

Registered number: 01561601
Charity number: 282723

ROWCROFT HOUSE FOUNDATION LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ROWCROFT HOUSE FOUNDATION LIMITED

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ROWCROFT HOUSE FOUNDATION LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

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 (resigned 21 June 2023) H E Boyd
Company registered number	01561601
Charity registered number	282723
Registered office	Rowcroft Hospice Ella's Garden 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	Nat West Bank PLC PO Box 69 Riviera House Nicholson Road Torquay TQ2 7YL

ROWCROFT HOUSE FOUNDATION LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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 2023.

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. 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 at a Rowcroft Board meeting. The Rowcroft Board considers strategic direction and reviews performance against strategic and operational indicators.

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

The Senior Management Team consists of the Executive Directors and 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 2023**

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 in 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 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 each 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 day possible for patients and those closest to them, living with life limiting illnesses in South Devon

OUR VALUES

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

OUR EMPLOYEES AND VOLUNTEERS

The Board of Trustees would like to express its warmest thanks to all staff and volunteers for their dedication and commitment to the hospice throughout another year.

Rowcroft is committed to investing in staff development across all the disciplines we engage. The Rowcroft Education team provide personal development courses throughout the 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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Thank you.

OUR 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 2022/23, 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 4.47 out of 5.00 for the year with 94% of people using our services saying they had a positive experience.

2. **Enabling and supporting others to deliver excellent palliative care:** through the provision of education to professionals and information to the public:

- Rowcroft provided a comprehensive programme of education to a variety of health and social care community staff and carers, which this year included both online and in person courses. 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 programme 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 received planning permission 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 14 beds
 - a 60 bedded nursing home and
 - a 40 unit assisted living accommodation

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 pulse surveys of staff groups to assess staff welfare and prompt feedback on where we can improve. These surveys test how our teams are 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, particularly through improvements to our website
 - We have presented to community groups and businesses with the aim of informing as many local organisations as possible of our services and our fundraising needs
5. **Funding our vision** by ensuring all our services and operations meet the needs of patients and supporters while increasing the number of supporters:
- We continually review and update our marketing programme 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 contributed to a Devon-wide review of End of Life Care funding
 - We continue to hold fundraising events with a very successful men's walk, our "Big Tackle", taking place in the last quarter of the year with more planned for the coming year. We have also re-introduced other in-person fundraising through our community channels, including further mass participation events, and canvassing for lottery members.
 - The Retail team continue to attract thousands of regular customers into our 15 shops
 - Volunteering has continued to grow since the pandemic with more volunteers providing essential support to the services we provide, providing volunteers with opportunities to gain experience and personal development while supporting Rowcroft. Building and maintaining our volunteer base remains a priority.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

STRATEGIC REPORT

Our 5-year strategy (2018 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 strategic period 2018 to 2023 has now come to an end and a new strategy has been developed for the coming 6 years.

While the latter half of the 2018 to 2023 period was one of significant challenge, the Trustees are pleased with the outcomes of the strategic goals, and encouraged by these successes as we move into the new strategy period:

1. Outstanding personalised specialist palliative care

- Rowcroft continued to be available to our patients and families 24/7, regardless of diagnosis or circumstance, despite the challenges associated with the pandemic and lockdowns
- Patient feedback giving Rowcroft services an excellent rating of 4.47 out of 5.00 in the final year of the strategic period and excellent throughout
- 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 3,955 patient referrals across our services, with 2,478 individual patients receiving Rowcroft care during the year

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 was significantly impacted by the pandemic. Ultimately the goal of reaching 1 in 2 adults living with life limiting illness was not achieved. However, we have stepped up our Hospice at Home resources in line with the strategic plan and are ready to meet the patient targets originally set in the strategy. We have also seen a significant increase in our community patient numbers.

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

ROWCROFT HOUSE FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

- During the year, Rowcroft continued to provide end of life care 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.**
- Since launching in 2021, Devon Farm Kitchen (100% subsidiary of the charity) continues to produce and supply tasty, nutritious meals to the over 65's in South Devon. Devon Farm Kitchen completed its second year of trading in 2022-23 having delivered over 55,800 meals to customers' homes in the first two years. Customer numbers and income continues to grow strongly and the prospects for the company continue to be encouraging and exciting.
 - The Ella Rowcroft Endowment Trust Charitable Incorporated Organisation (CIO) continues to grow, with net funds of £888,724 at 31st March 2023, an increase of 17% in the year.
 - While the returns from Devon Farm Kitchen and The Ella Rowcroft Endowment Trust are not yet at 10% of Rowcroft total income, progress has been significant. At this stage, the level of net assets within The Ella Rowcroft Endowment Trust exceed the original expectations.
 - Further, we achieved a milestone in achieving our longer-term objective of building additional income streams on the Rowcroft estate with the granting of planning permission during the year for:
 - o A 60 bedded specialist dementia / complex nursing home
 - o A 40 unit assisted living accommodation
 - o A new inpatient unit, increasing our bed numbers from 12 to 14
 - Rowcroft met its strategic objective to hold reserves equivalent to 50% of the annual running costs for the following year early in the strategic period. At 31st March 2023, this objective continued to be achieved.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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 2022/23

- The Inpatient Unit admitted 364 patients [2021/22: 300 patients]
- The Community Team received 1,614 individual referrals [2021/22: 1,400 individual referrals]
- Rowcroft Hospice at Home had 500 patients referred, nursing people in their own home or care home in the last weeks of life [2021/22: 536 referrals]
- Education: providing End of Life Care training to 1,134 participants [2021/22: 661 participants]

Performance against the improvements and priorities planned 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

Performance: Over this year we have implemented clinical competencies in the Inpatient Unit (IPU) and associated educational sessions. This was supported in a grant from HEE, to start specifically with healthcare assistants (HCAs) in the IPU. This work continues and we recognise that this is an ongoing requirement.

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

Performance: We have implemented the new IPU care model and cross-referenced this to the more recent IPU cultural review. This will prepare the IPU to meet the needs of future patients and their loved ones. From the IPU cultural review, an action plan has been developed and this is monitored through QUIPS (Rowcroft's 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

Performance: We delayed the use of electronic prescribing for our community teams due to technical issues with the provider of SystmOne, our patient record system, following the roll out of a new module. We aim to implement electronic prescribing once it is approved for use (expected Autumn 2023)

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Performance: A decision was made not to implement this system; however, our teams continue to use the existing system: Staffcare, and we are looking to explore other alternatives which will enable the system to fully integrate with payroll and HR in future.

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

Performance: Over the past year we have successfully implemented a new Falls Prevention Policy and new risk assessments for falls and bed rails which are required to be completed on admission and then during each shift. We now also have falls champions in place for guidance around falls; every patient is classed as a falls risk upon admission.

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

Performance: Work is underway to fully implement digital, personalised patient care plans within the IPU, and we will have extra laptops to enable our teams to complete the care plans in real time at the patient's bedside. The next phase of our plan is to review Hospice at Home and Community Team care plans.

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

Performance: We further strengthened spiritual care at Rowcroft and now have six faith and belief leaders representing five faith and belief groups. We are aiming to bring this group to a total of seven. Our Spiritual Care Specialist has worked to develop strong links with our local faith and belief groups and has built on links within local organisations, including Torbay Hospital's Chaplaincy Service and the Devon Partnership Trust.

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

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

Performance: Last year we set out to achieve a target of 80% of clinical registered staff to have accessed 'professional challenges' educational sessions. At the end of this financial year, we are happy to report that 89.65% of all registered nurses, clinical nurse specialists, social workers, occupational therapists, physiotherapists, and complementary therapists in the IPU have completed this (this is excluding bank staff). The feedback has been incredibly positive.

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

Performance: From the beginning of October 2022, all deaths in the IPU at Rowcroft have been referred to the local medical examiners. Feedback from the medical examiners is discussed within the medical team and

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

raised at our peer review meetings if needed. Wider learning regarding patient care is fed back to the IPU at team meetings and to our Quality and Patient Safety Committee as required.

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

Performance: A large percentage of our nursing staff in the IPU have been trained in VOED; arrangements are underway to ensure this is continued for new starters.

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

Performance: During the past year, the locality Education Committee and groups have been working within a strategy of eight pillars (Learning and Education Strategy, continual Professional Development Strategy, placement expansion, apprenticeships, learner experience, upskilling, social care, and advanced practice).

Where we feel we can improve and our priorities for 2023/24

1. Patient Safety - Implement the new Patient Safety Incident Response Framework (PSIRF)

Outcome measure: Completion of a new Patient Safety Incident Response Policy and Plan.

2. Patient Safety - Explore and trial a new lone worker device

Outcome measure: A smartphone-enabled lone worker device will be trialed in the Hospice at Home/Community service and the results will be fed back through QUIPS.

3. Patient Safety - Develop Hospice at Home specific competencies for SHCAs

Outcome measure: Competencies will be implemented in Hospice at Home for SHCAs.

4. Effectiveness - E-prescribe

Outcome measure: Electronic prescribing will be used by our Non Medical prescribers (NMPs) and community doctors.

5. Effectiveness - To implement the agreed new IPU Care Model

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

6. Effectiveness - Hospice referral criteria leaflet

Outcome measure: Improved support will be given to healthcare professionals looking to refer to our services.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

7. Effectiveness - Competencies in the IPU

Outcome measures: Inpatient Unit HCA and Registered Nurse (RN) competencies will be fully implemented

8. Effectiveness - Research involvement

Outcome measures: There will be active involvement in at least one research project in relation to end of life care.

9. Responsive - Community five-year strategy

Outcome measures: There will be increased support for the growing demand for palliative care services in the Torbay and South Devon community

10. Responsive - Trainee nurse associates (TNA)

Outcome measures: There will be support for another two TNAs across the Hospice at Home service and the IPU

11. Responsive - Support to homeless groups within the local community

Outcome measures: There will be increased support from community nurses to patients within this group.

12. Caring - Digital care plans

Outcome measures: There will be improved, person-centered care plans for our teams which enable care plans to be captured in the moment at the patient's bedside.

13. Well led - Implementation of our new Rowcroft's RISE (Reflect, Innovate, Suggest, Engage) initiative to embed the new Care Quality Commission's Single Assessment Framework.

Outcome measures: To enable staff to be aware of the Care Quality Commission, support them to feel prepared for an inspection by completion of training and creation of a Staff Handbook.

14. Well led - Goal, Reality, Options, Will model implementation (GROW)

Outcome measures: To implement GROW and have active champions across the clinical teams.

Further details available from the Hospice Quality Account 2022/23 at:

<https://rowcrofthospice.org.uk>

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

FINANCIAL REVIEW

Total funds (note 21) decreased to £16.8m [2021/22: £17.2m]

Total incoming resources can be summarised as follows:

• NHS grant funding	£2.4m	24%	[2021/22: £2.3m	22%]
• Fundraising income	£2.7m	27%	[2021/22: £3.0m	28%]
• Retail income	£2.3m	22%	[2021/22: £1.8m	17%]
• Legacy income	£2.1m	21%	[2021/22: £3.1m	29%]
• Other	£0.6m	6%	[2021/22: £0.4m	4%]
• Total income	£10.1m	100%	[2021/22: £10.6m	100%]

Income generation (Fundraising & Retail) as a percentage of total income was 49%. [2021/22: 44%].

Legacy income as a percentage of total income was 21% from 29% [2021/22]

NHS grant income as a percentage of total income was 24% from 22% [2021/22]

Net income after costs from income generation of £1.5m [2021/22: £1.2m]

Reserves at the year-end: £11.0m [2021/22: £11.6m], representing 12 months of expenditure in reserve [2021/22: 14 months]. Reserves being unrestricted funds less designated funds as per note 21 to the accounts.

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

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
Inflationary pressures and the cost of living impact	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 global economic pressures	Low Risk	Investments are managed by expert advisors and reviewed regularly. Investment brief is to invest for long term returns

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

RESERVES POLICY

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

For the hospice to meet its objectives of providing care for patients suffering from life-limiting illnesses, the Board of Trustees (the "Board") has considered the group'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 work, its commitment to delivering services and hence a major proportion of costs being in staffing.

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

Having regard to these factors, the Board believes that an appropriate balance is to hold a level of available reserves which would allow the Group 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. The Board should conduct a formal review once a year at the time of approving the next year Budget.

The benefit of a Reserves Policy is:

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

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

- To protect and sustain the Group's charitable 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 initiatives in their launch phase and before fundraising support can be fully realised

Definition of Reserves for this policy

Reserves for the purposes of this policy are equal to the sum of general funds as detailed in the notes to the Group's financial statements. These are the amounts of unrestricted funds that are freely available to spend on the Group's activities. This can also be represented as:

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Total Unrestricted Funds less:

- Capital Fund
- The Endowment Trust Fund
- Strategic Project Fund

All of which are unrestricted funds but have been allocated to specific activities and are not freely available.

Level of Reserves necessary to meet the objective of this reserves policy

- A minimum of 6 months of total operating costs of the Group in the budget for the following year **[FY23/24 £5.5m], plus**
- A discretionary "Opportunity Fund" of **£0.2m** to be allocated from reserves each year to support initiatives proposed by the Executive and approved by the Trustees
- **Total reserves of £5.7m for the year to 31st March 2024**

Should Reserves, once established, either be forecast to, or fall below this level for whatever reason, immediate steps will be taken to reinstate them over a reasonable period.

The Board 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.

Changes since the last Reserves Policy

The Board has changed the reserves policy from a policy focusing on a specific group of assets: cash deposits, fixed asset investments and land and buildings to a policy based on the Group's fund accounting, bringing the policy more into line with the sector.

The previous policy was written to focus on specific, easily identifiable assets at a time of financial distress for the charity. The change to the more standard fund accounting method of calculation reflects the improved financial position of the charity. As a result, the Board consider it appropriate to hold a level of reserves under the fund accounting method based upon a minimum of 6 months of operating costs.

INVESTMENT POLICY

The Trustees intend that the real value of the Group's assets and funds (collectively "Invested Assets") be maintained and enhanced over the medium to long term (5 years).

Invested Assets to comprise a mix of:

- Financial Investments: a portfolio comprising equities, fixed income stocks and cash, intended to increase their value and produce a financial return to support the operating costs of the charity
- Treasury Management: Interest bearing cash deposits; specifically intended to maintain their overall value while safeguarding the cash against counterparty risk
- Non-financial Investments: in non-financial assets including land and property, intended to increase their value and produce a financial return to support the operating costs of the charity

The aim is to achieve the best financial return within an acceptable level of risk while maintaining sufficient liquidity for operations and opportunities.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees delegate oversight of Rowcroft's Invested Assets to the Finance and Investment Committee who manage a framework of controls over the risk appetite for Financial Investment, Treasury Management and Non-Financial Investments. These controls are reviewed at least twice a year.

A. Financial investments: Investment Portfolio

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

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

Attitude to risk

Rowcroft relies on the investment return to support operating costs and underwrite underperformance of operational income generating activities in any one year. The key risk to the long-term sustainability of Rowcroft is securing sufficient income from fundraising events, legacies, individual and corporate donors and our retail operations which are supplemented by income from Financial Investments. The assets are to be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate.

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

Liquidity Requirements

For liquidity purposes the Trustees wish to keep at least 20% of the Financial Investments realisable within 3 months.

Time Horizon

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

Investment Brief

In order to meet these objectives, the Trustees have contracted Quilter Cheviot as their investment manager to manage a diversified portfolio of suitable investments on a discretionary basis. Investments will be managed in accordance with the contents of this Investment Policy. In the future, the Trustees may wish to limit Financial Investments in specific companies, sectors or countries and will inform the investment manager of any such restrictions as they are determined.

The proportion of the portfolio invested in equities, fixed income stocks and cash will 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.

The Financial Investment mandate risk is reviewed annually at the June meeting of the Rowcroft Finance and Investment Committee.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Social Investments

Trustees are permitted to take Rowcroft's purpose and values into account when making investment decisions, even if a particular investment might provide a lower return than an alternative. This may be in the charity's best interests if it reflects the charity's values and charitable purpose.

Responsible & Ethical Investment

Our aim is to maximise the return on the investments held with our investment manager over the long term within an appropriate risk framework. We will not make investments that conflict with our Vision and Values and we will protect our charity's reputation by being a responsible investor.

Our decisions and actions are informed by three related principles: positive public health and wellbeing, responsible investment and low reputational risk:

- **Positive public health and wellbeing** - we will not invest in organisations whose principal products or services are evidenced to be detrimental to the health and wellbeing of individuals and society. According to this principle, we instruct our investment managers not to invest in companies whose principal activities promote tobacco. They are also instructed to avoid collective investment vehicles that invest in companies whose principal activities promote tobacco. We are prepared to accept the possibility of lower returns to avoid such investments.
- **Responsible investment** – the charity wishes to be a responsible investor, and as such, we will avoid investing in organisations with a negative track record and/or poor strategy on environmental, social and governance (ESG) issues. While we accept that ESG screening is not yet comprehensive, and that a company may perform more positively against some ESG criteria but negatively against others, our overall aim is to invest in companies that demonstrate strong ESG performance. While these examples are not exhaustive, environmental criteria include a company's carbon emissions strategy, ending deforestation, pollution and stewardship of the natural environment. Social criteria include how a company manages relationships with employees, suppliers, customers, and the communities in which it operates, including promoting diversity and inclusion. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights. Therefore, we expect our investment managers to take account of ESG issues in their investment analysis and decision-making processes and engage with company management when appropriate.
- **Low reputational risk** - our charity will seek to avoid investing in organisations that we reasonably believe beneficiaries, supporters, and other stakeholders would be averse to. Examples include high stakes gambling or high interest money lending, this list to be reviewed from time to time.

Trustees are required to evaluate the impact of their investment decisions and balance the risk of lower returns against the risk of alienating support or damaging reputation.

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 investment manager 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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

We will implement this Policy in a pragmatic manner to optimise returns and we will be guided by our investment manager in terms of the specific timing of the sale or purchase of existing holdings in the event that these conflict with this Policy.

B. Treasury Management: interest bearing deposits

Rowcroft holds a sufficient level of cash within working capital to manage unexpected drops in generated income, unexpected costs, or short-term project requirements.

From time-to-time Rowcroft holds excess cash. Holdings for major projects, major fundraising campaigns or in periods when it is not considered opportune to increase the value in the investment portfolio or make non-financial investments.

Cash deposits, either working capital or excess cash, are only deposited with Global Systemically Important Institutions (SII's) a list of which is monitored by the Trustees. These deposits are specifically intended to maintain their overall value while safeguarding the cash against counter party risk.

C. Non-financial investments: non-financial assets

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

Attitude to risk

Rowcroft relies on its investment return to support operating costs and underwrite underperformance of income generating activities in any one year. The key risk to the long-term sustainability of Rowcroft is securing sufficient income from fundraising events, legacies, individual and corporate donors and our retail operations as supplemented by returns from non-financial investments. The assets should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate.

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

Liquidity Requirements

Rowcroft does not require non-financial investments to have a level of liquidity.

Time Horizon

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

Investment Brief

Investment opportunities will be considered by the Strategic Project Committee (Panther), reviewed by the Finance and Investment Committee and then proposed for approval at the Rowcroft Board of Trustees.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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 the global and UK 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.

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

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 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.

ROWCROFT HOUSE FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

PLANS FOR FUTURE PERIODS

The Trustees have agreed a new strategic plan for the coming period: 2024 to 2030.

The Goals:

- Deliver a specialist palliative care service to an impeccable standard when and where it is needed, 24/7, regardless of diagnosis or circumstance
- Extend our delivery of palliative care to reach over 3,000 adults per year by 2030
- Build a sustainable future for the hospice (commercially and environmentally)

Through three strategic pillars:

- Talent: Build exceptional teams, united as one, embracing the future
- Technology: Embrace innovation for greater impact
- Together: Engage across our community, diversifying income, re-modelling the hospice for the future

Full copies of the Rowcroft Strategic plan available at:

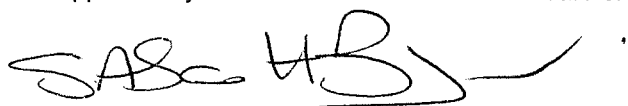
<http://www.rowcrofthospice.org.uk>

DISCLOSURE OF INFORMATION TO AUDITORS

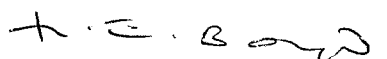
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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 on 18/9/2023 and signed on their behalf by:



S Scott-Bryant
Chair of Trustees



H E Boyd
Chair of Finance and Investment Committee

ROWCROFT HOUSE FOUNDATION LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2023

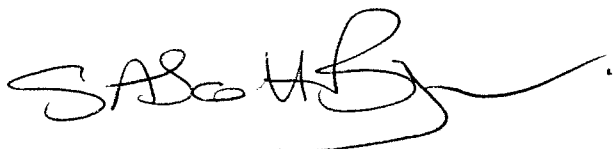
The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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:

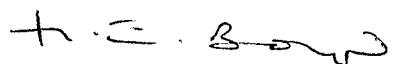
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject 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 on 18/9/2023 and signed on its behalf by:



S Scott-Bryant
Chair of Trustees



H E Boyd
Chair of Finance and Investment Committee

ROWCROFT HOUSE FOUNDATION LIMITED

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 2023 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 2023 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

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;
- reading minutes of Trustee meetings; and

ROWCROFT HOUSE FOUNDATION LIMITED

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

- 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: 13/10/2023

ROWCROFT HOUSE FOUNDATION LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	492,002	2,855,550	3,347,552	4,527,767
Charitable activities	5	967,537	1,460,474	2,428,011	2,452,005
Other trading activities	6	-	3,962,500	3,962,500	3,399,679
Investments	7	-	234,297	234,297	151,246
Other income	8	29,788	142,014	171,802	99,310
Total income		1,489,327	8,654,835	10,144,162	10,630,007
Expenditure on:					
Raising funds	9,10	-	3,799,840	3,799,840	3,394,550
Charitable activities		1,454,572	4,998,264	6,452,836	5,932,437
Total expenditure		1,454,572	8,798,104	10,252,676	9,326,987
Net income/(expenditure) before net (losses)/gains on investments		34,755	(143,269)	(108,514)	1,303,020
Net (losses)/gains on investments		-	(326,052)	(326,052)	226,305
Net movement in funds		34,755	(469,321)	(434,566)	1,529,325
Reconciliation of funds:					
Total funds brought forward		460,684	16,724,953	17,185,637	15,656,312
Net movement in funds		34,755	(469,321)	(434,566)	1,529,325
Total funds carried forward		495,439	16,255,632	16,751,071	17,185,637

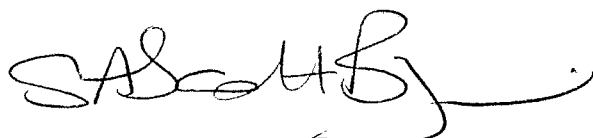
ROWCROFT HOUSE FOUNDATION LIMITED
REGISTERED NUMBER:01561601

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

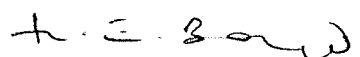
	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	4,679,841	4,308,141
Investments	16	5,326,737	4,794,105
		<u>10,006,578</u>	<u>9,102,246</u>
Current assets			
Stocks	17	301,325	254,066
Debtors	18	2,518,645	2,787,919
Investments	19	2,755,000	2,000,000
Cash at bank and in hand		2,374,800	4,171,512
		<u>7,949,770</u>	<u>9,213,497</u>
Creditors: amounts falling due within one year	20	(1,205,277)	(1,130,106)
Net current assets		<u>6,744,493</u>	<u>8,083,391</u>
Total assets less current liabilities		<u>16,751,071</u>	<u>17,185,637</u>
Total net assets		<u>16,751,071</u>	<u>17,185,637</u>
Charity funds			
Restricted funds	21	495,439	460,684
Unrestricted funds	21	16,255,632	16,724,953
Total funds		<u>16,751,071</u>	<u>17,185,637</u>

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: 18/09/2023



H E Boyd
Chair of Finance and Investment Committee
Date: 18/09/2023

The notes on pages 29 to 51 form part of these financial statements.

ROWCROFT HOUSE FOUNDATION LIMITED
REGISTERED NUMBER:01561601

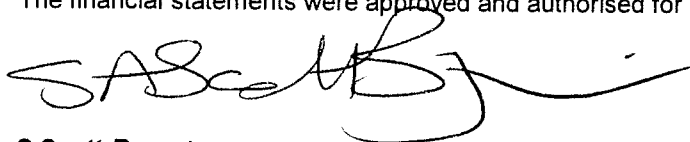
CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	4,679,841	4,308,141
Investments	16	4,594,737	4,794,106
		<u>9,274,578</u>	<u>9,102,247</u>
Current assets			
Stocks	17	236,264	221,907
Debtors	18	2,938,937	3,036,622
Investments	19	2,755,000	2,000,000
Cash at bank and in hand		2,239,946	3,629,358
		<u>8,170,147</u>	<u>8,887,887</u>
Creditors: amounts falling due within one year	20	(1,187,494)	(1,368,917)
Net current assets		<u>6,982,653</u>	<u>7,518,970</u>
Total assets less current liabilities		<u>16,257,231</u>	<u>16,621,217</u>
Total net assets		<u>16,257,231</u>	<u>16,621,217</u>
Charity funds			
Restricted funds	21	495,439	460,684
Unrestricted funds	21	15,761,792	16,160,533
Total funds		<u>16,257,231</u>	<u>16,621,217</u>

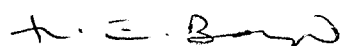
The charity's net movement in funds for the year was £(363,986) (2022 - £1,467,553).

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: 18/09/2023



H E Boyd
Chair of Finance and Investment Committee
Date: 18/09/2023

The notes on pages 29 to 51 form part of these financial statements.

ROWCROFT HOUSE FOUNDATION LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Cash flows from operating activities		
Net cash generated by operating activities	277,191	2,089,126
Cash flows from investing activities		
Dividends, interests and rents from investments	234,297	151,246
Purchase of tangible fixed assets	(694,517)	(563,405)
Proceeds from sale of investments	1,131,322	449,915
Purchase of investments	(1,990,005)	(501,205)
Net cash used in investing activities	(1,318,903)	(463,449)
Change in cash and cash equivalents in the year	(1,041,712)	1,625,677
Cash and cash equivalents at the beginning of the year	6,171,512	4,545,835
Cash and cash equivalents at the end of the year	5,129,800	6,171,512

The notes on pages 29 to 51 form part of these financial statements

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 contribution of the invaluable volunteer time is not recognised in the income of the charity however please refer to the Trustee report for more information about this ongoing support.

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 2023

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 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.

2.6 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 2023**

2. ACCOUNTING POLICIES (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 OPERATING LEASES

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (continued)

2.14 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.

2.15 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.

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	233,345	701,938	935,283	909,862
Legacies	-	2,124,512	2,124,512	3,121,270
Grants	258,657	29,100	287,757	496,635
TOTAL 2023	492,002	2,855,550	3,347,552	4,527,767
TOTAL 2022	695,717	3,832,050	4,527,767	

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
In-patient unit	-	1,460,474	1,460,474	1,503,414
Community team	379,144	-	379,144	370,258
Hospice at Home	483,776	-	483,776	472,438
Pharmacy	104,617	-	104,617	105,895
TOTAL 2023	967,537	1,460,474	2,428,011	2,452,005
TOTAL 2022	948,591	1,503,414	2,452,005	

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lottery	576,033	576,033	595,082
Fundraising events	919,478	919,478	867,532
Fundraising trading (shops)	2,279,068	2,279,068	1,836,926
TOTAL 2023	3,774,579	3,774,579	3,299,540
TOTAL 2022	3,299,540	3,299,540	

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Sales - Devon Farm Kitchen	187,921	187,921	100,139

7. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from local listed investments	223,947	223,947	148,648
Bank interest	10,350	10,350	2,598
TOTAL 2023	234,297	234,297	151,246
TOTAL 2022	151,246	151,246	

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. OTHER INCOMING RESOURCES

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other income	29,788	142,014	171,802	97,593
Gain on disposal of assets	-	-	-	1,717
TOTAL 2023	29,788	142,014	171,802	99,310
TOTAL 2022	-	99,310	99,310	

9. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	26,785	26,785	24,664
TOTAL 2022	24,664	24,664	

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. EXPENDITURE ON RAISING FUNDS

Fundraising expenses

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Shop costs	315,227	315,227	288,252
Lottery costs	168,371	168,371	180,055
Event costs	858,344	858,344	768,388
Shops - wages and salaries	2,042,753	2,042,753	1,838,606
TOTAL 2023	3,384,695	3,384,695	3,075,301
TOTAL 2022	3,075,301	3,075,301	

TRADING SUBSIDIARY EXPENSES - DEVON FARM KITCHEN

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Cost of sales	99,557	99,557	45,659
Administration expenses	129,845	129,845	127,101
Administration staff costs	158,958	158,958	121,825
	388,360	388,360	294,585
TOTAL 2022	294,585	294,585	

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
In-patient unit	1,753,763	1,597,221	3,350,984	3,015,313
Community team	1,403,228	254,748	1,657,976	1,578,223
Hospice at Home	841,963	159,067	1,001,030	925,042
Education	122,342	97,111	219,453	206,398
Restricted depreciation	-	84,392	84,392	82,620
Unrestricted depreciation	-	99,019	99,019	91,202
Governance costs	-	39,982	39,982	33,639
TOTAL 2023	4,121,296	2,331,540	6,452,836	5,932,437
TOTAL 2022	3,865,442	2,066,995	5,932,437	

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 2023, of the total expenditure on charitable activities, £4,998,264 was to unrestricted funds and £1,454,572 was to restricted funds.

12. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the company's Auditor for the audit of the group's annual accounts	25,100	20,350
Fees payable to the charity's Auditor in respect of:		
All non-audit services not included above	1,250	6,350

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

13. STAFF COSTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Wages and salaries	6,134,069	5,515,322	5,985,304	5,409,527
Social security costs	517,871	448,801	517,871	439,823
Contribution to defined contribution pension schemes	468,048	431,107	457,855	424,055
	<u>7,119,988</u>	<u>6,395,230</u>	<u>6,961,030</u>	<u>6,273,405</u>

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

	Group 2023 No.	Group 2022 No.	Charity 2023 No.	Charity 2022 No.
	<u>244</u>	<u>243</u>	<u>239</u>	<u>238</u>

The average headcount expressed as full-time equivalents was:

	Group 2023 No.	Group 2022 No.	Charity 2023 No.	Charity 2022 No.
Medical, nursing and professional	79	75	79	75
Domestic and maintenance	15	15	15	15
Administration and fundraising	42	42	37	38
Charity shops	41	38	41	38
	<u>177</u>	<u>170</u>	<u>172</u>	<u>166</u>

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

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	1

Remuneration and benefits for key management personnel (including employers national insurance and pension contributions) totaled £271,514 (2022: £276,107).

ROWCROFT HOUSE FOUNDATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

15. TANGIBLE FIXED ASSETS

GROUP AND CHARITY

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION					
At 1 April 2022	8,169,491	820,689	149,710	1,698,395	10,838,285
Additions	473,525	58,117	31,190	131,685	694,517
Disposals	-	(3,099)	-	(7,215)	(10,314)
At 31 March 2023	8,643,016	875,707	180,900	1,822,865	11,522,488
DEPRECIATION					
At 1 April 2022	4,317,554	634,131	93,365	1,485,094	6,530,144
Charge for the year	71,298	121,388	7,945	121,866	322,497
On disposals	-	(2,846)	-	(7,148)	(9,994)
At 31 March 2023	4,388,852	752,673	101,310	1,599,812	6,842,647
NET BOOK VALUE					
At 31 March 2023	4,254,164	123,034	79,590	223,053	4,679,841
At 31 March 2022	3,851,937	186,558	56,345	213,301	4,308,141

ROWCROFT HOUSE FOUNDATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. FIXED ASSET INVESTMENTS

GROUP	Listed investments £
COST OR VALUATION	
At 1 April 2022	4,794,105
Additions	1,990,006
Disposals	(1,131,322)
Revaluations	(326,052)
AT 31 MARCH 2023	5,326,737
NET BOOK VALUE	
AT 31 MARCH 2023	5,326,737
AT 31 MARCH 2022	4,794,105

CHARITY	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 April 2022	1	4,794,105	4,794,106
Additions	-	1,261,132	1,261,132
Disposals	-	(1,131,322)	(1,131,322)
Revaluations	-	(329,179)	(329,179)
AT 31 MARCH 2023	1	4,594,736	4,594,737
NET BOOK VALUE			
AT 31 MARCH 2023	1	4,594,736	4,594,737
AT 31 MARCH 2022	1	4,794,105	4,794,106

ROWCROFT HOUSE FOUNDATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. STOCKS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Raw materials and consumables	2,012	795	-	-
Work in progress (goods to be sold)	1,600	1,129	-	-
Goods for resale	297,713	252,142	236,264	221,907
	301,325	254,066	236,264	221,907

18. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Amounts owed by group undertakings	-	-	476,511	276,102
Other debtors	331,673	335,520	327,752	333,288
Prepayments and accrued income	460,384	515,711	407,931	513,293
Tax recoverable	81,322	80,102	81,477	57,353
Legacies receivable	1,645,266	1,856,586	1,645,266	1,856,586
	2,518,645	2,787,919	2,938,937	3,036,622

19. FIXED TERM DEPOSITS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed term deposits	2,755,000	2,000,000	2,755,000	2,000,000

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	340,937	422,499	321,472	411,449
Amounts owed to group undertakings	-	-	-	250,000
Other taxation and social security	118,962	159,983	118,962	159,983
Other creditors	24,980	-	24,980	-
Accruals and deferred income	720,398	547,624	722,080	547,485
	1,205,277	1,130,106	1,187,494	1,368,917

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital fund	3,949,907	-	(238,425)	681,697	-	4,393,179
The Endowment Trust	758,866	138,831	(12,100)	-	3,127	888,724
The Strategic project fund	410,752	-	-	(410,752)	-	-
	<u>5,119,525</u>	<u>138,831</u>	<u>(250,525)</u>	<u>270,945</u>	<u>3,127</u>	<u>5,281,903</u>
GENERAL FUNDS						
General Funds	11,799,874	8,328,082	(8,159,219)	(270,945)	(329,179)	11,368,613
Trading subsidiary	(194,446)	187,922	(388,360)	-	-	(394,884)
	<u>11,605,428</u>	<u>8,516,004</u>	<u>(8,547,579)</u>	<u>(270,945)</u>	<u>(329,179)</u>	<u>10,973,729</u>
TOTAL UNRESTRICTED FUNDS	<u>16,724,953</u>	<u>8,654,835</u>	<u>(8,798,104)</u>	<u>-</u>	<u>(326,052)</u>	<u>16,255,632</u>

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
RESTRICTED FUNDS						
In-patient improvements - capital	134,802	-	(26,961)	-	-	107,841
RBS improvements - capital	41,028	-	(8,206)	-	-	32,822
Garden access improvements - capital	79,816	-	(12,885)	-	-	66,931
Specified use donations - capital	102,588	20,338	(43,858)	-	-	79,068
Specified use donations - revenue	102,450	382,993	(276,666)	-	-	208,777
Education income - revenue	-	29,791	(29,791)	-	-	-
Hospice UK COVID Funding - revenue	-	88,667	(88,667)	-	-	-
Primary Care Trust Funding - revenue	-	967,538	(967,538)	-	-	-
	<u>460,684</u>	<u>1,489,327</u>	<u>(1,454,572)</u>	<u>-</u>	<u>-</u>	<u>495,439</u>
TOTAL OF FUNDS	<u>17,185,637</u>	<u>10,144,162</u>	<u>(10,252,676)</u>	<u>-</u>	<u>(326,052)</u>	<u>16,751,071</u>

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. 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 - capital	161,762	-	(26,960)	-	-	134,802
RBS improvements - capital	49,234	-	(8,206)	-	-	41,028
Garden access improvements - capital	92,701	-	(12,885)	-	-	79,816
NHS South Devon & Torbay Clinical Commissioning group	-	948,591	(948,591)	-	-	-
Specified use donations - capital	56,035	18,480	(36,563)	64,636	-	102,588
Specified use donations - revenue	129,618	411,269	(373,801)	(64,636)	-	102,450
Education income - revenue	-	5,123	(5,123)	-	-	-
Hospice UK COVID Funding - revenue	-	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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

21. 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 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

Department of Health grants have been received in previous years for ongoing improvement programs, represented in the following funds:

- Inpatient improvements fund
- RBS outpatient centre improvements fund
- Garden access improvements fund

Specified use donations are received each year from supporters and from grant making bodies towards specific projects – as represented in the specified use capital and revenue funds

The education income fund represents grants and donations towards the provision of end of life care education and training

The Hospice UK COVID fund represents the final receipt and expenditure of funds provided by NHSE and distributed through Hospice UK to allow hospices to make available bed capacity and community support during the COVID 19 pandemic.

The Primary Care trust fund represents annual NHS funding through the NHS Devon Integrated Care Board (ICB).

General funds

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

ROWCROFT HOUSE FOUNDATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	286,662	4,393,179	4,679,841
Fixed asset investments	-	5,326,737	5,326,737
Current assets	208,777	7,740,993	7,949,770
Creditors due within one year	-	(1,205,277)	(1,205,277)
TOTAL	495,439	16,255,632	16,751,071

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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

ROWCROFT HOUSE FOUNDATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

	Group 2023 £	Group 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(434,566)	1,529,325
ADJUSTMENTS FOR:		
Depreciation charges	322,497	306,516
Losses/(gains) on investments	326,052	(226,305)
Dividends, interests and rents from investments	(234,297)	(151,246)
Loss on the disposal of fixed assets	320	8,583
Increase in stocks	(47,259)	(104,073)
Decrease in debtors	269,273	495,244
Increase in creditors	75,171	231,082
NET CASH GENERATED BY OPERATING ACTIVITIES	277,191	2,089,126

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £
Cash at bank and in hand	2,374,800	4,171,512
Notice deposits (less than 3 months)	2,755,000	2,000,000
TOTAL CASH AND CASH EQUIVALENTS	5,129,800	6,171,512

25. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	4,171,512	(1,796,712)	2,374,800
Notice deposits (less than 3 months)	2,000,000	755,000	2,755,000
	6,171,512	(1,041,712)	5,129,800

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

26. 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 2023 under this scheme is for contributions of £222,864 (2022: £258,565). The charity has no obligation to meet any shortfall arising from any actuarial valuations 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.

	2023 £	2022 £
The number of members in each scheme was:		
Defined contribution	183	176
Defined benefit	40	35
	<u>223</u>	<u>211</u>

27. OPERATING LEASE COMMITMENTS

At 31 March 2023 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Not later than 1 year	291,361	384,604	291,361	384,604
Later than 1 year and not later than 5 years	299,104	378,932	299,104	378,932
	<u>590,465</u>	<u>763,536</u>	<u>590,465</u>	<u>763,536</u>

28. 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.

ROWCROFT HOUSE FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

29. 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	138,831	(12,100)	129,858	888,724
Devon Farm Kitchen Limited	187,922	(388,360)	(200,438)	(394,884)

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.