

Registered number: 01561601
Charity number: 282723

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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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 2022

Trustees	C M Edwards S Scott-Bryant A Janzen A Tapson H Wallwork J A H Moffat I N Hale T K Howard C J Brant C A Karakusevic R E Banks (appointed 22 June 2021) H E Boyd (appointed 22 June 2021) A Dee (resigned 22 June 2021)
Company registered number	01561601
Charity registered number	282723
Registered office	Rowcroft Hospice Avenue Road Torquay Devon TQ2 5LS
Company secretary	C Moores (appointed 30 September 2022)
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 2022**

The Trustees present their report for Rowcroft House Foundation Limited (the "charity, "Hospice" or "Rowcroft") and its subsidiaries (collectively the "Group") for the year ended 31 March 2022.

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.

OUR 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 September 2021). 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 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 meet with senior team members to understand the activities of the charity as well as a tour of the hospice and discussion with the Chair of Trustees, other Trustees and the Chief Executive Officer. 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. All trustees are expected to undertake a programme of mandatory training covering key topics including anti-bribery; equality, diversity and human rights and safeguarding.

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 and reviews performance against strategic and operational indicators.

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

The Senior Management Team consists of the Executive Directors and Senior 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

OUR 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:

- Providing care to patients, their families and friends, where they have complex needs which require our specialist skills
- Meeting each 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
- Promoting excellence in palliative care across the community through education, training and support of carers, professional health and social care providers and the public
- Developing a community wide understanding of end of life care issues including the appropriate influence on the services provided by others; including the NHS and other third sector organisations

The total population of the geographical area served is 280,000. Whilst the majority of our 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 GPs or hospital consultants.

We seek the views of beneficiaries through surveys, user groups and engaging with the local community. We further engage with the local community to seek financial and volunteering support.

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

OUR EMPLOYEES AND VOLUNTEERS

Once again, this past year has been affected by the impact of the COVID-19 pandemic. The Board of Trustees would like to express its warmest thanks to all staff and volunteers for their dedication and commitment to the hospice through these difficult times.

Rowcroft is committed to investing in staff development across all of the disciplines we engage. The Rowcroft Education team provide personal development courses throughout each year to ensure that staff and volunteers have access to relevant opportunities. Where appropriate Rowcroft also engage with external training suppliers.

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 considerable volunteering hours: working on the wards; bereavement support; admin & reception; retail activities; therapies & services; transport; estates, and in fundraising.

Thank you.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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, with due regard to Charity Commission Guidance.

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 October 2021 and published the results in December 2021. The CQC reported an overall rating for Rowcroft Hospice as "Good". The CQC based their overall rating on the following 5 questions:

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

Throughout 2021/22, 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 services were scored 4.97 out of 5.00 for the year with 97.2% of people using our services saying they would recommend the Hospice to family and friends.

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

- The charity provided a comprehensive programme of education to a variety of health and social care community staff and carers
- This year, we offered both online and in person courses following the success of online courses during 2020/21
- Events were held on cancer and specific non cancer-related illnesses
- A care home facilitator remains 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
- We provided placements to doctors, medical students and other medical professionals enabling them to experience end of life care within a hospice environment
- We also provided placements to non-medical students enabling them to gain experience of the Hospice environment

3. **Developing our Facilities:**

- We completed our annual ward and outpatient maintenance programmes to the highest standards
- We also maintained our grounds to the highest standard to provide a suitable environment for patient and staff wellbeing
- During the year we prepared a planning application for the development of the Rowcroft estate to expand and improve our hospice care provision and to create two new income-generating commercial operations with a view to building more stable funding streams for the Hospice:
 - a new purpose-built inpatient unit increasing our capacity to 16 beds
 - a 60 bedded Nursing Home and
 - a 40 unit Assisted Living village

The planning application was submitted in June 2022

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

- We have continued to improve internal communication. We continue to hold staff surveys. This year, we moved to a more agile system of pulse surveys. These surveys test how our teams are

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

- feeling at times that are most significant for those teams as opposed to a hospice-wide survey at a set time of the year
- During the year we have further improved external communication. We have continued to share patient stories through all the channels available to us and improved the content we share and the clarity of the messages.
 - We have also provided easier access to information for those needing our support and for those wishing to support our charitable purpose, in particular through improvements to our website
 - With the easing of pandemic restrictions and a return to face-to-face community activities, we have been able to return to making presentations to community groups and businesses with the aim of informing as many local organisations as possible of our services and our fundraising needs
 - Towards the end of 2021, we started to share our vision for the estate, and conducted a community consultation on the planning application that we have since submitted
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:
- We continually review our marketing programmes and renew them to extend community and health and social care professionals' understanding of our charitable status and the high quality services we provide
 - The core focus of our marketing this year was the impact of Rowcroft on the local community patients and families. We did this through patient and family stories and through special moments that Rowcroft was able to provide for patients and families
 - We continue to develop our relationship with the NHS through the recently re-structured Devon Clinical Commissioning Group (becoming the Devon Integrated Care System (ICS) in 2022) and we are currently contributing to a Devon-wide review of End of Life Care funding
 - In the last quarter of this year, we were able to re-start "in person" fundraising events with a very successful men's walk, our "Male Trail". We are also re-introducing other in-person fundraising through our community channels, including further mass participation events, and canvassing for lottery members.
 - The Retail team welcomed back thousands of regular customers into our 15 shops after two years of stop/start trading during the pandemic
 - We have also been able to fully re-start our volunteer programme as the pandemic impact has eased. Our existing volunteers, who provide essential support to the services we provide, are returning in greater numbers and we are starting to recruit volunteers once more. Providing volunteers with opportunities to gain experience and personal development while supporting Rowcroft remains a priority.

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 our strategic goals:

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

- 1. Outstanding personalised specialist palliative care**
 - Rowcroft continued to be available to our patients and families 24/7, regardless of diagnosis or circumstance
 - Patient feedback giving Rowcroft services an excellent rating of 4.97 out of 5.00
 - A rating of Good with the CQC from an inspection in October 2021
- 2. Community specialist palliative care provider of choice**
 - Rowcroft continues to be the specialist palliative care provider of choice for patients across South Devon with increased patient numbers once again this year
 - A total of 3,532 patient referrals across our services
- 3. Extending our reach to 1 in 2 adults living with life-limiting illnesses in South Devon by 2023**
 - The strategic plan to introduce increased provision of Community and Hospice at Home services from 2020/21 is progressing well. Hospice at Home resources stepped up again in 2021/22 and in the 2022/23 budget approved in March 2022
 - Hospice at Home patient referrals have been increasing more slowly than planned as recruiting to the additionally funded positions has proved difficult due to the nursing staff shortages across the country. Our community services patient referrals, however, continue to grow at pace helping to drive us towards our strategic goal as planned
 - We are also maintaining financial stability, with the Hospice weathering the pandemic impact well, fundraising and retail income recovering and legacy income very strong again during 2021/22
- 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, free of charge. We provided educational resources and training sessions as well as placements to medical and non-medical clinical staff
 - Our increasing community service referrals extended our reach within local NHS community services and within the local community in general.
- 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.**
 - Launching in March 2021 following a year's delay due to the pandemic, Devon Farm Kitchen (100% subsidiary of the charity) produces and provides tasty, nutritious meals to the over 65s in South Devon. Devon Farm Kitchen completed its first year of trading in 2021-2 having delivered 21,000 meals to customers' homes. Customer numbers and income are growing strongly and the prospects for the company are encouraging.
 - We still have a further social enterprise business plan to test, delayed due to the pandemic. The pilot is planned for 2022/23.
 - An additional governance committee has continued to operate during the year to identify further opportunities and monitor progress against the strategy.
 - Plans to develop the estate continue to progress with community consultation during the year which concluded after the end of the 2021-2 financial year. Our planning application to build a new hospice ward, refurbish our "Main House", build a 60 bedded Nursing Home and 40 unit Assisted Living village was submitted in June 2022.
 - The strategic goal of creating new diversified income streams is considered on track. Due to the impact of the pandemic, we will not achieve our goal of 10% of Rowcroft funding by 2023 generated through these income streams, but we envisage achieving this over the next three to four years.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

- At year end, Rowcroft met its strategic objective to hold reserves equivalent to the annual running costs for the following year. Having updated the strategic objective to hold at least 100% of annual running costs as opposed to 50% in prior years. This a reflection of our experience of the impact of the pandemic on our income generation capabilities.

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 2021/22

- The Inpatient Unit admitted 300 patients [2020/21: 300 patients]
- The Community Team received 2,523 referrals [2020/21: 1,998 referrals]
- Rowcroft Hospice at Home had 536 patients referred, nursing people in their own home or care home in the last weeks of life [2020/21: 528 referrals]
- The Bereavement Service provided support to 173 bereaved people [2020/21: 115 people]
- Education: providing End of Life Care training to 661 participants [2020/21: 400 participants]

Performance against the improvements and priorities planned for 2021/22

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

Outcome measure: audit of documentation demonstrates compliance to agreed standards

Performance: we refined elements of our documentation and reporting in SystmOne to make them more complete and make it easier for staff to report succinctly. The audit of electronic records and documentation on SystmOne 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

Performance: A new medication induction workbook has been developed and is being trialled for our Inpatient Unit. We are also asking all new registered nurses to complete a drug calculations test at interview.

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

Performance: The audit demonstrated 100% compliance

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Performance: We signed the Commitment and provided update reports to Torbay Carers Association against our actions

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

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

Performance: The video is being shared with teams and the education department is supporting the development of adjunct materials for use of the video in discussions and other educational uses

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

Performance: The Hospice at Home Team audited those situations where training a family member/lay carer to administer medication would make a difference to patient care and there was insufficient evidence of need in the last weeks of life. Instead, discussions with the community team to identify family/lay carers who could be trained to fulfil this function earlier in the person's illness are underway.

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

Performance: A multidisciplinary team comprising of a physiotherapist, occupational therapist, nurse, and complementary therapist developed and delivered the training and offered relevant support to participants (patients and carers). As reported in our last Quality Account, we began the programme in September 2020 following revisions required due to the pandemic. This also took into consideration the demands and restrictions in place during this time, which included the need for virtual delivery. Since its inception, a total of 5 programmes have run with 21 participants. The interim findings, ahead of the final report, are that 50% of participants had improved hospital anxiety and depression scores and showed reduced levels of depressive feelings and 75% of participants had a stable MRC score (this measures their experience of breathlessness).

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

Performance: Over this past year, we have met and surveyed key stakeholders, referrers to the service and carers, to help develop a community strategy for the provision of community-based hospice services. We consulted carers, GPs and others in our community to gain feedback to inform the development of the strategy. Although the five-year strategy is not yet finalised, we will share the key strategic goals and actions via other means and report on progress in next year's report.

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

Performance: Last year through a series of workshops with staff, volunteers and bereaved carers, we developed a future model of care for our Inpatient Unit

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Where we feel we can improve and our priorities for 2022/23

1. **Patient Safety** – To develop competencies in the use of medical and moving and handling equipment

Outcome measure: implementation of competencies to all staff who use equipment to provide patient care

2. **Effectiveness** – To implement the agreed new Inpatient Unit Care Model

Outcome measure: implementation group meets regularly to action the implementation plan over the next five years, reviewed quarterly by the Quality and Patient Safety Committee

3. **Effectiveness** – To implement electronic prescribing for community teams

Outcome measure: electronic prescribing being used by our NMPs (Non-Medical Prescribers) and community doctors

4. **Effectiveness** – Implement a new e-rostering system that links to payroll

Outcome measure: e-rostering system being used effectively across clinical teams

5. **Responsive** – Develop a falls prevention strategy and management plan

Outcome measure: reflection and learning group outcomes, completion of a deep dive audit and a published falls prevention strategy and associated policy

6. **Caring** – Review Inpatient Unit and Hospice at Home patient care plans and consider the use of digital access to these for staff

Outcome measure: An agreed system and implementation of an electronic bedside care plan

7. **Caring** – Further develop our network of spiritual care advisors as part of the phase 2 roll out of our Spiritual Care Strategy

Outcome measure: comprehensive list of local advisors

8. **Well led** – Continue to promote professionalism and support continued learning

Outcome measure: 80% of clinical registered staff have accessed professional challenges educational sessions

9. **Well led** – Roll out of medical examiner scrutiny

Outcome measure: processes to enable scrutiny of all deaths by the local medical examiners will be in place, including how any learning is disseminated effectively within the organisation

10. **Well led** – Implement new national guidance on care after death (in Inpatient Unit) and Verification Of Expected Death (VOED) by registered nurses

Outcome measure: review of national guidance and plan for changes to be implemented in relation to care after death

11. **Well led** – As lead and partner, we will reinstate the locality education committee to refresh the locality education plan

Outcome measure: reviewed and updated locality education training plan in palliative and end of life care

Further details available from the Hospice Quality Account 2021/22 at:
<https://rowcrofthospice.org.uk/wp-content/uploads/RH-QA-2021-22.pdf>

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FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

Total funds (note 22) increased to £17.2m [2020/21: £15.7m]

Total incoming resources can be summarised as follows:

• NHS grant funding	£2.5m	24%	[2020/21: £2.4m	23%]
• Fundraising income	£2.9m	27%	[2020/21: £2.4m	22%]
• Retail income	£1.8m	17%	[2020/21: £0.7m	7%]
• Legacy income	£3.1m	29%	[2020/21: £2.6m	25%]
• Other	£0.3m	3%	[2020/21: £0.5m	4%]
• Total underlying income	£10.6m	100%	[2020/21: £8.6m	81%]
• Gov't/NHS COVID grants	£0.0m	0%	[2020/21: £2.0m	19%]
• Total income	£10.6m	100%	[2020/21: £10.6m	100%]

The NHS awarded funding to allow the Hospice to make available bed capacity and community support from January to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

Income generation (Fundraising & Retail) as a percentage of total income was 44%. This was lower than we would expect in a normal year (although higher than 2020/21) due to the continued impact of the pandemic on our ability to put on fundraising events and activities, and lower footfall in our shops. [2020/21: 29%].

Legacy income as a percentage of total income was 29% from 25% [2020/21]

NHS grant income as a percentage of total income was 24% from 23% [2020/21]

Net income after costs from income generation of £1.2m [2020/21: £0.2m]

Reserves at the year-end: £14.8m [2020/21: £12.5m], representing 18 months of expenditure in reserve [2020/21: 17 months].

The Trustees consider the principal risks and uncertainties to the organisation, measured using likelihood and consequence as Low, Medium and High risk.

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TRUSTEES' REPORT (CONTINUED)
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Risk	Rating	Mitigation
Health and economic environment of the UK and in the South Devon region during the period following the pandemic	Medium Risk	Holding higher levels of reserves
Global inflationary pressures resulting from the conflict in Ukraine	Medium Risk	Holding higher levels of reserves
Increased competition for donations potentially reducing income below the levels required	Medium Risk	Investments in raising awareness, financial reporting and benchmarking
Reputational risk from events: patient care or operational events such as a cyber-attack or a health and safety issue	Medium Risk	Comprehensive training programmes, policies and procedures and continuous performance review
Staff attraction and retention. We have an ageing workforce, as does the NHS. There is a shortage of nursing staff across the UK	Medium Risk	We provide benefits and opportunities to remain an attractive employer to existing and potential employees. Continuous improvement in our recruitment marketing processes and materials
Financial risk; investment of reserves in a time of high volatility driven by COVID and global economic pressures	Low Risk	Investments are managed by expert advisors and reviewed regularly. Investment brief is to invest for long term returns

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 Trustees have 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 being in staffing.

Against these considerations, the Trustees are 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, Trustees believe 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?

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

- 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 we 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 **[FY22/23 £9.5m]**
- 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 minimum reserves of £9.75m for the year to 31st March 2023**

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.

The Trustees consider that while the long-term policy objective is to hold 12 months of total costs in reserve it is prudent in the current economic and global political environment to hold 12 to 18 months of total costs in reserve.

Rowcroft considers Balance Sheet Cash + Investments + Freehold Land / Property fixed assets to be the available reserves of the charity.

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. This requirement will be discussed with the investment management company as necessary. 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 fundraising in any one year. The key risk to the long-term sustainability of Rowcroft is securing sufficient income from investments, fundraising events, 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 can meet its short-term cash requirements through either income or liquid capital assets.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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 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 that the Hospice remains a viable operation in the long term. The Trustees therefore adopt a long-term investment time horizon.

Investment Brief

To meet these objectives, the Trustees contracted Quilter Cheviot as their agents during the year to manage a diversified portfolio of suitable investments on a discretionary basis. Investments will be managed in accordance with our Responsible and Ethical Investment Policy (ef: 367). In the future, the Trustees may wish to limit the charity's 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 instructed Quilter Cheviot with a moderate risk mandate. The mandate risk is reviewed annually at the June meeting of the Rowcroft Finance and Investment Committee.

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 twice a year to report in person, and regularly appraise the Finance and Commercial Director during the year.

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

Fundraising Activities

The Trustees monitor Fundraising practices on an ongoing basis through a Non-Clinical Committee; meeting quarterly and at Board of Trustee meetings.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

We believe in the highest possible standards for our fundraising, considering supporter preferences in all of our activity. We consistently ensure that all of our activities are 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.

During the year, Rowcroft reviewed our approach to commercial partnerships and introduced new Commercial Participator agreements that have been rolled out to all third parties working with Rowcroft.

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

Personal Data

Rowcroft does not sell 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 in accordance with 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 reach wherever possible. We aim to achieve this by building stable finances, developing our talented teams and 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.

By maintaining quality of care, 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 2022/23 by increasing our community and Hospice at Home service provision.

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Full copies of the Rowcroft Strategic plan available at:

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

DISCLOSURE OF INFORMATION TO AUDITORS

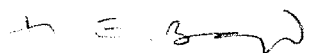
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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



H E Boyd
Trustee

Date: 23 NOVEMBER 2022

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

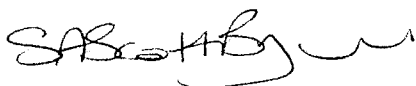
The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 and signed on its behalf by:



S Scott-Bryant
Chair of Trustees



H E Boyd
Trustee

Date: 23 NOVEMBER 2022

**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 2022 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 2022 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.

Bishop Fleming LLP

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

Date: *9 December 2022*

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 2022

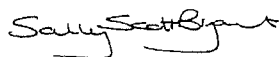
	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	695,717	3,832,050	4,527,767	5,896,129
Charitable activities	5	948,591	1,503,414	2,452,005	2,408,031
Other trading activities	6	-	3,399,679	3,399,679	1,825,383
Investments	7	-	151,246	151,246	137,738
Other income	8	-	99,310	99,310	329,673
Total income		1,644,308	8,985,699	10,630,007	10,596,954
Expenditure on:					
Raising funds	9,10	-	3,394,550	3,394,550	2,898,781
Charitable activities	12	1,672,974	4,259,463	5,932,437	5,896,157
Other expenditure	11	-	-	-	649,256
Total expenditure		1,672,974	7,654,013	9,326,987	9,444,194
Net (expenditure)/income before net gains on investments		(28,666)	1,331,686	1,303,020	1,152,760
Net gains on investments		-	226,305	226,305	893,175
Net movement in funds		(28,666)	1,557,991	1,529,325	2,045,935
Reconciliation of funds:					
Total funds brought forward		489,350	15,166,962	15,656,312	13,610,377
Net movement in funds		(28,666)	1,557,991	1,529,325	2,045,935
Total funds carried forward		460,684	16,724,953	17,185,637	15,656,312

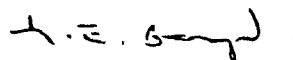
ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:01561601

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	4,308,141	4,059,835
Investments	17	4,794,105	4,516,510
		<u>9,102,246</u>	<u>8,576,345</u>
Current assets			
Stocks	18	254,066	149,993
Debtors	19	2,787,919	3,283,163
Fixed term deposits	20	2,000,000	2,500,000
Cash at bank and in hand		4,171,512	2,045,835
		<u>9,213,497</u>	<u>7,978,991</u>
Creditors: amounts falling due within one year	21	(1,130,106)	(899,024)
Net current assets		<u>8,083,391</u>	<u>7,079,967</u>
Total assets less current liabilities		<u>17,185,637</u>	<u>15,656,312</u>
Total net assets		<u>17,185,637</u>	<u>15,656,312</u>
Charity funds			
Restricted funds	22	460,684	489,350
Unrestricted funds	22	16,724,953	15,166,962
Total funds		<u>17,185,637</u>	<u>15,656,312</u>

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





S Scott-Bryant
Chair of Trustees

H E Boyd
Trustee

Date: 23 November 2022

The notes on pages 25 to 47 form part of these financial statements.

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

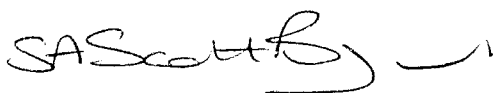
CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	4,308,141	4,059,835
Investments	17	4,794,106	4,516,511
		<u>9,102,247</u>	<u>8,576,346</u>
Current assets			
Stocks	18	221,907	149,993
Debtors	19	3,036,622	3,283,163
Investments	20	2,000,000	2,500,000
Cash at bank and in hand		3,629,358	1,793,187
		<u>8,887,887</u>	<u>7,726,343</u>
Creditors: amounts falling due within one year	21	(1,368,917)	(1,149,025)
Net current assets		<u>7,518,970</u>	<u>6,577,318</u>
Total assets less current liabilities		<u>16,621,217</u>	<u>15,153,664</u>
Total net assets		<u>16,621,217</u>	<u>15,153,664</u>
Charity funds			
Restricted funds	22	460,684	489,350
Unrestricted funds	22	16,160,533	14,664,314
Total funds		<u>16,621,217</u>	<u>15,153,664</u>

The charity's net movement in funds for the year was £1,467,553 (2021 - £1,793,287).

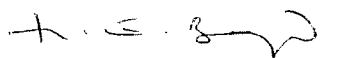
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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: 23 NOVEMBER 2022



H E Boyd
Trustee

The notes on pages 25 to 47 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 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash generated by operating activities	2,089,126	1,044,354
Cash flows from investing activities		
Dividends, interests and rents from investments	151,246	137,738
Proceeds from the sale of tangible fixed assets	-	30,413
Purchase of tangible fixed assets	(563,405)	(3,481,947)
Proceeds from sale of investments	949,915	4,346,325
Purchase of investments	(501,205)	(1,192,157)
Net cash provided by/(used in) investing activities	36,551	(159,628)
Change in cash and cash equivalents in the year	2,125,677	884,726
Cash and cash equivalents at the beginning of the year	2,045,835	1,161,109
Cash and cash equivalents at the end of the year	4,171,512	2,045,835

The notes on pages 25 to 47 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 2022**

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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 2022

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 2022

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 AND WORK IN PROGRESS

Stocks and work in progress 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.

**ROWCROFT HOUSE FOUNDATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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.

Costs incurred in connection with the proposed facilities development (as detailed in the Trustees' report) have been capitalised in the financial statements. This is on the basis that the Trustees consider it more likely than not that a planning application will be successful. The assessment is based on advice and information provided to the Trustees.

ROWCROFT HOUSE FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	434,873	474,989	909,862	948,509
Legacies	-	3,121,270	3,121,270	2,634,290
Grants	260,844	235,791	496,635	1,655,907
Government grants	-	-	-	657,423
TOTAL 2022	695,717	3,832,050	4,527,767	5,896,129
TOTAL 2021	2,446,176	3,449,953	5,896,129	

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
In-patient unit	-	1,503,414	1,503,414	1,482,913
Community team	370,258	-	370,258	365,507
Hospice at home	472,438	-	472,438	466,375
Pharmacy	105,895	-	105,895	93,236
TOTAL 2022	948,591	1,503,414	2,452,005	2,408,031
TOTAL 2021	831,882	1,576,149	2,408,031	

ROWCROFT HOUSE FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lottery	595,082	595,082	593,210
Fundraising events	867,532	867,532	679,836
Fundraising trading (shops)	1,836,926	1,836,926	552,337
TOTAL 2022	3,299,540	3,299,540	1,825,383
TOTAL 2021	1,825,383	1,825,383	

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Sales - Devon Farm Kitchen	100,139	100,139	-

7. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from local listed investments	148,648	148,648	135,819
Bank interest	2,598	2,598	1,919
TOTAL 2022	151,246	151,246	137,738
TOTAL 2021	137,738	137,738	

ROWCROFT HOUSE FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other income	97,593	97,593	329,673
Gain on disposal of assets	1,717	1,717	-
TOTAL 2022	<u>99,310</u>	<u>99,310</u>	<u>329,673</u>
TOTAL 2021	<u>329,673</u>	<u>329,673</u>	

9. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment management fees	24,664	24,664	21,244
TOTAL 2021	<u>21,244</u>	<u>21,244</u>	

ROWCROFT HOUSE FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. EXPENDITURE ON RAISING FUNDS

Fundraising expenses

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Shop costs	288,252	288,252	305,370
Lottery costs	180,055	180,055	184,905
Event costs	768,388	768,388	712,060
Shops - wages and salaries	1,838,606	1,838,606	1,675,202
TOTAL 2022	3,075,301	3,075,301	2,877,537
TOTAL 2021	2,877,537	2,877,537	

TRADING SUBSIDIARY EXPENSES - DEVON FARM KITCHEN

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Cost of sales	56,689	56,689	-
Administration expenses	116,071	116,071	-
Administration staff costs	121,825	121,825	-
	294,585	294,585	-

11. OTHER EXPENDITURE

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Disposal and impairment of assets	-	-	649,256
TOTAL 2021	649,256	649,256	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
In-patient unit	1,622,255	1,393,058	3,015,313	3,026,889
Community team	1,321,565	256,658	1,578,223	1,499,292
Hospice at home	773,677	151,365	925,042	879,666
Education	114,306	92,092	206,398	232,844
Restricted depreciation	-	82,620	82,620	83,650
Unrestricted depreciation	-	91,202	91,202	145,322
Governance costs	33,639	-	33,639	28,494
TOTAL 2022	<u>3,865,442</u>	<u>2,066,995</u>	<u>5,932,437</u>	<u>5,896,157</u>
TOTAL 2021	<u>3,772,676</u>	<u>2,123,481</u>	<u>5,896,157</u>	

In 2022, of the total expenditure on charitable activities, £4,259,463 was to unrestricted funds and £1,672,974 was to restricted funds.

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

13. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the company's Auditor for the audit of the group's annual accounts	20,350	14,650
Fees payable to the charity's Auditor in respect of:		
All non-audit services not included above	<u>6,350</u>	<u>2,250</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. STAFF COSTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	5,515,322	4,900,022	5,408,015	4,900,022
Social security costs	448,801	450,187	439,823	450,187
Contribution to defined contribution pension schemes	431,107	419,916	424,055	419,916
	6,395,230	5,770,125	6,271,893	5,770,125

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

	Group 2022 No.	Group 2021 No.	Charity 2022 No.	Charity 2021 No.
	243	250	238	250

The average headcount expressed as full-time equivalents was:

	Group 2022 No.	Group 2021 No.	Charity 2022 No.	Charity 2021 No.
Medical, nursing and professional	75	80	75	80
Domestic and maintenance	15	16	15	16
Administration and fundraising	42	37	38	37
Charity shops	38	34	38	34
	170	167	166	167

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

Remuneration and benefits for key management personnel (including employers national insurance and pension contributions) totaled £276,107 (2021: £265,573).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totaling £NIL were reimbursed or paid directly to 0 (2021: 1) Trustees (2021 - £216).

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 2021	7,722,062	798,409	147,102	1,680,594	10,348,167
Additions	457,942	51,346	2,608	51,509	563,405
Disposals	(10,513)	(29,066)	-	(33,708)	(73,287)
At 31 March 2022	8,169,491	820,689	149,710	1,698,395	10,838,285
DEPRECIATION					
At 1 April 2021	4,249,894	562,626	77,949	1,397,863	6,288,332
Charge for the year	71,396	98,768	15,416	120,936	306,516
On disposals	(3,736)	(27,263)	-	(33,705)	(64,704)
At 31 March 2022	4,317,554	634,131	93,365	1,485,094	6,530,144
NET BOOK VALUE					
At 31 March 2022	3,851,937	186,558	56,345	213,301	4,308,141
At 31 March 2021	3,472,168	235,783	69,153	282,731	4,059,835

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. FIXED ASSET INVESTMENTS

CHARITY	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 April 2021	1	4,516,510	4,516,511
Additions	-	501,205	501,205
Disposals	-	(449,915)	(449,915)
Revaluations	-	226,305	226,305
AT 31 MARCH 2022	1	4,794,105	4,794,106
NET BOOK VALUE			
AT 31 MARCH 2022	1	4,794,105	4,794,106
AT 31 MARCH 2021	1	4,516,510	4,516,511

18. STOCKS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Raw materials and consumables	795	-	-	-
Work in progress (goods to be sold)	1,129	-	-	-
Goods for resale	252,142	149,993	221,907	149,993
	254,066	149,993	221,907	149,993

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. DEBTORS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Amounts owed by group undertakings	-	-	276,102	-
Other debtors	335,520	342,360	333,288	342,360
Prepayments and accrued income	515,711	415,986	513,293	415,986
Tax recoverable	80,102	92,383	57,353	92,383
Legacies receivable	1,856,586	2,432,434	1,856,586	2,432,434
	2,787,919	3,283,163	3,036,622	3,283,163

20. FIXED TERM DEPOSITS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed term deposits	2,000,000	2,500,000	2,000,000	2,500,000

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	422,499	529,400	411,449	529,400
Amounts owed to group undertakings	-	-	250,000	250,001
Other taxation and social security	159,983	110,975	159,983	110,975
Accruals and deferred income	547,624	258,649	547,485	258,649
	1,130,106	899,024	1,368,917	1,149,025

ROWCROFT HOUSE FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital fund	3,700,103	-	(230,484)	480,288	-	3,949,907
The Endowment Trust	502,648	10,194	(3,976)	250,000	-	758,866
The Strategic project fund	800,000	-	-	(389,248)	-	410,752
	<u>5,002,751</u>	<u>10,194</u>	<u>(234,460)</u>	<u>341,040</u>	<u>-</u>	<u>5,119,525</u>
GENERAL FUNDS						
General Funds	10,164,211	8,875,366	(7,124,968)	(341,040)	226,305	11,799,874
Trading subsidiary	-	100,139	(294,585)	-	-	(194,446)
	<u>10,164,211</u>	<u>8,975,505</u>	<u>(7,419,553)</u>	<u>(341,040)</u>	<u>226,305</u>	<u>11,605,428</u>
TOTAL UNRESTRICTED FUNDS	<u>15,166,962</u>	<u>8,985,699</u>	<u>(7,654,013)</u>	<u>-</u>	<u>226,305</u>	<u>16,724,953</u>

ROWCROFT HOUSE FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
RESTRICTED FUNDS						
In-patient improvements	161,762	-	(26,960)	-	-	134,802
RBS improvements	49,234	-	(8,206)	-	-	41,028
Garden access improvements	92,701	-	(12,885)	-	-	79,816
NHS South Devon & Torbay Clinical Commissioning group	-	948,591	(948,591)	-	-	-
Specified use donations - revenue	129,618	411,269	(373,801)	(64,636)	-	102,450
Specified use donations - capital	56,035	18,480	(36,563)	64,636	-	102,588
Education income	-	5,123	(5,123)	-	-	-
Hospice UK COVID funding	-	260,845	(260,845)	-	-	-
	<u>489,350</u>	<u>1,644,308</u>	<u>(1,672,974)</u>	<u>-</u>	<u>-</u>	<u>460,684</u>
TOTAL OF FUNDS	<u>15,656,312</u>	<u>10,630,007</u>	<u>(9,326,987)</u>	<u>-</u>	<u>226,305</u>	<u>17,185,637</u>

ROWCROFT HOUSE FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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>

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**NOTES TO THE FINANCIAL STATEMENTS
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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 in 2021 represented 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. The year end balance represents the remaining costs to complete the planning process for the estate development.

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 Rowcroft Hospice at Home and the Community Team.

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 December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

The Coronavirus job retention scheme in 2021 was a government funded grant restricted to staff costs to cover the cost of furloughed employees during the Coronavirus pandemic.

General funds

The Trading subsidiary Fund relates to the new social enterprise: Devon Farm Kitchen. The year end balance being the first years deficit for this subsidiary. The negative balance will be a temporary position as the business grows and becomes profitable.

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NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	358,234	3,949,907	4,308,141
Fixed asset investments	-	4,794,105	4,794,105
Current assets	102,450	9,111,047	9,213,497
Creditors due within one year	-	(1,130,106)	(1,130,106)
TOTAL	460,684	16,724,953	17,185,637

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	1,529,325	2,045,935
ADJUSTMENTS FOR:		
Depreciation charges	306,516	375,096
Losses/(gains) on investments	(226,305)	(893,175)
Dividends, interests and rents from investments	(151,246)	(137,738)
Loss on the disposal and impairment of fixed assets	8,583	649,256
Increase in stocks	(104,073)	(5,600)
Decrease/(increase) in debtors	495,244	(1,067,323)
Increase in creditors	231,082	77,903
NET CASH GENERATED BY OPERATING ACTIVITIES	2,089,126	1,044,354

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £
Cash in hand	4,171,512	2,045,835
TOTAL CASH AND CASH EQUIVALENTS	4,171,512	2,045,835

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	2,045,835	2,125,677	4,171,512
Liquid investments	2,500,000	(500,000)	2,000,000
	4,545,835	1,625,677	6,171,512

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 2022 under this scheme is for contributions of £258,565 (2021: £278,732). The charity has no obligation to meet any shortfall arising from any actuarial valuations

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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 received through the NHS grant.

	2022	2021
	£	£
The number of members in each scheme was:		
Defined contribution	176	163
Defined benefit	35	38
	<u>211</u>	<u>201</u>

28. OPERATING LEASE COMMITMENTS

At 31 March 2022 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	384,604	471,904	384,604	471,904
Later than 1 year and not later than 5 years	378,932	554,483	378,932	554,483
Later than 5 years	-	26,466	-	26,466
	<u>763,536</u>	<u>1,052,853</u>	<u>763,536</u>	<u>1,052,853</u>

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.

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FOR THE YEAR ENDED 31 MARCH 2022

30. PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the charity:

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 £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
The Ella Rowcroft Endowment Trust	260,194	(3,976)	256,218	758,866
Devon Farm Kitchen Limited	100,139	(294,585)	(194,446)	(194,445)

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.

On 9 December 2019 Devon Farm Kitchen Limited was incorporated as a limited company with Companies House (Company number: 12353512). Devon Farm Kitchen Limited is a separate legal entity, able to hold property in its own name.