

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 - 15
Trustees' Responsibilities Statement	16
Independent Auditors' Report on the Financial Statements	17 - 20
Consolidated Statement of Financial Activities	21
Consolidated Balance Sheet	22
Charity Balance Sheet	23
Consolidated Statement of Cash Flows	24
Notes to the Financial Statements	25 - 46

ROWCROFT HOUSE FOUNDATION LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees	R Ward (resigned 28 November 2020) A Dee (resigned 22 June 2021) C Edwards S Scott-Bryant A Janzen A Tapson H Wallwork J A H Moffat (appointed 26 May 2020) I N Hale (appointed 3 June 2020) T K Howard (appointed 15 June 2020) C J Brant (appointed 4 January 2021) C A Karakusevic (appointed 4 January 2021) R Banks (appointed 22 June 2021) H Boyd (appointed 22 June 2021)
Company registered number	01561601
Charity registered number	282723
Registered office	Rowcroft Hospice Avenue Road Torquay Devon TQ2 5LS
Chief executive officer	M Hawkins
Independent auditors	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	National Westminster Bank PLC PO Box 69 Riviera House Nicholson Road Torquay TQ2 7YL

**ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees present their report for Rowcroft House Foundation Limited (the “charity or “Hospice”) and its subsidiaries (collectively the “Group”) for the year ended 31 March 2021. For the year in question there has been little significant activity in the subsidiaries and hence the bulk of the report relates to the activities of the charity. The Trustees confirm that the Group financial statements comply with the current statutory requirements of the charity’s governing document and the provisions of the Statement of Recommended Practice (SORP FRS 102) “Accounting and Reporting by Charities” effective 1 January 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The charity (number 282723) is a company limited by guarantee (number 01561601), incorporated on 14 May 1981 and is governed by its Articles of Association (revised July 2018). It is led by a Board of Trustees, details of which are given on page 1.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

Trustees are appointed to the Board of Trustees by an open recruitment process inviting applications with appropriate skills, experience and/or qualifications predominantly from the community of South Devon. The process follows the hospice’s recruitment policy and procedure. The successful applicants are invited to become Members of the Association, prior to a General Meeting at which their appointment is formally ratified.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All newly appointed Trustees would normally undergo a half day induction at the hospice which includes a presentation relating to the objects and activities of the charity, a tour of the hospice and discussion with the Chair of Trustees, other Trustees and the Senior Management Team. Relevant documentation is made available to the newly appointed Trustees including the Articles of Association, past Board of Trustees and Committee minutes and a copy of The Trustee Induction pack. This induction process has been adapted as appropriate during the COVID-19 pandemic.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees are responsible for determining the strategic direction of the organisation, ratifying policy and ensuring compliance with internal governance and external regulations and legislation.

The Trustees meet with the Executive Directors every three months in a Rowcroft Management Board (RMB) meeting. The RMB considers strategic direction, reviewing performance against strategic indicators.

Day to day management of the hospice is delegated to the Chief Executive and the Senior Management Team.

The Senior Management team consists of the Executive Directors and Heads of Department. The Senior Management team meets weekly to discuss current issues and projects and monthly to review progress on strategic goals and monthly governance reports including patient care and quality, information governance, finance and Investments, income generation and Human Resources.

The hospice is organised into departments with each having a head of department who is responsible for the day to day running and budget management of that department.

OBJECTIVES AND ACTIVITIES

To provide support and the best care possible to people facing a progressive, life-limiting illness in South Devon. We deliver this through:

- The provision of care to patients, their families and friends, where they have complex needs which require

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

- our specialist skills
- Meeting an individual's physical, emotional, social and spiritual needs, providing support both before and after bereavement
- Providing palliative care and associated support services to the adult population within South Devon
- Promote community wide excellence in palliative care through education, training and support of both carers and professional health and social care providers.
- The provision of education, both to professional health and social care workers and the general public
- The development of a community wide understanding of end of life care issues including the appropriate influence on the services provided by others

The total population of the geographical area served is 280,000. Whilst the majority of the patients have a cancer diagnosis, we also support people with other progressive, life limiting conditions. In addition to care for the physical, psychological, social and spiritual needs of the patient, the needs of patient's family and friends are also addressed. The majority of referrals are received via the NHS, either directly from their GP or hospital based consultant.

We seek the views of beneficiaries through engaging the local community it serves. We engage with our local community to seek financial and volunteering support, understand the needs of our beneficiaries, and gain feedback on the positive aspects of our services and areas that require development. They are able to inform us of positive aspects and those aspects that require development.

In addition, we proactively seek the views of our service users through ongoing patient and family surveys, and user groups.

OUR VISION

- To make every day the best it can be for all patients and their families, living with life limiting illnesses in South Devon

OUR VALUES

- Honesty and integrity
- Generosity of spirit
- Team player
- Respect

ACHIEVEMENTS AND PERFORMANCE

In setting objectives and planning activities for the year the Trustees gave careful consideration to ensuring that the charity's activities are to the public benefit, having due regard to the guidance issued by the Charity Commission.

1. **Delivery of excellent Hospice & Community based care:** through inpatient care, community services, outpatient services and Hospice at Home services to support patients in their own homes.

The Care Quality Commission undertook a routine inspection in January 2016. The following areas were assessed and the CQC reported an overall rating for Rowcroft Hospice as "Outstanding". The CQC base their overall rating having sought to answer 5 questions:

- | | |
|------------------------------|---------------------|
| • Is the service safe? | Rating: Good |
| • Is the service effective? | Rating: Outstanding |
| • Is the service caring? | Rating: Outstanding |
| • Is the service responsive? | Rating: Good |
| • Is the service well led? | Rating: Outstanding |

Throughout 2020/21 Rowcroft gathered patient and family feedback to assess quality of service. The feedback is assessed and recorded using an online independent tool "I want great care". Rowcroft

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

services were rated "Excellent" throughout the year.

2. Enabling and Supporting Others to Deliver Excellent Palliative Care: through the provision of education for professionals and information to the general public:

- Delivered a comprehensive programme of education to a variety of health and social care community staff and carers. This year, we provided the service online to ensure that we could continue providing education during the pandemic. 400 participants at our training events. Events were held on cancer and specific non cancer related illnesses
- A care home facilitator in post to support and train staff working in residential and nursing homes, with care home staff receiving bespoke training from Rowcroft free of charge. This provision was significantly affected by the impact of the pandemic.
- Placements within our medical team during the year enabling doctors, medical students and other medical professionals working in end of life care to experience care within a hospice care environment
- Placements within non-medical clinical teams providing experience to students within a hospice

3. Developing our Facilities:

- Annual ward and outpatient maintenance programme maintaining our inpatient facility to the highest standards
- Grounds maintained to provide a suitable environment for patient and staff wellbeing
- During the year we purchased the freehold of the estate to secure our ability to further develop our facilities

4. Strengthen our Market Position: through effective internal and external communication and business processes which provide accurate and appropriate information:

- We have progressed initiatives to further improve internal communication. Our aim is to incorporate our values in our behaviours and our messages. Our core values are embedded within the performance review process and our 5-year strategy encompasses our values. We continue to hold annual staff surveys including monitoring of our adherence to those values
- During the year we have progressed initiatives to improve external communication. The objective is to inform the community of how Rowcroft makes every day the best it can be for patients living with life limiting illnesses in South Devon and their families. Again this year, we have achieved this by sharing patient stories through all the channels available to us, including: our website, providing clearer access to information for those needing our support and for those wishing to support our charitable purpose; presentations to community groups and businesses; press releases; social media, and in our written communications with supporters

5. Funding our Vision: by ensuring all of our services and operations meet the needs of patients and supporters while increasing the number of supporters:

- Developing and reviewing marketing programmes to extend the community's and health and social care professionals' understanding of our charitable status and how we are able to provide high quality services.
- We focused our marketing on the the impact of Rowcroft on the local community and the beneficiaries of the charity; through patient and family stories and through special moments that Rowcroft was able to provide for patients and families.
- This year we were also affected by the pandemic and our marketing reflected that with messages to the community that we are still available to help and provide care throughout. We were also messaging about our strategy to increase provision within our hospice at Home team and despite the pandemic continued to market our growth plans throughout.
- During the year, we concentrated our efforts on building sustainable income streams within the context of the COVID-19 pandemic

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

- Further developed our relationships with the NHS and Clinical Commissioning Groups to secure existing funding arrangements and extend breadth of NHS commissioned services.
- Continued to build our supporter network within South Devon through our services, shops, our events and our fundraising activities.
- While pandemic restrictions affected our in person events we were able to create virtual events and hundreds of people took part in Rowcroft organised events: in our Sleep Walk, Ride, Male Trail, Make a Will Week, Light up a Life and Meadow of Memories
- The Retail team welcomed tens of thousands of customers into our 15 shops. Our shops were affected by national lockdowns and social distancing requirements but we opened to welcome customers in line with safety guidelines as soon as we were able.
- The community fundraising team created and successfully made virtual presentations to community groups and organisations across South Devon in the absence of in person meetings.
- The pandemic had a significant impact on our volunteer base making attracting volunteers very difficult this year. Retaining volunteers and supporting them through the pandemic was the priority. Our volunteers are returning again now; providing essential support to the operations and services provided. Providing volunteers with opportunities to gain experience and personal development while supporting Rowcroft remains a priority for Rowcroft.

STRATEGIC REPORT

Our 5 year strategy (2019 to 2023) outlined 5 clear strategic goals:

1. To deliver outstanding personalised specialist palliative care when and where it is needed, 24/7, regardless of diagnosis or circumstance
2. To be the community specialist palliative care provider of choice for patients across South Devon
3. To extend the reach of our palliative care to one in two adults living with life-limiting illnesses across South Devon by 2023, and two in three by 2030
4. To empower and educate the community by becoming a 'community beacon' in end of life care
5. To build a sustainable future with new, diversified funding streams that will represent at least 10% of Rowcroft's funding by 2023, and to achieve reserves that equate to 50% of the Hospice's annual running costs

The strategy is regularly reviewed and updated by the Executive and Board of Trustees.

The Trustees consider that we have made good progress this year on the 5 strategic goals:

1. Outstanding personalised specialist palliative care:

- 12 Inpatient beds provided throughout the year. High occupancy again this year with 300 admissions [2019/20: 313 admissions]
- Community Team referrals: 1,998 [2019/20: 1,507 referrals]
- Hospice at Home receiving: 528 referrals [2019/20: 445 referrals]
- Bereavement and listening service, providing support to patients and families: 115 referrals [2019/20: 164 referrals]
- Total patient numbers for all End of Life care services: 2,941 patient referrals [2019/20: 2,429 patients]

2. Rowcroft continues to be the specialist palliative care provider of choice for patients across South Devon.

Increasing patient numbers, our growing bereavement and listening service and our excellent feedback confirming our continued position as the lead in End of Life care in South Devon.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3. Extending our reach to 1 in 2 adults living with life-limiting illnesses in South Devon by 2023

The Strategy requires patient number growth to go hand in hand with financial stability. The strategic plan to introduce increased provision of Community and Hospice at Home services from 2020/21 is progressing very well. Hospice at Home patient numbers in particular. Financial stability is also on track, with the Hospice making full use of the pandemic financial mitigation schemes available to us: furlough, Hospice UK COVID 19 grant funding and local government business support schemes.

4. Empower and educate the community by becoming a 'community beacon' in end of life care

During the year Rowcroft continued to provide end of life education and training to the South Devon health and social care community. We provided educational resources and training sessions throughout, with 400 attendees from across the South Devon community attending Rowcroft education events and sessions.

5. Building a sustainable future. New, diversified income streams accounting for 10% of Rowcroft Funding by 2023. Reserves that equate to 50% of annual running costs.

Devon Farm Kitchen (100% subsidiary of the charity) started operating in April 2021 as a social enterprise delivering tasty, nutritious frozen meals to the core over 65 market in South Devon. The business has had a strong start growing regular customers week on week in the first 4 months of operating.

We still have a further social enterprise business plan to test during 2021/22, delayed due to the pandemic. An additional governance committee has been operating during the year to identify further opportunities and monitor progress against the strategy.

We are engaging with the local community to identify health and social care development opportunities for the Hospice estate; having purchased the estate this year.

The strategic goal of creating new diversified income streams is considered on track to achieve 10% of Rowcroft funding by 2023.

At the end of the year Rowcroft met its objective to hold reserves equivalent to at least 50% of annual running costs for the following year.

We are on track to deliver the strategy

SERVICE REVIEW

Rowcroft Hospice provides the following services:

- 12 bedded inpatient unit
- Community specialist palliative care service
- 24/7 Hospice at Home service
- Outpatient services
- Bereavement and listening service
- Education and training for health & social care staff, volunteers & carers in palliative/end of life care

Numbers of Patients/ beneficiaries in 2020/2021

- The Inpatient Unit admitted 300 patients [2019/20: 313 patients]
- The Community Team received 1,998 referrals [2019/20: 1,507 referrals]
- Rowcroft Hospice at Home had 528 patients referred, nursing people in their own home or care home in the last weeks of life [2019/20: 445 referrals]
- The Bereavement Service provided support to 115 bereaved people [2019/20: 164 patients]
- Education: providing End of Life Care training to 400 participants due to limitations from the pandemic [2019/20: 1,134]

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Performance against the improvements and priorities planned for 2020/21

1. Patient Safety – We will seek to purchase 6 of the 13 new bed frames we require by March 2021

Outcome measure: Beds replaced

Performance: We planned to purchase six new bed frames; however, following a review of all beds we decided to replace them all. Following a successful fundraising campaign and the generosity of our amazing community we were able to purchase 14 new beds

2. Patient Safety – We will seek to install a new nurse call system this year

Outcome measure: System in place

Performance: We sourced and implemented a new nurse call system to replace our aged one

3. Patient Safety – As COVID-19 will continue to impact service provision into this financial year, we will work closely with the Infection Prevention Team at our local NHS trust to review and implement isolation plans
Outcome measure: Ongoing review of COVID requirements in place, safe responses as COVID develops

Performance: Over the pandemic we worked closely with the Infection Prevention Team at the local NHS trust to review our isolation plans and guidelines and implement patient, visitor, staff and volunteer testing. We continually reviewed national guidance and updated our clinical and visitor guidance accordingly.

4. Effectiveness – We will continue our patient record project and seek to ensure that all local healthcare SystemOne users are linked in

Outcome measure: Completion of second phase of our SystemOne implementation

Performance: This past year we have continued to work on refining our use of SystemOne (our patient electronic care record). Each member of staff has been offered one-to-one training by our 'superusers' and templates have been refined to collect important information to inform patient care. We have added a new equality and diversity template to help us collect meaningful data on patient characteristics to inform their care.

5. Effectiveness - Work with our partners at Devon Doctors Ltd to support timely access to palliative medications for people who are dying at home, when pharmacies are closed

Outcome measure: An agreement with Devon Doctors and implementation of a standard operating procedure for out-of-hours access to palliative care drugs

Performance: In 2020, in collaboration with Devon Doctors, we piloted having a small stock of medications onsite that were accessible to our Hospice at Home Team out of hours. This has only needed to be used once but knowing there is access to drugs when community pharmacies are closed has relieved the stress the team sometimes felt in managing symptoms out of hours

6. Effectiveness - We will develop a spiritual care training programme for all staff, and begin to implement this across the hospice

Outcome measure: Development and first stage implementation of a spiritual care training programme for all staff

Performance: Our Spiritual Care Specialist, as part of our spiritual care strategy, developed training competencies and online resources for all staff and volunteers to access on the virtual training platform we use.

7. Responsive - We aim to complete two new projects: domiciliary care worker training and support, and supporting people with end-stage respiratory diseases

Outcome measure: Report on the domiciliary care worker training in end-of-life care project and the development

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

of a breathlessness, fatigue, and anxiety self-management programme for people with non-malignant progressive respiratory diseases

Performance: Despite COVID-19 we completed the 'winter pressures' funded domiciliary care workers end-of-life care training programme. This was completed by 19 care workers and evaluated highly by participants, having increased their knowledge and skills in end-of-life care and feeling valued for doing so. We hope to offer this training again in the future.

8. Caring - We will seek strategies to support patients and their families to stay connected during the visiting restrictions imposed by following national infection prevention guidance during the COVID-19 pandemic

Outcome measure: Use of technology to support patients and families to stay connected

Performance: We were able to help patients to connect with families using iPads, a pair of knitted hearts (one for the patient and the matching one for their loved one), and by constantly reviewing our visitor policies.

9. Caring – We will host the 'Torbay and South Devon COVID-19 emotional wellbeing helpline' providing compassionate supportive listening to relatives and care staff affected by COVID-19

Outcome measure: Report on the use and outcomes of the new COVID-19 emotional helpline

Performance: Our Bereavement Team, Social Work Team and Spiritual Care Specialist set up and ran an emotional wellbeing helpline to provide compassionate support to any families or staff affected by the COVID-19 virus in Torbay and South Devon.

10. Caring – Introduce a Hospice at Home de-briefing session

Outcome measure: Implementation of debrief sessions for Hospice at Home nurses and report on staff satisfaction.

Performance: Due to COVID-19 we could not implement 'face-to-face' debrief sessions (the team's preference) for our Hospice at Home Team; however more recently they have started to use a restorative approach in their team meetings to reflect on what has been difficult, happy, fun or sad.

11. Well led – Having trained our managers in the principles of restorative practice, we aim to further embed the principles in all we do and evaluate the impact on staff satisfaction in working at Rowcroft

Outcome measure: A review of staff survey results, key performance indicators, sickness absence, staff turnover, disciplinaries and grievances

Performance: We did not run a staff survey in 2020 due to the pandemic. Instead we have used our restorative practices to remain connected and to support teams throughout.

All Senior Management Team members and the majority of our middle managers and team leaders have been trained in restorative practice. We have led restorative circles cross organisationally and within teams to consider the impact of COVID-19 including the impact on those who are working remotely.

Where we feel we can improve and our priorities for 2021/22

1. Patient Safety – We will further refine the documentation and reporting in SystemOne – our electronic patient record system

Outcome measure: audit of documentation demonstrates compliance to agreed standards

2. Patient Safety – Review our medicine management induction for new staff

Outcome measure: updated induction programme for new staff with competencies for medicines management

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

3. Patient Safety – Evaluate the safety and effectiveness of bedside drug pods in our Inpatient Unit

Outcome measure: audit of medication incidents and patient/staff satisfaction

4. Caring – To self-assess and sign up to the Devon-wide Commitment to Carers with agreed actions to enhance our support of unpaid carers – those family and friends who support our patients

Outcome measure: our signed commitment to the principles for supporting informal/lay carers and three-monthly reports on agreed actions

5. Effectiveness – Development and delivery of training resources in learning disabilities

Outcome measure: development of a training video and completed staff training programme

6. Effectiveness – Pilot the training and support in appropriate end-of-life care medications to family/lay carers

Outcome measure: evaluation of the pilot with recommendations

7. Effectiveness – Complete and evaluate the non-malignant respiratory self-management online pilot programme

Outcome measure: report on the effectiveness and acceptability of the programme with recommendations for the future

8. Responsive - Develop a community strategy for the provision of community-based hospice services engaging users and key stakeholders

Outcome measure: an approved five-year strategy to include a future service model and workforce plan, that resonates with key stakeholders

9. Well led – Develop a future model of care for our Inpatient Unit

Outcome measure: a proposed model of inpatient care and a design brief for the future unit

Further details available from the Hospice Quality Account 2020/21 at:

<https://rowcrofthospice.org.uk/wp-content/uploads/Rowcroft-Hospice-Quality-Account-2019-2020-1-1.pdf>

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

Total funds (note 22) increasing to £15.7m [2019/20: £13.6m]

In 2020/21 incoming resources can be summarised as follows:

• NHS grant funding	£2.4m	23%	[2019/20: £2.4m	25%]
• Fundraising income	£2.4m	22%	[2019/20: £2.6m	27%]
• Retail income	£0.7m	7%	[2019/20: £2.5m	25%]
• Legacy income	£2.6m	25%	[2019/20: £1.8m	19%]
• Other	£0.5m	4%	[2019/20: £0.3m	4%]
• Total underlying income	£8.6m	81%	[2019/20: £9.6m	100%]
• Government grants	£2.0m	19%	[2019/20: £0.0m	0%]
• Total income	£10.6m	100%	[2019/20: £9.6m	100%]

Note: Retail income 2019/20 includes £0.27m of Retail & Hospitality COVID grant funding.

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

The NHSE grant funding of £1.5m combined with CJRS grant funding of £0.5m mitigated a significant downturn in Fundraising and Retail as fundraising activity and shop openings were curtailed through lockdowns and social distancing measures throughout the year.

Income generation (Fundraising & Retail) as a percentage of total income down at 29% as a direct result of the impact of pandemic measures [2019/20: 52%].

Reliance on Legacy income as a percentage of total income up at 25% from 19% [2019/20]

Reliance on NHS grant income as a percentage of total income down at 23% from 25% [2019/20]

Net income from income generation of £0.2m [2019/20: £2.0m]

Reserves at the year-end: £12.5m [2019/20: £10.4m], representing 17 months of expenditure in reserve [2019/20: 13 months].

The Trustees consider the principal risks and uncertainties to the organisation:

Measured using likelihood and consequence as Low, Medium and High risk.

- Health and economic environment of the UK and in the South Devon region during the COVID 19 pandemic and in the period following the pandemic. Medium risk.
- Increased competition for donations and voluntary support potentially reducing income below the levels required to continue to provide our services. We continually invest to raise awareness of Rowcroft, our services and our fundraising activities and we plan and review financial performance regularly throughout each year to mitigate the economic risks. Medium risk.
- Reputational risk from events: patient care or operational events such as a cyber-attack or health and safety issue. Rowcroft undertakes comprehensive training programmes for staff, maintains and updates comprehensive policies and procedures and reviews performance continually. We are also contributors and beneficiaries of the "I want Great Care" patient feedback system to learn and continue to improve care, processes and procedures. Medium risk.
- Staff retention and attraction. Rowcroft has an ageing workforce, as does the NHS. There is also a shortage of trained nursing staff within the UK health care system. Staff wellbeing and development is a strategic priority of the organisation. We provide benefits and opportunities to ensure that we remain an attractive proposition to existing and potential employees. Medium risk.
- Financial risk. Rowcroft invests reserves on a diversified and risk assessed basis to optimise return

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

on investments within a balanced risk management framework. Investments are managed by expert advisors and reviewed regularly. Low risk.

RESERVES POLICY

Reserves are required in order that our charity is protected against future events known and unknown and is able to maximise future opportunities and weather future challenges.

In order for the Hospice to meet its objectives of providing care for patients suffering from life-limiting illnesses, the Rowcroft Management Board (RMB) has considered the charity's resources and commitments. The hospice has a long-term commitment to people throughout South Devon and it requires long-term plans.

Much of the Hospice's income comes from voluntary giving and is therefore volatile and cannot be guaranteed. Much of the Hospice's expenditure, however, is fixed, due to the nature of the charity's work, its commitment to delivering services and hence a major proportion of costs relate to staffing.

Against these considerations, the RMB is conscious of the need to apply charitable funds in a timely fashion and to avoid building up an excessive level of reserves. By law, income received must be spent within a reasonable period of time unless there is good reason not to do so.

Having regard to these factors, the RMB believes that an appropriate balance is to hold a level of available reserves which would allow the Charity to meet its financial obligations as well as to facilitate initiatives which further its charitable aims.

The Policy should be regularly monitored and its effectiveness reviewed in the light of the changing funding and financial climate and other risks. A formal review should be conducted by the RMB once a year at the time of approving the next year Budget.

The benefit of a Reserves Policy is:

- To assist in strategic planning, for example considering how new projects or activities will be funded
- To inform the budget process, for example, is it a balanced budget or do reserves need to be drawn down or built up?
- To inform the budget and risk management process by identifying any uncertainty in future income streams.
- To demonstrate to beneficiaries, donors, funders and the wider public that the Trustees are acting to protect the charity from future challenges and changes in economic circumstances.

Guiding principles to justify the level of reserves and their use:

- To protect and sustain the charity's activities should income or expenditure become seriously out of line with expectations.
- To have a level of funds available to support charitable one-off initiatives which fall outside the annual plan.
- To have a sufficient level of funds available to support new long-term charitable initiatives in their launch phase and before fundraising support can be fully realised.

Level of Reserves to meet Policy Objectives:

- 12 months of total costs in the budget for the following year **[FY21/22 £9.2m]**
- A discretionary "Opportunity Fund" of **£0.25m** will be allocated from reserves each year to support initiatives proposed by the Executive and approved by the Trustees
- **Total reserves of £9.45m at all times during the year to 31st March 2022**
Should reserves, once established, fall below this level for whatever reason, immediate steps will be taken to reinstate them over a reasonable period.

The RMB also recognises that keeping reserves at this level would, in the unlikely event of the charity having to cease operations, be sufficient to pay for winding up liabilities.

Rowcroft considers Balance Sheet Cash + Investments + Freehold Land / Property fixed assets as the

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

available reserves of the charity.

Available reserves at 31 March 2021 of £12.5m (2019/20: £10.4m). The Trustees consider holding reserves above 12 months of cost during the pandemic to be reasonably prudent.

INVESTMENT POLICY

The Trustees intend that the real value of their assets and funds be maintained and enhanced over the medium to long term (5 years) by investment in a portfolio comprising equities, fixed income stocks and cash. The aim is to achieve the best financial return within an acceptable level of risk.

Rowcroft adopts a total return approach to investment, generating the investment return from income and capital gains or losses.

For the purposes of the charity, the Trustees may wish to withdraw income from time to time to meet expenditure and this requirement will be discussed with the investment management company as necessary. The withdrawals may be met from income or capital.

Attitude to risk

Rowcroft relies on the investment return to support operating costs and underwrite underperformance of income in any one year. The key risk to the long-term sustainability of Rowcroft is securing sufficient income from investments, fundraising events, diversified commercial income (including Retail), legacies, individual and corporate donors. The assets should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate.

The Trustees are able to tolerate volatility of the capital value, as long as Rowcroft is able to meet its short-term cash requirements through either income or liquid capital assets.

Liquidity Requirements

The Trustees wish to keep at least 20% of the assets in investments that can be realised within three months. To allow for volatility of capital values, the Trustees wish to maintain at least £100k in cash or lower risk liquid investments to support immediate cash flow needs.

A minimum of 5% of the total assets should be kept in cash or near cash investments at all times.

Time Horizon

Rowcroft is expected to exist in perpetuity; investments should be managed to meet the investment objective and ensure sustainability. The Trustees therefore adopt a long-term investment time horizon.

Investment Brief

In order to meet these objectives, the Trustees continued to engage Quilter Cheviot as their agents during the year to manage a diversified portfolio of suitable investments on a discretionary basis. The specific restriction relates to the non-investment with any organisation undertaking the manufacture of tobacco. In the future, the Trustees may wish to limit other investments in specific companies, sectors or countries and will inform the investment agents of any such restrictions as they are determined.

The proportion of the portfolio invested in equities, fixed income stocks and cash shall be reviewed by the Trustees with the agents from time to time to agree a suitable mix of investments for the coming period. It is anticipated that such a review will take place twice a year.

During the year the Trustees selected a Mandate reflecting a Quilter Cheviot mandate of moderate risk. The mandate risk is reviewed annually at the April meeting of the Rowcroft Finance and Investment Committee.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Review/Reporting

The Trustees will regularly consider whether there is a need to revise this Policy Statement and keep under review the arrangements under which the agent acts.

The Trustees require valuations on a quarterly basis and a year end report containing detailed information relating to income and gains for use by the charity's auditors. The Trustees expect the investment manager to attend a meeting of the Finance and Investment Committee at least once a year to report in person or via video conferencing, and regularly appraise the Finance and Commercial Director during the year.

EMPLOYEES AND VOLUNTEERS

During this past year that has been dominated by the impact of the COVID19 pandemic, the Board of Trustees would like to record its appreciation of the commitment to the hospice of all staff and volunteers.

Rowcroft is committed to investing in staff development throughout all departments. The Rowcroft Education team provide professional and personal development courses throughout each year to ensure that staff have access to relevant training and opportunities for personal development. Where appropriate Rowcroft also engage with external training suppliers to provide courses.

Rowcroft recognises its social and statutory duty to employ disabled persons and individuals on Government assisted work schemes wherever possible.

During the year Rowcroft benefited from a monthly average of over one thousand volunteer hours; working on the wards, bereavement support, administration & reception, shops & distribution centre, therapies & services, transport, estates and in fundraising.

Over 15,000 hours of volunteer time given to Rowcroft by volunteers during 2020/21.

The Trustees are delighted to be able to start welcoming back more volunteers across the Hospice's services as we open up from a lockdown once again. We wish to thank all for their support and for those who have not been able to volunteer their patience in this difficult time.

The Trustees wish to record their appreciation on behalf of Rowcroft Hospice for the truly amazing support given as always by the community of South Devon this year. Our employees and volunteers, our supporters and our Healthcare community in particular.

Thank you.

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Future plans and future funding have been considered during the Going Concern review, in light of the impact of COVID 19 on the organisation and the economic environment and the Trustees consider that there are sufficient reserves and reasonable and practical plans to ensure the Going Concern basis.

INFORMATION ON FUNDRAISING PRACTICES

ROWCROFT FUNDRAISING

Fundraising Activity

The Trustees monitor Fundraising practices on an ongoing basis through a non-clinical sub-committee;

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

meeting quarterly and at Board of Trustee meetings.

We believe in the highest possible standards for our fundraising, considering supporters preferences in all of our activity. Ensuring that all of our activity is compliant with regulatory standards and in line with the intent of those standards.

Rowcroft adopts the Fundraising Regulator standards and is committed to the Code of Fundraising practice.

We did not use the services of professional fundraisers or commercial participators during the year to 31 March 2021.

During the year Rowcroft received no formal complaints arising from our fundraising.

There are from time to time administrative errors. Where an error occurs, we learn from it and aim to put in place measures to improve.

Personal Data

Rowcroft does not sell any personal data of any kind to any third parties nor do we share supporter or beneficiary data for marketing purposes. We do share information with organisations working on our behalf to deliver services that supporters and beneficiaries have requested and always inform the supporter or beneficiary of what we are doing.

We encourage all supporters or beneficiaries to contact us with any comment or complaint, in the first instance to the Rowcroft team member responsible for the area of concern and then through our comments and complaints procedures, as published on our website.

Protecting vulnerable people and others

Rowcroft has robust practices that ensure that we do not undertake any intrusive fundraising activity.

We do not fundraise door to door. We may from time to time undertake a telephone campaign or mailing. All campaigns are undertaken using Telephone Preference Service and mailing preference services and we ensure that within one year no person will receive what could be considered an intrusive or excessive number of contacts.

Existing supporters receive communications and contacts from Rowcroft based upon their personal preferences shared with us or where relevant under legitimate interest.

PLANS FOR FUTURE PERIODS

Rowcroft is renowned for the quality of care and the extensive reach the hospice has throughout the South Devon community, caring for 1 in 3 adults living with life limiting illnesses. It is imperative over the coming years that we maintain our reputation and work to improve our care and our reach wherever possible. We aim to achieve this with financial stability through developing our talented teams and by embracing technology.

We continue to provide outstanding care and will continue to progress improvements in access to that care for patients with a non-cancer diagnosis over the next 2 years.

By maintaining quality of care; through raising awareness and providing our extensive education services we will work to maintain our position as the lead on specialist palliative care in the South Devon area.

Through improved fundraising, retail and lottery activities and the development of new income streams we will secure financial stability to enable us to continue extending our reach from 2021/22 by increasing our community and Hospice at Home service provision.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Rowcroft is seen as a community beacon by health and social care professionals and over the coming 2 years we will raise awareness of our place in the community throughout the population of South Devon.

Full copies of the Rowcroft Strategic plan available at:

<http://www.rowcrofthospice.org.uk/>

To make a donation or find out how to help or how to access Rowcroft services please visit this site.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

S Scott- Bryant
Chair of Trustees
Date: 14 December 2021

A Tapson
Trustee

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity 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 Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees on 14 December 2021 and signed on its behalf by:

S Scott-Bryant
Chair of Trustees

A Tapson
Trustee

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROWCROFT HOUSE FOUNDATION LIMITED

OPINION

We have audited the financial statements of Rowcroft House Foundation Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows 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 of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROWCROFT HOUSE FOUNDATION LIMITED (CONTINUED)

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROWCROFT HOUSE FOUNDATION LIMITED (CONTINUED)

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the Group and Parent Company's performance;
- results of our enquiries of management and the Trustees, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group and Parent Company's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the Group and Parent Company for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut-off. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls using manual journal entries.

We identified and obtained an understanding of the laws and regulations that are of significance to the Group and to the Parent Company by discussions with Trustees and management and by updating our understanding of the sector in which the Group and the Parent Company operate in. Laws and regulations that are of direct significance to the Group, and of which non-compliance could result in material misstatement, are considered to be the UK Companies Act, Charities SORP, FRS 102, Charities Legislation and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included data protection regulations, health and safety regulations, employment legislation and care quality commission compliance.

Our procedures to respond to risks identified included the following for the Parent Company and its subsidiaries, as was considered appropriate:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the above regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROWCROFT HOUSE FOUNDATION LIMITED (CONTINUED)

- reading minutes of Trustee meetings; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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

Mark Munro FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

16 December 2021

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	2,446,176	3,449,953	5,896,129	3,070,138
Charitable activities	5	831,882	1,576,149	2,408,031	2,415,429
Other trading activities	6	-	1,825,383	1,825,383	3,796,055
Investments	7	-	137,738	137,738	160,759
Other income	8	-	329,673	329,673	202,404
Total income		3,278,058	7,318,896	10,596,954	9,644,785
Expenditure on:					
Raising funds	9,10	-	2,898,781	2,898,781	3,134,751
Charitable activities		3,328,970	2,567,187	5,896,157	5,655,684
Other expenditure	11	-	649,256	649,256	-
Total expenditure		3,328,970	6,115,224	9,444,194	8,790,435
Net (expenditure)/income before net gains/(losses) on investments		(50,912)	1,203,672	1,152,760	854,350
Net gains/(losses) on investments		-	893,175	893,175	(334,113)
Net movement in funds		(50,912)	2,096,847	2,045,935	520,237
Reconciliation of funds:					
Total funds brought forward		540,262	13,070,115	13,610,377	13,090,140
Net movement in funds		(50,912)	2,096,847	2,045,935	520,237
Total funds carried forward		489,350	15,166,962	15,656,312	13,610,377

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01561601

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	4,059,835	1,632,653
Investments	17	4,516,510	3,527,503
		8,576,345	5,160,156
Current assets			
Stocks	18	149,993	144,393
Debtors	19	3,283,163	2,215,840
Fixed term deposits	20	2,500,000	5,750,000
Cash at bank and in hand		2,045,835	1,161,109
		7,978,991	9,271,342
Creditors: amounts falling due within one year	21	(899,024)	(821,121)
Net current assets		7,079,967	8,450,221
Total assets less current liabilities		15,656,312	13,610,377
Total net assets		15,656,312	13,610,377
Charity funds			
Restricted funds	22	489,350	540,262
Unrestricted funds	22	15,166,962	13,070,115
Total funds		15,656,312	13,610,377

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

S Scott-Bryant
Chair of Trustees
Date: 14 December 2021

A Tapson
Trustee

The notes on pages 25 to 46 form part of these financial statements.

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01561601

CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	4,059,835	1,632,653
Investments	17	4,516,511	3,527,503
		8,576,346	5,160,156
Current assets			
Stocks	18	149,993	144,392
Debtors	19	3,283,163	2,215,841
Investments	20	2,500,000	5,750,000
Cash at bank and in hand		1,793,187	1,161,109
		7,726,343	9,271,342
Creditors: amounts falling due within one year	21	(1,149,025)	(1,071,121)
Net current assets		6,577,318	8,200,221
Total assets less current liabilities		15,153,664	13,360,377
Total net assets		15,153,664	13,360,377
Charity funds			
Restricted funds	22	489,350	540,262
Unrestricted funds	22	14,664,314	12,820,115
Total funds		15,153,664	13,360,377

The charity's net movement in funds for the year was £1,793,287 (2020 - £270,237).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

S Scott-Bryant
Chair of Trustees
Date: 14 December 2021

A Tapson
Trustee

The notes on pages 25 to 46 form part of these financial statements.

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	1,044,354	1,564,873
Cash flows from investing activities		
Dividends, interests and rents from investments	137,738	160,759
Proceeds from the sale of tangible fixed assets	30,413	-
Purchase of tangible fixed assets	(3,481,947)	(421,857)
Proceeds from sale of investments	4,346,325	743,939
Purchase of investments	(1,192,157)	(6,649,224)
Net cash used in investing activities	(159,628)	(6,166,383)
Change in cash and cash equivalents in the year	884,726	(4,601,510)
Cash and cash equivalents at the beginning of the year	1,161,109	5,762,619
Cash and cash equivalents at the end of the year	2,045,835	1,161,109

The notes on pages 25 to 46 form part of these financial statements

**ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. GENERAL INFORMATION

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The company number is 01561601 and charity number is 282723. The registered office is Rowcroft Hospice, Avenue Road, Torquay, Devon. TQ2 5LS.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Rowcroft House Foundation Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity and its subsidiaries to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. No material uncertainties related to events or conditions that may cast significant doubt about the ability of the Charity and its subsidiaries to continue as a going concern have been identified by the Trustees.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Group has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Group, can be reliably measured.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated services or facilities are recognised when the Group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Group which is the amount it 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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income raised through the operation of shops under the management of the charity and by the Friends of Rowcroft is taken into account at the time of the receipt by that organisation, and all costs attributable to these activities are included as payments in these financial statements.

Lottery income is accounted for based on the date of the lottery for which the ticket has been purchased.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefits to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- over the period of the lease
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% straight line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (continued)

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 DEBTORS

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

2.11 CASH AT BANK AND IN HAND

Cash at bank and 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.

2.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 FINANCIAL INSTRUMENTS

The Group 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.

2.14 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (continued)

2.15 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

Staff who are eligible participate in the NHS Pension Scheme. The Scheme is an unfunded, multi employer defined benefit scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS102, the group accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of Financial Activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period.

2.16 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The Trustees have made judgements and estimations in the process of applying the entity's accounting policies which could result in uncertainty of the carrying amounts of assets and liabilities. Whilst there is a level of assumption in these judgements, the Trustees feel these are unlikely to have a significant effect on, or cause material error to the amounts recognised in the financial statements.

The Trustees have agreed the valuation of the listed investment portfolio as advised by the investment manager.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	249,550	698,959	948,509	815,496
Legacies	-	2,634,290	2,634,290	1,836,561
Grants	1,539,203	116,704	1,655,907	418,081
Government grants	657,423	-	657,423	-
TOTAL 2021	2,446,176	3,449,953	5,896,129	3,070,138
TOTAL 2020	192,140	2,877,998	3,070,138	

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
In-patient unit	-	1,482,913	1,482,913	1,488,505
Community team	365,507	-	365,507	360,460
Hospice at home	466,375	-	466,375	459,936
Pharmacy and laundry	-	93,236	93,236	106,528
TOTAL 2021	831,882	1,576,149	2,408,031	2,415,429
TOTAL 2020	820,396	1,595,033	2,415,429	

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lottery	593,210	593,210	595,760
Fundraising events	679,836	679,836	1,013,681
Fundraising trading (shops)	552,337	552,337	2,186,614
TOTAL 2021	1,825,383	1,825,383	3,796,055
TOTAL 2020	3,796,055	3,796,055	

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from local listed investments	135,819	135,819	153,018
Bank interest	1,919	1,919	7,741
TOTAL 2021	137,738	137,738	160,759
TOTAL 2020	160,759	160,759	

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	329,673	329,673	202,404
TOTAL 2020	202,404	202,404	

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	21,244	21,244	10,053
TOTAL 2020	10,053	10,053	

10. EXPENDITURE ON RAISING FUNDS

Fundraising expenses

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Shop costs	305,370	305,370	242,212
Lottery costs	184,905	184,905	227,339
Event costs	712,060	712,060	763,921
Shops - wages and salaries	1,675,202	1,675,202	1,891,226
TOTAL 2021	2,877,537	2,877,537	3,124,698
TOTAL 2020	3,124,698	3,124,698	

11. OTHER EXPENDITURE

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Disposal and impairment of assets	649,256	649,256	-

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
In-patient unit	1,655,992	1,370,897	3,026,889	2,906,322
Community team	1,245,635	253,657	1,499,292	1,481,744
Hospice at home	731,530	148,136	879,666	819,072
Education	139,519	93,325	232,844	224,056
Restricted depreciation	-	83,650	83,650	63,251
Unrestricted depreciation	-	145,322	145,322	128,596
Governance costs	-	28,494	28,494	32,643
TOTAL 2021	3,772,676	2,123,481	5,896,157	5,655,684
TOTAL 2020	3,651,353	2,004,331	5,655,684	

In 2021, of the total expenditure on charitable activities, £2,567,187 was to unrestricted funds and £3,328,970 was to restricted funds.

In 2020, of the total expenditure on charitable activities, £4,691,984 was to unrestricted funds and £963,700 was to restricted funds.

13. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the company's Auditor for the audit of the charity's annual accounts	14,650	9,350
Fees payable to the charity's Auditor in respect of:		
All non-audit services not included above	2,250	7,850

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. STAFF COSTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	4,900,022	5,397,498	4,900,022	5,397,498
Social security costs	450,187	440,160	450,187	440,160
Contribution to defined contribution pension schemes	419,916	416,286	419,916	416,286
	5,770,125	6,253,944	5,770,125	6,253,944

The average number of persons employed by the charity during the year was as follows:

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
	250	268	250	268

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
Medical, nursing and professional	80	71	80	71
Domestic and maintenance	16	16	16	16
Administration and fundraising	37	43	37	43
Charity shops	34	48	34	48
	167	178	167	178

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	2
In the band £90,001 - £100,000	1	1

Remuneration and benefits received by key management personnel totaled £265,573 (2020: £265,748).

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses totaling £216 were reimbursed or paid directly to 1 (2020: 2) Trustee (2020 - £238).

16. TANGIBLE FIXED ASSETS

GROUP AND CHARITY

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION					
At 1 April 2020	160,092	5,116,671	131,429	1,613,164	7,021,356
Additions	3,334,286	-	15,673	131,988	3,481,947
Disposals	(19,574)	(71,004)	-	(64,558)	(155,136)
Transfers between classes	4,247,258	(4,247,258)	-	-	-
At 31 March 2021	7,722,062	798,409	147,102	1,680,594	10,348,167
DEPRECIATION					
At 1 April 2020	45,364	3,932,352	62,187	1,348,800	5,388,703
Charge for the year	59,107	177,701	15,762	122,526	375,096
On disposals	(4,335)	(34,347)	-	(73,463)	(112,145)
Transfers between classes	3,513,080	(3,513,080)	-	-	-
Impairment charge	636,678	-	-	-	636,678
At 31 March 2021	4,249,894	562,626	77,949	1,397,863	6,288,332
NET BOOK VALUE					
At 31 March 2021	3,472,168	235,783	69,153	282,731	4,059,835
At 31 March 2020	114,728	1,184,319	69,242	264,364	1,632,653

During the year the charity purchased the freehold land and buildings of the estate for a purchase price of £3m from the Pilmuir Estate Trust. Subsequent to the purchase of the freehold the Charity performed a review of owned Fixed Assets and has concluded that there was a requirement for an impairment of the carrying value for certain assets within the estate and classified within leasehold property.

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. FIXED ASSET INVESTMENTS

CHARITY	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 April 2020	-	3,527,503	3,527,503
Additions	1	1,192,157	1,192,158
Disposals	-	(1,096,325)	(1,096,325)
Revaluations	-	893,175	893,175
AT 31 MARCH 2021	<u>1</u>	<u>4,516,510</u>	<u>4,516,511</u>
NET BOOK VALUE			
AT 31 MARCH 2021	<u>1</u>	<u>4,516,510</u>	<u>4,516,511</u>
AT 31 MARCH 2020	<u>-</u>	<u>3,527,503</u>	<u>3,527,503</u>

18. STOCKS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Goods for resale	<u>149,993</u>	<u>144,393</u>	<u>149,993</u>	<u>144,392</u>

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Other debtors	342,360	232,007	342,360	232,008
Prepayments and accrued income	415,986	617,171	415,986	617,171
Tax recoverable	92,383	64,545	92,383	64,545
Legacies receivable	2,432,434	1,302,117	2,432,434	1,302,117
	3,283,163	2,215,840	3,283,163	2,215,841

20. FIXED TERM DEPOSITS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed term deposits	2,500,000	5,750,000	2,500,000	5,750,000

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	529,400	526,003	529,400	526,003
Amounts owed to group undertakings	-	-	250,001	250,000
Other taxation and social security	110,975	114,223	110,975	114,223
Accruals and deferred income	258,649	180,895	258,649	180,895
	899,024	821,121	1,149,025	1,071,121

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital fund	1,238,542	98,393	(971,118)	3,334,286	-	3,700,103
Strategic development fund	3,950,000	-	-	(3,950,000)	-	-
The Endowment Trust	250,000	-	-	252,648	-	502,648
The Strategic project fund	-	-	-	800,000	-	800,000
	<u>5,438,542</u>	<u>98,393</u>	<u>(971,118)</u>	<u>436,934</u>	<u>-</u>	<u>5,002,751</u>
GENERAL FUNDS						
General Funds	<u>7,631,573</u>	<u>7,220,503</u>	<u>(5,144,106)</u>	<u>(436,934)</u>	<u>893,175</u>	<u>10,164,211</u>
TOTAL UNRESTRICTED FUNDS	<u>13,070,115</u>	<u>7,318,896</u>	<u>(6,115,224)</u>	<u>-</u>	<u>893,175</u>	<u>15,166,962</u>

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
RESTRICTED FUNDS						
In-patient improvements	188,723	-	(26,961)	-	-	161,762
RBS improvements	57,440	-	(8,206)	-	-	49,234
Garden access improvements	105,586	-	(12,885)	-	-	92,701
NHS South Devon & Torbay Clinical Commissioning group	-	925,117	(925,117)	-	-	-
Specified use donations - revenue	142,050	145,114	(157,546)	-	-	129,618
Specified use donations - capital	42,365	49,268	(35,598)	-	-	56,035
Education income	4,098	310	(4,408)	-	-	-
Hospice UK COVID funding	-	1,500,826	(1,500,826)	-	-	-
Coronavirus job retention scheme	-	657,423	(657,423)	-	-	-
	<u>540,262</u>	<u>3,278,058</u>	<u>(3,328,970)</u>	<u>-</u>	<u>-</u>	<u>489,350</u>
TOTAL OF FUNDS	<u>13,610,377</u>	<u>10,596,954</u>	<u>(9,444,194)</u>	<u>-</u>	<u>893,175</u>	<u>15,656,312</u>

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital fund	1,076,186	307,805	(145,449)	-	-	1,238,542
Revaluation fund	189,965	-	-	-	(189,965)	-
Strategic development fund	3,950,000	-	-	-	-	3,950,000
The Endowment Trust	-	-	-	250,000	-	250,000
	<u>5,216,151</u>	<u>307,805</u>	<u>(145,449)</u>	<u>250,000</u>	<u>(189,965)</u>	<u>5,438,542</u>
GENERAL FUNDS						
General Funds	<u>7,382,563</u>	<u>8,324,444</u>	<u>(7,681,286)</u>	<u>(250,000)</u>	<u>(144,148)</u>	<u>7,631,573</u>
TOTAL UNRESTRICTED FUNDS	<u>12,598,714</u>	<u>8,632,249</u>	<u>(7,826,735)</u>	<u>-</u>	<u>(334,113)</u>	<u>13,070,115</u>

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
RESTRICTED FUNDS						
In-patient improvements	215,684	-	(26,961)	-	-	188,723
RBS improvements	65,646	-	(8,206)	-	-	57,440
Garden access improvements	118,471	-	(12,885)	-	-	105,586
NHS South Devon & Torbay Clinical Commissioning group	-	796,501	(796,501)	-	-	-
Specified use donations - revenue	60,871	96,378	(15,199)	-	-	142,050
Specified use donations - capital	26,656	114,054	(98,345)	-	-	42,365
Education income	4,098	5,603	(5,603)	-	-	4,098
	<u>491,426</u>	<u>1,012,536</u>	<u>(963,700)</u>	<u>-</u>	<u>-</u>	<u>540,262</u>
TOTAL OF FUNDS	<u>13,090,140</u>	<u>9,644,785</u>	<u>(8,790,435)</u>	<u>-</u>	<u>(334,113)</u>	<u>13,610,377</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. STATEMENT OF FUNDS (CONTINUED)

Transfers from restricted to general funds represent fixed assets purchased from restricted funds.

Designated funds

The Capital fund represents the net book value of the charity's unrestricted tangible fixed assets, and is therefore not available for any other purpose.

The Revaluation fund represents the amount by which the market value of the charity's investments exceeds their historical cost.

The Strategic development fund represents resources which have been designated for the long term development of Rowcroft.

The Ella Rowcroft Endowment Trust (The Endowment Trust) - to support the ongoing activities of Rowcroft Hospice by establishing, building and investing an endowment fund.

The Strategic project fund represents resources which have been designated for the furtherance of the strategic objective of building greater diversified income streams through utilising the Rowcroft estate and its buildings

Restricted funds

DOH Grants have been received for improving facilities in the In-Patient Unit, the Out-Patient facility, and access to the gardens for patients.

The NHS South Devon & Torbay Clinical Commissioning Group fund represents specific funding towards the cost of the lymphoedema treatment, Rowcroft Hospice at Home and the Community Team.

The NHS pension support fund represents a support grant towards the additional cost of contributions to the NHS pension scheme following an increase in mandated contributions from 7% to 14% from 1 April 2004.

The Education fund represents specific funding towards the provision of courses.

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

Coronavirus job retention scheme is a government funded grant restricted to staff costs to cover the cost of furloughed employees during the Coronavirus pandemic.

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	359,733	3,700,102	4,059,835
Fixed asset investments	-	4,516,510	4,516,510
Current assets	129,617	7,849,374	7,978,991
Creditors due within one year	-	(899,024)	(899,024)
TOTAL	489,350	15,166,962	15,656,312

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	394,111	1,238,542	1,632,653
Fixed asset investments		3,527,503	3,527,503
Current assets	146,151	9,125,191	9,271,342
Creditors due within one year		(821,121)	(821,121)
TOTAL	540,262	13,070,115	13,610,377

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	2,045,935	520,237
ADJUSTMENTS FOR:		
Depreciation charges	375,096	291,846
Losses/(gains) on investments	(893,175)	334,113
Dividends, interests and rents from investments	(137,738)	(160,759)
Loss on the disposal and impairment of fixed assets	649,256	-
Increase in stocks	(5,600)	(40,704)
Decrease/(increase) in debtors	(1,067,323)	889,309
Increase/(decrease) in creditors	77,903	(269,169)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,044,354	1,564,873

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £
Cash in hand	2,045,835	1,161,109
TOTAL CASH AND CASH EQUIVALENTS	2,045,835	1,161,109

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,161,109	884,726	2,045,835
Liquid investments	5,750,000	(3,250,000)	2,500,000
	6,911,109	(2,365,274)	4,545,835

27. PENSION COMMITMENTS

The Group operates a defined contribution scheme on behalf of its employees. The assets of the scheme are held separately from those of the charity in an independently administered fund held by Standard Life. The commitment for the year ended 31 March 2021 under this scheme is for contributions of £278,732 (2020: £270,633). The charity has no obligation to meet any shortfall arising from any actuarial valuations

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

27. PENSION COMMITMENTS (CONTINUED)

lower than those originally anticipated.

The Group also participates in the NHS Pension Agency Scheme, a defined benefit scheme on behalf of eligible employees. Pension costs are assessed in accordance with advice from Department of Health actuaries. It is not possible for the charity to separately identify assets and liabilities relating to the charity within the NHS scheme for the purpose of FRS102 disclosure.

During the year, the rates of contributions for each scheme were as follows:

Standard Life scheme- employees 1% to 15%, employer 1% to 7%

NHS scheme- employees 5% to 15%, employer 14%.

An increase in employer's contributions to the NHS scheme from 7% to 14% was introduced on 1 April 2004; a support grant received towards the additional cost is shown in note 4.

	2021 £	2020 £
The number of members in each scheme was:		
Defined contribution	163	176
Defined benefit	38	38
	201	214

28. OPERATING LEASE COMMITMENTS

At 31 March 2021 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Not later than 1 year	471,904	334,872	471,904	334,872
Later than 1 year and not later than 5 years	554,483	681,977	554,483	681,977
Later than 5 years	26,466	72,890	26,466	72,890
	1,052,853	1,089,739	1,052,853	1,089,739

29. LEGACIES HELD IN TRUST

The charity is beneficiary to multiple legacies for which they are entitled to a residuary of the balance held in trust. At the Balance Sheet date, the amount receivable cannot be reliably measured, and therefore no income has been recognised in the Statement of Financial Activities for the year.

30. PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the charity:

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

30. PRINCIPAL SUBSIDIARIES (CONTINUED)

Names	Company number	Charity registration number	Holding	Included in consolidation
The Ella Rowcroft Endowment Trust	CE019580	1186330	100%	Yes
Devon Farm Kitchen Limited	12353512		100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
The Ella Rowcroft Endowment Trust	252,648	252,648	502,648
Devon Farm Kitchen Limited	-	-	1

On 13 November 2019 The Ella Rowcroft Endowment Trust was registered as a charitable incorporated organisation (CIO) with the Charity Commission for England and Wales (registration number: 1186330). The Ella Rowcroft Endowment Trust is a separate legal entity, able to hold property in its own name.

Devon Farm Kitchen Limited was dormant in the year.