Restricted funds £000	Total funds £000
Tangible fixed assets	-	3,637	2,316	5,953
Investments	-	-	239	239
Net current assets	7,345	197	452	7,994
Net assets at the end of the year	7,345	3,834	3,007	14,186

24 Analysis of group net assets between funds 2021

	General unrestricted funds £000	Designated funds £000	All Restricted funds £000	Total funds £000
Tangible fixed assets	-	3,755	2,388	6,143
Investments	-	-	220	220
Net current assets	4,816	166	1,645	6,627
Net assets at the end of the year	4,816	3,921	4,253	12,990

25 Movements in funds 2022

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,781	-	(57)	-	1,724
[B] Lantern Suite Fund	500	-	(13)	-	487
[C] Big Lottery Fund	107	-	(2)	-	105
[D] Walter Farthing Fund - Permanent	367	-	-	-	386
[E] Fair value reserve	-	19	-	-	-
	2,755	19	(72)	-	2,702
Restricted income funds:					
[E] Restricted legacy, donation and grant funds	30	277	(126)	-	181
[F] Farleigh Homecare Fund	4	-	-	-	4
[G] Friends of Farleigh	3	5	(5)	-	3
[H] NHS England Grant Scheme	1,342	1,557	(2,899)	-	-
[M] Maldon Fund	119	2	(4)	-	117
	1,498	1,841	(3,034)	-	305
Total restricted funds	4,253	1,860	(3,106)	-	3,007
Unrestricted funds:					
Designated funds:					
[I] Fixed Asset Fund	3,709	-	(123)	51	3,637
[L] Farleigh in Maldon Fund	212	-	-	-	212
Total designated funds	3,921	-	(123)	51	3,849
[K] Unrestricted income funds - general reserves	4,816	18,898	(16,343)	(51)	7,320
Total unrestricted funds	8,737	18,898	(16,466)	-	11,169
Total Funds	12,990	20,758	(19,572)	-	14,176

25 Movements in funds 2021

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	1,838	-	(57)	-	1,781
[B] Lantern Suite Fund	513	-	(13)	-	500
[C] Big Lottery Fund	109	-	(2)	-	107
[D] Walter Farthing Fund - Permanent	329	38	-	-	367
	2,789	38	(79)	-	2,755
Restricted income funds:					
[E] Restricted legacy, donation and grant funds	32	137	(139)	-	30
[F] Farleigh Homecare Fund	4	-	-	-	4
[G] Friends of Farleigh	3	3	(3)	-	3
[H] NHS England Grant Scheme	-	3,414	(2,072)	-	1,342
[M] Maldon Fund	-	123	(4)	-	119
	39	3,677	(2,218)	-	1,498
Total restricted funds	2,828	3,715	(2,290)	-	4,253
Unrestricted funds:					
Designated funds:					
[I] Fixed Asset Fund	3,790	-	(81)	-	3,709
[L] Farleigh in Maldon Fund	212	-	-	-	212
Total designated funds	4,002	-	(81)	-	3,921
[K] Unrestricted income funds - general reserves	2,690	16,660	(14,534)	-	4,816
Total unrestricted funds	6,692	16,660	(14,615)	-	8,737
Total Funds	9,520	20,375	(16,905)	-	12,990

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

Purposes of restricted funds

- [A] The New Farleigh Fund was set up specifically to fund the construction and equipping of the hospice building in Chelmsford.
- [B] The Lantern Suite Fund refers to funds raised to build and equip the Lantern suite extension to the hospice.
- [C] The Big Lottery Fund grant relates to the funding of a healing garden at the hospice.
- [D] The Walter Farthing Fund are endowed funds held to generate unrestricted income for general charitable purposes.

- [E] The Fair value reserve reflects the revaluation of the investments.
- [E] Farleigh Hospice receives a number of legacies, donations and grants that where the donors restrict their purposes. These are accounted for separately but collated for reporting purposes.
- [F] The Farleigh Homecare fund is set up to specifically support patients staying at home and is used for equipment purchases and hardship funding.
- [G] The Friends of Farleigh funds are those held directly by the Friends of Farleigh support group. Farleigh Hospice does not have direct access to these funds until they are paid across as a donation.
- [H] The NHSE grant scheme funds represents funds received from the NHSE via Hospice UK, not spent in 2021 due to the timing of receipt these are restricted for inpatient and community care in 2022. Further restricted income was received in 2022 but was all spent by the end of the year.

Purposes of designated funds

- [I] The Fixed Asset Fund represent funds which have been designated to cover the value of Fixed Assets.
- [J] The Members Guarantee Fund balance £200 (2021:£380) represents funds received in advance to cover the members liability if the charity was to be wound up.
- [L] Following the closure of the Farleigh in Maldon premises during the year the trustees have designated a specific fund to provide funding towards the refurbishment/running of the new day hospice premises in Maldon.
- [M] The restricted Maldon fund represents funds donated specifically for the refurbishment of running of the Maldon premises.

Purposes of unrestricted general funds

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

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

	2022 £000	2021 £000
Net income for the reporting period (as per the statement of financial activities)	1,167	3,432
Depreciation charges	200	202
Dividends, interest and rent from investments	(16)	(15)
(Profit)/loss on the disposal of fixed assets	2	-
Decrease/(increase) in stocks	1	1
(Increase)/decrease in debtors	(246)	(1,129)
Increase in creditors	212	411
Net cash provided by operating activities	1,320	2,902

27 Analysis of cash and cash equivalents

	at 1st April 2021 £000		at 31st March 2022 £000		at 1st April 2020 £000		at 31st March 2021 £000	
		Cash flows		Cash flows		Cash flows		Cash flows
Cash at bank and in hand	2,669	(1,183)	1,486		1,303	1,366		2,669
Notice deposits (less than 3 months)	3,468	801	4,269		2,916	552		3,468
Total cash and cash equivalents	6,137	(382)	5,755		4,219	1,918		6,137

28 Operating lease commitments

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

	Property 2022 £000	Property 2021 £000	Equipment 2022 £000	Equipment 2021 £000
Less than one year	260	278	21	20
One to five years	307	362	9	32
Over five years	14	10	-	-
	581	650	30	52

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

	Property 2022 £000	Property 2021 £000	Equipment 2022 £000	Equipment 2021 £000
Less than one year	260	227	20	20
One to five years	307	310	9	21
Over five years	14	10	-	-
	581	547	29	41

29 Capital commitments

At the balance sheet date, the group had no capital commitments. (2021: No capital commitments on the balance sheet date.)

30 Legal status of the charity

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



**Thank you.
It is because you care that we can**



Farleigh Hospice

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Charity number: 284670

