



# Report and financial statements

For the year ended 31<sup>st</sup> March 2021



Inspiration in a time of uncertainty

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# Reference & administration information

**Company number** 01619905 (incorporated in the United Kingdom)

**Charity number** 284670 (registered in England and Wales)

**Registered office and operational address**  
Farleigh Hospice  
North Court Road  
Chelmsford  
ESSEX  
CM1 7FH

**Trustees** Trustees who are also directors under the company law, who served during the year and up to the date of this report were as follows:

Hilary Bebb	Retired 9th November 2020
Andrew Balfour	(4) (5) Chair LHL until April 2021
Dr David Blainey	(1) (2) (4) (6) Chair and acting chair COGC
Emma-Jane Carrington	(5) Appointed 11th January 2021
Nic Crisp	(5)
Elizabeth Fox	(1)
Ron Goodyear	Resigned 10th May 2021
Dr Ranjith Joseph	(1)
Katie Lockwood	(2)
Dr Donald McGeachy	(1) (6) Chair CLGC
Joanna Pittman	(3) (4) (6) Chair FGC, Chair FSL
Caroline Russell	(2) Appointed 8th March 2021
Emma Sayers	(2)
Richard Shail	(3) (4) (5) (6) Chair LHL from April 2021
Keith Spiller	(1) (3) (4) (5) (6) Vice Chair

**Independent Director Local Hospice Lottery Ltd** David Newman (5)

**Subsidiary boards and committees:**

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

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# Reference & administration information

## Key management personnel

### Farleigh Hospice

Alison Stevens	Chief Executive (1) (2) (3) (4) (5) (6)
Sharon Ellingham	Finance Director, Company Secretary (2) (4) (5) (6)
Irene Ferguson	Corporate Services Director (2)
Pauline Harvey-Jones	Commercial Director (3) (4)
Dr Eva Lew	Medical Director (1)
Dr Matthew Sweeting	Director of Care (1) Appointed 22 June 2020

### Local Hospice Lottery Ltd

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

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## Bankers

Lloyds Bank plc	79/80 High Street Chelmsford ESSEX CM1 1DU
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## Solicitors

Bates Wells	10 Queen Street Place LONDON EC4R 1BE
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## Auditors

Rickard Luckin Statutory Auditor	Aquila House Waterloo Lane Chelmsford ESSEX CM1 1BN
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# Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31st March 2021.

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

As an introduction to this standard report trustees would like to acknowledge the impact that Covid-19 pandemic has had throughout the year. This has been a year where all at Farleigh Hospice have stepped forward to support the community and in turn the community has supported Farleigh Hospice. The trustees would like to thank all those involved in helping Farleigh Hospice continue to deliver high quality end of life care and bereavement services during such a difficult time.

In recognition of their efforts, in 2020, the trustees published an open letter to thank staff and volunteers for all their efforts.

*“Above all we recognise the extraordinary way in which our staff and volunteers have accepted the many changes in the way they work. These have been dramatic for some, and have come at a time of great stress and anxiety for all. We were very pleased to hear that despite the personal pressures on everyone, our services have never been so highly regarded.”*

## Objectives and activities

### Purposes and aims

The 2020/21 financial year is the third year of the Farleigh Hospice four year Future Farleigh Strategy. This strategy due to end on the 40th Anniversary of the founding of Farleigh Hospice, sets out ambitious targets to serve all those in the community that are in need of Farleigh Hospice’s services. The strategy was developed in consultation with a large number of stakeholders. This Trustees’ Report ‘Inspiration in a time of uncertainty’ reviews the activities of Farleigh Hospice during the reporting year.

All of the plans for the year have been impacted in some way by the Covid-19 pandemic. In adapting to the situation the trustees have been mindful of the need to maximize public benefit and act in a manner which is consistent with the longer term strategic goals to build a strong sustainable future for Farleigh Hospice.

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



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## Activities

The trustees regularly review activities against the charitable objects and mission statement. The framework for this is the current strategic plan. The strategic plan runs from 2018 to 2022 and had four overall themes: Reach out, Empower, Inspire and Invest.

### Reach out

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

### Empower

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

### Inspire

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

### Invest

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

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

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

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

During the year, initially due to Covid-19 and then after acknowledging that this new structure supported patients and their families in a more cohesive manner, a major restructuring of clinical services has taken place. Instead of staff working in teams according to their role, three large multi-disciplinary teams were created. These teams are known as North, South and Central Locality Teams. They are supported by a Core Team which includes the Inpatient Unit along with other specific core functions. The Bereavement and Education teams provide services for those connected directly with Farleigh Hospice or for those who need this support who do not have a direct connection with Farleigh.

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## Inpatient Unit

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

During the peaks of the Covid-19 pandemic the Inpatient Unit closed to patients. This allowed all resources to be directed to caring for patients in the community, in their own homes where they could be with their families where possible. It also allowed the local NHS to use the Farleigh Hospice facilities. During the closure the hospice medical and domestic staff provided support to Braintree Community hospital in caring for end of life patients. The medical team also provided additional support for Broomfield Hospital.

IPU was open to patients from August 2020 to November 2020 during which time it cared for 52 patients across 411 occupied bed days. Plans are underway to reopen IPU from the summer of 2021. During the periods of closure community staff have supported patients at home who would have previously been admitted to IPU (including 24/7 care on a 'virtual ward'). The aim is to continue to support those patients at home where it is possible and is the patients' wish. When IPU reopens it will open as a more specialist unit with the ability to treat patients with complex needs who would have previously been cared for in an acute hospital.

## Community Care

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

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

Over the year the caseloads of Hospice at Home, Farleigh Clinical Nurse Specialists, Physiotherapists, Occupational Therapists, Social Workers, Family Support Workers, Admiral Nurse and Motor Neurone Disease (MND) Co-ordinator were merged into the Locality Care Teams caseloads. Domiciliary Care Agencies were also involved in supporting the teams with personal care.

Within each locality team patients are triaged according to their needs. During 2021 the average caseload across all localities was 413 patients.

Each locality team responds appropriately to incoming calls made to the hospice's advice line. This line is staffed by a team of specially trained navigators supported by specialist nurses. During the year the hospice received 29,214 incoming calls.

Since January 2020 Farleigh Hospice is contracted with mid Essex Clinical Commissioning Group (CCG) to provide personal care to those in the last three months of their life. Extra funding enabled Farleigh Hospice to supplement the existing Hospice at Home service and with support from Domiciliary Care Agencies

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carried out a significant amount of care, in often very difficult conditions, especially at the start of the pandemic whilst adapting to wearing PPE and different ways of working to minimise the risk of infection. In the period May 2020 to March 2021 the Hospice at Home staff delivered 27,506 care hours supported by Domiciliary Care Agencies who delivered 33,815 care hours.

A number of specific services sit within the Core team. This includes the Rapid Assessment & Discharge (RADs) team who ensure end of life care patients in hospital are rapidly identified, assessed and moved to the most appropriate place for their ongoing care. The RADs service remained in place throughout the pandemic with a concerted effort to urgently transfer patients out of hospital. Despite there being periods when, in reaching into local hospital was difficult, the team received 398 referrals only 8% down on the prior year. Of these referrals 351 were assessed within 24 hours.

Also as part of the core team Farleigh Hospice provides carer co-ordination, dementia support, spiritual care and MND co-ordination and support. All services are supported by a highly specialised medical team including five palliative care consultants.

Due to the Covid-19 pandemic Farleigh Hospice has not offered any in person day services during the year. Where possible telephone and virtual support has continued. Plans to re-introduce group support will be developed once it is safe to do so. It is envisaged that each locality team will provide this as part of the offering to their caseload as part of the multi-disciplinary approach.

## **Bereavement**

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

In March 2020 in response to the Covid-19 pandemic and government regulations/ restrictions the bereavement service had to change how services were provided. Adult and children's bereavement services continued to accept referrals and provided all of their service via telephone or virtual support. Although initially it had been anticipated that there would be an increase in referrals for bereavement support, the numbers actually reduced, in some part this was due to the closure of schools who would frequently make referrals to the children's service.

In 2020-21 there were 820 referrals to the adult service (2020: 937) and 180 referrals to the children's service (2020: 269).

## **Education and Information Services**

Initially during the beginning of the pandemic the focus of the education team was supporting in house staff with new ways of working during the pandemic. They flexed their external teaching programme to urgently meet the needs of other clinical staff, this included a programme to teach end of life skills to local community provider staff redeployed to local hospitals and a programme for Nurse verification of death for community and care home staff.

The education team have rewritten the Farleigh Hospice nursing competency programme and worked alongside staff so that they can demonstrate their competencies in line with the framework.

Farleigh Hospice Information Services have been curtailed this year with the Hospice Outreach Project (HOP) off the road, due to the pandemic. Initially, an additional helpline was put in place to provide telephone support to those who did not require clinical advice, provided by the information service and other staff members who were required to shield. As other community telephone services became available this additional support was no longer required and all calls were directed to the advice line, as before.

## Local Hospice Lottery Ltd

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

2020/21 was the first year of Local Hospice Lottery's new Strategy "Inspiring Commitment", with the values of the organisation being defined as: Supportive, Fair, Professional and Ambitious and with strategic pillars of Supporting local hospices, Inspiring Membership and Enhancing our product; Valuing our people; Developing new routes to membership and Diversifying the business.

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

The key achievements in 2020/21 were as follows:

### Supporting local hospices

Local Hospice Lottery contributed a record total of £6.5 million to Hospice Care during the year, with Farleigh Hospice receiving £0.3m as a partner hospice and £1.1 million as shareholder. During 2020/21, four new partners joined Local Hospice Lottery thereby increasing the number of hospices working with Local Hospice Lottery to twenty seven.

### Inspiring Membership

The pandemic significantly affected Local Hospice Lottery's ability to increase membership, with its team of face-to-face fundraisers furloughed for much of the year. Despite this, overall membership in the weekly draw grew from 177k to 182k.

### Enhancing Our Product

A major development in 2020/21 was the introduction of a £5 monthly payment model. As part of this product development, the prize fund was restructured, increasing the weekly prizes to 201 with a total of £5,200 per week to be won. This new development was well received by existing players with higher numbers than anticipated upgrading to the new scheme. This change alone is expected to raise in excess of £3 million over the strategic period.

### Valuing Our People

The Local Hospice Lottery People and Culture Strategy was introduced at the end of 2020/21, following an extensive period of consultation across all of the people within the organisation

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## **Fundraising**

Farleigh Hospice raises money in a variety of ways. The single most significant source of fundraising income continues to be from legacy gifts. Funds are also received in the form of general donations and donations in memory. These sources of income have not been significantly impacted by the pandemic.

Many of the other forms of fundraising from community events and large scale events were severely impacted by the pandemic. A community appeal was launched in March 2020 and trustees were very grateful for the support from the local community.

Farleigh Hospice had been reviewing the return of mass participation events run directly by the hospice and, with the prospect of these not returning in the near future, it was decided to review the staffing levels in fundraising, resulting in a small number of redundancies.

A number of grant funders set up opportunities for emergency applications because of the pandemic and the trustees are grateful for their support.

The fundraising team were resourceful in moving to virtual methods of fundraising particularly successful was a 30 day sit up challenge which raised over £27,000.

## **Retail**

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

This year has been a difficult year for retail with shops shut for a total of 8 months of the year during the lockdowns due to the Covid-19 pandemic. When the shops were open they were also impacted by social distancing restrictions in terms of numbers in the shops and the ability to process donated goods in a safe manner.

## **Friends of Farleigh**

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

## **Volunteers**

Volunteers make a huge contribution to Farleigh Hospice. There are 703 regular volunteers registered, there are many more who give their time on a more ad-hoc basis for example at events. Using the number of volunteers, their average hours worked and an appropriate hourly pay rate the value of their contribution (in a year with no pandemic restrictions) is estimated to be in excess of £1.0m. Volunteers assist in many other ways apart from retail. Roles include, working as part of the welcome team, in the bereavement team, in the Courtyard Café, in the garden and in supporting fund raising.

Obviously many of our volunteers were unable to carry out their duties whilst shops were shut or they were not able to come to the Farleigh Hospice buildings during the lockdowns. However when they have been able to they have been back to support Farleigh Hospice. The volunteer team have had a keeping in touch programme to ensure that volunteers were supported during the year. With the restrictions easing many of the volunteers are back working. Many of our wonderful volunteers have been helping their local communities during the lockdown. The trustees thank every one of them for their support and continued loyalty to Farleigh Hospice.

# Strategic report

## Achievements and performance

### Impact of Farleigh Hospice's charitable activities

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

	2016/17	2017/18	2018/19	2019/20	2020/21
Total people cared for	3,704	3,858	3,979	4,482	4,371
Accepted Referrals (excluding bereavement)	1,111	1,095	1,292	1,232	1,390
% of patients with a non cancer diagnosis	29	27	34	37	38
% preferred place of death achieved	73	77	80	84	91
Number of other hospices supported by Local Hospice Lottery	15	19	23	22	26

Each year the trustees also review impact by considering a particular focus. This year this report is titled 'Inspiration in a time of uncertainty'. Inspire is one of the key themes of the 4 year strategy and during the year despite the huge amounts of uncertainty, especially at the start of the year, staff and volunteers have been truly inspiring. Back in March and April 2020 when shops were shut and fundraising curtailed, PPE was in short supply and our Farleigh staff were going into homes not knowing if the patient had Covid-19. The future looked very uncertain and it took a whole team effort to meet the growing demand to safely care for patients and families. The response from all involved has been inspiring, it would be impossible to record all that has happened within one document.

#### Alison Stevens the Farleigh Hospice Chief Executive summarises the impact across the organisation.

*"Over the past year I have been totally inspired by the dedication, commitment and bravery of our Farleigh team in how they have responded to provide an ongoing excellent service to our local community, regardless of the uncertainty faced month after month. All teams were faced with many changes and staff stepped forward to undertake duties that were unfamiliar to ensure that patients and families were cared for and supported during the pandemic year"*

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## Delivering exceptional care in difficult circumstances

Farleigh Hospice community teams go into people's homes to look after the patients with compassion and dignity. To continue to offer care and expert advice during this very difficult time meant so much to the patients and families that we support. For the team to still be able to do this with kindness and compassion through a mask and all the necessary PPE is truly inspiring. Throughout the pandemic compliments from grateful families, who trusted Farleigh Hospice staff to come into their houses and keep them safe, were appreciated by all staff. As one family said:

*"We will be eternally grateful to Farleigh for all that they have done for our family. We could not have coped without them and they were so good we did not wish to have any other carers in our home"*

In this year due to the pandemic, families were very keen for their loved ones not to go into hospital. Farleigh medical and nursing teams worked hard to care for patients at home that would normally be cared for in a hospice or an acute hospital. Interventions like daytime and overnight sits where a nurse would stay 24/7 with a patient were invaluable.

At the May board meeting one family member spoke about the care Farleigh Hospice had provided for her nan. Her report summarises the difference Farleigh Hospice care makes to so many families. Her nan was suffering with dementia and had complex care needs and it was being recommended that her nan go into residential care. As she was nearing the end of her life Farleigh Hospice became involved and her care improved and Farleigh Hospice committed to do all they could for her nan to remain at home.

*"We can't thank Farleigh Hospice enough for making it possible for nan to be at home in the last stages of her life and for the great quality of life she has had as a result of the great care she received. It sounds silly, but within the last period of time it was like she had a better quality of life than she'd had in a while. She was smiling and interacting and that's all thanks to the Farleigh nurses. They took time to get to know her even though it was virtually impossible because of the stage she was at with her dementia. They still put that effort in and she really benefitted from that. We couldn't have asked for any more really".*

## Urgent appeal to our supporters

During March and April 2020 when it became apparent that the shops were going to shut and fundraising would be curtailed there was a fantastic response to the Covid appeal with many very generous donations. Farleigh Hospice also received many donations of supplies and PPE. Particular mention to all those that put a lot of effort into sewing sets of scrubs for the care staff. At a really difficult time for all the staff it was really inspiring to see the support that came from the local community.

## Retail and fundraising staff step forward to help

Retail and fundraising staff who would have been furloughed were given the opportunity to work as support workers assisting our qualified staff in caring for patients in their own homes. One of those who took up the challenge was an Area Retail Manager. *"I have never done anything like this before. It was my biggest challenge and my biggest achievement. It's amazing what our nurses do every day, offering comfort and support to both patients and their families"* Most of the staff have returned to retail and fundraising determined to raise as much money as possible to support the inspirational work of the care staff. Two members of the retail staff have chosen to remain in the care team and now have new career paths training to become Healthcare Assistants.

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## **IT support in facilitating staff working from home**

Farleigh Hospice's forward thinking IT team had been working on increasing the ability for staff to work from home for some time. Before March 2020 the most obvious need for this was to alleviate the pressure on the car park and offices. When all non-patient staff moved to working from home this planning was put to the test and worked almost seamlessly. Staff were quickly able to organize virtual meetings, divert their phones to laptops and have access to their files. Helped by some very generous grants and trust donations, staff were issued with laptops who hadn't had them before to enable them to work from home. The hard work and support of the IT team inspired all staff who in year voted IT 'team of the year' for the second year running.

## **Creation of new locality teams and a new Maldon base**

In order to support quick response times, encourage multi-disciplinary visits and reduce the risk of large outbreaks of Covid-19 three locality care teams were immediately set up. It made sense for the South team to be based at the newly acquired Maldon premises however it was not in a fit state for use. With an inspiring team effort from shop and fundraising staff cleaning the premises, IT and facilities putting in office furniture, computers and phones in quick time, the premises was soon made fit for purpose. A local plumber even fundraised for and installed a shower free of charge for staff to use. The premises was up and running very quickly.

## **Support from the NHS and local partners**

NHS England and Hospice UK teams worked together to develop two grant schemes to secure the capacity of the hospice sector to meet the needs of those who were in need of End of Life care across England. This was much appreciated as was the support the hospice received from the local NHS in the form of Mid Essex CCG. Their agreement to close the Inpatient Unit to be able to care for more people at home and be with their loved ones where possible was very welcome. This was an unusual approach for a hospice and could have caused issues but the CCG were forward thinking to support what with hindsight was the correct decision. The CCG have also included Farleigh Hospice as a key partner in the many decisions that have been made over the year and Farleigh staff have been included in all local testing and vaccination programmes. The Farleigh Hospice trustees wrote to the CCG board in July 2020 expressing their gratitude for the support. Later in the year Farleigh Hospice trustees also wrote to the Hospice UK expressing thanks for the work they had done to achieve the additional funding.

When there were some issues with PPE in the early months of the pandemic local healthcare organisations shared their PPE with Farleigh Hospice to enable vital visits to take place. After the initial months all PPE was supplied to Farleigh Hospice free of charge via NHS England.

## **Support for local organisations in their Covid response**

Prior to the pandemic Farleigh Hospice had appointed Dr Matt Sweeting as the new Director of Care. At the time he was Divisional Director of Medicine and Emergency Care at Broomfield Hospital. With the Covid-19 pandemic hitting the acute sector hard trustees agreed to allow Dr Sweeting to take up his role at a later date so as to support the local hospital. The Chief Executive and Medical Director stepped in to share the Director of Care role at a hugely difficult time and worked tirelessly to keep patients and staff safe. Whilst the IPU was closed, the facilities were offered to the hospital to use as appropriate to their needs.

After Dr Matt Sweeting joined Farleigh Hospice and when the second wave of Covid-19 occurred Dr Sweeting led a 24/7 Geriatrician/Physician rota for a targeted response and a single point of access to care homes. This avoided 24 admissions into hospitals.

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In order to provide an enhanced service in Mid Essex, Farleigh worked with the local community nursing organisation (Provide) to integrate a Palliative and End of Life care nurse with the day time and overnight District Nursing Service. True partnership working was achieved with Farleigh Hospice providing staff to work alongside the Provide nurses. This work was funded by the local CCG in January 2021-March 2021 and during this time an additional 134 visits were carried out each week. The majority of visits were for much needed pain management and symptom control.

### **Education Team**

Farleigh Hospice have a small education team who have contributed significantly across the hospice during the year. As well as running existing courses and creating new ones at short notice (including nurse certification of expected death which was introduced as a direct result of the pandemic) they have worked alongside care teams both in the community and IPU mentoring, supporting and carrying out caring duties where needed. They also wrote and taught additional modules on Infection and Prevention Control. Their commitment was rewarded with a prestigious Patient Safety Award for their work with Essex County Council, St Francis and St Luke's Hospices creating and delivering a three day course of education on End of Life Care for domiciliary care agencies.

### **Local Hospice Lottery Ltd (LHL)**

A strength of the Local Hospice Lottery model is that the majority of revenues and donations arise from existing players. The impact of the Coronavirus pandemic was therefore limited against this recurrent revenue, though severe against new, and anticipated revenue. As a consequence, and enhanced by the support from government in terms of the furlough scheme, Local Hospice Lottery incurred fewer fundraising costs and were thus able to maintain, and enhance, donation levels.

### **Achievement of goals set for the 2020/21 financial year**

- **Stabilise the charity following the impact of the Covid-19 pandemic.** Due to the significant amount of funding received from the NHS England grant scheme the financial position of the charity is as robust as it has been for many months. The turmoil of the last year has however put a strain on the staff within the organisation and on our service users. There is much work still to do to recover from the impact from the Covid-19 pandemic over the next few years.

- **The development of a satellite hospice site in Maldon to provide a base for support in the Maldon area.**

In January 2020 a new hospice building was purchased in Maldon. The plan for the site was to refurbish it to offer a full range of services for patients, carers and the bereaved as well as an office base for staff working in the Maldon area. However the Covid-19 pandemic delayed these original plans. In order to provide resilience in the community teams the building was rapidly converted into a base for the South locality team. During the year Farleigh hospice has worked with a local architect to develop plans to refurbish/extend the building and planning permission for the exciting new premises will be applied for in the next few months.

- **To shape the hospice's approach to staff wellbeing and mental health looking at physical, financial and emotional areas of support.** Prior to the pandemic work had been underway across these three wellbeing workstreams. As a result of the pandemic it was clear that there needed to be a major focus on supporting staff through this difficult time. An email address for staff support was set up staffed by the Farleigh Hospice spiritual, bereavement, education and family support teams who also offered telephone and virtual support. The Farleigh Hospice intranet system, Workplace, was also used to offer support with the opportunity to exchange messages via the Farleigh Smiles page (offering good news stories and funny comments). During the first wave of the pandemic the Farleigh Hospice chaplain supported staff to take a 'daily pause' reflect, practice self-care and reach out for support.
- **To develop the Rapid Access to End of Life Care Service to support people in the last twelve weeks of life.** This extension to the Hospice at Home service to provide personal care for all patients in their last twelve weeks of life (not just those who had been previously referred to Farleigh Hospice) was an important development to ensure care and support was available to all. This has resulted in a significant increase in the workload for the clinical teams. Funding for the work was through a contract variation funded by the local NHS – Mid Essex Clinical Commissioning Group. As part of the overall response to the pandemic the personal care services including Hospice at Home became part of the multi-disciplinary locality teams. Farleigh Hospice also contracts local domiciliary care agencies to carry out this work. During May 2020 to March 2021 61,320 hours of care were delivered in people's homes as part of this project.
- **To plan and develop a programme of activities to celebrate the hospice's 40th birthday.** Farleigh Hospice's 40th birthday in 2022 is reason for a celebration and it was hoped that events would be planned in advance leading up to this. However with the social distancing restrictions in force for most of 2020/21 it has been difficult to know what options, for celebration, will be available. As restrictions are hopefully coming to an end planning can begin in earnest for these celebratory events.
- **To carry out an external board evaluation.** Trustees commissioned specialists from the National Council for Voluntary Organisations (NCVO) to carry out this review. The overall framework NCVO used for this was the 2017 Charity Governance Code. NCVO surveyed the board, reviewed a number of key documents and minutes. They attended a board away day to observe and to present their findings which were very positive.
- **To carry out a workforce review.** Progress on this goal has been delayed due to the pandemic – the overall aims and scope of the workforce review have now been set and plans are in place to conclude this during 2021.
- **To review the practicalities of large scale fundraising events and develop virtual and other opportunities.** Trustees had been reviewing the return on investment of the Farleigh Hospice large scale events for some time. It is essential to ensure that as much of the entry fees and sponsorship goes towards patient care. With the significant overheads and a team of people who would not be able to run large scale Farleigh events during the pandemic year it was decided to stop running these events in the current form and unfortunately a number of fundraising staff were made redundant. As restrictions come to an end in 2021/22 some large scale events will return and will run with the assistance of volunteers.
- **To diversify the fundraising routes for lottery membership enhancing on-line recruitment opportunities.** Sign-ups by digital methods made a significant contribution during the year, building on that seen towards the end of the previous year.

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## Fundraising

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

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

In 2020/21 there was one complaint relating to Farleigh Hospice's activities in Mid Essex. In 2019/20 there was also one complaint received. All complaints are investigated fully and resolved where possible, in accordance with the Farleigh Hospice complaints policy. All complaints related to fundraising are reviewed by the Executive Team and the Financial Governance Committee.

Farleigh Hospice is signed up to the Fundraising Preference Service which enables individuals to opt out of receiving fundraising communications from Farleigh Hospice. There were two requests to opt out of communications in 2020/21.

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

## Investments

The Financial Governance Committee regularly reviews the investment policy. Over the last few years Farleigh Hospice has had limited funds for investment. These funds have mostly been kept in UK bank deposits. There is a small amount of investments held and consideration will be given to increasing these now funds allow.

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# Financial review

## Result for the year

The overall result for the year is a surplus of £3.5m. This is an extraordinary result in this highly unusual year and was as a direct result of £4.2m of non-recurrent funding received from the UK government under a number of Covid support schemes.

Prior to the pandemic the trustees had agreed a budgeted deficit of £360k for the year. In March 2020, with the closure of shops and the curtailment of fundraising, the reforecasts were for much larger deficits. This was, however, affordable within the reserves policy after a spending review curtailed some activities. Hospices nationally, represented by Hospice UK, flagged that there was a danger to the level of support hospices would be able to offer the NHS during the pandemic because of widespread falls in charitable income and the impact this would have on hospices generally. The UK government was supportive of this case and implemented a funding scheme via NHS England. Farleigh Hospice received a total of £3.4m through this scheme. The scheme operated to secure hospice capacity during both waves of the pandemic. The first wave funding from April to June 2020 was calculated to bring the hospices to a break even position and £0.7m was received by Farleigh Hospice. The second wave was based on the amount of activity the hospice was carrying out to support those at the end of life and to support the NHS. This funding ran from November 2020 to March 2021 and Farleigh Hospice received £2.7m. This income is all restricted to inpatient and community care. Due to the uncertainty of amounts and the timing of the receipts (£1.6m was received February/March 2021 and £1.1m in May 2021) trustees were unable to spend all the money within the financial year and so a total of £1.3m was carried forward in a restricted fund which will be spent in 2021/22 on clinical activities

The results above and in the detailed accounts later in this report show the overall group results. Figures for the Farleigh Hospice charity only, which show the net donation from Local Hospice Lottery Ltd to the Farleigh Hospice charity, are shown as follows:

	2020/21 £000s	2019/20 £000s
<b>Income</b>		
Donations and legacies	2,541	1,927
Charitable activities (NHS income)	7,231	2,870
Shop Income	459	1,428
Donation from LHL	1,388	1,095
Other fundraising activities	105	471
Investments	14	32
Other Income	476	317
<b>Total Income</b>	<b>12,214</b>	<b>8,140</b>
<b>Expenditure</b>		
Shop Costs	976	1,387
Fundraising Costs	748	1,026
Charitable Expenditure	7,132	6,480
<b>Total Expenditure</b>	<b>8,856</b>	<b>8,893</b>
<b>Net gains on investments</b>	<b>38</b>	<b>(6)</b>
<b>Net income /(expenditure) for the year</b>	<b>3,396</b>	<b>(759)</b>

Farleigh Hospice is unable to accrue profits from trading subsidiaries not paid over in the year. There were £89k of profits still to be paid over at the end of the financial year (2020 £75k)

## Income

Total income for 2020/21 increased by just under £4m to a total of £20m.

The most significant source of this increase in income is from charitable activities which has increased from £2.9m to £7.2m mostly because of the £3.4m from the NHS England/Hospice UK grant scheme referred to above. Income from the local CCG also increased due to a full year for the Rapid Access to End of Life funding (an additional £0.7m funding) and additional funding for community response during the year (£0.3m).

Income from the Local Hospice Lottery Ltd (LHL) players increased by £0.2m to £9.2m, an increase of 3%. After offsetting £2.7m of costs associated with running the lottery and £5.1m in donations to other hospices, LHL donations due to Farleigh Hospice are £1.4m, which is 27% above the 2019/20 total of £1.1m. The lottery business carries out face-to-face fundraising for new players which was of course curtailed by the pandemic.

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This results in an increase in the year's profits as fundraising costs are not incurred. The successful change in payment model to a £5 monthly option and the increase in partner hospices during the year is expected to offset the longer term impact of the reduction in sales during 2020/21.

Income from donations (gifts) and legacies has increased by £0.6m to £2.5m. Legacy income has increased by £0.2m despite continued delays in the processing of probate and legacy notifications during the pandemic. Income from donations and gifts has increased by £0.4m during the year, £0.1m from generous donations to the urgent appeal received in April and May 2020. Trusts and grant income, donations and donations in memory also increased during the year. Income from fundraising events is £0.1m, down from £0.5m in the previous year. The large scale fundraising events normally run by Farleigh Hospice were not possible during the year explaining this significant fall. Fundraising costs at £0.7m are £0.3m down on the previous year as a result of the cost savings of running these large scale events and some cost saving redundancies in the fundraising team made early in the year. After deducting fundraising costs this gives a net income from legacies, donations and events of £1.9m, up £0.5m on the previous year.

Shop income at £0.5m is down £0.9m on the previous year. Due to the Covid-19 restrictions the shops have been shut for 31 weeks of the year. Farleigh Hospice has furloughed staff and has been grateful to those landlords who have waived their rent, which has resulted in costs being £1m which is £0.4m down on last year. Overall the shops have operated at a loss of £0.5m, mitigated by income from the Coronavirus Job Retention (furlough) Scheme and retail grant income which is shown in other income in the Statement of Financial Activities.

Other income includes retail grants made via local authorities (£0.2m) and payments received under the Coronavirus Job Retention Scheme (£0.6m) for those staff furloughed during the year.

### **Charitable Expenditure**

With the investment in new services particularly the Rapid Access to End of Life project Farleigh Hospice's spend on charitable services has increased by £0.6m (9%) to £7.1m

LHL donations to other hospices, to be used in accordance with Farleigh Hospice's charitable objectives, increased by £0.6m to £5m.

### **Reserves policy and going concern**

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

During the initial part of the year (and prior to the announcement of the UK Government's funding scheme for hospices) it was anticipated that the Farleigh Hospice reserve policy would be tested as a result of the closure of shops and curtailment of fundraising activities. Nevertheless, the level of reserves was determined to be adequate for a period of disruption roughly equal to the 18 months of reduced income provided for in the reserves policy. In the event, the receipts from the funding scheme for hospices lifted the pressure on the reserves, but the experience of the disruption caused by the pandemic, which has continued for well over a year and is still on-going, has led the trustees to decide that the period of income disruption to be contemplated under the reserves policy should be increased to two years.

The trustees carry out a risk based analysis in arriving at the level of reserves needed to protect against unforeseen events. This risk based analysis now, therefore, looks at the amount of reserves that would be needed if there were a significant fall in income for two years. The desired level of reserves set for the 2021/22 financial year is £3.6m. Note 25 to the accounts shows that the free unrestricted reserve is £4.8m (2020: £2.7m), an increase of £2.1m on the previous year. There is also a restricted reserve of £1.3m which is the remainder of the NHS England grant scheme which can be used for inpatient and community care in future years.

It is anticipated that Farleigh Hospice will need to undertake a considerable amount of re-building and re-structuring in the coming months as it recovers from the impact of the pandemic. Major internal changes were implemented last year with considerable speed to enable the charity to cope with the impact of Covid and to provide the services which were demanded of it. These changes have led to new ways of working, many of which may become permanent, but which now need to be embedded in a sustainable structure. During the coming financial year and beyond will be necessary to incur expenditure to stabilise the organisational structure and to re-establish the long-term resilience of the charity. With this in mind, the trustees have set a negative budget of £0.8m for 2021/22 and are considering further investment of funds in systems, consultancy and operations to ensure that the hospice is operating as efficiently and effectively as possible.

In addition to the unrestricted reserves, the trustees continue to hold designated funds for the refurbishment of the new site in Maldon (£0.2m). There is also a reserve of £3.7m designated for future depreciation of Fixed Assets.

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

## Principal risks and uncertainties

Farleigh Hospice and Local Hospice Lottery Ltd both hold detailed risk registers that are reviewed regularly at committees and board. These risks are ranked by likelihood and impact to produce a score which ranks them red, amber or green in terms of their potential impact for the organisation. The Covid-19 pandemic resulted in high levels of risks and uncertainty. With the success of the vaccination programme it is hoped that 2021/22 will bring more stability and less uncertainty. The trustees have sought to mitigate risks as much as possible and the mitigation of these risks is explained below. The trustees consider the following to be the principal risks to which Farleigh Hospice is exposed.

### 1. Safety of service users, staff and volunteers

Priority was given at the start of the pandemic to ensuring the safety of staff and patients – IPU was closed and the locality teams were formed to minimise the risk of large outbreaks of Covid and ensure patients could be safely cared for in their own homes. This was largely successful with very low staff numbers contracting Covid-19. All Farleigh Hospice staff were offered the opportunity to take part in the vaccination programme and the majority of staff have received both doses of the vaccination.

As the threat of Covid-19 subsides it is apparent that the efforts over the last 15 months have placed a great deal of strain on the organisation and staff. Staff sickness has increased and trustees are aware of the need to support staff in their recovery from what has been a difficult year. Complexity of patient workload has increased as the hospice is seeing a number of patients where delays in diagnosis have meant there is no longer a chance of curative treatment. These patients and their families understandably need additional support.

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## **2. Organisational overload due to increasing demand for services and need to embed changes made during 2020/21**

Increased demand for services particularly in the first full year of the Rapid Access to End of Life Care (personal care) contract and the need to manage complex situations and care due to the pandemic has resulted in an increased workload for staff. The necessary reorganisations to facilitate these changes has resulted in a year in which executive directors within the organisation have been busy managing the day to day work as duty managers. Conscious of the need to develop procedures and systems ready for the post pandemic world, the Corporate Services Director was seconded to develop a number of transformation projects starting in September 2020. However the second wave of Covid infections hit and clinical teams were unable to engage fully to assist in this project work. During summer 2021 this project will restart with the help of external consultancy with the aim of decreasing workload through more efficient processes and effective systems.

## **3. Future Financial stability**

As a result of the Covid-19 pandemic many of the income streams at Farleigh Hospice were seriously impacted and there was a threat to financial stability in the short-term. The very significant amounts of funding received from NHS England have provided much needed funding to ensure clinical service delivery for more people along with increased reserves. However with an expected budget deficit of £800k in 2021/22, there is much work to be done to ensure that the hospice can build to a position where it can fund all of its existing services from either voluntary or NHS income. As the UK economy recovers from the pandemic, any recession will impact on the voluntary sector. In particular the future of the High Street and its impact on the Farleigh Hospice net retail income will be something that the trustees will be monitoring closely. Farleigh Hospice has an active Financial Governance Committee who review three yearly forecasts and seek to identify and mitigate risks as appropriate.

## **4. NHS funding**

Farleigh Hospice has developed very good working relationships with Mid Essex Clinical Commissioning Group (CCG) over recent years. During 2021/22 this CCG is merging with the four CCG's in South Essex and will be looking to contract with Farleigh Hospice and the other two main hospices in the region in similar ways. The new organisation has indicated that it will be looking to sign long term contracts with all three hospices, after a major review in the last six months of 2021/22. NHS England are reviewing the guidance they give to local organisations in terms of payments for End of Life services which will hopefully mean that hospice care will be placed on a more sustainable footing. Where possible Farleigh hospice is engaging with all areas of the NHS and fellow providers to develop relationships and services.

## **5. Non compliance with fundraising, data and other regulations**

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

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## Plans for the future

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

The following plans have been identified as a key focus over the next 12 months

- To develop new ways of working to provide 24/7 care for people at the end of their life. This will include developing the 'virtual ward' model and support to care homes in relation to their residents at the end of life
- To consolidate the new Locality Care Team structure to support the multi-professional and cross organisational working
- To develop bereavement support including new ways of working and to support clients and improve community engagement
- To collaborate with and support other organisations to deliver education to improve care and support for people at the end of their life
- To carry out a review of the governance arrangements between Farleigh Hospice and Local Hospice Lottery Ltd
- To finalise the workforce review
- To refurbish/extend the Maldon premises as a base for the locality teams and a community hub
- To develop a new strategy for 2022 onwards
- To consolidate income generation activities following the disruption of the pandemic this year. To further develop the digital approach and engage supporters and ensure a positive supporter journey.
- Local Hospice Lottery will be looking to continue the implementation of the Strategic Plan by building upon the work undertaken in 2020/21. Crucial will be a successful emergence from the lockdowns and restrictions occasioned by the Coronavirus Pandemic and Government actions thereon. In particular, Local Hospice Lottery is planning to further diversify fundraising routes, to recruit additional partner hospices and to build its fundraising teams, all with the objective of achieving its targets for donations to hospice care.

## Structure, governance and management

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

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

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

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

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

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

During the year trustees commissioned an external board evaluation run by the National Council of Voluntary Organisations (NCVO). The NCVO mapped compliance with the Charity Governance Code using their Governance Wheel tool. Their report was very pleasing "Our overall reflection from our engagement with Farleigh Hospice is of a high performing, well-run organisation which takes governance seriously." The key finding from the report was that the sub-committees of the board work so well that the board meetings don't feel as effective. As a response to this a project to refresh the board agenda and papers is underway and NCVO have made a number of recommendations to facilitate this.

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

In addition to serving on these committees, trustees engage in a regular cycle of visits to observe the provision of services in the main hospice site, in community buildings, and patients' homes, interviewing service users and staff/volunteers in order to assure themselves of the quality of services. These visits have had to cease during the Covid 19 pandemic. Board members also sit alongside members of the Executive team as directors of the two trading companies in the group. Local Hospice Lottery Ltd runs a lottery on behalf of Farleigh Hospice and a number of other hospices across the UK. Farleigh Supplies Limited deals with the purchasing of new goods for sale in the shops and administers the retail Gift Aid scheme. Farleigh Hospice complies with the NHS requirement to produce a Quality Account and this documents the audit and quality improvement work that is carried out across the organisation. A copy of the Quality Account 2020/21 is available on the Farleigh hospice website: [www.farleighhospice.org](http://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.

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## Appointment of trustees

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

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

At the 2021 Annual General Meeting one trustee, Andrew Balfour, will reach the end of his maximum term.

## Trustee Induction and Training

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

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

## Chair

Trustees elect a chair and vice chair from within their numbers. The terms of office for each position is three years with an option to stand for a second term only. The current chair is Dr David Blainey who is standing down at the Annual General Meeting in November 2021 he will be succeeded by Keith Spiller.



## Related Parties and relationships with other organisations

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

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

One of our trustees (2020: one) is a member of the board of Mid Essex Clinical Commissioning Group.

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

The charity has two trading subsidiaries. Local Hospice Lottery Ltd runs a weekly lottery on behalf of Farleigh Hospice and a number of other hospices. Donations to those other hospices are made as part of the contractual relationship with these hospices. These donations must be used in furtherance of hospice care. The other hospices as at 31st March 2021 are listed in note 8 of the accounts.

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

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## Remuneration policy for key management personnel

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

For Local Hospice Lottery Ltd similar arrangements exist regarding benchmarking, but the approval authority is the Lottery Board.

## Equality and Diversity

The trustees are committed to diversity and providing equal treatment to all potential and existing employees and all service users irrespective of sex, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, disability, age, nationality, sexual orientation, religion or belief. All forms of unlawful and unfair discrimination are not tolerated.

All employees and volunteers are treated fairly and without discrimination. Selection for employment, promotion, training or any other benefit is on the basis of aptitude and ability. Should any staff member become disabled reasonable effort is made to continue their employment and where necessary provide suitable adjustments and support.

Trustees are keen to ensure that Farleigh Hospice is working in line with its commitment. New cross organisation Equality, Diversity and Inclusion Group will commence work in 2021 made up of trustees, staff and advisors where appropriate.

## Employee Information

Employees have the opportunity to have their views heard through a variety of means including suggestion boxes, employee surveys, Chief Executive open forums and the line management structure. There are fortnightly Executive Team meetings and monthly Heads of Department meetings. All managers are expected to hold regular meetings with their staff and ensure that they are aware of all issues that may affect their own roles and factors influencing the organisation as a whole. A bi-annual staff survey is carried out which includes benchmarking information against previous years and with other organisations. The Chief Executive carries out a monthly all staff virtual briefing.

Each year staff are asked to feedback on the priorities for the forthcoming year's operational plan.

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

## Statement of responsibilities of the trustees

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

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

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

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £5 to the assets of the charity in the event of winding up. Members pay their guarantee on joining the charity and it is held separately in a members guarantee fund. The total number of such guarantees at 31st March 2020 was 80 (2019:75). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The Trustees' Annual Report, which includes the strategic report, has been approved by the trustees on 6th July 2021 and signed on their behalf by Dr David Blainey.

Dr AD Blainey  
Chair

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# Independent auditors' report

## Opinion

We have audited the financial statements of Farleigh Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group Statement of Financial Activity, the group and parent charitable company Balance Sheets, the group Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

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## Other information

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

## Matters on which we are required to report by exception

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

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

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

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## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

## Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management and via inspection of the group's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the group and the parent charitable company.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group and parent charitable company is subject to laws and regulations that directly affect the financial statements, including: the charitable company's constitution, relevant financial reporting standards; company law and tax legislation and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the group and parent charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: Care Quality Commission; Fundraising Regulator, operating licences regarding gambling and the regulatory requirements of the Gambling Commission, Employment Legislation; Health and Safety Legislation; GDPR; Anti-bribery and Public Interest Disclosure Act.

ISAs (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates in particular: depreciation, reinstatement provisions, bad debts and royalty payments.
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting cash or any revenue account, large and year end journals.
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the performance statements, and the Balance Sheet includes a number of items selected on a random basis;

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

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

A further description of our responsibilities is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor's report.

## Use of our report

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

Caroline Peters (Senior Statutory Auditor)

For and on behalf of Rickard Luckin Limited, Statutory Auditor

Aquila House  
Waterloo Lane  
Chelmsford  
Essex CM1 1BN

## Consolidated statement of financial activities (incorporating a consolidated income and expenditure account) For the year ended 31 March 2021

	Note	Unrestricted £000	All Restricted £000	2021 Total £000	Unrestricted £000	All Restricted £000	2020 Total £000
<b>Income from:</b>							
Donations and legacies	2	2,326	215	<b>2,541</b>	1,780	147	1,927
Charitable activities	3	3,782	3,449	<b>7,231</b>	2,870	-	2,870
Other trading activities							
Lottery Income		9,189	-	<b>9,189</b>	8,950	-	8,950
Shop Income		459	-	<b>459</b>	1,428	-	1,428
Other fundraising activities	4	92	13	<b>105</b>	459	12	471
Investments	5	15	-	<b>15</b>	45	-	45
Other		797	-	<b>797</b>	317	-	317
<b>Total income</b>		16,660	3,677	<b>20,337</b>	15,849	159	16,008
<b>Expenditure on:</b>							
Raising funds							
Lottery Costs	7	3,158	-	<b>3,158</b>	3,538	-	3,538
Shop Costs	7	976	-	<b>976</b>	1,387	-	1,387
Fundraising Costs	7	745	3	<b>748</b>	1,015	11	1,026
<b>Income available for charitable activities</b>		11,781	3,674	<b>15,455</b>	9,909	148	10,057
<b>Charitable Activities</b>							
Farleigh Hospice							
Inpatient Care	7	771	53	<b>824</b>	1,908	49	1,957
Community Care	7	3,387	2,179	<b>5,566</b>	3,674	61	3,735
Bereavement	7	447	54	<b>501</b>	453	76	529
Education and Information	7	240	1	<b>241</b>	233	26	259
Local Hospice Lottery Ltd donations to hospice care	7,8	4,891	-	<b>4,891</b>	4,360	-	4,360
<b>Total expenditure</b>		14,615	2,290	<b>16,905</b>	16,568	223	16,791
<b>Net income/(expenditure) before net gains/(losses) on investments</b>							
		2,045	1,387	<b>3,432</b>	(719)	(64)	(783)
Net gains/(losses) on investments		-	38	<b>38</b>	-	(6)	(6)
<b>Net income/(expenditure) for the year and net movement in funds</b>	9	2,045	1,425	<b>3,470</b>	(719)	(70)	(789)
Transfers between funds		-	-	-	-	-	-
<b>Reconciliation of funds:</b>							
Total funds brought forward		6,692	2,828	<b>9,520</b>	7,411	2,898	10,309
<b>Total funds carried forward</b>		8,737	4,253	<b>12,990</b>	6,692	2,828	9,520

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

The notes to the accounts are shown on pages 34 to 55.

# Balance Sheets

## For the year ended 31 March 2021

Company number: 01619905

	Note	The group 2021 £000	The group 2020 £000	The charity 2021 £000	The charity 2020 £000
<b>Fixed assets</b>					
Tangible assets	14	<b>6,143</b>	6,300	<b>6,055</b>	6,208
Investments	15	<b>220</b>	182	<b>220</b>	182
		<b>6,363</b>	6,482	<b>6,275</b>	6,390
<b>Current assets:</b>					
Stock	18	<b>7</b>	8	-	-
Debtors	19	<b>2,027</b>	898	<b>1,973</b>	792
Investments	20	<b>1,218</b>	264	<b>1,218</b>	264
Cash at bank and in hand		<b>6,137</b>	4,219	<b>4,304</b>	2,733
		<b>9,389</b>	5,389	<b>7,495</b>	3,789
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	21	<b>(2,762)</b>	(2,351)	<b>(858)</b>	(735)
		<b>6,627</b>	3,038	<b>6,637</b>	3,054
<b>Net current assets</b>		<b>6,627</b>	3,038	<b>6,637</b>	3,054
<b>Net assets</b>		<b>12,990</b>	9,520	<b>12,912</b>	9,444
<b>Funds</b>					
Restricted endowment funds	25	<b>2,755</b>	2,789	<b>2,755</b>	2,789
Restricted income funds	25	<b>1,498</b>	39	<b>1,498</b>	39
Unrestricted income funds					
Designated Funds	25	<b>3,921</b>	4,002	<b>3,921</b>	4,002
General funds	25	<b>4,816</b>	2,690	<b>4,738</b>	2,614
Total unrestricted funds		<b>8,737</b>	6,692	<b>8,659</b>	6,616
<b>Total funds</b>		<b>12,990</b>	9,520	<b>12,912</b>	9,444

Approved by the trustees on 6th July 2021 and signed on their behalf by

 Dr AD Blainey  
 Chair

The notes to the accounts are shown on pages 34 to 55.

## Consolidated statement of cash flows

### For the year ended 31 March 2021

	Note	2021 Total £000	2021 Total £000	2020 Total £000	2020 Total £000
<b>Cash flows from operating activities</b>	26				
<b>Net cash provided by operating activities</b>			<b>2,902</b>		<b>(534)</b>
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		<b>15</b>		45	
Purchase of fixed assets		<b>(45)</b>		(617)	
(Purchase)/Sale of investments		<b>(954)</b>		440	
<b>Net cash provided by/(used in) investing activities</b>			<b>(984)</b>		<b>(132)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>1,918</b>		<b>(666)</b>
Cash and cash equivalents at the beginning of the year			<b>4,219</b>		4,885
<b>Cash and cash equivalents at the end of the year</b>	27		<b>6,137</b>		4,219

The notes to the accounts are shown on pages 34 to 55.

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# Notes to the financial statements

## For the year ended 31 March 2021

### 1 Accounting policies

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

#### a) Basis of preparation

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

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

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

#### b) Public benefit entity

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

#### c) Going concern

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

The key judgement that the charitable company has made which has a significant effect on the accounts is estimating the value of the contingent assets relating to legacies.

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

## 1 Accounting policies (continued)

### d) Income

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

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

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

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

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

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

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

### e) Donations of gifts, services and facilities

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

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

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

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## 1 Accounting policies (continued)

### f) Interest and dividends receivable

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

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

### g) Fund accounting

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

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

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

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

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

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

### h) Expenditure and irrecoverable VAT

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

Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any trading and other activities with a fundraising purpose including those for Local Hospice Lottery Ltd.

Expenditure on charitable activities includes the costs of specialist palliative care and bereavement support undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

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

## 1 Accounting policies (continued)

### i) Allocation of support costs

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

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

### j) Operating leases

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

### k) Tangible fixed assets

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

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

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

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

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

### l) Fixed asset investments

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

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## 1 Accounting policies (continued)

### Investments in subsidiaries

Investments in subsidiaries are included at cost.

### m) Stocks

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

### n) Debtors

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

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

### o) Cash at bank and in hand

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

### p) Current asset investments

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

### q) Creditors and provisions

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

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

### r) Pensions

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

## 1 Accounting policies (continued)

### r) Pensions (continued)

The employer's contributions made to the scheme in 2021 were £212,000 (2020:£209,000) with an employer's contribution rate of 14.3% of pensionable pay and employees' contributions between 5% and 14.5% of pensionable pay depending on the level of pay. The trustees are satisfied that this and other foreseeable changes in employer's contribution rates can be budgeted for without detriment to the charity's ongoing activities.

All employees are entitled to join a defined contribution 'money purchase scheme' operated by Scottish Widows. Farleigh Hospice employers' contributions for the year were £252,000 (2020: £256,000). Employer's contributions are either 4% or 7% and employees' contributions are either 4% or 6%. Farleigh Hospice acts as an agent in collecting and paying over contributions. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

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

## 2 Income from donations and legacies

	Unrestricted £000	All restricted £000	2021 Total £000	Unrestricted £000	All restricted £000	2020 Total £000
<b>Gifts</b>	1,528	110	<b>1,638</b>	1,134	147	1,281
<b>Legacies</b>	798	105	<b>903</b>	646	-	646
	2,326	215	<b>2,541</b>	1,780	147	1,927

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

One restricted legacy was received in 2021 (2020: Nil). These funds are restricted for use for Maldon premises.

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

In 2020 gifts totalling £147,000 were received, the purpose of which was restricted to operating the Hospice Outreach Project vehicle (£25,000), Children's Bereavement (£71,000), the Farleigh Hospice Admiral Nurse (£6,000), the Farleigh Hospice MND co-ordinator (£24,000) and beds and equipment on the Inpatient Unit (£11,000). The balance (£10,000) relates to a number of smaller projects.

As at 31st March 2021 the charity had been notified of residuary legacies where the value of these estates was uncertain as the executors had not yet compiled the estate accounts or because the executors are awaiting information on any claims to be made on these estates. Therefore no amount has been accrued in respect of these legacies which are estimated to be in excess of £292,000 (2020: £594,000).

## 2 Income from donations and legacies (continued)

As at 31st March 2020 the charity had been notified of residuary legacies where the value of these estates was uncertain as the executors had not yet compiled the estate accounts or because the executors are awaiting information on any claims to be made on these estates. Therefore no amount has been accrued in respect of these legacies which are estimated to be in excess of £594,000 (2019: £469,000).

## 3 Income from charitable activities

	<b>2021</b>	2020
	<b>Total</b>	Total
	<b>£000</b>	£000
<b>Government Funding</b>		
Core funding – Mid and North Essex CCG	<b>1,942</b>	2,061
Reimbursement of pharmacy costs – Mid Essex CCG	<b>28</b>	94
Enhanced End of Life – Mid Essex CCG	<b>366</b>	352
Rapid Access to End of Life funding – Mid Essex CCG	<b>1,226</b>	289
Community 24/7 response - Mid Essex CCG	<b>212</b>	-
Community Technology Support - Mid Essex CCG	<b>35</b>	-
NHS England (NHSE) Grant Scheme administered by Hospice UK	<b>3,414</b>	-
Health Education England	-	74
Other Government funding	<b>8</b>	-
	<b>7,231</b>	2,870

All income from charitable activities apart from the Community Technology support and NHS England Grant scheme in both the current and previous year relates to unrestricted funds. The core funding relates to a one year contract with the CCG which supports all services equally. The expiry date of this contract is 31st March 2022. Farleigh Hospice also receives additional funding from Mid Essex CCG to support in reach services into the local hospital and support patients at home (Enhanced End of Life). In January 2020 this service was extended further and now includes domiciliary care for those patients in the last three months of life ( Rapid Access to End of Life Care). This contract will also expire on the 31st March 2022. During 2020 funds were received from Health Education England to create a programme of education for local health care professionals.

The NHSE Grant scheme awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to June 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

#### 4 Income from other trading activities

	Unrestricted £000	All restricted £000	2021	Unrestricted £000	All restricted £000	2020
			<b>Total £000</b>			<b>Total £000</b>
Fundraising Events	92	13	<b>105</b>	459	12	471
	92	13	<b>105</b>	459	12	471

No restricted income events were held in 2020. In 2021 a total of £10,000 funding was raised from a virtual Santa Fun Run event the proceeds of which were restricted to Children's Bereavement.

Income from Friends of Farleigh for the year is £3,000 (2020 £12,000) this is dealt with directly by the Friends and is held in a restricted fund until a donation is made directly to Farleigh Hospice. All other trading income is unrestricted.

#### 5 Income from investments

	Unrestricted £000	All restricted £000	2021	2020
			<b>Total £000</b>	<b>Total £000</b>
Bank Interest	8	-	<b>8</b>	39
Income received on common investment funds	7	-	<b>7</b>	6
	15	-	<b>15</b>	45

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

#### 6 Exceptional Item

Included within other income is £194,000 (2020:£250,000) received from the UK Government under the various Covid-19 retail relief schemes. Also included within other income is £428,000 (2020: Nil) relating to income received from the UK government under the Coronavirus Job Retention Scheme.

## 7 Analysis of expenditure 2021

	Direct Costs		Support costs				2021	2020
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	Total £000	Total £000
Fundraising costs	631	24	3	38	47	5	<b>748</b>	1,026
Shops Costs	904	28	2	20	43	5	<b>976</b>	1,387
Lottery costs	2,701	64	127	88	161	17	<b>3,158</b>	3,538
<b>Raising funds</b>	<b>4,236</b>	<b>116</b>	<b>132</b>	<b>146</b>	<b>225</b>	<b>27</b>	<b>4,882</b>	5,951
<b>Local Hospice Lottery Ltd donations to hospice care (Note 8)</b>	<b>4,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,891</b>	4,360
Inpatient Care	758	22	11	20	9	4	<b>824</b>	1,957
Community Care	4,910	194	93	252	82	35	<b>5,566</b>	3,735
Bereavement	428	22	11	27	9	45	<b>501</b>	529
Education & Information	217	8	4	8	3	1	<b>241</b>	259
<b>Charitable Activities</b>	<b>6,313</b>	<b>249</b>	<b>119</b>	<b>307</b>	<b>103</b>	<b>44</b>	<b>7,132</b>	6,480
<b>Total expenditure 2021</b>	<b>15,440</b>	<b>362</b>	<b>251</b>	<b>453</b>	<b>328</b>	<b>71</b>	<b>16,905</b>	16,791
Total expenditure 2020	15,370	405	243	345	363	65	16,791	

Of the total expenditure, £14,615,000 was unrestricted (2020: £16,568,000) and £2,290,000 was restricted (2020: £223,000). During the year clinical services have been restructured, costs are now allocated on the basis of the new structure. Comparatives have been restated in the 2021 note only.

## 7 Analysis of expenditure 2020

	Direct Costs		Support costs				2020
	£000	HR £000	Management £000	IT £000	Finance £000	Governance £000	<b>Total £000</b>
Fundraising costs	879	37	16	43	45	6	<b>1,026</b>
Shops Costs	1,206	73	7	46	43	12	<b>1,387</b>
Lottery costs	3,123	46	126	47	188	8	<b>3,538</b>
<b>Raising funds</b>	<b>5,208</b>	<b>156</b>	<b>149</b>	<b>136</b>	<b>276</b>	<b>26</b>	<b>5,951</b>
<b>Local Hospice Lottery Ltd donations to hospice care</b>	<b>4,360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,360</b>
Inpatient Care	1,784	74	28	33	26	12	<b>1,957</b>
Day & Therapy Services	689	42	16	48	15	7	<b>817</b>
Community Care	1,286	46	17	36	16	7	<b>1,408</b>
Initial Contact	788	29	11	29	10	4	<b>871</b>
Bereavement & Family Support	634	34	13	34	12	5	<b>732</b>
Education & Information	243	5	2	7	1	1	<b>259</b>
Enhanced End of Life	378	19	7	22	7	3	<b>436</b>
<b>Charitable Activities</b>	<b>5,802</b>	<b>249</b>	<b>94</b>	<b>209</b>	<b>87</b>	<b>39</b>	<b>6,480</b>
<b>Total expenditure 2020</b>	<b>15,370</b>	<b>405</b>	<b>243</b>	<b>345</b>	<b>363</b>	<b>65</b>	<b>16,791</b>

Of the total expenditure, £16,568,000 was unrestricted (2019: £15,017,000) and £223,000 was restricted (2019: £263,000).

## 8 Local Hospice Lottery Ltd donations to hospice care

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

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

These hospices received donations within the following bands:

	2021	2020
£0-£199,999	15	12
£200,000-£399,999	6	5
Above £400,000	5	4
	<b>26</b>	<b>21</b>

## 9 Net expenditure for the year

This is stated after charging /crediting:

	<b>2021</b>	2020
	<b>£000</b>	£000
Depreciation	<b>202</b>	186
Operating lease rentals:		
Property	<b>237</b>	260
Other	<b>18</b>	12
Auditors' remuneration (excluding VAT):		
Audit - Charity	<b>8</b>	8
- Subsidiaries	<b>20</b>	13

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

Staff costs were as follows:

	<b>2021</b>	2020
	<b>£000</b>	£000
Salaries and wages	<b>6,572</b>	6,709
Redundancy and termination costs	<b>52</b>	-
Social security costs	<b>572</b>	573
Employer's contribution to defined contribution pension schemes	<b>464</b>	465
	<b>7,660</b>	7,747

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

	<b>2021</b>	2020
	<b>No.</b>	No.
£60,000 - £69,999	-	4
£70,000 - £79,999	<b>4</b>	4
£80,000 - £89,999	-	-
£90,000 - £99,999	<b>1</b>	1
£100,000 - £109,999	<b>1</b>	1

The total employee benefits including pension contributions and social security costs of the key management personnel were £561,926 (2020: £566,825).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Farleigh Hospice purchases Trustee Indemnity Insurance on behalf of the trustees at a cost of £3,519 (2020:£2,762)

No trustees were paid for travel expenses during the year. (2020: Nil)

## 11 Staff numbers

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

		<b>2021</b>	2020
		<b>No.</b>	No.
Raising funds	Fundraising	<b>18</b>	22
	Shops	<b>38</b>	43
	Lottery ( Including management 3, finance 4 and HR 1)	<b>54</b>	54
Charitable Activities	Inpatient Care	<b>14</b>	44
	Community Care	<b>124</b>	85
	Bereavement	<b>14</b>	14
	Education & Information	<b>5</b>	6
Support and Governance	HR	<b>6</b>	8
	Management	<b>2</b>	3
	IT	<b>6</b>	5
	Finance	<b>4</b>	4
	Governance	<b>1</b>	1
		<b>286</b>	289

## 12 Related party transactions

Related party transactions are disclosed on pages 24 of the Trustees' Report

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

## 13 Taxation

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

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

**14 Tangible fixed assets 2021**

The group	Freehold property £000	Short Leasehold Property £000	Furniture & Computer Equipment £000	Motor vehicles £000	<b>Total £000</b>
<b>Cost</b>					
At the start of the year	7,269	272	1,257	152	<b>8,950</b>
Additions in year	-	-	45	-	<b>45</b>
Disposals in year	-	-	-	-	-
<b>At the end of the year</b>	<b>7,269</b>	<b>272</b>	<b>1,302</b>	<b>152</b>	<b>8,995</b>
<b>Depreciation</b>					
At the start of the year	1,231	251	1,105	63	<b>2,650</b>
Charge for the year	95	8	64	35	<b>202</b>
Eliminated on disposal	-	-	-	-	-
<b>At the end of the year</b>	<b>1,326</b>	<b>259</b>	<b>1,169</b>	<b>98</b>	<b>2,852</b>
<b>Net book value</b>					
<b>At the end of the year</b>	<b>5,943</b>	<b>13</b>	<b>133</b>	<b>54</b>	<b>6,143</b>
At the start of the year	6,038	21	152	89	<b>6,300</b>

Land with a value of £149,368 (2020: £149,368) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

The charity	Freehold property £000	Short Leasehold Property £000	Furniture & Computer Equipment £000	Motor vehicles £000	<b>Total £000</b>
<b>Cost</b>					
At the start of the year	7,269	272	1,034	152	<b>8,727</b>
Additions in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
<b>At the end of the year</b>	<b>7,269</b>	<b>272</b>	<b>1,034</b>	<b>152</b>	<b>8,727</b>
<b>Depreciation</b>					
At the start of the year	1,231	251	974	63	<b>2,519</b>
Charge for the year	95	8	15	35	<b>153</b>
Eliminated on disposal	-	-	-	-	-
<b>At the end of the year</b>	<b>1,326</b>	<b>259</b>	<b>989</b>	<b>98</b>	<b>2,672</b>
<b>Net book value</b>					
<b>At the end of the year</b>	<b>5,943</b>	<b>13</b>	<b>45</b>	<b>54</b>	<b>6,055</b>
At the start of the year	6,038	21	60	89	<b>6,208</b>

Land with a value of £149,368 (2020: £149,368) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

## 15 Listed investments

	<b>The group 2021 £000</b>	The group 2020 £000	<b>The charity 2021 £000</b>	The charity 2020 £000
Fair value at the start of the year	<b>182</b>	188	<b>182</b>	188
Net gain/(loss) on change in fair value	<b>38</b>	(6)	<b>38</b>	(6)
Fair value at the end of the year	<b>220</b>	182	<b>220</b>	182
Historic cost at the end of the year	<b>70</b>	70	<b>70</b>	70
	<b>The group 2021 £000</b>	The group 2020 £000	<b>The charity 2021 £000</b>	The charity 2020 £000
Investments comprise:				
COIF Charities Investment Fund	<b>220</b>	182	<b>220</b>	182
Investments in subsidiary companies	-	-	-	-
Fair value at the end of the year	<b>220</b>	182	<b>220</b>	182

The charity holds investments in its subsidiary companies totalling £200 (2019:£200)

## 16 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Local Hospice Lottery Ltd, a company registered in England (Company Number 03226004). The subsidiary is used for non-primary purpose trading activities. Its principal activity is the promotion and running of a lottery in aid of Farleigh and other hospices across the country. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	<b>2021 £000</b>	2020 £000
Turnover	<b>9,189</b>	8,950
Direct costs	<b>(1,773)</b>	(2,256)
Gross profit	<b>7,416</b>	6,694
Administrative expenses	<b>(1,212)</b>	(1,172)
Donation to other hospices	<b>(4,891)</b>	(4,360)
Licence Fees to other hospices	<b>(173)</b>	(110)
Other Income	<b>321</b>	-
Operating profit	<b>1,461</b>	1,052
Interest receivable	<b>1</b>	12
Profit on ordinary activities	<b>1,462</b>	1,064
Donation to parent undertaking	<b>(1,388)</b>	(989)
Profit for the financial year	<b>74</b>	75
The aggregate of the assets, liabilities and funds was:		
Assets	<b>2,002</b>	1,700
Liabilities	<b>(1,928)</b>	(1,625)
Funds	<b>74</b>	75

## 16 Subsidiary undertakings (continued)

The charitable company owns the whole of the issued ordinary share capital of Farleigh Supplies Limited (Company number: 02576518), a company registered in England. The subsidiary is used for non-primary purpose trading activities. Its principal activity is the buying and selling on of new goods primarily to Farleigh Hospice. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	<b>2021</b>	2020
	<b>£000</b>	£000
Turnover	<b>31</b>	51
Costs of sales	<b>(22)</b>	(47)
Gross profit	<b>9</b>	4
Administrative expenses	<b>(6)</b>	(14)
Other operating income - gift aid commission	<b>2</b>	14
Profit on ordinary activities	<b>5</b>	4
Donation to parent undertaking	-	(6)
Profit for the financial year	<b>5</b>	(2)
The aggregate of the assets, liabilities and funds was:		
Assets	<b>16</b>	13
Liabilities	<b>(11)</b>	(12)
Funds	<b>5</b>	1

## 17 Parent charity

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

	<b>2021</b>	2020
	<b>£000</b>	£000
Gross income	<b>10,792</b>	8,140
Result for the year	<b>3,396</b>	(759)

## 18 Stock

	<b>The group</b>	The group	<b>The charity</b>	The charity
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£000</b>	£000	<b>£000</b>	£000
Goods for resale	<b>7</b>	8	-	-
	<b>7</b>	8	-	-

## 19 Debtors

	<b>The group 2021 £000</b>	The group 2020 £000	<b>The charity 2021 £000</b>	The charity 2020 £000
Taxation recoverable	57	100	57	100
Other debtors	271	463	180	364
Prepayments	191	199	191	166
	<b>1,508</b>	136	<b>1,508</b>	136
Group undertakings	-	-	37	26
	<b>2,027</b>	898	<b>1,973</b>	792

## 20 Investments

	<b>The group 2021 £000</b>	The group 2020 £000	<b>The charity 2021 £000</b>	The charity 2020 £000
Cash on deposit more than three months	1,218	264	1,218	264
	<b>1,218</b>	264	<b>1,218</b>	264

## 21 Creditors: amounts falling due within one year

	<b>The group 2021 £000</b>	The group 2020 £000	<b>The charity 2021 £000</b>	The charity 2020 £000
Trade creditors	762	657	268	250
Taxation and social security	144	144	105	110
Other creditors	160	231	160	154
Accruals	217	143	214	140
Deferred income	1,479	1,176	111	81
	<b>2,762</b>	2,351	<b>858</b>	735

## 22 Deferred income

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

	<b>The group 2021 £000</b>	The group 2020 £000	<b>The charity 2021 £000</b>	The charity 2020 £000
Balance at the beginning of the year	1,176	1,114	81	155
Amount released to income in the year	(1,176)	(1,114)	(81)	(155)
Amount deferred in the year	1,479	1,176	111	81
Balance at the end of the year	<b>1,479</b>	1,176	<b>111</b>	81

## 23 Pension scheme

Further details of the Farleigh Hospice pension schemes are given in note 1r. At the year end there were 48 (2020: 51) members of the NHS scheme and there were 181 (2020:187) members of the other arrangements. All contributions relating to 2020/21 were paid over to the relevant providers by the end of May 2021.

## 24 Analysis of group net assets between funds 2021

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

## Analysis of group net assets between funds 2020

	General unrestricted funds £000	Designated funds £000	All Restricted funds £000	<b>Total funds £000</b>
Tangible fixed assets	-	3,790	2,510	<b>6,300</b>
Investments	-	-	182	<b>182</b>
Net current assets	2,440	212	136	<b>3,038</b>
Net assets at the end of the year	<b>2,440</b>	<b>4,002</b>	<b>2,828</b>	<b>9,520</b>

## 25 Movements in funds 2021

	At the start of the year £000	Incoming resources & gains £000	Outgoing resources & losses £000	Transfers £000	At the end of the year £000
<b>Restricted endowment funds:</b>					
[A] New Farleigh Fund	1,838	-	(57)	-	<b>1,781</b>
[B] Lantern Suite Fund	513	-	(13)	-	<b>500</b>
[C] Big Lottery Fund	109	-	(2)	-	<b>107</b>
[D] Walter Farthing Fund - Permanent	217	-	-	-	<b>217</b>
[E] Fair value reserve	112	38	(6)	-	<b>150</b>
	<b>2,789</b>	<b>38</b>	<b>(79)</b>	<b>-</b>	<b>2,755</b>
<b>Restricted income funds:</b>					
[F] Restricted legacy, donation and grant funds	32	137	(139)	-	<b>30</b>
[G] Farleigh Homecare Fund	4	-	-	-	<b>4</b>
[H] Friends of Farleigh	3	3	(3)	-	<b>3</b>
[I] NHS England Grant Scheme		3,414	(2,072)		<b>1,342</b>
[N] Maldon Fund		123	(4)		<b>119</b>
	<b>39</b>	<b>3,677</b>	<b>(2,218)</b>	<b>-</b>	<b>1,498</b>
<b>Total restricted funds</b>	<b>2,828</b>	<b>3,715</b>	<b>(2,290)</b>	<b>-</b>	<b>4,253</b>
<b>Unrestricted funds:</b>					
Designated funds:					
[J] Fixed Asset Fund	3,790	-	(81)		<b>3,709</b>
[M] Farleigh in Maldon Fund	212	-			<b>212</b>
<b>Total designated funds</b>	<b>4,002</b>	<b>-</b>	<b>(81)</b>	<b>-</b>	<b>3,921</b>
<b>[L] Unrestricted income funds - general reserves</b>	<b>2,690</b>	<b>16,660</b>	<b>(14,534)</b>		<b>4,816</b>
<b>Total unrestricted funds</b>	<b>6,692</b>	<b>16,660</b>	<b>(14,615)</b>	<b>-</b>	<b>8,737</b>
<b>Total Funds</b>	<b>9,520</b>	<b>20,375</b>	<b>(16,905)</b>	<b>-</b>	<b>12,990</b>

## 25 Movements in funds 2020

	At the start of the year £000	Restated Incoming resources & gains £000	Restated Outgoing resources & losses £000	Transfers £000	At the end of the year £000
<b>Restricted endowment funds:</b>					
[A] New Farleigh Fund	1,896	-	(58)	-	<b>1,838</b>
[B] Lantern Suite Fund	526	-	(13)	-	<b>513</b>
[C] Big Lottery Fund	111	-	(2)	-	<b>109</b>
[D] Walter Farthing Fund -Permanent	217	-	-	-	<b>217</b>
[E] Fair value reserve	118	-	(79)	-	<b>112</b>
	2,868	-	(73)	-	<b>2,789</b>
<b>Restricted income funds:</b>					
[F] Restricted donation and grant funds	24	147	(139)	-	<b>32</b>
[G] Farleigh Homecare Fund	4			-	<b>4</b>
[H] Friends of Farleigh	2	12	(11)	-	<b>2</b>
	30	159	(150)	-	<b>39</b>
<b>Total restricted funds</b>	2,898	159	(229)	-	<b>2,828</b>
<b>Unrestricted funds:</b>					
Designated funds:					
[J] Fixed Asset Fund	3,336	-	(71)	525	<b>3,790</b>
[M] Farleigh in Maldon Fund	1,000	-	(13)	(775)	<b>212</b>
<b>Total designated funds</b>	4,336	-	(84)	(250)	<b>4,002</b>
<b>[L] Unrestricted income funds - general reserves</b>	3,075	15,849	(16,484)	250	<b>2,690</b>
<b>Total unrestricted funds</b>	7,411	15,849	(16,568)	-	<b>6,692</b>
<b>Total Funds</b>	10,309	16,008	(16,797)	-	<b>9,520</b>

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

### Purposes of restricted funds

- [A] The New Farleigh Fund was set up specifically to fund the construction and equipping of the hospice building in Chelmsford.
- [B] The Lantern Suite Fund refers to funds raised to build and equip the Lantern suite extension to the hospice.
- [C] The Big Lottery Fund grant relates to the funding of a healing garden at the hospice.

### Purposes of restricted funds (continued)

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

### Purposes of designated funds

- [J] The Fixed Asset Fund represent funds which have been designated to cover the value of Fixed Assets.
- [K] The Members Guarantee Fund balance £380 (2020:£370) represents funds received in advance to cover the members liability if the charity was to be wound up.
- [M] Following the closure of the Farleigh in Maldon premises during the year the trustees have designated a specific fund to provide funding towards the refurbishment/running of the new day hospice premises in Maldon.

### Purposes of unrestricted general funds

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

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

	2021 £000	2020 £000
<b>Net income for the reporting period</b> (as per the statement of financial activities)	<b>3,432</b>	(783)
Depreciation charges	<b>202</b>	186
Dividends, interest and rent from investments	<b>(15)</b>	(45)
(Profit)/loss on the disposal of fixed assets	-	-
Decrease/(increase) in stocks	<b>1</b>	7
(Increase)/decrease in debtors	<b>(1,129)</b>	78
Increase in creditors	<b>411</b>	23
Net cash provided by operating activities	<b>2,902</b>	(534)

## 27 Analysis of cash and cash equivalents

	At 1 April 2020 £000	Cash Flows £000	<b>At 31 March 2021 £000</b>	At 1 April 2019 £000	Cash Flows £000	At 31 March 2020 £000
Cash at bank and in hand	1,303	1,366	<b>2,669</b>	1,129	174	1,303
Notice deposits (less than 3 months)	2,916	552	<b>3,468</b>	3,756	(840)	2,916
<b>Total cash and cash</b>	<b>4,219</b>	<b>1,918</b>	<b>6,137</b>	<b>4,885</b>	<b>(666)</b>	<b>4,219</b>

## 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:

	<b>Property 2021 £000</b>	Property 2020 £000	<b>Equipment 2021 £000</b>	Equipment 2020 £000
Less than one year	<b>278</b>	290	<b>20</b>	17
One to five years	<b>362</b>	641	<b>32</b>	35
Over five years	<b>10</b>	59	-	-
	<b>650</b>	990	<b>52</b>	52

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

	<b>Property 2021 £000</b>	Property 2020 £000	<b>Equipment 2021 £000</b>	Equipment 2020 £000
Less than one year	<b>227</b>	240	<b>20</b>	16
One to five years	<b>310</b>	488	<b>31</b>	32
Over five years	<b>10</b>	59	-	-
	<b>547</b>	787	<b>51</b>	48

## 29 Capital commitments

At the balance sheet date, the group had no capital commitments. (2020: No capital commitments on the balance sheet date.)

## 30 Legal status of the charity

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



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

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Charity number: 284670