

Rowcroft House Foundation Limited

Annual Report

Year Ended 31 March 2007

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Rowcroft House Foundation Limited

Charity Information

Year Ended 31 March 2007

Address	Rowcroft Hospice Avenue Road Torquay TQ2 5LS
Telephone	01803 210800
Fax	01803 299842
Email	info@rowcroft-hospice.org.uk
Website	www.rowcrofthospice.org.uk
Incorporated in England on	14 May 1981
Company Registration No	1561601
Registered Charity No	282723
Governing Document	Memorandum & Articles of Association
Directors and Trustees	Mrs S A Newman (Chairman) Miss I Butler (Vice Chairman) Dr A J Almond (resigned 19 October 2006) R J S Brinsley Mrs S C Brooks M W Clapham P B M Cliff W Grahamslaw S E Kings (resigned 31 March 2007) Mrs S Machin M Pavey A S Perkins P H Rumbelow Dr S R Smith Dr E A Thomas
President	Dr A J Almond
Executive Officers	
Chief Executive/Company Secretary	G Charnaud
Clinical Director	Dr R Scheffer
Head of Nursing	S Bulley (from 14 August 2006)
Head of Finance	D Walden (resigned 9 February 2007)
Head of Patient and Family Services	C Richoux
Head of HR and Statutory Compliance	T Bowser
Bankers	National Westminster Bank plc, PO Box 69 Riviera House, Torquay TQ2 7YL
Solicitors	Kitson Hutchings, 38 The Terrace Torquay TQ1 1BN
Auditors	Hawes Richards & Company, 6/7 Victoria Parade Torquay TQ1 2AZ
Investment Managers	Barclays Wealth, Plym House, 3 Longbridge Road Plymouth PL6 8LT

Rowcroft House Foundation Limited

Annual Report

Year Ended 31 March 2007

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Rowcroft House Foundation Limited

Year Ended 31 March 2007

Trustees' Report

The trustees submit their report and the audited financial statements of Rowcroft House Foundation Limited for the year ended 31 March 2007

Basis of Preparation

The financial statements have been prepared in accordance with the requirements of the Statement of Recommended Practice on accounting and reporting for charities (revised 2005)

Structure, Governance and Management

The charity (Number 282723) is a company limited by guarantee (Number 1561601), incorporated on 14 May 1981 and governed by its memorandum and articles of association. It is run by a board of trustees, who are also directors for the purposes of the Companies Act and who are named at the front of this report.

Trustees are appointed to the Council of Governors 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, if not already so, prior to the Annual General Meeting at which their appointment is formally ratified.

In addition to the above, the Chairman of the Friends of Rowcroft, a branch of the main charity, is a nominated Trustee of Rowcroft House Foundation Limited. During 2006/2007 W Grahamslaw held this office until 31 October 2006. P Tregellas was elected as Chairman of the Friends of Rowcroft and co-opted to the board of trustees on 15 January 2007. He will be proposed for adoption as a trustee and, therefore, become a director of the company at the 2007 Annual General Meeting.

Rowcroft Convalescent Home Trust, a separate charity, also appoints two of its trustees to sit on the Council of Governors of Rowcroft House Foundation Limited. During 2006/2007 these offices were held by M W Clapham and P H Rumbelow.

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 Memorandum and Articles, past Council of Governors and Sub-Committee minutes and a copy of The Trustee Induction Pack produced by Help the Hospices in association with the Forum of Chairmen of Independent Hospices.

Rowcroft Hospice is overseen by a Council of Governors, which is legally responsible for agreeing the strategic direction of the organisation, ratifying policy and ensuring compliance with internal and external regulations and legislation. The Council of Governors meets each quarter. In addition to this, the Council meets twice yearly to agree and review strategy.

Rowcroft House Foundation Limited

Year Ended 31 March 2007

Trustees' Report (continued)

There are five sub-committees of the Council of Governors which report to the quarterly meetings. Each sub-committee is chaired by a Governor and includes Governors and Executive Team/senior hospice staff. The sub-committees are

- Governance
- Estate/Hotel Services
- Human Resources
- Finance and Investments
- Raising Funds and Awareness

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 and report to the appropriate Executive lead who represents them within the Executive Team.

The hospice has a three year Strategic Plan and annual Business Plan which documents and provides a developmental action plan for the key issues in specialist palliative care.

The charity has a supporter branch known as the Friends of Rowcroft whose purpose is the raising of funds for the charity. The Friends of Rowcroft is itself organised into geographically based sub-branches. The income and expenditure of the Friends of Rowcroft are consolidated into the financial statements of Rowcroft House Foundation Limited.

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

Objects, Activities and Achievements

Charity Objects

The objects for which the Association is established are to promote the relief of sickness by such charitable means as the Association may from time to time think fit. The governing document defines the charitable means in furtherance of the above aims.

Charity Aims

Rowcroft Hospice is committed to maintain and develop the provision of specialist palliative care for the people of Torbay and South Devon regardless of their culture and ethnic background.

Rowcroft strives to provide the highest possible standards of care, for all aspects of life, for all patients, families and their friends, with a positive commitment to staff development.

The hospice provides facilities for all people with a life limiting/life threatening disease. It aims to deliver specialist palliative care in advanced disease according to need.

Rowcroft House Foundation Limited

Year Ended 31 March 2007

Trustees' Report (continued)

Main Objectives and Activities for the Year Ended 31 March 2007

Objective	Achievement
To continue to develop community and home based patient-focussed services in the place best suited to their needs	Community nursing team continues to develop and expand in multi-disciplinary nature Day Services have implemented revised delivery involving sessional attendance and drop-in facilities
To develop plans to re-provide inpatient facilities, to include better accommodation, en-suite facilities and enhanced family care environment	Feasibility study undertaken in October 2005 further developed Application made to the Department of Health for grant through Dignity in Care monies to part-fund development Design team instigated to work up detailed design
To meet the standards as set down by the Care Standards Act and as regulated by the Healthcare Commission	As at March 2007, the charity met the standards in all 32 core standards and all 13 hospice-specific standards The hospice satisfied the Healthcare Commission with regard to the comprehensive self-assessment regime
To continue to diversify the income stream and attain more substantive funding	Negotiations continue with the Department of Health through local Primary Care Trusts regarding the level of statutory funding received Community fundraising events increased in number and enhanced to further engage community support

Use of Volunteers

The charity is fortunate to benefit from an invaluable contribution made by volunteers The hospice utilises volunteers in most aspects of its work from raising funds through the Friends of Rowcroft, working in the shops, serving refreshments on the wards and in day services, working in the gardens, through to the delivery of complementary therapies and bereavement support Volunteers contributed 54,000 hours in the year

The hospice considers the recruitment of volunteers in the same way as for staff and carries out a thorough administrative process in their selection

Rowcroft House Foundation Limited

Year Ended 31 March 2007

Trustees' Report (continued)

Financial Review and Performance

At 31 March 2007 our balance sheet showed net assets of £9.7 million, up £656,000 from the previous year. £490,000 of this increase came from the charity's net income for the year, the remainder represents gains on the investment portfolio.

Legacy income was again strong this year, £439,000 higher than the previous year at £2.7 million. General donations slipped back slightly after a very good year last year, but still amounted to £407,000.

The turnover of the charity shops was up £67,000 at £701,000, but the net income to the charity from this source declined from £166,000 to £137,000, due mainly to one off costs in shop maintenance and remedial work.

The lottery continued to perform strongly, providing a net income to the charity of £104,000, compared to £98,000 last year.

Investment income rose slightly, from £282,000 to £307,000, whilst the total gains from our investment portfolio amounted to £167,000.

Grant income increased by £176,000 to £1.4 million. This increase was partly due to non-recurring income becoming payable in 2006/07 as a consequence of the hospice brokering some grant income to the Peninsula Strategic Health Authority in 2005/06.

Following a building feasibility study undertaken in October 2005 the Council of Governors have decided to undertake a major re-development of the hospice. This will involve re-providing a 20 bedded in-patient facility to enable better patient choice and enhanced dignity in care. More single room en-suite accommodation will be provided, with better family support facilities. A purpose designed out-patients department will be created incorporating the Lymphoedema clinics. As such the Council of Governors have designated £4 million of reserves towards this project, with a view to launching a matched funds capital appeal in 2008.

Financial Position and Reserves

In order for the hospice to meet its objectives of providing care for patients suffering from life-threatening illnesses, the Council of Governors has considered the charity's resources and commitments. The hospice has a long-term commitment to the people of Torbay and 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 Council of Governors is conscious of the need to apply charitable funds in a timely fashion and to avoid building up an excessive levels of reserves.

Having regard to these factors, the Council of Governors believes that an appropriate balance is to hold a level of available reserves which would provide for six to nine months' expenditure (to the extent that this expenditure is not effectively funded by known grant income). As at 31 March 2007, the level of the charity's available reserves was within this range.

Rowcroft House Foundation Limited

Year Ended 31 March 2007

Trustees' Report (continued)

Investment Statement

The investment policy has been formulated with a view to ensuring that the asset management functions will be exercised in the best interests of the hospice

In order to meet these objectives, Barclays Wealth continued as our investment managers, managing a diversified portfolio of suitable investments on a discretionary basis. Investments in the tobacco industry are still excluded from the portfolio. The proportions invested in equities, fixed income, stocks and cash are reviewed with Barclays Wealth from time to time to provide guidance on the ongoing suitability of that element of the investment policy.

Employees

The Council of Governors would like to record their 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.

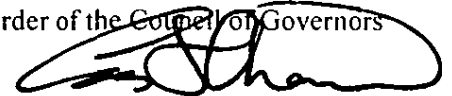
Auditors

In accordance with the Companies Act 1985 a resolution concerning the re-appointment of Hawes Richards and Company will be proposed at the forthcoming Annual General Meeting.

Special Acknowledgement

The Council of Governors would also like to record its appreciation for the generosity of all the people of Torbay and South Devon for the contributions and bequests they have made to the hospice. Rowcroft also benefits from grants and assistance from the Torbay Care Trust and Devon Primary Care Trust. The Council is also grateful for the preferential treatment received from many suppliers and providers of professional services.

By Order of the Council of Governors



G Charnaud
Company Secretary

Rowcroft House Foundation Limited

Year Ended 31 March 2007

Statement of Trustees' Responsibilities

Company and Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its surplus or deficit for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that

- the charity is operating efficiently and effectively,
- its assets are safeguarded against unauthorised use or disposition,
- proper records are maintained and financial information used within the charity or for publication is reliable, and
- the charity complies with relevant laws and regulations

In so far as the trustees are aware

- there is no relevant audit information of which the charity's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Rowcroft House Foundation Limited

Year Ended 31 March 2007

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 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the charitable company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees 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) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the trustees' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Rowcroft House Foundation Limited

Year Ended 31 March 2007

Independent Auditors' Report to the Members (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the trustees' report is consistent with the financial statements



Hawes Richards & Co
Chartered Accountants
Torquay
Devon

2 / 10 / 2007

Registered Auditors

Rowcroft House Foundation Limited

Year Ended 31 March 2007

Statement of Financial Activities (incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2007 £	Total 2006 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income					
Donations		375,017	32,072	407,089	461,639
Legacies		2,717,516	-	2,717,516	2,278,326
Fundraising trading (shops)		701,369	-	701,369	634,524
Activities for generating funds	2	464,133	-	464,133	400,536
Investment income	3	306,812	-	306,812	281,620
Incoming resources from charitable activities	4	1,075,071	357,925	1,432,996	1,257,102
Other income		47,285	-	47,285	51,485
Total incoming resources		5,687,203	389,997	6,077,200	5,365,232
Resources expended					
Costs of generating funds:					
Fundraising trading (shops)	6(i)	564,386	-	564,386	468,148
Costs of activities for generating funds	6(i)	378,161	816	378,977	341,503
Investment management costs	6(i)	6,582	-	6,582	15,116
Charitable activities	6(ii)	4,241,374	381,277	4,622,651	4,254,810
Governance costs	6(iv)	14,949	-	14,949	26,146
Total resources expended		5,205,452	382,093	5,587,545	5,105,723
Net incoming resources before transfers		481,751	7,904	489,655	259,509
Transfers between funds		121,920	(121,920)	-	-
Realised gains on sale of investments		570,125	-	570,125	85,457
Net income (expenditure) for the year		1,173,796	(114,016)	1,059,780	344,966
(Decrease)/increase in unrealised gains on investments		(403,589)	-	(403,589)	759,970
Net movement in funds		770,207	(114,016)	656,191	1,104,936
Fund balances brought forward		8,506,029	505,489	9,011,518	7,906,582
Fund balances carried forward		9,276,236	391,473	9,667,709	9,011,518

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

Rowcroft House Foundation Limited

Year Ended 31 March 2007

Balance Sheet

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	7	1,453,131	1,598,611
Investments	8	5,955,792	5,719,791
		<u>7,408,923</u>	<u>7,318,402</u>
Current assets			
Stocks		33,970	25,514
Debtors	9	440,609	347,896
Cash at bank and in hand		2,432,505	1,873,900
		<u>2,907,084</u>	<u>2,247,310</u>
Creditors - Amounts falling due within one year	10	<u>(648,298)</u>	<u>(554,194)</u>
Net current assets		<u>2,258,786</u>	<u>1,693,116</u>
Net assets		<u>9,667,709</u>	<u>9,011,518</u>
Capital, reserves and funds			
Restricted funds	14	<u>391,473</u>	<u>505,489</u>
Unrestricted funds			
Designated funds		6,307,080	2,843,614
General fund		2,969,156	5,662,415
	14	<u>9,276,236</u>	<u>8,506,029</u>
		<u>9,667,709</u>	<u>9,011,518</u>

Approved by the Board of Directors on *2 October*

2007 and signed on its behalf by

A Newman

Director - Chairman

Buchb

Director

Rowcroft House Foundation Limited

Year Ended 31 March 2007

Cash Flow Statement

	2007 £	2006 £
Net cash inflow from operating activities	608,286	328,241
Returns on investments and servicing of finance		
Interest received	101,454	69,327
Investment income received	205,358	212,293
Net cash inflow from returns on investments and servicing of finance	306,812	281,620
Investing activities		
Payments to acquire tangible fixed assets	(287,028)	(189,912)
Payments to acquire fixed asset investments	(2,423,322)	(602,855)
Receipts from sales of fixed asset investments	2,353,857	675,453
Net cash (outflow) for investing activities	(356,493)	(117,314)
Increase/(decrease) in cash	558,605	492,547
Reconciliation of net incoming resources to net inflow from operating activities		
Net incoming resources	489,655	259,509
Depreciation	432,508	315,649
(Increase) in stocks	(8,456)	(2,280)
(Increase) in debtors	(92,713)	(79,233)
Increase in creditors	94,104	116,216
Investment income	(306,812)	(281,620)
	608,286	328,241
Analysis of changes in cash during the year		
At 1 April 2006	1,873,900	1,381,353
Increase in cash	558,605	492,547
At 31 March 2007	2,432,505	1,873,900

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

1 Accounting Policies

The financial statements have been prepared under the historical cost convention, as adjusted by the valuation of investments, and are in accordance with the requirements of the Charities Act 1993, the Companies Act 1985, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (Revised 2005), and applicable accounting standards. Accordingly, the format of the profit and loss account has been amended, in order to present a true and fair view of the results of the company, as permitted by Section 226(5) of the Companies Act 1985.

The following principal accounting policies have been applied

a) Tangible Fixed Assets and Depreciation

Individual fixed assets costing £750 or more are capitalised at cost. Depreciation and amortisation are provided on all tangible fixed assets to write off the cost over the normal expected life of the various items at the following annual rates:

Freehold property	-	2% straight line
Leasehold property	-	over the period of the lease
Furniture and equipment	-	25% straight line
Motor vehicles	-	25% reducing balance

b) Investments

Investments are stated at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are shown in the statement of financial activities.

c) Stocks

Stocks have been valued at the lower of cost and net realisable value.

d) Incoming Resources

All incoming resources becoming available to the charity in the year are recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(i) Legacies and donations are accounted for as soon as the amount receivable has been determined. Legacies and gifts in the form of property or investments are credited at the lower of probate or market value.

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

(iii) 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.

e) Resources Expended

Fundraising costs are treated as expended when they are incurred.

Governance costs are those incurred in connection with the strategic management of the charity and compliance with statutory requirements.

Support costs represent the general operational and administrative costs of the charity which do not relate directly to individual operations. The allocation of IT costs and depreciation is based on usage, and the allocation of property costs is based on floor area. All other support costs are allocated on the basis of staff time.

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

1 Accounting Policies (continued)

f) Pension Costs

The charity operates a defined contribution pension scheme. Payments due to be made during the year have been charged to the statement of financial activities as incurred. The charity also participates in a defined benefit scheme administered by the NHS Pensions Agency. The cost of the defined benefit pension scheme is charged to the statement of financial activities so as to spread the cost of pensions over the service lives of participating 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 FRS 17 disclosure.

g) Operating Leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

h) 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 charity 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the relevant fund.

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

2 Incoming Resources from Activities for Generating Funds

	Unrestricted £	Restricted £	2007 £	2006 £
Lottery	272,504	-	272,504	230,664
Fundraising events	183,272	-	183,272	106,646
Rental income	8,357	-	8,357	63,226
	<u>464,133</u>	<u>-</u>	<u>464,133</u>	<u>400,536</u>

3 Investment Income

Income from quoted securities	205,358	-	205,358	212,293
Bank interest	101,454	-	101,454	69,327
	<u>306,812</u>	<u>-</u>	<u>306,812</u>	<u>281,620</u>

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

4 Incoming Resources from Charitable Activities

	Unrestricted £	Restricted £	2007 £	2006 £
Grants from Primary Care Trusts				
General grant	1,075,071	-	1,075,071	906,422
Lymphoedema	-	61,930	61,930	60,718
Community Team	-	248,162	248,162	243,296
NHS Pensions Support	-	47,833	47,833	46,666
	<u>1,075,071</u>	<u>357,925</u>	<u>1,432,996</u>	<u>1,257,102</u>

At 31 March 2007, the charity had been advised of legacies amounting to an estimated value of £894,400 (2006 £715,000), which have not been shown in the statement of financial activities because the conditions for recognition have not been met. Legacies have also been bequeathed to the charity which are subject to a life tenancy.

5 Net Incoming Resources

	2007 £	2006 £
Net incoming resources are stated after charging		
Auditors' remuneration		
- audit fees	5,750	6,025
- other fees	-	-
Operating lease payments - land and buildings	119,546	117,541
Depreciation written off tangible fixed assets	<u>432,508</u>	<u>315,649</u>

6 Total Resources Expended

i) Costs of generating funds

	Direct Costs £	Support Costs Note 6 iii) £	Total 2007 £	Total 2006 £
Fundraising trading (shops)	541,190	23,196	564,386	468,148
Costs of activities for generating funds				
Lottery costs	139,929	28,661	168,590	132,444
Fundraising events costs	153,664	56,723	210,387	209,059
Investment management cost	6,582	-	6,582	15,116
	<u>841,365</u>	<u>108,580</u>	<u>949,945</u>	<u>824,767</u>

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

6 Total Resources Expended (continued)

ii) Costs of charitable activities

	Direct Costs £	Support Costs Note 6 iii) £	Total 2007 £	Total 2006 £
In-patient unit	1,992,835	760,983	2,753,818	2,372,173
Community team	552,099	151,087	703,186	841,779
Day services	497,025	214,360	711,385	622,776
Hospice at home	74,272	39,117	113,389	119,688
Hospital liaison	76,038	-	76,038	56,814
Lymphoedema	199,491	65,344	264,835	241,580
	<u>3,391,760</u>	<u>1,230,891</u>	<u>4,622,651</u>	<u>4,254,810</u>

iii) Support costs

	Costs of Generating Funds Note 6 i) £	Costs of Charitable Activities Note 6 ii) £	Total 2007 £	Total 2006 £
Volunteers	-	34,138	34,138	37,169
Finance	30,658	173,730	204,388	195,096
IT	20,440	87,141	107,581	78,586
Estate costs	-	153,608	153,608	173,681
Chief Executive's Office	15,717	89,061	104,778	104,005
HR and statutory compliance	-	138,496	138,496	105,431
Care standards	-	-	-	5,020
Education	-	21,921	21,921	12,078
Property costs - Main House	-	86,394	86,394	64,285
Property costs - Rainbow House	-	30,034	30,034	36,284
Property costs - RBC	-	25,624	25,624	29,047
Professional fees	-	-	-	7,987
Depreciation	41,765	390,743	432,508	315,649
	<u>108,580</u>	<u>1,230,890</u>	<u>1,339,470</u>	<u>1,164,318</u>

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

6 Total Resources Expended (continued)

iv) Governance costs

	2007 £	2006 £
Staff costs	9,199	-
Audit and accountancy fees	5,750	11,430
Legal fees	-	588
Architects' fees	-	10,128
Pension scheme advice	-	4,000
	<u>14,949</u>	<u>26,146</u>

v) Staff Costs

Wages, salaries and fees	3,372,889	3,130,171
Social security costs	245,728	224,441
Other pension costs	188,313	173,407
	<u>3,806,930</u>	<u>3,528,019</u>

These figures include costs in relation to agency staff, taken on to cover temporary gaps in staffing and holiday and sickness absences, of £73,868. They also include the costs of staff seconded from South Devon Healthcare and Torbay Care Trust totalling £385,802.

The average full-time equivalent number of employees, excluding trustees, was

	2007 Number	2006 Number
Medical, nursing and professional	73	73
Domestic and maintenance	5	4
Administration and fundraising	20	19
Charity shops	18	15
	<u>116</u>	<u>111</u>
Number of employees whose total emoluments exceed £60,000		
Band £60,000 to £70,000	-	1
Band £70,000 to £80,000	1	-
Band £110,000 to £120,000	-	1
Band £120,000 to £130,000	1	-
	<u>2</u>	<u>2</u>

These two employees are members of the NHS pension scheme and the charity paid contributions for these employees totalling £25,156 (2006 £24,288).

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

6 Total Resources Expended (continued)

vi) Trustees' Remuneration, Expenses and Related Party Disclosures

The trustees of the charity during the year were in office on a voluntary basis and received no remuneration for their services (2006 £nil) There were no travelling and subsistence expenses reimbursed to the trustees during the year (2006 £nil)

The constitution includes a professional charging clause permitting the remuneration of trustees who are solicitors or other professionals P B M Cliff is a partner in Francis Clark, Chartered Accountants, and that firm provided accountancy services during the year at a cost of £11,809 (2006 £nil) M Pavey is a director of Michael Pavey Limited, and this company received a total of £12,432 (2006 £8,568) in commission in respect of the charity's insurance renewals and advice in connection with its insurance and pension requirements A S Perkins is a partner in Kitson Hutchings, Solicitors, and that firm provided legal advice during the previous year at a cost of £3,482

7 Tangible Fixed Assets

	Freehold Property £	Leasehold Property £	Furniture & Equipment £	Motor Vehicles £	Total £
Cost					
At 1 April 2006	268,519	2,769,810	742,797	116,876	3,898,002
Additions	-	122,055	164,973	-	287,028
At 31 March 2007	268,519	2,891,865	907,770	116,876	4,185,030
Depreciation					
At 1 April 2006	35,149	1,658,190	524,636	81,416	2,299,391
Charge in year	12,356	211,265	200,022	8,865	432,508
At 31 March 2007	47,505	1,869,455	724,658	90,281	2,731,899
Net Book Value					
At 31 March 2007	221,014	1,022,410	183,112	26,595	1,453,131
At 31 March 2006	233,370	1,111,620	218,161	35,460	1,598,611

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

8 Investments

	2007 Cost £	2007 Valuation £	2006 Cost £	2006 Valuation £
Quoted securities	3,021,093	3,875,042	4,394,038	5,639,041
Cash deposits	2,000,000	2,000,000	-	-
Freehold property	80,750	80,750	80,750	80,750
	<u>5,101,843</u>	<u>5,955,792</u>	<u>4,474,788</u>	<u>5,719,791</u>

Investments in freehold property comprise a one-half share of a property, which has been included at probate value

	2007 £	2006 £
Quoted Investments		
Market value at 1 April 2006	5,639,041	4,946,962
Additions	423,322	522,105
Disposal proceeds	(2,353,857)	(675,453)
Net realised investment gains	570,125	85,457
Net unrealised investment (losses) gains	(403,589)	759,970
Market value as at 31 March 2007	<u>3,875,042</u>	<u>5,639,041</u>

9 Debtors

Income tax recoverable	29,883	32,443
Amounts held by stockbrokers	259,850	196,054
Legacies and donations receivable	46,384	21,565
Other debtors and prepayments	104,492	97,834
	<u>440,609</u>	<u>347,896</u>

10 Creditors: Amounts falling due within one year

Trade creditors	110,201	228,414
Other taxation and social security	72,086	67,106
Accruals	407,484	213,452
Deferred income (note 11)	58,527	45,222
	<u>648,298</u>	<u>554,194</u>

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

11 Deferred income

	2007 £	2006 £
Lottery income received in advance		
At 1 April 2006	45,222	31,965
Amount released to incoming resources	(45,222)	(31,965)
Amount deferred in the year	58,527	45,222
At 31 March 2007	<u>58,527</u>	<u>45,222</u>

12 Commitments under Operating Leases

At 31 March 2007, the charity had annual commitments under non-cancellable operating leases for land and buildings as follows

	2007 £	2006 £
Operating leases which expire in		
Less than one year	53,885	36,000
Between one and five years	-	23,500
More than five years	54,750	36,050
	<u>108,635</u>	<u>95,550</u>

13 Company Limited by Guarantee

The charity is limited by guarantee and has no share capital. In the event of a winding-up, the liability of the 45 (2006 46) members is limited to £1 each.

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

14 Movements in Funds

	At 1 April 2006	Incoming Resources £	Resources Expended £	Gains and Losses £	Transfers £	At 31 March 2007 £
General Funds	5,662,415	5,687,203	(5,205,452)	557,590	(3,732,600)	2,969,156
Designated Funds						
Capital Fund	1,598,611	-	-	-	(145,480)	1,453,131
Revaluation Fund	1,245,003	-	-	(391,054)	-	853,949
Building Project Development Fund	-	-	-	-	4,000,000	4,000,000
	2,843,614	-	-	(391,054)	3,854,520	6,307,080
Total Unrestricted Funds	8,506,029	5,687,203	(5,205,452)	166,536	121,920	9,276,236
Restricted Funds						
Building Fund	301,007	-	-	-	-	301,007
Provision of Day Services Equipment	4,603	25,000	(1,091)	-	(22,688)	5,824
Primary Care Trust Funding	-	310,092	(310,092)	-	-	-
NHS Pension Support	-	47,833	(47,833)	-	-	-
Alice Edmonds Trust Fund	197,379	-	(17,705)	-	(98,232)	81,442
Specified Use Donations	2,500	7,072	(5,372)	-	(1,000)	3,200
	505,489	389,997	(382,093)	-	(121,920)	391,473
Total Funds	9,011,518	6,077,200	(5,587,545)	166,536	-	9,667,709

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

The Building Project Development Fund has been set aside by the trustees towards the anticipated costs of the new development

The Building Fund is an amount set aside from a previous appeal, which the Council of Governors anticipates will also be put towards the costs of the new development

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

14 Movements in Funds (continued)

The Provision of Day Services Equipment Fund represents donations towards the cost of additional equipment for Day Services

The Primary Care Trust Fund represents specific funding towards the costs of lymphoedema treatment 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 Alice Edmonds Trust Fund was created by the late Mr W Edmonds for special projects

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

15 Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	2007 Total £	2006 Total £
Tangible fixed assets	1,453,131	-	1,453,131	1,598,611
Investments	5,955,792	-	5,955,792	5,719,791
Cash at bank and in hand	2,041,032	391,473	2,432,505	1,873,900
Other net current assets	(173,719)	-	(173,719)	(180,784)
	<u>9,276,236</u>	<u>391,473</u>	<u>9,667,709</u>	<u>9,011,518</u>

16 Pensions

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 2007 under this scheme is for contributions of £65,652 (2006 £55,189). 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 Pensions 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 FRS 17 disclosure.

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

Standard Life scheme - employees 3% to 15%, employer 7%

NHS scheme - employees 6% to 15%, employer 14%

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

Rowcroft House Foundation Limited

Notes to the Financial Statements

Year Ended 31 March 2007

16 Pensions (continued)

Pension costs for the year comprise

	2007 £	2006 £
Defined contribution	65,652	55,189
Defined benefit	122,661	118,218
	<u>188,313</u>	<u>173,407</u>

The number of members in each scheme was

	2007 Number	2006 Number
Defined contribution	43	43
Defined benefit	30	30
	<u>73</u>	<u>73</u>

At 31 March 2007, the amount of outstanding contributions, representing the amount due for March salaries, was

	2007 £	2006 £
Defined contribution	10,089	9,719
Defined benefit	14,936	12,740
	<u>25,025</u>	<u>22,459</u>