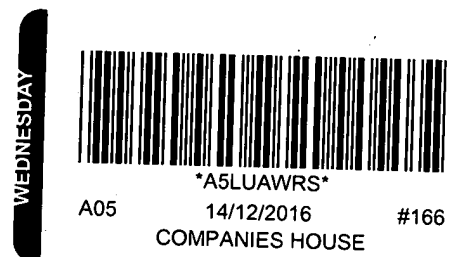




ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016

Trustees

W Grahamslaw
R J S Brinsley
R W G Ward
C Pincombe
C Hicks (resigned 11 January 2016)
R A Smith (resigned 24 November 2015)
A Dee
C Edwards

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2016**

Company registered number	01561601
Charity registered number	282723
Registered office	Rowcroft Hospice Avenue Road Torquay Devon TQ2 5LS
Company secretary	J Hill
Chief executive officer	G Charnaud (resigned 22 July 2016) J Hill (Acting CEO, appointed 22 July 2016)
Independent auditors	Bishop Fleming LLP Chartered Accountants 50 The Terrace Torquay Devon TQ1 1DD
Bankers	National Westminster Bank Plc PO Box 69 Riviera House Torquay Brewin Dolphin Vantage Point Woodwater Park Pyned Hill Exeter EX2 5FD
Solicitors	Kitsons LLP Minerva House Orchard Way Edginswell Park Torquay Devon TQ2 7FA

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Rowcroft House Foundation Limited ('the charity' or 'the Hospice') for the year ended 31 March 2016. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the 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 1st January 2015.

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 January 2011). It is led by a Board of Trustees, details of which are given on page 1.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

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

Trustees are appointed to the Board of Trustees by an open recruitment process inviting applications with appropriate skills, experience and/or qualifications 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 undergo a half day induction at the hospice which includes a presentation relating to the objects and activities of the charity, a tour of the hospice and discussion with the Chairman, other Trustees and the Executive Team. Relevant documentation is made available to the newly appointed Trustees including the Articles of Association, past Board of Trustees and Committee minutes and a copy of The Trustee Induction pack.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees are responsible for agreeing 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 every two months in a Strategic Management Board meeting. The Strategic Management Board considers strategic direction and reviews performance against strategic indicators.

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

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. Departments are grouped together into appropriate Directorates and report to the appropriate Executive Director that represents them within the Executive Team.

The charity occupies buildings and land owned by The Pilmuir Estate (formerly Rowcroft Convalescent Home Trust), a separate charity. The buildings are leased from The Pilmuir Estate with Rowcroft House Foundation Limited being responsible for their maintenance.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

OBJECTIVES AND ACTIVITIES

a. POLICIES AND OBJECTIVES

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

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

The total population of the geographical area served is 270,000. Whilst the majority of the patients have a cancer diagnosis, referrals are received relating to all progressive, life limiting disease groups. In addition to care directed at the physical, psychological, social and spiritual needs of the patient, the needs of those close to the patient are also addressed. The majority of referrals are received via the NHS, either directly from their GP or hospital based consultant.

The Hospice seeks the views of its beneficiaries through engaging the local community it serves. Whilst this is done principally to seek financial and volunteering support, the community has considerable experience of relatives or friends who have used the service. They are able to inform us of positive aspects and those aspects that require development.

In addition views of users of the service are proactively sought via ongoing patient and family surveys and through two user groups.

ACHIEVEMENTS AND PERFORMANCE

a. REVIEW OF ACTIVITIES

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

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

The Care Quality Commission undertook a routine inspection on 11 & 14 January 2016. The following areas were assessed and the CQC reported an overall rating for Rowcroft Hospice as "Outstanding".

The CQC base their overall rating having sought to answer 5 questions:

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

The Trustees consider attaining this Outstanding rating as the result of many years of commitment and Professionalism from the staff and volunteers of the Hospice.

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

- Delivered comprehensive programme of education to variety of health and social care community staff and carers.
- Care home facilitator in post to support and train staff working in residential and nursing homes.

3. Developing our Facilities:

- Annual ward and outpatient maintenance programme.
- Grounds maintained to provide a suitable environment for patient and staff wellbeing.

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

- During the year we have progressed initiatives to improve internal communication and external awareness. The objective is to enhance the incorporation of our values in our behaviours and our messages. To make every day the best day possible for our patients and their families, our staff, volunteers and supporters.

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

- Developing and reviewing marketing programmes to extend the community's and health and social care professionals' understanding of our services.
- Further developing our relationships with Clinical Commissioning Groups to secure existing funding arrangements and extend breadth of NHS commissioned services.
- Building our supporter network within South Devon through our services, shops, our events and our fundraising activities.
- Attracting and retaining volunteers who provide essential support to the operations and services provided. Providing volunteers with opportunities to gain experience and personal development while supporting Rowcroft.

Our Purpose:

- To take care further; demonstrating compassion and humanity in the delivery of palliative and end of life care.
- To make every day the best day possible for our patients, families and friends.

Our Vision:

- We focus on providing the very best care, and to be the very best at delivering this care.
- We will take every opportunity to develop services that support patients and families, enhancing quality of life to the end.
- We strive to be an inspiration for our community, enhancing social fabric and encouraging future generations.

Our Values:

- We are dedicated, capable, professional and passionate about what we do.
- We are open, honest and realistic in everything that we do.
- We are courageous, ambitious and innovative in striving for excellence.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

STRATEGIC REPORT

The Trustees consider service performance this year to be in line with the organisations strategy.

- 17 Inpatient unit beds at high occupancy rates throughout the year, delivering care for increasingly complex needs in the inpatient unit as we care for more patients in their own home as per the organisations strategy to develop the Hospice at Home service.
- Community Team activity now consistently around 1,000 referrals each year
- Hospice at Home now caring for over 400 patients each year, in line with the objectives set when introducing the service

The trustees report that performance fell short of financial targets again this year with a larger deficit than planned, as a result of increased costs in service provision and higher costs in support areas and income generation departments. Action is being taken during 2016/17 to ensure that future results are consistent with the charity's plans and the need to balance expenditure of resources while retaining reserves for future needs.

- Legacy income during the year of £1.5m compared to £3.2m in the previous year.
- Controllable income from Retail and Fundraising activity, including lottery, grants and donations increased by £0.6m.
- Investment income reduced during the year with revaluation of investments producing a net loss of £0.2m compared with a profit of £0.3m in the previous year.
- Fundraising expenditure reduced by £0.1m in the year with charitable expenditure reducing by £0.5m as the organisation works to bring costs and income into line.

The impact of the above reflected in the movement from a net deficit of £0.6m in 2014/15 to a net deficit of £1.3m in 2015/2016. At 31 March 2016 the Balance Sheet showed Net Assets of £5.8m, a decrease of £1.3m from prior year.

The trustees consider that the organisations strategy requires updating to reflect the continued impact of a number of years of significant deficits. The charity can no longer support maintaining 17 beds within the inpatient unit and following a review of bed numbers and costs from October 2016 bed numbers have been reduced to 12. The Hospice at Home team will continue to provide a 24 hour a day, 7 day service but at reduced cost and staffing while the community team will still continue to accept referrals at a similar level: 1,000 each year but also at reduced staffing levels and cost. Education provision has also been reduced along with the measures mentioned above.

At this time the Trustees consider the principal risks and uncertainties:

- Economic conditions and increased competition for donations and voluntary support potentially reducing income below the levels required to continue to provide our services. We continually invest to raise awareness of Rowcroft, our services and our fundraising activities and we plan and review financial performance regularly throughout each year to mitigate the economic risks.
- Reputational risk from events: patient care or operational events such as a cyber-attack or health and safety issue. Rowcroft undertakes comprehensive training programmes for staff, maintains and updates comprehensive policies and procedures and reviews performance continually. We are also contributors and beneficiaries of the "I want Great Care" patient feedback system to learn and continue to improve care, processes and procedures.
- Staff retention and attraction. Rowcroft has an ageing nurse workforce, as does the NHS. Staff wellbeing and workforce development is a strategic priority of the organisation. We provide benefits and opportunities to ensure that we remain an attractive proposition to existing and potential employees.
- Financial risk. Rowcroft invests reserves on the stock exchange to increase return on investments. Investments are managed by expert advisors and reviewed regularly. Our investment policy seeks returns not at the expense of capital or liquidity.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

SERVICE & FINANCIAL REVIEW

Rowcroft Hospice provides the following services:

- 12 bedded unit from October 2016; 17 bedded inpatient unit for the year to 31st March 2016.
- Community specialist palliative care service.
- 24/7 Hospice at Home service.
- Outpatient services.
- The Chronic Oedema service was transferred to the NHS on 30th September 2016; during the year to 31st March 2016 Rowcroft provided this service.
- Bereavement service.
- Education and training for health and social care staff, volunteers and carers in palliative and end of life care.

Numbers of Patients receiving care in 2015/2016.

- The Inpatient Unit admitted 357 patients.
- The Community Team received 1,013 referrals.
- Rowcroft Hospice at Home had 420 patients referred, nursing people in their own home or care home in the last weeks of life.
- The Bereavement Service provided support to 149 bereaved people.
- Outpatient Centre – 2,583 Outpatient Appointments
- Patients with Chronic Oedema, received care from our service, 275 Chronic Oedema referrals in the year

Performance against the improvements and priorities planned for 2015/16

Patient Safety – delivering care

Outcome measure from 2015/16 objective

- Training in place for Tissue Viability Link Nurse by Sept-15 and all nursing staff by Dec-15
- Separate reporting for pressure ulcers and other skincare issues in place on the electronic patient record by December 2015.

Performance: Achieved:

- Six education sessions led by the Tissue Viability lead for the Acute Trust were delivered to registered and non-registered staff during June and July 2015.
- A staff nurse from the ward has been identified to take the lead in promoting best practice for skin care and pressure ulcer prevention.
- The reporting area on the electronic patient record has been redesigned to distinguish between pressure damage and other skin care issues.

Patient, family and friends experience – Caring:

Outcome measure from 2015/16 objective

- Training course outlines and learning outcomes demonstrate spiritual content where appropriate

Performance: Achieved:

- Where appropriate, spiritual issues have been included in the learning outcomes of our courses.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Where we feel we can improve and our priorities for 2016/17

Patient Safety – delivery of care:

Ward Attendant role: we have developed a role of Ward attendant. This is a voluntary role designed to support patients in one to one in tasks such as encouraging them to eat or sitting with patients who are at risk of falls to remind them to ask for help. We intend to progress this initiative further through 2016/17.

Outcome measure

- First volunteers undergo induction spring 2016
- Volunteers in place summer 2016

Further development of work with pressure ulcer and falls prevention: we wish to continue with progress made in 2015/16, ensuring best practice with assessment and planning to ensure high quality care.

Outcome measure

- Carry out the new Hospice UK Pressure Ulcer Audit by Summer 2016
- Update skin and pressure are assessment and care planning by October 2016

Further details available from the Hospice Quality Account 2015/16 at:

www.rowcrofthospice.org.uk/web/data/rowcroft-hospice_quality-account-2019.pdf

a. RESERVES POLICY

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

In order for the hospice to meet its objectives of providing care for patients suffering from life-limiting illnesses, the Strategic Management Board (SMB) has considered the charity's resources and commitments.

The hospice has a long-term commitment to people throughout South Devon and it requires long-term plans.

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

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

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

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

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 charity from future challenges and changes in economic circumstances.

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

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

Level of Reserves to meet Policy Objectives:

- To avoid closure if funding difficulties were to happen, the SMB has agreed to keep a certain level of financial reserves to ensure that core operations can continue for a period of up to three months. The main concerns of the SMB are to ensure: that staff can continue working, primarily to secure new funding and that as a last resort beneficiaries are supported to move on to other services. It has been calculated that reserves of £0.9m would be needed to continue running all core operations for at least three months (net of contracted NHS income)
- It is anticipated that during this three months, operations would be scaled down. £0.15m is designated as a reserve for redundancy costs (20% of total redundancy obligations for the organisation)
- To support day to day variations in operating cash flows, a reserve for working cash of £0.55m has been agreed.
- A discretionary "Opportunity Fund" of £0.25m will be allocated from reserves to support initiatives proposed by the Executive and approved by the Trustees.
- Total minimum level of reserve of £1.85m.

The SMB recognises that the level of reserves held by the charity need to be maintained at a minimum of £1.85m for the reasons set out in the Policy. Should these reserves fall below this level, for whatever reason, immediate steps will be taken to reinstate them over a reasonable period. The SMB also recognises that keeping reserves at a level of £1.85m would, in the unlikely event of the charity having to cease operations, be sufficient to pay for winding up liabilities.

Available reserves in cash and investments at 31st March 2016 of £2.6m (2014/15: £3.9m). Budgets have been prepared for the 2016/17 year which forecast a loss before depreciation of £0.6m, therefore the expected available reserves at 31 March 2017 will be £2m.

b. INVESTMENT POLICY AND PERFORMANCE

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

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

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Attitude to risk

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

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

Liquidity Requirements

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

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

Time Horizon

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

Investment Brief

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

The proportion of the portfolio invested in equities, fixed income stocks and cash shall be reviewed by the Trustees with Brewin Dolphin 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 Trustees have selected a Mandate reflecting a Brewin Dolphin Category Number 6, i.e. Moderate Investment Risk and this category will be reviewed annually at the April meeting of the Rowcroft Finance and Investment Committee.

Review/Reporting

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

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.

c. EMPLOYEES

The Board of Trustees would like to record its appreciation of the commitment to the hospice of all staff. Rowcroft is committed to investing in staff development throughout all departments. Rowcroft recognises its social and statutory duty to employ disabled persons and individuals on Government assisted work schemes wherever possible.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

d. SPECIAL ACKNOWLEDGEMENT

The Board of Trustees records its appreciation for the generosity of the people of South Devon for the financial and volunteering support they have made to the hospice throughout 2015/16. During the year Rowcroft benefited from a monthly average of over a thousand volunteer sessions; working on the wards, bereavement support, administration & reception, shops & distribution centre, therapies & services, transport, estates and in fundraising. A total of over 46,000 hours of volunteer time given to Rowcroft over this period.

e. 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.

PLANS FOR FUTURE PERIODS

Following a number of years of significant deficits the Trustees and Executive team initiated a cost reduction programme in the summer of 2016 with the objective of reducing underlying operating costs by £1.1m p.a. A reduction in direct charitable expenditure of £0.7m p.a and a reduction in support costs of £0.4m p.a.

The aim being to limit the impact on patient care while bringing the Hospice to a stable financial position in 2017/18; while at no time breaching minimum reserve levels.

The Trustees are taking this action now having previously sought to maintain the level of activity by increased funding and income generation through the organisational strategy for 2012 to 2016. While income has increased during that period by £1.1m, costs have increased by £2.1m.

The impact on patient care as a result:

- A reduction in inpatient bed numbers from 17 to 12 beds
- A reduction in the provision of nursing time within the Hospice at Home team; while retaining a 24/7 service
- A reduction in the breadth of therapy services provided by the Community team
- The transfer of the Chronic Oedema service to the NHS

The changes have been designed to limit the impact on patient numbers; as a result the Trustees anticipate providing our Inpatient, community, Hospice at Home and bereavement services to close to 2,000 patients each year. This will be achieved through more efficient working practices, greater flexibility of working patterns and closer management of length of stay within the inpatient unit, to take the average length of stay for pain management and treatment from 13 days to below 10 days.

The financial objective being to limit the 2016/17 deficit to £0.9m and to return the charity to a breakeven position in 2017/18 and a surplus in 2018/19. With available reserves comfortably above minimum levels in each year.

The Trustees will also progress an existing project to identify inpatient unit needs for the future. To take into consideration the increased diagnosis of frailty and dementia, the year on year continued growth in the need for End of Life Care and the economic uncertainty of the coming years.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

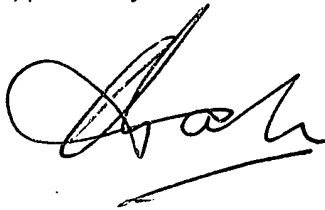
DISCLOSURE OF INFORMATION TO AUDITORS

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 Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 7/12/16 and signed on their behalf by:

**W Grahamslaw
Chairman**



**A Dee
Trustee**



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

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

The Trustees (who are also directors of Rowcroft House Foundation Limited 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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

We have audited the financial statements of Rowcroft House Foundation Limited for the year ended 31 March 2016 set out on pages 16 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

William Hanbury FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

50 The Terrace

Torquay

Devon

TQ1 1DD

Date: 12/12/16

A large, stylized handwritten signature in black ink that reads "Bishop Fleming LLP". The signature is written in a cursive, flowing style with large loops and is positioned to the right of the printed text.

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:					
Donations	3	93,705	526,215	619,920	488,576
Legacies	3	-	1,483,100	1,483,100	3,214,309
Grants	3	19,298	132,837	152,135	46,848
Fundraising	4	-	2,706,426	2,706,426	2,490,654
Investments	5	-	80,245	80,245	106,003
Charitable activities	6	770,862	1,622,223	2,393,085	2,024,445
Other income		18,672	235,707	254,379	98,113
TOTAL INCOME		902,537	6,786,753	7,689,290	8,468,948
EXPENDITURE ON:					
Raising funds:					
Fundraising	7	-	2,615,720	2,615,720	2,707,382
Investment management		-	20,343	20,343	26,816
Charitable activities:					
Charitable activities	8	970,959	5,149,915	6,120,874	6,571,224
Governance	10	-	19,718	19,718	18,312
TOTAL EXPENDITURE		970,959	7,805,696	8,776,655	9,323,734
NET EXPENDITURE BEFORE INVESTMENT GAINS/(LOSSES)					
Net gains/(losses) on investments	15	(68,422)	(1,018,943)	(1,087,365)	(854,786)
NET EXPENDITURE AND MOVEMENT IN FUNDS		(68,422)	(1,193,341)	(1,261,763)	(573,132)
RECONCILIATION OF FUNDS:					
Total funds brought forward		696,874	6,356,116	7,052,990	7,626,122
TOTAL FUNDS CARRIED FORWARD		628,452	5,162,775	5,791,227	7,052,990

All activities relate to continuing operations.

The notes on pages 19 to 33 form part of these financial statements.

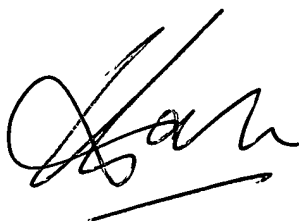
ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 01561601

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		2,060,771		2,097,408
Investments	15		1,700,025		3,315,332
			<u>3,760,796</u>		<u>5,412,740</u>
CURRENT ASSETS					
Stocks	16	45,201		51,321	
Debtors	17	1,633,815		1,852,042	
Cash at bank and in hand		915,528		602,564	
		<u>2,594,544</u>		<u>2,505,927</u>	
CREDITORS: amounts falling due within one year	18	(564,113)		(865,677)	
NET CURRENT ASSETS			<u>2,030,431</u>		<u>1,640,250</u>
NET ASSETS			<u>5,791,227</u>		<u>7,052,990</u>
CHARITY FUNDS					
Restricted funds	20		628,452		696,874
Unrestricted funds	20		5,162,775		6,356,116
TOTAL FUNDS			<u>5,791,227</u>		<u>7,052,990</u>

The financial statements were approved by the Trustees on and signed on their behalf, by:

W Grahamslaw
Director - Chairman



A Dee
Trustee



The notes on pages 19 to 33 form part of these financial statements.

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	22	<u>(930,201)</u>	<u>(906,389)</u>
Cash flows from investing activities:			
Dividends and interest from investments		80,245	106,003
Proceeds from the sale of property, plant and equipment		43,168	1,008
Purchase of property, plant and equipment		(321,157)	(475,376)
Proceeds from sale of investments		1,828,284	1,588,382
Purchase of investments		<u>(387,375)</u>	<u>(410,457)</u>
Net cash provided by investing activities		<u>1,243,165</u>	<u>809,560</u>
Change in cash and cash equivalents in the year	23	312,964	(96,829)
Cash and cash equivalents brought forward		<u>602,564</u>	<u>699,393</u>
Cash and cash equivalents carried forward		<u><u>915,528</u></u>	<u><u>602,564</u></u>

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

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.

1.2 RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 2. 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.

1.4 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 company 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 company 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.5 INCOME

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

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

Grants receivable are credited to the statement of financial activities in the year in which they are receivable. Deferred income represents amounts received for future periods or amounts invoiced for in advance of the year to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.6 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.7 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 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 to continue as a going concern have been identified by the Trustees.

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.9 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 fair 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 shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.10 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (continued)

1.11 STOCKS

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

1.12 INTEREST RECEIVABLE

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

1.13 PENSIONS

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

The charity also participates in a defined benefit scheme administered by the NHS Pension Agency. Pension assets are assessed in accordance with advice from Department of Health actuaries. As the scheme is multi-employer and the charity has not been informed of any required contributions directly to the deficit, it is not possible for the charity to separately identify its share of the assets and liabilities within the NHS scheme. Therefore, contributions are accounted for as if the scheme were a defined contribution scheme, in accordance with FRS102.

1.14 DEBTORS

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

1.15 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.

1.16 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 company 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 within interest payable and similar charges.

1.17 FINANCIAL INSTRUMENTS

The company 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.

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Management have made judgments 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 judgments, the Trustees feel these are unlikely to have a significant effect on, or cause material error to the amounts recognised in the financial statements.

3. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	93,705	526,215	619,920	488,576
Legacies	-	1,483,100	1,483,100	3,214,309
Grants	19,298	132,837	152,135	46,848
	<u>113,003</u>	<u>2,142,152</u>	<u>2,255,155</u>	<u>3,749,733</u>

4. FUNDRAISING INCOME

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lottery	-	394,339	394,339	408,213
Fundraising events	-	826,342	826,342	696,269
Fundraising trading (shops)	-	1,485,745	1,485,745	1,386,172
	<u>-</u>	<u>2,706,426</u>	<u>2,706,426</u>	<u>2,490,654</u>

5. INVESTMENT INCOME

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	-	1,407	1,407	3,116
Income from listed investments	-	78,838	78,838	102,887
	<u>-</u>	<u>80,245</u>	<u>80,245</u>	<u>106,003</u>

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

6. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Grants from NHS South Devon & Torbay Clinical Commissioning group:				
General grants	-	1,456,664	1,456,664	1,106,664
Community team	277,829	-	277,829	277,829
Hospice at home	354,500	-	354,500	354,500
Lymphoedema	86,480	-	86,480	86,480
NHS pension support	52,053	-	52,053	52,053
Pharmacy and laundry	-	165,559	165,559	146,919
	<u>770,862</u>	<u>1,622,223</u>	<u>2,393,085</u>	<u>2,024,445</u>

7. EXPENDITURE ON FUNDRAISING

	Direct costs 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Fundraising trading (shops)	1,264,276	410,987	1,675,263	1,757,518
Costs of activities for raising funds:				
Lottery costs	141,532	49,311	190,843	241,485
Fundraising events costs	459,988	289,626	749,614	708,379
	<u>1,865,796</u>	<u>749,924</u>	<u>2,615,720</u>	<u>2,707,382</u>

8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Direct costs 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
In-patient unit	1,960,050	1,145,560	3,105,610	3,536,651
Community team	964,953	319,872	1,284,825	1,366,304
Hospice at home	707,758	192,258	900,016	811,691
Lymphoedema	242,960	119,151	362,111	397,091
Education	194,464	45,956	240,420	215,485
Restricted depreciation	-	47,782	47,782	45,688
Unrestricted depreciation	-	180,110	180,110	198,314
	<u>4,070,185</u>	<u>2,050,689</u>	<u>6,120,874</u>	<u>6,571,224</u>

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

9. SUPPORT COSTS

	Expenditure on Fundraising £	Expenditure on Charitable Activities £	2016 £	2015 £
Volunteers	-	47,419	47,419	46,133
Database	64,211	-	64,211	55,579
Finance	48,596	103,266	151,862	153,461
Payroll processing	9,917	21,074	30,991	30,115
IT	104,293	177,580	281,873	290,264
Estate costs	57,816	107,373	165,189	169,166
Chief Executive's office	79,265	168,437	247,702	164,951
Executive team	78,378	166,552	244,930	221,867
Human resources and statutory compliance	48,823	103,749	152,572	219,852
Infection control	-	23,183	23,183	22,221
Property costs - In-Patient Unit	5,602	56,640	62,242	91,279
Property costs - Rainbow House	3,813	38,557	42,370	42,593
Property costs - Outpatient Centre	2,743	27,732	30,475	38,504
Administration and central expenses	91,220	193,866	285,086	401,112
Catering and housekeeping	15,622	331,544	347,166	354,897
Transport	13,194	96,754	109,948	112,206
Marketing and communications	34,230	108,395	142,625	247,472
Service development	-	50,676	50,676	50,243
Depreciation	92,201	227,892	320,093	356,635
	749,924	2,050,689	2,800,613	3,068,550

10. GOVERNANCE COSTS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Auditors remuneration	-	6,860	6,860	5,833
Staff costs	-	12,858	12,858	12,479
	-	19,718	19,718	18,312

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

11. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	320,093	356,635
Operating lease payments - land and buildings	253,089	264,978
- vehicle leasing	9,547	3,183
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2015: £NIL).

During the year, no Trustees received any benefits in kind (2015: £NIL).

One Trustee received reimbursement of expenses amounting to £475 in the current year (2015: Two Trustees - £827).

12. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	5,000	5,000
Fees payable to the company's auditor and its associates in respect of:		
All other non-audit services not included above	1,860	833
	<u> </u>	<u> </u>

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

13. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	5,648,649	5,912,993
Social security costs	413,654	416,082
Other pension costs	439,681	411,393
	<u>6,501,984</u>	<u>6,740,468</u>

The average monthly head count was 271 staff and the average number of full-time equivalent persons employed by the company during the year was as follows:

	2016	2015
	No.	No.
Medical, nursing and professional	91	96
Domestic and maintenance	17	18
Administration and fundraising	44	48
Charity shops	38	42
	<u>190</u>	<u>204</u>

The number of higher paid employees was:

	2016	2015
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	1	1

These employees are members of the NHS pension scheme and the charity paid contributions for these employees totalling £38,027 (2015: £42,164).

Remuneration and benefits received by key management personnel totalled £360,503.

Staff costs include costs in relation to agency staff, taken on to cover temporary gaps in staffing, holiday and sickness absences, which amounted to £42,774 (2015: £31,304). They also include the costs of staff seconded from South Devon Healthcare and Torbay Care Trust totalling £377,539 (2015: £376,030), and restructuring costs of £Nil (2015: £212,369).

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
COST					
At 1 April 2015	190,015	5,970,194	125,649	1,972,200	8,258,058
Additions	32,367	170,563	-	118,227	321,157
Disposals	(3,580)	(98,065)	-	(127,686)	(229,331)
At 31 March 2016	<u>218,802</u>	<u>6,042,692</u>	<u>125,649</u>	<u>1,962,741</u>	<u>8,349,884</u>
DEPRECIATION					
At 1 April 2015	79,144	4,341,073	83,466	1,656,967	6,160,650
Charge for the year	3,315	161,280	9,404	146,094	320,093
On disposals	(414)	(63,874)	-	(127,342)	(191,630)
At 31 March 2016	<u>82,045</u>	<u>4,438,479</u>	<u>92,870</u>	<u>1,675,719</u>	<u>6,289,113</u>
NET BOOK VALUE					
At 31 March 2016	<u>136,757</u>	<u>1,604,213</u>	<u>32,779</u>	<u>287,022</u>	<u>2,060,771</u>
At 31 March 2015	<u>110,871</u>	<u>1,629,121</u>	<u>42,183</u>	<u>315,233</u>	<u>2,097,408</u>

15. FIXED ASSET INVESTMENTS

	Listed securities £
MARKET VALUE	
At 1 April 2015	3,315,332
Additions	387,375
Disposals	(1,828,284)
Revaluations	(174,398)
At 31 March 2016	<u>1,700,025</u>
HISTORICAL COST	<u>1,595,479</u>

16. STOCKS

	2016 £	2015 £
Goods for resale	<u>45,201</u>	<u>51,321</u>

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

17. DEBTORS

	2016 £	2015 £
Other debtors	342,860	267,645
Tax recoverable	255,743	24,106
Legacies and donations receivable	1,035,212	1,560,291
	<u>1,633,815</u>	<u>1,852,042</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	253,820	221,808
Other taxation and social security	106,754	113,712
Deferred income	74,726	93,394
Accruals	128,813	436,763
	<u>564,113</u>	<u>865,677</u>

19. DEFERRED INCOME

	2016 £	2015 £
Lottery income received in advance		
At 1 April 2015	69,792	74,401
Amount released to incoming resources	(69,792)	(74,401)
Amount deferred in the year	<u>64,979</u>	<u>69,792</u>
At 31 March 2016	<u>64,979</u>	<u>69,792</u>
Other		
At 1 April 2015	10,342	58,886
Amount released to incoming resources	(10,342)	(58,886)
Amount deferred in the year	<u>9,747</u>	<u>23,602</u>
At 31 March 2016	<u>9,747</u>	<u>23,602</u>
Total deferred income at 31 March 2016	<u>74,726</u>	<u>93,394</u>

ROWCROFT HOUSE FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

20. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DESIGNATED FUNDS						
Capital fund	2,097,408	-	-	(36,637)	-	2,060,771
Revaluation fund	506,578	-	-	-	(402,033)	104,545
	<u>2,603,986</u>	<u>-</u>	<u>-</u>	<u>(36,637)</u>	<u>(402,033)</u>	<u>2,165,316</u>
GENERAL FUNDS						
General Funds	<u>3,752,130</u>	<u>6,786,753</u>	<u>(7,805,696)</u>	<u>36,637</u>	<u>227,635</u>	<u>2,997,459</u>
Total Unrestricted funds	<u>6,356,116</u>	<u>6,786,753</u>	<u>(7,805,696)</u>	<u>-</u>	<u>(174,398)</u>	<u>5,162,775</u>
RESTRICTED FUNDS						
In-Patient improvements	323,529	-	(26,961)	-	-	296,568
RBS improvements	98,470	-	(8,206)	-	-	90,264
Garden access improvements	170,011	-	(12,885)	-	-	157,126
NHS South Devon & Torbay Clinical Commissioning group	-	718,809	(718,809)	-	-	-
NHS pension support	-	52,053	(52,053)	-	-	-
Specified use donations	84,328	113,003	(118,267)	-	-	79,064
Education income	20,536	18,672	(33,778)	-	-	5,430
	<u>696,874</u>	<u>902,537</u>	<u>(970,959)</u>	<u>-</u>	<u>-</u>	<u>628,452</u>
Total of funds	<u>7,052,990</u>	<u>7,689,290</u>	<u>(8,776,655)</u>	<u>-</u>	<u>(174,398)</u>	<u>5,791,227</u>

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 tangible fixed assets, and is therefore not available for any other purpose.

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

Restricted Funds

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

20. STATEMENT OF FUNDS (continued)

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

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

The Specified Use Donations fund represents an amalgamation of smaller restricted funds for special purposes.

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	594,427	1,466,344	2,060,771	2,097,408
Fixed asset investments	-	1,700,025	1,700,025	3,315,332
Current assets	34,025	2,560,519	2,594,544	2,505,927
Creditors due within one year	-	(564,113)	(564,113)	(865,677)
	<u>628,452</u>	<u>5,162,775</u>	<u>5,791,227</u>	<u>7,052,990</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(1,261,763)	(573,132)
Adjustment for:		
Depreciation charges	320,093	356,635
(Gains)/losses on investments	174,398	(281,654)
Dividends and interest from investments	(80,245)	(106,003)
(Profit)/loss on the sale of fixed assets	(5,467)	12,916
Decrease/(increase) in stocks	6,120	(1,245)
Decrease/(increase) in debtors	218,227	(466,349)
(Decrease)/increase in creditors	(301,564)	152,443
Net cash used in operating activities	<u>(930,201)</u>	<u>(906,389)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	915,528	602,564
Total	<u>915,528</u>	<u>602,564</u>

24. PENSION COMMITMENTS

The charity 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 2016 under this scheme is for contributions of £204,539 (2015: £183,542). The charity has no obligation to meet any shortfall arising from any actuarial valuations lower than those originally anticipated.

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

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

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

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

An increase in employer's contributions to the NHS scheme from 7% to 14% was introduced on 1 April 2004; a support grant received towards the additional cost is shown in note 6.

	2016 £	2015 £
Pension costs for the year comprise:		
Defined contribution	204,539	183,542
Defined benefit	235,142	227,851
	<u>439,681</u>	<u>411,393</u>

	2016 £	2015 £
The number of members in each scheme was:		
Defined contribution	167	171
Defined benefit	58	63
Total	<u>225</u>	<u>234</u>

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25. OPERATING LEASE COMMITMENTS

At 31 March 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings 2016 £	Land and buildings 2015 £
AMOUNTS PAYABLE:		
Within 1 year	308,754	214,004
Between 1 and 5 years	1,027,116	829,616
After more than 5 years	652,012	848,016
	<u>1,987,882</u>	<u>1,891,636</u>
	Other 2016 £	Other 2015 £
AMOUNTS PAYABLE:		
Within 1 year	28,459	28,459
Between 1 and 5 years	59,664	88,123
	<u>88,123</u>	<u>116,582</u>

26. RELATED PARTY TRANSACTIONS

C L Hicks is a partner at Francis Clark LLP, during the year the firm provided taxation advice totalling £6,660 (2015: £1,200). At the year end £4,200 was outstanding (2015: Nil).

27. 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.

28. TRANSITION TO FRS102

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The adoption of FRS102 has not resulted in the requirement to restate the comparative information/ opening balances.