

Report and financial statements

For the year ended 31st March 2018



**Future Farleigh:
Engaging with our Community**

Company number: 01619905

Charity number: 284670

www.farleighospice.org

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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 company law, who served during the year and up to the date of this report were as follows:

Jeff Slater	(1) (2) (4) (5) (6) Chair, Chair BGC
Hilary Bebb	(1) (2) (6) Vice Chair, Chair COGC
Andrew Balfour	(4) (5) (6) Chair LHLL
Lesley Baliga	(1) (4)
Dr David Blainey	(1) (4) (6) Chair CLGC
John Chelchowski	
Patrick Forsyth	(2) (5)
Joanna Pittman	(4) (6) Chair FGC
Suzanne Riches	(2)
Richard Shail	(3) (4) (5)
Keith Spiller	(1) (5)
Dr Elizabeth Towers	(1)
Emma Wraight	(2)

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 Ltd Board (LHLL)
- (6) Board Governance Committee (BGC)

Reference & administration information

Key management personnel

Farleigh Hospice

Alison Stevens	Chief Executive (1) (2) (3) (4) (5) (6)
Sharon Ellingham	Finance Director, Company Secretary (2) (4) (5) (6)
Irene Ferguson	Corporate Services Director (2)
Pauline Harvey-Jones	Commercial Director (2) (3) (4)
Dr Eva Lew	Lead Consultant in Palliative Medicine (1)
Debbie Sevant	Director of Care and Quality (1) (2)
Ann Smits	Director Clinical Strategy and Development (1) (2)

Local Hospice Lottery Ltd

Gary Hawkes	Chief Executive Officer (5)
Gary Spilman	Finance and Operations Director (4) (5) – Resigned 31/5/18

Bankers

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

Solicitors

Bates, Wells, Braithwaite
10 Queen Street
LONDON
EC4R 1BE

Auditors

Rickard Luckin
Statutory Auditor
Aquila House
Waterloo Lane
Chelmsford
ESSEX
CM1 1BN

Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31st March 2018.

Reference and administrative information set out on pages 4 and 5 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This trustees' annual report includes a directors' report as required by company law.

Objectives and activities

Purposes and aims

The trustees regularly review the aims, objectives and activities of the charity. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees also report the success of each key activity and the benefits the charity has brought to the groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Articles of Association (Farleigh Hospice's governing document) as adopted at the 2016 Annual General Meeting have the following objectives:

To advance the health, and to relieve the needs by reason of ill-health, of people with life-limiting illnesses ("service users"), in particular, but not exclusively, by:

- (1) the provision of care, advice and services to service users, their family, friends and carers.
- (2) the provision of services for those who have undergone a bereavement or loss, and the provision of education, training, advice and support to others who are in contact with service users.
- (3) conducting, promoting, and encouraging the teaching and training of staff and informal carers engaged in the care of service users.
- (4) conducting and promoting research into the care and treatment of, or services for, service users and to disseminate the results thereof.
- (5) promoting awareness of issues faced by service users and those approaching death.

During the 2017/18 financial year the trustees have been preparing for the launch of the new four year strategy which is applicable from April 2018. As part of this there has been widespread consultation with stakeholders to establish what they want from Farleigh Hospice. This Trustees' report 'Future Farleigh, Engaging with our Community' incorporates feedback from this consultation and outlines the strategy 2018-2022. As part of the strategy planning, the trustees have also considered how best to direct limited resources for the best possible public benefit in line with Farleigh Hospice's charitable objects.

In line with the strategy Farleigh Hospice has revised its vision and mission.



Activities

The trustees regularly review activities against the charitable objectives and mission statement. The framework for this in the 2017-18 year was the previous strategic plan. The strategic plan ran from 2014 to 2018 and had six main objectives:

1. To widen access to Farleigh Hospice's services and reach all those affected by life limiting illnesses who wish to access our caring services
2. To coordinate care and contribute towards improving services provided to local people affected by life-limiting illnesses in mid Essex
3. To be clear in the message about what we offer
4. To use resources effectively and efficiently
5. To maximise income to ensure service sustainability and enable further development
6. To engage with our local community and further develop our role within the community

Trustees reflected on performance against these objectives as part of the preparation for the new strategy. Whilst there has been good success in widening access, there is still work to be done in communicating what services Farleigh Hospice has to offer.

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

Inpatient Unit

A ten-bed inpatient unit 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, one of which is a 'flat' that is used for rehabilitation or for families to stay with the patient. During the year Farleigh Hospice also converted a room (Room 9 project) for the use of young people and families. This suite is a fully accessible studio apartment with a kitchenette, bathroom, modern entertainment centre and a private outdoor area. In addition three single rooms have been completely refurbished and now have a bright, modern feel. The relatives' dining room has also been completely refurbished. The total investment in the Inpatient facilities this year amounts to £103,000, much of which has been generously funded by grants, trusts and individual donations. Despite the necessary room closures for the refurbishments the Inpatient Unit has cared for 301 patients this year, an increase from 290 in 2016/17.

Day Services

Day services offer support and therapies, either as a one off event or on a regular basis to enable people to manage their illness or to support a person who is ill. These services include:

- Respite care at Farleigh in Chelmsford including therapeutic groups to enable participation in meaningful activities.
- Outpatient appointments and clinics with members of the multi-disciplinary team such as doctors, social workers, and nurses.
- Groups to equip people to live with their illness, or support someone who is ill. These include art and craft, complementary therapies, gym work, book clubs and gardening.

Farleigh Hospice also offers drop in and social group services in rented premises in Maldon. During 2016/17 the previous Farleigh in Maldon building had to be closed due to issues with the fabric of the building. The trustees are very keen to ensure the people of Maldon and other areas outside the Chelmsford locality have access to services that are local to them. The trustees have not yet been able to source a suitable replacement building in Maldon. The long lease of the old Farleigh in Maldon building has been sold since the year end.

The trustees have designated savings in running costs, the potential sale proceeds of both the Farleigh in Maldon building and the Farleigh shop in Maldon and unrestricted reserves to provide funds for a new building. The total balance on this designated fund as at 31st March 2018 is £1m.

There have been a number of vacancies in the day and therapy services team during the year, including a long standing vacancy for the Community Manager. This role and many of the other posts have now been filled allowing for developments in this service in line with the new strategic plan.

Community Care

The Farleigh Hospice Community Specialist Nursing Team provides care, advice and support to patients in their own homes. They manage complex caseloads providing specialist advice on symptoms and pain. During the year the team carried out 3,933 visits, an increase from the 3,725 visits carried out in 2016/17.

Initial Contact

The Initial Contact team brings together specialist nurses who give telephone advice and carry out crisis response visits with the Hospice at Home team. The Hospice at Home team consists of Registered Nurses and Healthcare Assistants, who provide extra care and support to help people remain at home during their last few weeks.

During the summer there was a dip in referrals into this service. The number of visits during 2017/18 was 5,784, down on the 6,627 in the previous year. Following a number of awareness raising initiatives and the development of a new referral pathway the level of visits has increased with 1,670 visits in the January to March 2018 quarter. This is the second highest number of quarterly visits over the last four years.

Bereavement and Family Support

Farleigh Hospice provides bereavement support to both adults (Circle) and children and young people (Yo-Yo). Support can be by telephone and by face to face, as individual or group support. In 2017/18 the adult service had 898 referrals, up from the previous year of 876 referrals. The children's service had 248 referrals, up from 205.

The Family Support team includes Social Workers, Counsellors, Support Workers and a Carers Co-ordinator who provide emotional support, counselling and practical advice to patients, carers and families who are dealing with the difficult affects of a life-limiting illness.

Enhanced End of Life Service

Working with the Mid Essex Clinical Commissioning Group (CCG) and the local Broomfield Hospital (run by Mid Essex Hospital Trust (MEHT), Farleigh Hospice have developed an enhanced service focussing on discharging patients in Broomfield Hospital to their preferred place of death as quickly as possible and reducing the number of crisis admissions into the hospital. The project, funded by the CCG, has additional Hospice at Home staff to facilitate discharge and for the first time Farleigh Hospice nurses are reaching into the hospital to assist MEHT in identifying when someone is dying, assisting them in having difficult conversations and liaising with other providers.

The service first went live in late 2017 and will be fully established early in the new financial year. A full public launch of the advice line and education services to prevent crises admissions into hospital will commence shortly.

Education and Information Services

The Information Service makes advice and guidance about services accessible by taking information out into the local community. At the moment this takes the form of 'Pop up' information pods (PUPs) and the Information Pod in the atrium of the Broomfield Hospital. During 2017/18 the Information Service saw 2,828 people. During 2016/17 the Information Service saw 4,553 people, the fall during the current year is because the Hospice Outreach Project (HOP) vehicle was taken off the road in late 2016/17 and had to be sold as it was no longer fit for purpose. The HOP vehicle travelled around various locations with Mid Essex under the slogan 'Ill? Bereaved? Or worried about someone who is?' Following successful grant applications, the sale of the old vehicle and corporate support an agreement to purchase a new HOP has been made and it will be delivered in October 2018.

Farleigh Hospice employs an Education Coordinator who coordinates and delivers education and training.

Local Hospice Lottery Ltd

Local Hospice Lottery (LHL) is a wholly owned subsidiary of Farleigh Hospice, which operates its weekly lottery draw for the benefit of Farleigh Hospice and a number of other hospices. Over recent years, the lottery has experienced significant growth and 20 hospices now benefit from the lottery, including Farleigh Hospice. LHL's vision is to lead the way in charitable collaborations for the benefit of hospice patients and their families by providing a significant, sustainable and growing source of income for hospice care.

Fundraising

Farleigh Hospice raises money in a variety of ways. The single most significant source of income continues to be from legacy gifts. Funds are also received in the form of general donations and donations in memory. Farleigh Hospice works with community groups, corporate funders and grant makers to raise funds to support patient care. Income also comes from a number of large scale events including the Farleigh Hospice Walk for Life and the London Marathon.

Retail

Farleigh Hospice has 13 shops across mid Essex. They 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.

The support from the local community is particularly apparent in retail, with over 50% of volunteer hours occurring in the shops. In 2017/18 there were in excess of 260,000 bags of goods donated to the shops.

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 around 800 registered volunteers. Using the number of volunteers, their average hours worked and an appropriate rate the value of their contribution is estimated to be in excess of £1m. Volunteers roles include retail, driving patients to day services, working as part of the information services, on the Inpatient Unit, in day services, in the bereavement team, in the garden and in supporting fundraising. All of our volunteers give up their valuable time to help Farleigh Hospice provide care. The trustees thank every one of them for their support.



Volunteers' thank you evening October 2017

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:

	2013/14	2014/15	2015/16	2016/17	2017/18
Total people cared for	2,728	3,105	3,317	3,704	3,858
Referrals	1,035	1,162	1,148	1,197	1,251
% of patients with a non cancer diagnosis	18	18	24	29	27
% preferred place of death achieved	51	74	69	73	77
Number of other hospices supported by Local Hospice Lottery	8	12	14	15	19

Each year the trustees also review impact by considering a particular focus. This year it is 'Future Farleigh Engaging with our community.'

Future Farleigh

In August 2017 the Farleigh Hospice Strategy project group was formed. Staff and volunteers came forward to be involved in a series of events to promote the Future Farleigh campaign. It was decided to ask one simple question. "What would you like to see from Farleigh in the future?" 38,000 postcards asking this question were distributed and our facebook posts throughout October 2017 reached a further 38,000 people. Respondents had views on communication with supporters and how our shops are run. In terms of service development there were requests for more locally accessible services, a new day centre in Maldon and a focus on bereavement and family support. Overwhelmingly the message was keep on with the great work you are doing. Responses included:

"Continuing to provide excellent care for patients and their families in mid Essex."

"Just continue doing what you do so well. Giving our patients the care, time and understanding that enables them to cope with their illness. Also to keep people aware of what you need to keep providing that care. Reach out to as many people as you can, by whatever means you can use. Your work is invaluable, and appreciated by all who have need of it. God bless you all."

Hospice Care Week

The National Hospice Care Week took place in October 2017 and this year Farleigh Hospice went yellow to support the theme. Shop windows had a yellow theme, staff dressed in yellow and environmentally friendly yellow flowers linked Farleigh Hospice with Broomfield Hospital. There was also a number of "did you know" posts on social media, letting our 7,000 followers know more about our services.

"Did you know? We provide care for any illness that is considered life-limiting (including cancer, neurological diseases and chronic heart, lung and renal diseases)."

In reach to Broomfield Hospital

As part of the End of Life project funded by the Mid Essex Clinical Commissioning Group Farleigh Hospice has an 'in reach' nurse working with Broomfield Hospital ward teams. This nurse helps facilitate rapid discharge for those patients in the last week of life, to either their own homes or Farleigh Hospice. In addition they work to educate staff on identifying and working with patients and families as they approach the end of their lives.

Essex Business Excellence Awards 2017

In November 2017 Farleigh Hospice was awarded the Contribution to the Community award at the Essex Business Excellence Awards 2017.

The judging criteria for this award are that organisations will have demonstrated considerable dedication to corporate, social and ethical responsibility, providing the community with the many positive outcomes of their commercial activity. Judges focus on businesses that have contributed substantially to the community through various means including society-led projects, aiding economic regeneration and supporting local suppliers.

Lotteries Council award for Lottery Operator of the Year

Local Hospice Lottery Ltd (LHL) extends our community beyond mid Essex to hospices across Great Britain. The Lotteries Council recognised the contribution Local Hospice Lottery makes to hospice care in twenty hospice communities across the UK, by awarding them the Winner of the 'Lottery Operator of the Year' award for 2018.

Jackie Johnston, from Strathcarron Hospice in Scotland - one of Local Hospice Lottery's partner hospices - commented:

"This successful partnership is crucial in enabling us to provide our vital services and over £1 million has been raised for the hospice since we started working together. Due to the regular nature of the income, it allows us to plan ahead at a time when our services come under increasing demand. As we did not previously have our own lottery, we now have around 14,000 people who might not have otherwise supported the hospice. Our partnership with Local Hospice Lottery helps us immensely now, and will continue to do so in the future."

Achievement of goals set for the 2017/18 financial year

- **Improve links with non-cancer specialist services, to continue to widen access to patients of all diagnoses for hospice care, including a new programme of Admiral Nurse support for people with Dementia.**

Farleigh Hospice has always looked to ensure that it serves the needs of anybody with any life-limiting illness, this means reaching out to those with other conditions. This year with the support of the Motor Neurone Disease (MND) Association a coordinator post has been established. Farleigh Hospice has also worked with Dementia UK, NHS and Adult Social Care to support the recruitment of an Admiral Nurse for mid Essex who will be based at Farleigh Hospice and work on a Dementia care programme. Work has also been done to establish stronger links with Chronic Obstructive Pulmonary Disease (COPD) groups and the local frailty group. In 2017/18 27% of referrals had a non cancer diagnosis, 2% down on 2016/17. It is expected that the introduction of new roles and links will lead to a larger number of patients with non-cancer diagnosis in 2018/19 and onwards.

- **End of life education project, to seek external funding to support a programme through which all health and social care staff will be supported to have difficult conversations with those who are dying.**

During 2015/16 a series of 'Transforming End of Life' workshops were run in conjunction with other local groups and the Mid Essex Clinical Commissioning Group Die Well group. These identified a number of challenges including a lack of system-wide education for health care professionals, including care home staff and carers. With money secured from Health Education England and in collaboration with Anglia Ruskin University and others, an End of Life Education programme was rolled out aimed initially at consultants and then other health care professionals. Unfortunately funding was not available to provide this to all health and social care staff. Farleigh Hospice sees it as a vital part of its public benefit to provide education and information to all those caring for people with life-limiting illnesses. For the 2018/19 financial year Farleigh Hospice has set itself a new goal in relation to the education of those working in care homes.

- **New Hospice Outreach Project, to seek funding to support a new Hospice Outreach Project vehicle and extend our reach into our local community.**

An order has been placed to purchase a new vehicle and delivery is expected in October 2018.

- **Development of a new hospice strategy, to work with a wide range of stakeholders to ascertain the needs of local people with life limiting conditions going forward and develop a new strategic plan to meet these needs.**

Following an extensive consultation exercise both internally and externally, the final Farleigh Hospice strategy was launched. Further details of the strategy are contained in the plans for future periods section of this report (pages 19-20).

- **Staff development and care, to continue to look at creative ways to manage demand and support staff in their development and in managing stress levels.**

A number of projects were run across the year promoting staff well-being including mindfulness sessions, leadership sessions and a series of stress management workshops. The staff welfare package benefits were increased. This package allows staff access to dental, optical, physiotherapy and other well-being treatments. A staff recognition day was held in September 2017 with staff showcasing the work of their teams. The day culminated with an afternoon where trustees presented staff with long service awards, some for up to 30 years service.

- **Retail, to review our retail structure to ensure robust cover arrangements across all shops whilst maximising income. To explore and set up new retail ventures including eBay operation.**

The retail structure has been thoroughly reviewed this year. The area has been split into North and South, each area has its own area manager. A new role of relief manager has been created. This will centralise resource for sickness and holiday cover, rather than each shop making its own provision. An eBay operation has been launched and is selling selected goods for prices well in excess of what could be achieved in the shops. Since the year-end Farleigh Hospice has signed the lease on a warehouse unit in Maldon. This will be used to sell good quality stock, which is in excess of the shops' requirements.

- **Local Hospice Lottery (LHL), to review the payment structure for partner hospices to ensure LHL provides a product that is attractive to hospices, encouraging existing hospices to remain with LHL and others to join.**

The payment structure was reviewed during the year and because of the success of LHL, it has been able to offer an increase in the percentages donated to partner hospices. Four new hospices joined LHL during the year.

- **New Farleigh in Maldon premises, to source and set up new premises for day service provision in the Maldon area.**

The trustees are still trying to source premises. This has been proving extremely difficult. There is a lack of suitable premises in the town. Funds totalling £1.0m have been designated for the new Farleigh in Maldon and staff and trustees are spending a considerable amount of time, trying to source suitable premises or land.

- **New Bereavement Centre, source and secure funding for a new bereavement centre in Chelmsford.**

Unfortunately Farleigh Hospice has been unsuccessful in obtaining Big Lottery Funding for this project. Whilst we continue to look for funding, there are a limited number of organisations which will fund the large amount needed for a city centre location. The lack of availability of suitable premises within Chelmsford has also impacted on Farleigh Hospice's ability to achieve this objective.

Fundraising

One of the key objectives for the year was to increase the number of events. Two new Bubble Rush events were held for the first time, one in Maldon in April 2017 and the other in Chelmsford in August 2017.

The other major fundraising objective for the year was to obtain funding for both the Bereavement Centre and the new Hospice Outreach Project (HOP) vehicle. Unfortunately the Bereavement Centre bid was unsuccessful. The trustees are hopeful that full funding will be in place for the HOP before the final payment is made in October 2018.

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.

Farleigh Hospice is registered with the Fundraising Regulator and complies with the Code of Fundraising Practice. 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 particular vulnerability of those who use Farleigh Hospice services.

No breaches of the Code have been identified. In 2017/18 there were three complaints received with regards to fundraising in Mid Essex, all of which related to the marketing activities of Local Hospice Lottery Ltd. All complaints have been investigated fully and resolved.

Whilst Farleigh Hospice does not directly 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 are a small amount of investments held and consideration will be given to increasing these when funds allow.

Financial review

Result for the year

The overall result for the year is a profit of £1.4m. Trustees had set a budget for a small deficit result, but the legacy income at £2.6m substantially exceeded amounts received in previous years, leading to the large profit in the year. The trustees are grateful to all those that have left gifts in wills to provide ongoing hospice care for those in the Mid Essex community. As Farleigh Hospice embarks on its ambitious new strategy these funds will mean that hospice care can be made available to many more people.

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 below:

	2017/18 £000s	2016/17 £000s
Income		
Donations and legacies	3,821	2,479
Charitable activities (NHS income)	2,013	1,989
Shop Income	1,275	1,274
Donation from LHL	1,003	796
Other fundraising activities	394	363
Investments	25	20
Other Income	83	-
Total Income	8,613	6,921
Expenditure		
Shop Costs	1,116	1,092
Fundraising Costs	887	846
Charitable Expenditure	5,336	5,008
Total Expenditure	7,327	6,946
Net gains on investments	2	23
Net income /(expenditure) for the year	1,277	(2)

Farleigh Hospice is unable to accrue profits from trading subsidiaries not paid over in the year. There were £165k of profits still to be paid over at the end of the financial year (2017 £98k)

Income

Income increased by £2.7m (22%) to £15m. The additional legacy income accounts for £1.3m of this increase. The income from the Local Hospice Lottery Ltd (LHL) has increased by £1.2m to £7.4m, an increase of 19%. After offsetting £3m of costs associated with running the lottery and £3.2m in donations to other hospices, LHL donations due to Farleigh Hospice are £1.2m, an increase of 50% on the previous year total of £0.8m.

Income from charitable activities is all received from the NHS. Funds have increased slightly this year because of additional funding for the Enhanced End of Life service and pharmacy funding.

Income from donations remains the same at £1.2m, event income also remains at £0.4m. After deducting fundraising costs, this gives a net income from donations and events of £0.8m.

Shop income at £1.3m, broadly the same as last year. After offsetting costs, the net income from the shops is £0.2m. This is the same result as last year. There has been some restructuring in retail this year, which has been aimed at increasing profitability.

Charitable Expenditure

Spend on Farleigh Hospice's charitable activities (patient care) totalled £5.3m - an increase of 7% on the £5.0m spent last year. For the 2017/18 budget further funds were allocated to patient care but it proved difficult to recruit to some posts and this has meant that spend has not increased as much as planned.

LHL donations to other hospices, to be used in accordance with Farleigh Hospice's charitable objectives, increased by £0.8m (33%) to £3.2m.

Reserves policy and going concern

All charities are required to consider how much they need to hold in reserves. The extent 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, retail and lottery profits. To enable Farleigh Hospice to meet its commitments to the community and provide key hospice services, it needs to maintain its level of reserves so that it can continue operations in the event that an unforeseen decrease in income or increase in costs results in a significant deficit.

The trustees carry out a risk based analysis in arriving at the level of reserves needed to protect against these unforeseen events. This risk based analysis looks at the amount of reserves that would be needed if there were a significant fall in income for 18 months. This period is used as it is the amount of time that it is estimated a restructuring would take. The minimum level of reserves set for the 2017/18 financial years is £2m. Note: 23 to the accounts shows that the free unrestricted reserve is £3.3m (2017: £2.9m), an increase of £0.4m on the previous year.

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.

Principal risks and uncertainties

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

1. Organisational overload due to increasing demand for services

The trustees are conscious that the ambitious new strategy increases the risk of organisational overload. Alongside the strategy a number of mitigations have been put in place. There is an increased focus on internal communications and staff wellbeing, a focus on learning and development which will give staff the tools they need to manage their workload, and a focus on supporting staff who have high sickness levels. During 2018/19 Farleigh Hospice will be implementing 'Schwartz' rounds which are a facilitated structured forum where all staff come together to discuss the social and emotional aspects of working in a hospice setting.

2. Staff and volunteer shortages

Ensuring there are the right staff or volunteers in place to deliver services and raise funds has been an issue over recent years. Whilst the issues with clinical staffing seem to have eased recently, there are now challenges in retail and on occasion shops have been shut as there has not been adequate staffing. The trustees continue to look at innovative ways to recruit staff. The trustees are also conscious that how existing staff advocate for the hospice can inspire others to work or volunteer for Farleigh Hospice. This is specifically addressed in the new strategy goal of "Inspire our people to be ambassadors for the hospice in everything they do."

3. Reputational risk

During recent years there have been a number of high profile cases of adverse publicity for charities and most recently these have centered around safeguarding allegations. No issues involving Farleigh Hospice have been identified. The trustees are mindful that any negative press damage or social media activity could have serious reputational consequences. This risk is mitigated by careful monitoring of the press and social media and acting accordingly. There is a rigorous complaints process and the organisation is committed to learning from things that don't go according to plan.

4. Cyber security

As the organisation relies more heavily on computerised technology the risk of cyber security issues becomes more significant. The Farleigh Hospice IT strategy recognises this risk and there is a high level of security across all hardware and software systems with regular backups. Farleigh Hospice complies with best practise guidance for protecting all systems that are in use in the hospice.

5. NHS funding

Farleigh Hospice is currently midway through a 3-year NHS contract with the Mid Essex Clinical Commissioning Group. Whilst regular contract meetings are held and the hospice is delivering against the service specifications agreed, there remains uncertainty over the future of NHS funding in general and this, coupled with restructuring of acute and community services locally, places the hospice in a potentially vulnerable position. The senior team work hard to maintain a good working relationship with commissioners and all other health and social care providers, hosting whole system meetings and contributing where possible to the development of improved end of life care within mid Essex.

6. 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 created a Board Governance Committee which has as one of its objectives to ensure that all compliance matters are dealt with properly. The Chief Executive and Finance Director have been tasked to complete a Board Assurance Framework which will assure the board that there is good compliance across the organisation. A restructuring within the hospice teams has allowed for the creation of a specialist Compliance and Assurance Lead post and a Data Protection Officer post.

Plans for the future

Farleigh Hospice has developed a new strategy for the period 1st April 2018 to 31st March 2022. The new strategic goals will take Farleigh Hospice through the next four years to its 40th birthday 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.

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

To support the delivery of the strategic goals there will be an annual operational plan with actions against each of the goals. There are also strategic Key Performance Indicators set for each goal.

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

- To develop a communication and engagement campaign, including developing a team of ambassadors, to improve people's understanding of hospice care.
- To enhance community services, increasing and improving hospice care in the community
- To deliver education to care homes and the community
- To continue to refurbish the Inpatient Unit to improve facilities for our patients and their families
- To source and set up new premises for the provision of day services in the Maldon area
- To lobby for the lifting of the cap of £10million on the turnover of society lotteries to enable Local Hospice Lottery Ltd to continue to grow.
- To create a Board Assurance Framework to evidence compliance
- To increase the range of income generation streams in particular by offering a house clearance business out of the new Maldon Clearance Warehouse.

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 objectives 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 9 to the accounts.

Farleigh Hospice is governed by a board of trustees who are also directors of the company. At the Annual General Meeting (AGM) on the 14th November 2016, a Special Resolution was passed to increase the maximum number of directors to 14. This is to maximise the effectiveness of the committee structure and increase the range of skills on the board. Day-to-day management is delegated to the Chief Executive and the senior management team.

The full board is supported by a committee structure. This structure is designed to ensure that the committees support the full board in delivering Farleigh Hospice's strategic objectives and statutory obligations. There were previously three committees comprising a clinical governance committee (dealing with clinical matters);

a corporate governance committee (dealing with health, safety and environment, internal and external communication and matters relating to staff and volunteers) and a financial governance committee (which deals with financial matters and oversees income generation). Each committee is responsible for governance, quality, compliance and risk management in its area of responsibility. The full board takes reports from the chair of each committee at all of its meetings. The full board meets six times per year and each of the committees meet quarterly. In addition, this year a board governance committee has been established. The membership of this committee consists of the Farleigh Hospice and LHL chairs, the chairs of all three other committees, the hospice Chief Executive and Finance Director and the LHL Chief Executive Officer. The committees' remit is to oversee governance matters, in particular compliance with the new Charity Governance Code. It also ensures there is an overall framework for committees and boards, the Board Assurance Framework. This committee also looks at trustees' recruitment, succession planning and performance. The board governance committee is also delegated to look at matters concerning the Senior Management Team including pay.

During the year the trustees have mapped compliance with the Charity Governance Code and were pleased with the level of compliance. Gaps were identified in assurance and impact reporting and these will be addressed during 2018/19.

Following on from the 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. Visits also take place in Farleigh shops. Reports of these visits are discussed by the Board. Board members also sit alongside members of the senior management 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 is available on the NHS Choices website or on the Farleigh hospice website: www.farleighhospice.org.

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.

This year three long serving trustees are retiring as they have reached their maximum term of office. Farleigh hospice thanks Jeff Slater, Dr Elizabeth Towers and John Chelchowski for their loyal and dedicated service.

In addition Andrew Balfour, Lesley Baliga, Patrick Forsyth and Joanna Pittman retire by rotation this year. They will all stand for re-election at the AGM.

Trustee Induction and Training

New trustees are supplied with a comprehensive induction pack and two days of meetings with key staff and tours of premises. They also have an existing board member to act as a mentor. Full board training is carried out as required, for example on protection of vulnerable beneficiaries. The board evaluates its own performance annually.

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, Mr Jeff Slater, stands down this year as he has reached the end of his term of office as a trustee. The board of trustees have unanimously voted to elect Dr David Blainey as chair. He will take up his post after the 2018 Annual General Meeting.

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 senior managers 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 (2017: one) is a member of the board of Mid Essex Clinical Commissioning Group.

One of our trustees (2017: one) is a partner in Birkett Long a local legal firm who also occasionally act for the hospice where it is more appropriate to have a local solicitors. During 2017-18 the payments to Birkett Long for professional services amounted to £3,019.

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. In addition, Farleigh Hospice staff and volunteers run an information pod in the atrium of Broomfield Hospital.

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 2018 are listed in note 7 of the accounts.

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

Remuneration policy for key management personnel

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

For Local Hospice Lottery Ltd similar arrangements exist regarding benchmarking but the approval authority is held by 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 gender, race, ethnic origin, disability, age, nationality, sexuality, religion or belief. All forms of unlawful and unfair discrimination are opposed.

All employees and volunteers will be treated equally. Selection for employment, promotion, training or any other benefit will be 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.

Farleigh Hospice voluntarily made a Gender Pay Gap report. This concerned only those that worked for Farleigh Hospice directly. This showed that men were paid more than women and the median pay gap was 7.27%. The national average is 18.1%. It was identified that more work could be done to bring about equality and an action plan is in place.

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 Senior Management Team meetings and monthly Heads of Department meetings. All managers are expected to hold regular meetings with their staff. In addition, staff have access to the newly redesigned Farleigh Hospice Intranet. An annual staff survey is carried out which includes benchmarking information against previous years and other hospices. The Moving on Together group is a focus for employee and volunteer engagement. This group comprises both staff and volunteers and has been formed to look at Farleigh Hospice culture, staff and volunteer support, communication and other organisation-wide issues.

Statement of responsibilities of the trustees

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent

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- 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 2018 was 74 (2017:73). 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 13th August 2018 and signed on their behalf by Mr Jeff Slater.

Jeff Slater
Chair

Independent auditors' report

Opinion

We have audited the financial statements of Farleigh Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cashflow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31st March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

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 parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for company law purposes, 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 23 and 24 the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Caroline Peters (Senior Statutory Auditor)
For and on behalf of Rickard Luckin Limited

Chartered Accountants
Statutory Auditor

Aquila House
Waterloo Lane Chelmsford
Essex CM1 1BN

20th August 2018

Consolidated statement of financial activities (incorporating a consolidated income and expenditure account) For the year ended 31 March 2018

	Note	Unrestricted £000	All Restricted £000	2018 Total £000	Unrestricted £000	All Restricted £000	2017 Total £000
Income from:							
Donations and legacies	2	3,671	150	3,821	2,348	131	2,479
Charitable activities	3	2,013	-	2,013	1,989	-	1,989
Other trading activities							
Lottery Income		7,356	-	7,356	6,155	-	6,155
Shop Income		1,275	-	1,275	1,274	-	1,274
Other fundraising activities	4	383	11	394	353	10	363
Investments	5	30	-	30	20	-	20
Other		83	-	83	-	-	-
Total income		14,811	161	14,972	12,139	141	12,280
Expenditure on:							
Raising funds							
Lottery Costs	6	2,955	-	2,955	3,008	-	3,008
Shop Costs	6	1,116	-	1,116	1,092	-	1,092
Fundraising Costs	6	875	12	887	836	10	846
Income available for charitable activities		9,865	149	10,014	7,203	131	7,334
Charitable Activities							
Farleigh Hospice							
Inpatient Care	6	1,824	169	1,993	1,695	63	1,758
Day Services & Therapy Services	6	681	31	712	908	52	960
Community Care	6	1,009	8	1,017	986	7	993
Initial Contact	6	667	7	674	478	1	479
Bereavement & Family Support	6	631	22	653	602	20	622
Education and Information	6	186	1	187	99	-	99
Enhanced End of Life	6	99	1	100	-	-	-
Contact Team	6	-	-	-	97	-	97
Local Hospice Lottery Ltd donations to hospice care	6,7	3,238	-	3,238	2,351	-	2,351
Total expenditure		13,281	251	13,532	12,152	153	12,305
Net income/(expenditure) before net gains/(losses) on investments		1,530	(90)	1,440	(13)	(12)	(25)
Net gains/(losses) on investments		-	2	2	-	23	23
Net income/(expenditure) for the year and net movement in funds	8	1,530	(88)	1,442	(13)	11	(2)
Transfers between funds		-	-	-	4	(4)	-
Reconciliation of funds:							
Total funds brought forward		6,172	3,127	9,299	6,181	3,120	9,301
Total funds carried forward		7,702	3,039	10,471	6,172	3,127	9,299

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 24 to the financial statements.

The notes to the accounts are shown on pages 31 to 51

Balance Sheets

For the year ended 31 March 2018

Company number: 01619905

		Restated		Restated	
	Note	The group 2018 £000	The group 2017 £000	The charity 2018 £000	The charity 2017 £000
Fixed assets					
Tangible assets	13	5,987	6,077	5,958	6,056
Investments	14	174	172	174	172
		6,161	6,249	6,132	6,228
Current assets:					
Stock	17	18	21	-	-
Debtors	18	1,587	627	1,680	892
Investments	19	1,202	600	1,202	600
Cash at bank and in hand		3,665	3,475	1,910	1,896
		6,472	4,723	4,792	3,388
Liabilities:					
Creditors: amounts falling due within one year	20	(1,892)	(1,673)	(358)	(320)
		4,580	3,050	4,434	3,068
Net current assets		4,580	3,050	4,434	3,068
Net assets		10,741	9,299	10,566	9,296
Funds					
Restricted endowment funds	24	2,927	2,998	2,927	2,998
Restricted income funds	24	113	129	113	129
Unrestricted income funds					
Designated Funds	24	4,381	3,471	4,381	3,471
General funds	24	3,320	2,701	3,145	2,698
Total unrestricted funds		7,701	6,172	7,526	6,169
Total funds		10,741	9,299	10,566	9,296

Approved by the trustees on 13th August 2018 and signed on their behalf by

 Mr J Slater
 Chair

The notes to the accounts are shown on pages 31 to 51

Consolidated statement of cash flows

For the year ended 31 March 2018

	Note	2018 Total £000	2018 Total £000	2017 Total £000	2017 Total £000
Cash flows from operating activities	25				
Net cash provided by operating activities			731		454
Cash flows from investing activities:					
Dividends, interest and rents from investments		30		20	
Proceeds from the sale of fixed assets		65		-	
Purchase of fixed assets		(31)		(12)	
Purchase of investments		(602)		(600)	
Net cash provided by /(used in) investing activities			(538)		(592)
Change in cash and cash equivalents in the year			193		(138)
Cash and cash equivalents at the beginning of the year			3,472		3,610
Cash and cash equivalents at the end of the year	26		3,665		3,472

Notes to the financial statements

For the year ended 31 March 2018

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) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

b) Public benefit entity

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

c) Going concern

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

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

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

1 Accounting policies (continued)

d) Income

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

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

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

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

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

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

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

e) Donations of gifts, services and facilities

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

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

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

1 Accounting policies (continued)

f) Interest and dividends receivable

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

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

g) Fund accounting

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

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

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

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

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

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

h) Expenditure and irrecoverable VAT

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

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

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

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

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

1 Accounting policies (continued)

i) Allocation of support costs

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

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

j) Operating leases

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

k) Tangible fixed assets

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

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

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

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

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

l) Fixed asset investments

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

1 Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are included at cost.

m) Stocks

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

n) Debtors

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

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

o) Cash at bank and in hand

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

p) Current asset investments

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

q) Creditors and provisions

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

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

r) Pensions

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

1 Accounting policies (continued)

r) Pensions (continued)

The employer's contributions made to the scheme in 2018 were £179,000 (2017:£170,000) with an employer's contribution rate of 14.3% of pensionable pay and employee's 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 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 employer's contribution for the year were £149,000 (2017: £176,000). Employers 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 contribution and paying across the deductions for the employees contribution.

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

s) Restatement of balance sheet comparatives

The comparative balance sheet has been restated to transfer the 'assets held for sale' back to fixed assets to reflect the intention of use of acquisition of the asset. There is no impact on the balance sheet totals as a result of this reclassification.

t) Restatement of statement of financial activities comparatives

The comparative statement of financial activities has been restated to reflect new cost classifications and presentations introduced to accounts for the year ending 31st March 2018. There is no change in overall income or expenditure numbers.

2 Income from donations and legacies

	Unrestricted £000	All restricted £000	2018 Total £000	2017 Total £000
Gifts	1,162	85	1,247	1,226
Legacies	2,509	65	2,574	1,253
	3,671	150	3,821	2,479

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 contribution is given in the Trustees' Report. In accordance with FRS102 and the charities SORP (FRS102), the economic benefit of general volunteers is not recognised in the accounts.

In 2018 legacies totalling £65,000 were received the purpose of which was restricted to the completion of the refurbishment of the Inpatient Unit. No restricted legacies were received in 2017.

In 2018 gifts totalling £85,000 were received the purpose of which was restricted to the purchase of a new Hospice Outreach Project vehicle (£33,000), Children's Bereavement (£21,000) and the refurbishment of two rooms on the Inpatient Unit (£20,000). The balance (£11,000) relates to a number of smaller projects.

In 2017 gifts totalling £130,000 were received the purpose of which was restricted to Children's Bereavement (£15,000), the Room 9 project (£97,000) and IPU improvements (£9,000). The balance (£9,000) relates to a number of smaller projects.

As at 31st March 2018 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 £195,000 (2017: £1,216,500)

3 Income from charitable activities

	Mid Essex CCG £000	North Essex CCG £000	2018 Total £000	2017 Total £000
Government Funding				
Core funding	1,867	43	1,910	1,915
Reimbursement of pharmacy costs	43	-	43	-
Enhanced End of Life	60	-	60	-
Contact Team	-	-	-	74
2018	1,970	43	2,013	1,989
2017	1,946	43	1,989	

All income from charitable activities in both the current and previous year relate to unrestricted funds. The core funding relates to a three year contract with the CCG which supports all services equally. The expiry date of this contract is 31st March 2020. A further grant from Mid Essex CCG was awarded in the latter part of 2017. This was to Enhance End of Life Services in the Initial Contact team and provide inreach services to the local hospital. For many years Mid Essex CCG contracted directly for the Farleigh Hospice pharmacy services this has now been brought in house but is fully reimbursed by the CCG. Mid Essex CCG grant relating to the pilot of an End of Life Coordination project ceased on 30th June 2016.

4 Income from other trading activities

	Unrestricted £000	All restricted £000	2018 Total £000	2017 Total £000
Fundraising Events	383	11	394	363
	383	11	394	363

5 Income from investments

	Unrestricted £000	All restricted £000	2018 Total £000	2017 Total £000
Bank Interest	24	-	24	14
Income received on common investment funds	6	-	6	6
	30	-	30	20

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

6 Analysis of expenditure

	Direct Costs		Support costs				2018	2017
	£000	HR £000	Man- agement £000	IT £000	Finance £000	Gover- nance £000	Total £000	Total £000
Fundraising costs	751	24	18	45	43	6	887	846
Shops Costs	983	43	7	37	33	13	1,116	1,092
Lottery costs	2,621	24	117	43	145	5	2,955	3,008
Raising funds	4,355	91	142	125	221	24	4,958	4,946
Local Hospice Lottery Ltd donations to hospice care (Note 7)	3,238	-	-	-	-	-	3,238	2,351
Inpatient Care	1,825	65	28	30	28	17	1,993	1,758
Day & Therapy Services	591	31	13	56	13	8	712	960
Community Care	915	32	13	35	14	8	1,017	993
Initial Contact	571	32	14	35	14	8	674	479
Bereavement & Family Support	564	26	12	33	11	7	653	622
Education & Information	165	5	3	11	2	1	187	99
Enhanced End of Life	85	3	1	10	1	-	100	-
Contact Team	-	-	-	-	-	-	-	97
Charitable Activities	4,716	194	84	210	83	49	5,336	5,008
Total expenditure 2018	12,309	285	226	335	304	73	13,532	12,305
Total expenditure 2017	11,210	286	240	226	284	59	12,305	

Of the total expenditure, £13,281,000 was unrestricted (2017: £12,142,000) and £251,000 was restricted (2017: £163,000).

7 Local Hospice Lottery Ltd donations to hospice care

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

Dorothy House - Bath, North and West Wiltshire & North East Somerset
 East Anglia 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
 Peace Hospice - Watford and surrounding areas, West Yorkshire
 Prince of Wales Hospice - Pontefract & surrounding areas, West Yorkshire
 Sobell House - Oxfordshire
 St Clare's Hospice - Jarrow and surrounding areas, South Tyneside
 St Gemma's Hospice - Leeds
 St Joseph's Hospice - North & 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
 Childrens Hospice Association Scotland (CHAS) - Scotland
 Highlands Hospice - Highlands
 St Vincents Hospice - Renfrewshire and surrounding areas
 Strathcarron Hospice - Stirling and surrounding areas

These hospices received donations within the following bands:

	2018	2017
£0-£199,999	12	10
£200,000-£399,999	6	4
Above £400,000	1	1
	19	15

8 Net incoming resources for the year

This is stated after charging /crediting:

	2018	2017
	£000	£000
Depreciation	111	139
Operating lease rentals:		
Property	201	195
Other	12	15
Auditors' remuneration (excluding VAT):		
Audit - Charity	6	5
- Subsidiaries	7	7

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

Staff costs were as follows:

	2018	2017
	£000	£000
Salaries and wages	5,557	5,227
Redundancy and termination costs	14	27
Social security costs	470	443
Employer's contribution to defined contribution pension schemes	355	347
	6,396	6,044

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

	2018	2017
	No.	No.
£60,000 - £69,999	5	1
£70,000 - £79,999	1	2
£80,000 - £89,999	2	-
£90,000 - £99,999	1	1

The total employee benefits including pension contributions and social security costs of the key management personnel were £619,592 (2017: £566,338).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Farleigh Hospice purchases Trustee Indemnity Insurance on behalf of the trustees at a cost of £3,563 (2017:£3,451)

One trustee was paid £53 for travel expenses during the year (2017:£nil)

10 Staff numbers

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

		2018 No.	2017 No.
Raising funds	Fundraising	19	19
	Shops	34	37
	Lottery (Including management 2 and finance 3)	40	32
Charitable Activities	Inpatient Care	51	48
	Day & Therapy Services	24	35
	Community Care	25	27
	Initial Contact	25	19
	Bereavement & Family Support	20	20
	Education & Information	4	3
	Enhance End of Life	2	-
	Contact Team	-	-
Support and Governance	HR	7	6
	Management	3	3
	IT	3	3
	Finance	4	4
	Governance	1	1
		262	257

11 Related party transactions

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

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

12 Taxation

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

	2018 £000	2017 £000
UK corporation tax at 19% (2017: 20%) - Local Hospice Lottery Ltd	-	-
UK corporation tax at 19% (2017: 20%) - Farleigh Supplies Limited	2	-

13 Tangible fixed assets

The group	Freehold property £000	Restated Leasehold property £000	Short Leasehold Property £000	Furniture & Computer Equipment £000	Motor vehicles £000	Total £000
Cost						
At the start of the year	6,847	250	277	1,073	172	8,619
Additions in year	-	-	9	22	-	31
Disposals in year	(13)	-	(9)	-	-	(22)
At the end of the year	6,834	250	277	1,095	172	8,628
Depreciation						
At the start of the year	996	58	268	1,052	168	2,542
Charge for the year	88	-	5	14	4	111
Eliminated on disposal	(3)	-	(9)	-	-	(12)
At the end of the year	1,081	58	264	1,066	172	2,641
Net book value						
At the end of the year	5,753	192	13	29	-	5,987
At the start of the year	5,851	192	9	21	4	6,077

Land with a value of £149,368 (2017: £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	Restated Leasehold property £000	Short Leasehold Property £000	Furniture & Computer Equipment £000	Motor vehicles £000	Total £000
Cost						
At the start of the year	6,847	250	277	969	172	8,515
Additions in year	-	-	9	-	-	9
Disposals in year	(13)	-	(9)	-	-	(22)
At the end of the year	6,834	250	277	969	172	8,502
Depreciation						
At the start of the year	996	58	268	969	168	2,459
Charge for the year	88	-	5	-	4	97
Eliminated on disposal	(3)	-	(9)	-	-	(12)
At the end of the year	1,081	58	264	969	172	2,544
Net book value						
At the end of the year	5,753	192	13	-	-	5,958
At the start of the year	5,851	192	9	-	4	6,056

Land with a value of £149,368 (2017: £149,368) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

14 Listed investments

	The group 2018 £000	The group 2017 £000	The charity 2018 £000	The charity 2017 £000
Fair value at the start of the year	172	149	172	149
Net gain / (loss) on change in fair value	2	23	2	23
Fair value at the end of the year	174	172	174	172
Historic cost at the end of the year	70	70	70	70
Investments comprise:	The group 2018 £000	The group 2017 £000	The charity 2018 £000	The charity 2017 £000
COIF Charities Investment Fund	174	172	174	172
Investments in subsidiary companies	-	-	-	-
Fair value at the end of the year	174	172	174	172

The charity holds investments in its subsidiary companies totalling £200 (2017:£200)

15 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:

	2018 £000	2017 £000
Turnover	7,356	6,155
Direct costs	(1,672)	(1,917)
Gross profit	5,684	4,238
Administrative expenses	(921)	(793)
Donation to other hospices	(3,238)	(2,351)
Licence Fees to other hospices	(362)	(298)
Operating profit	1,163	796
Interest receivable	5	5
Profit on ordinary activities	1,168	801
Donation to parent undertaking	(1,003)	(703)
Profit for the financial year	165	98
The aggregate of the assets, liabilities and funds was:		
Assets	1,794	1,637
Liabilities	(1,629)	(1,539)
Funds	165	98

15 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:

	2018	2017
	£000	£000
Turnover	51	51
Costs of sales	(35)	(34)
Gross profit	16	17
Administrative expenses	(28)	(33)
Other operating income - gift aid commission	17	18
Profit on ordinary activities	5	2
Donation to parent undertaking	-	(2)
Profit for the financial year	5	-
The aggregate of the assets, liabilities and funds was:		
Assets	52	43
Liabilities	(45)	(41)
Funds	7	2

16 Parent charity

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

	2018	2017
	£000	£000
Gross income	7,600	5,984
Result for the year	1,277	(5)

17 Stock

	The group	The group	The charity	The charity
	2018	2017	2018	2017
	£000	£000	£000	£000
Goods for resale	18	21	-	-
	18	21	-	-

18 Debtors

	The group 2018 £000	The group 2017 £000	The charity 2018 £000	The charity 2017 £000
Taxation recoverable	72	57	72	57
Other debtors	190	132	144	73
Prepayments	105	96	105	96
Accrued income	1,220	342	1,220	342
Group undertakings	-	-	139	226
	1,587	627	1,680	794

19 Investments

	The group 2018 £000	The group Restated 2017 £000	The charity 2018 £000	The charity Restated 2017 £000
Cash on deposit more than three months	1,202	600	1,202	600
	1,202	600	1,202	600

20 Creditors: amounts falling due within one year

	The group 2018 £000	The group 2017 £000	The charity 2018 £000	The charity 2017 £000
Trade creditors	616	486	133	117
Taxation and social security	1	-	-	-
Other creditors	296	407	121	154
Accruals	11	6	9	3
Deferred income	968	774	95	46
	1,892	1,673	358	320

21 Deferred income

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

	The group 2018 £000	The group 2017 £000	The charity 2018 £000	The charity 2017 £000
Balance at the beginning of the year	774	755	46	60
Amount released to income in the year	(774)	(755)	(46)	(60)
Amount deferred in the year	968	774	95	46
Balance at the end of the year	968	774	95	46

22 Pension scheme

Further details of the Farleigh Hospice pension schemes are given in note 1r. At the year end there were 54 (2017: 40) members of the NHS scheme and there were 132 (2017:142) of the other arrangements. All contributions relating to 2017/18 were paid over to the relevant providers by the end of April 2018.

23 Analysis of group net assets between funds 2018

	General unrestricted funds £000	Designated funds £000	All Restricted funds £000	Total funds £000
Tangible fixed assets	-	3,381	2,606	5,987
Investments	-	-	174	174
Net current assets	3,320	1,000	260	4,580
Net assets at the end of the year	3,320	4,381	3,040	10,741

Analysis of group net assets between funds 2017

	General unrestricted funds £000	Designated funds £000	All Restricted funds £000	Total funds £000
Tangible fixed assets	-	3,398	2,679	6,077
Investments	-	-	172	172
Net current assets	2,701	73	276	3,050
Net assets at the end of the year	2,701	3,471	3,127	9,299

24 Movements in funds 2018

	At the start of the year £000	Incoming resources & gains £000	Outgoing resources & losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	2,012	-	(58)	-	1,954
[B] Lantern Suite Fund	552	-	(13)	-	539
[C] Big Lottery Fund	115	-	(2)	-	113
[D] Walter Farthing Fund - Permanent	217	-	-	-	217
[E] Fair value reserve	102	2	-	-	104
	2,998	2	(73)	-	2,927
Restricted income funds:					
[F] Restricted legacy, donation and grant funds	123	150	(166)	-	107
[G] Farleigh Homecare Fund	3	1	-	-	4
[H] Friends of Farleigh	3	11	(12)	-	2
	129	162	(178)	-	113
Total restricted funds	3,127	164	(251)	-	3,040
Unrestricted funds:					
Designated funds:					
[J] Fixed Asset Fund	3,398	-	(17)	-	3,381
[M] Farleigh in Maldon Fund	73	25	-	902	1,000
Total designated funds	3,471	25	(17)	902	4,381
[L] Unrestricted income funds - general reserves	2,701	14,785	(13,264)	(902)	3,320
Total unrestricted funds	6,172	14,810	(13,281)	-	7,701
Total Funds	9,299	14,974	(13,532)	-	10,741

24 Movements in funds 2017

	At the start of the year £000	Restated Incoming resources & gains £000	Restated Outgoing resources & losses £000	Transfers £000	At the end of the year £000
Restricted endowment funds:					
[A] New Farleigh Fund	2,070	-	(58)	-	2,012
[B] Lantern Suite Fund	564	-	(12)	-	552
[C] Big Lottery Fund	117	-	(2)	-	115
[D] Walter Farthing Fund -Permanent	217	-	-	-	217
[E] Fair value reserve	79	23	-	-	102
	3,047	23	(72)	-	2,998
Restricted income funds:					
[F] Restricted donation and grant funds	66	131	(70)	(4)	123
[G] Farleigh Homecare Fund	4	-	(1)	-	3
[H] Friends of Farleigh	3	10	(10)	-	3
	73	141	(81)	(4)	129
Total restricted funds	3,120	164	(153)	(4)	3,127
Unrestricted funds:					
Designated funds:					
[J] Fixed Asset Fund	3,456	-	(47)	(11)	3,398
[M] Farleigh in Maldon Fund	-	-	-	73	73
Total designated funds	3,456	-	(47)	62	3,471
[L] Unrestricted income funds - general reserves	2,725	12,139	(12,105)	(58)	2,701
Total unrestricted funds	6,181	12,139	(12,152)	4	6,172
Total Funds	9,301	12,303	(12,305)	-	9,299

Purposes of restricted funds

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

Purposes of restricted funds (continued)

- [E] The Fair value reserve reflects the revaluation of the investments
- [F] Farleigh Hospice receives a number of 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 New Farleigh pledge represents funds designated for the costs of the new hospice building when construction began.

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 £365 (2017:£360) 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 for new day hospice premises in Maldon. This fund is made of specific income for this purpose and savings in running costs because of the closure.

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.

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

	2018 £000	2017 £000
Net income for the reporting period (as per the statement of financial activities)	1,440	(25)
Depreciation charges	111	139
Dividends, interest and rent from investments	(30)	(20)
(Profit)/loss on the disposal of fixed assets	(52)	-
Decrease/(increase) in stocks	3	-
(Increase)/decrease in debtors	(960)	115
Increase in creditors	219	245
Net cash provided by operating activities	731	454

26 Analysis of cash and cash equivalents

	At 1 April 2017 £000	Cash Flows £000	At 31 March 2018 £000
Cash at bank and in hand	1,143	(166)	977
Notice deposits (less than 3 months)	2,329	359	2,688
Total cash and cash equivalents	3,472	193	3,665

27 Operating lease commitments

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

	Property 2018 £000	Property 2017 £000	Equipment 2018 £000	Equipment 2017 £000
Less than one year	144	169	28	15
One to five years	329	461	65	12
Over five years	53	89	-	-
	526	719	93	27

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

	Property 2018 £000	Property 2017 £000	Equipment 2018 £000	Equipment 2017 £000
Less than one year	144	169	28	15
One to five years	329	461	65	12
Over five years	53	89	-	-
	526	719	93	27

28 Capital commitments

At the balance sheet date, the group had committed to £129,000 in respect of the purchase of a new Hospice Outreach Project (HOP) vehicle.

29 Legal status of the charity

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

30 Post balance sheet events

Since the year end both the Maldon shop freehold and the Farleigh in Maldon long leasehold have been sold. The Maldon shop was sold for £300,000 in April 2018 and Farleigh in Maldon was sold for £196,000 in June 2018.



Thank you. It is because you care that we can

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