

**TORBAY AND SOUTH DEVON NHS CHARITABLE FUND**  
**REGISTERED CHARITY NUMBER: 1052232**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

## Trustee's Report

The Corporate Trustee of Torbay and South Devon NHS Charitable Fund (the charity) is Torbay and South Devon NHS Foundation Trust (the Trust).

### 1 - The Corporate Trustee

The Board of Directors of the Trust are responsible for the trusteeship of the charity. The members of the Board of Directors at the date of signing of this report were:

#### Executive Members

Liz Davenport – Chief Executive

Dr Rob Dyer – Deputy Chief Executive

John Harrison – Chief Operating Officer

Judy Falcao – Director of Workforce and Organisational Development

Adel Jones – Director of Transformation and Partnerships

Deborah Kelly – Chief Nurse

Dave Stacey – Chief Finance Officer

Ian Currie – Acting Medical Director

#### Non-executive Members

Sir Richard Ibbotson – Chairman

Chris Balch

Jacqui Lyttle

Vikki Matthews

Paul Richards

Robin Sutton

Sally Taylor

Jon Welch

The non-executive directors on the Board of Directors are appointed and re-appointed by the Trust's Council of Governors in accordance with Schedule 1 of the Health and Social Care (Community Health and Standards) Act 2003, the National Health Service Act 2006 as amended by the Health and Social Care Act 2012, the Trust's Constitution and the NHS Improvement (regulator of NHS Foundation Trusts and NHS Trusts) Code of Governance. The general duties of the Council of Governors are to hold the non-executive directors individually and collectively to account for the performance of the Board of Directors and to represent the interests of the members of the Trust as a whole and the interests of the public.

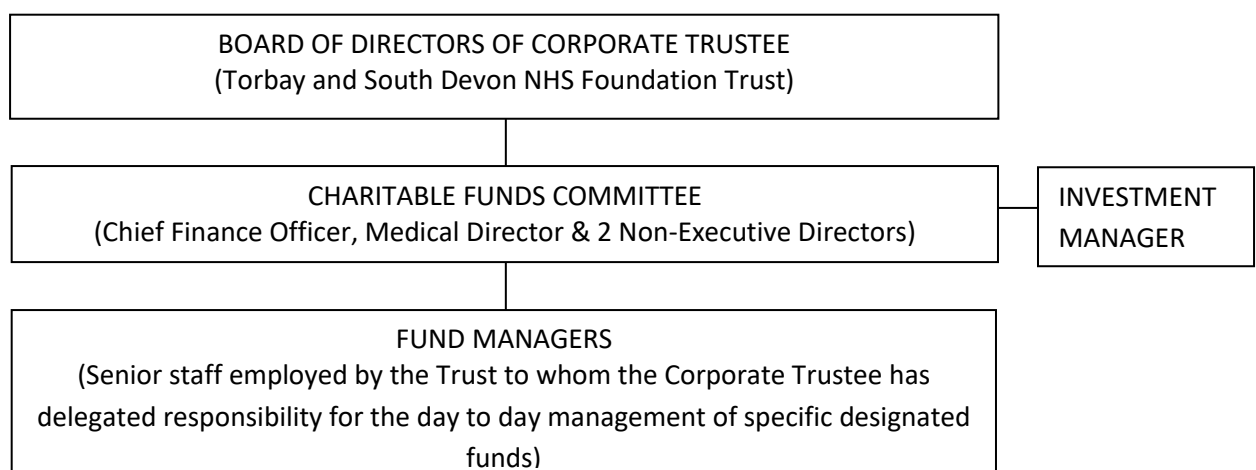
Newly appointed members of the Board go through an induction procedure to assist them in adjusting to the new social and working conditions in order to achieve maximum safe working and efficiency in the shortest possible time, to ensure they have knowledge of the organisation structure and how their particular area of work relates to the 'broader picture'.

The Trust administers the charity and disburses to the charity the cost of doing this. Further details are provided in Notes 3 and 10 to the Accounts. The Trust also charges the charity £18,000 per annum for the rent of the premises occupied by Rainbow Nursery. The rental value was provided by the District Valuer.

## 2 - Organisation structure

NHS bodies are not themselves charities. Only the property they hold on trust for exclusively charitable purposes constitutes charitable property.

The Trust's charitable funds are held within an Umbrella charity and 21 Special Purpose charities (2018/19: 21). These do not constitute separate charities for accounts purposes and are not separately registered. However, they facilitate the correct direction of donations towards the purposes for which they were granted. Each Special Purpose charity itself is divided into a number of designated funds for particular purposes. There are 202 designated funds (2018/19: 195).



Fund Managers have responsibility for managing these funds in accordance with procedures and with the concurrence of the Corporate Trustee. Fund Managers have delegated authority to authorise expenditure items up to £5,000. Items above this value require central approval.

## 3- Objectives

The governing document is the Model Declaration of Trust for an NHS Umbrella Charity dated 12th December 1995. The Objects clause states that the Corporate Trustee shall *“hold the fund upon trust to apply the income and, at their discretion, so far as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service”*.

Each Special Purpose charity has its own governing document. The Objects clauses of the Special Purpose charities follow that of the Umbrella charity but, in addition, restrict the Objects ‘wholly or mainly’ to that of the relevant location or department.

## **4 - Aims**

The Trust has resources from Exchequer funds which, though limited, are assigned according to a strict assessment of priorities and risks. Charitable funds are used to achieve an additional benefit for patients. To this end, charitable funds are used for items which can not be met from Exchequer resources. In addition to taking due account of the expressed wishes of donors, decision-makers also take due account of the likely expectations of donors and other stakeholders regarding the appropriate use of charitable funds and the possibility of damage to the charity's reputation from inappropriate use. Many donations from the general public are unsolicited and may be given with or without an indication of how the donor wishes the donation to be used.

The uses of charitable funds will include for example, medical equipment, building work, training and education and non-commercial research.

The Corporate Trustee seeks to ensure that the charity responds to the needs of the population by continuous consultation with beneficiaries, appropriate health professionals and representatives of local health bodies. Charitable funds are used to provide equipment, amenities and other patient benefits, for the advancement of health and to improve the conditions under which patients are cared for and to help to make staff within the local health community more effective in delivering healthcare.

Representatives of the Trust meet regularly with the local Hospital Leagues of Friends, to whom bids are made for donations of equipment which it would not otherwise be possible to fund. The Leagues of Friends' members are themselves potential patients of the local NHS services. Many also serve in a voluntary capacity within local hospitals.

The charity has complied with its duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The beneficiaries of the charity are users of the National Health Service, which is a public class of people (within the meaning of the public benefit guidance). The charity therefore considers that its charitable activities are for the public benefit.

The charity achieves its aims principally through making grants of equipment or services to relevant NHS bodies (principally the Trust). The charity's policy for grant-making is described above. In addition, the charity runs a day nursery open to employees of relevant NHS bodies, which improves staff morale and retention and hence benefits patients. The charity does not currently make use of social investment. The charity's use of volunteers is confined to its use of volunteer fundraisers, as described further in section 6.1 of this report.

## **5 - Monitoring**

Each year, the charity prepares an income and expenditure plan in consultation with Fund Managers. The plan will be drawn up by or with the advice of medical practitioners and other front-line staff who can best assess the needs of their patients. This plan is considered and approved by the Charitable Funds Committee, with delegated authority from the Trust Board. By exception, the 2020/21 plan was prepared by the charity without the usual consultative process, due to the need for staff to focus on COVID-19.

The charity measures the success of the strategy through regular meetings of the Charitable Funds Committee, which in turn reports to the Trust Board.

The investment policy balances short-term income needs with medium to long-term growth to ensure the ability to meet future commitments. The Committee meets and communicates regularly with the charity's investment manager and monitors the manager's performance closely.

## 6 - Performance against objectives

The charity's over-riding objective is, firstly, to use donations within a reasonable timeframe to make grants which achieve the greatest benefit to the charity's beneficiaries and, secondly, to run the Rainbow nursery safely and effectively.

The charity sets default grant-making priorities each year, in line with Charity Commission guidance. For 2019/20, these priorities were:

- Discretionary staff training/development
- Purchases of medical equipment
- Comforts for patients and their visitors

Given the extensive nature of the services supported by the charity, the charity's management can not be aware of changing patient need within each individual service and therefore primarily relies upon its Fund Managers to decide how best to utilise donations (subject to the delegated authority limit detailed in Section 2). The above priorities are therefore a guide and are not prescriptive.

Due to its nature, voluntary income can not be forecast with any degree of certainty. Grant expenditure can also not be forecast with certainty, given that it tends to be discretionary. For these reasons, performance against the charity's annual plan is subject to a higher than usual level of variability.

In line with the charity's reserves strategy (further details of which are contained in section 8 of this Report), the charity planned in 2019/20 to incur a deficit (before investment gains) of £67,000, utilising its accumulated reserves.

	2019/20				2020/21
	Plan	Actual	Variance		Plan
	£'000	£'000	£'000		£'000
Income	2,221	1,386	-835		2,123
Expenditure	-2,288	-1,433	855		-2,242
<b>Deficit prior to investment gains</b>	<b>-67</b>	<b>-47</b>	<b>20</b>		<b>-119</b>

The actual deficit (before investment gains) of £47,000 was £20,000 favourable to plan. Both income and expenditure were substantially lower than planned, primarily because donations from the local Leagues of Friends (and the expenditure they fund) were lower than the ambitious value planned.

Further details of the generous support received from the Leagues of Friends, Torbay Medical Research Fund and other similar charities can be found on pages 8 to 9 of this Report.

Legacy income (which is highly erratic) was higher than the value planned, due to the receipt of two large legacies during the year. Donation income was lower than planned and there are some indications that this income may be subject to a declining trend, although voluntary income is always subject to variability.

No material donations relating to COVID-19 were received during the year. Significant donations started to be received from April 2020 onwards.

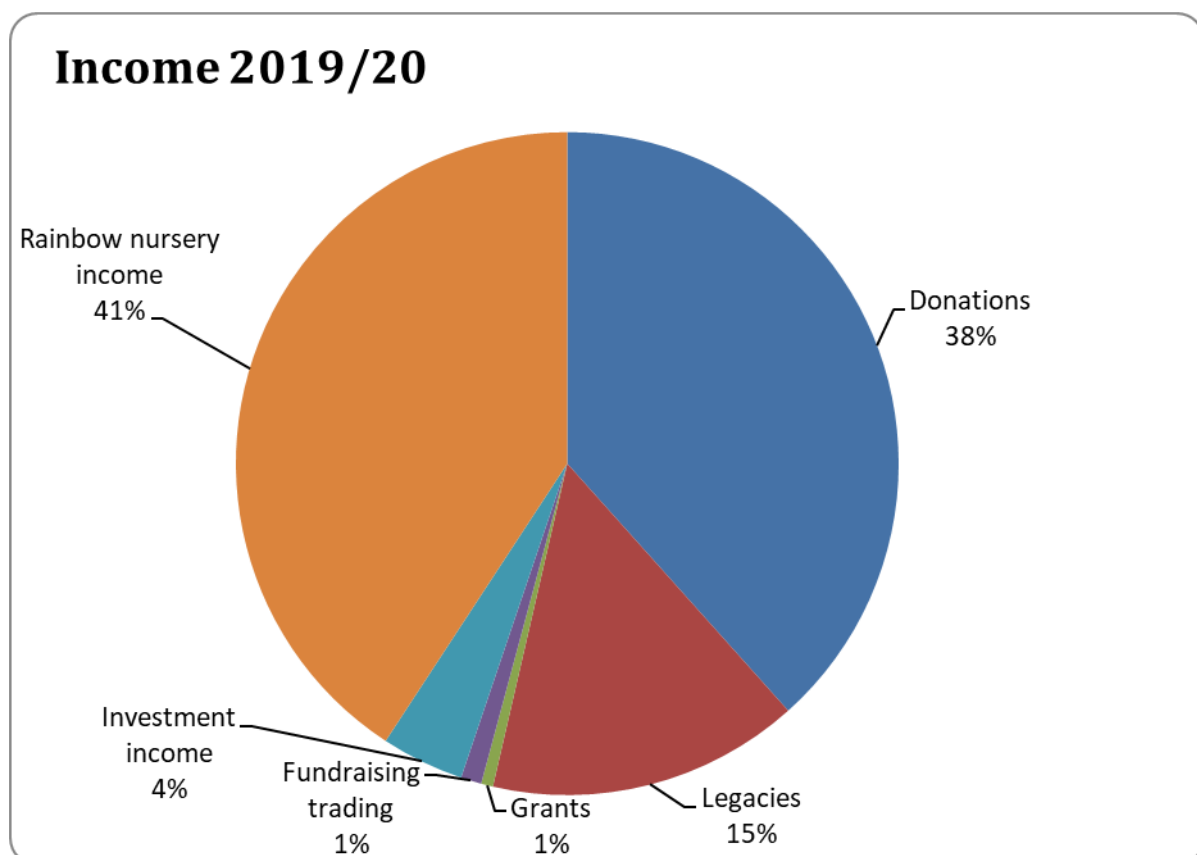
The Rainbow nursery incurred a deficit of £4,000, which was £3,000 favourable to the planned deficit of £7,000. As described in Note 8 to the Accounts, the Charitable Funds Committee has initiated a review into options to ensure the long-term financial sustainability of the nursery. Pending the conclusion of that review, the nursery has been able to fund its modest deficits out of its accumulated revenue reserves (March 2020: £32,000).

The nursery was significantly affected by COVID-19 during the latter half of March 2020. However, support from the Trust meant that this has not had a significant impact upon its financial position.

On behalf of those patients and staff who have benefited either directly or indirectly, the Corporate Trustee would like to thank all the donors who have made contributions to the funds during the year. This report does not have the scope to give details of all the ways in which the funds have been applied. However, by focusing on some of the highlights of the year, it illustrates the generosity of donors and the diversity of purposes for which their gifts have been used.

This section of the report gives details of significant activities that have contributed to the achievement of the charity's objectives and the furtherance of its charitable purposes for the public benefit.

## 6.1 – Income



<b>Income</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£'000</b>	<b>£'000</b>
Donations	532	1,801
Legacies	211	89
Grants	8	40
Other NHS charities	0	5
Fundraising	14	18
Investment income	56	58
Rainbow nursery income	565	543
<b>Total Income</b>	<b>1,386</b>	<b>2,554</b>

### **Donations, legacies and grants**

The level of donation income in 2019/20 was significantly lower than in the prior year, principally due to an exceptionally generous donation in 2018/19 of £1.3m from the Torbay Hospital League of Friends for the purchasing of endoscopy equipment.

A gift in a will is a valued way of donating to charity and we are fortunate to be remembered by so many people each year. Legacy income is unpredictable and therefore tends to vary from year to year. During 2019/20 a very generous amount, totalling £211,000 was bequeathed to the charity from 9 legacies. These ranged in value from less than £1,000 up to £121,000.

Further details of the expenditure funded by these generous donations are given on page 8.

### **Fundraising**

The charity does not actively engage in a significant amount of fundraising activity. The local Leagues of Friends are active throughout South Devon and are very successful at raising funds for the benefit of our community. Each year, around 10-20 members of the public or members of staff contact the charity to volunteer to fundraise for it, most commonly through obtaining sponsorship for a challenging event such as a marathon or through organising a fundraising social event. These fundraising activities are supported by the charity's small administrative team. The charity does not currently use the services of professional fundraisers or commercial participators.

While the charity aims to ensure that fundraising is always conducted appropriately, given the small scale of fundraising activity the charity has not chosen to join or adopt any of the voluntary schemes or standards for fundraising, such as those provided by the Fundraising Regulator or Fundraising Standards Board. There are significant practical limitations on monitoring the activities of volunteer fundraisers (who mostly conduct their fundraising from their private homes). As such, very limited monitoring is undertaken but the charity is ready to act swiftly in the event of a complaint. No such complaints were received in the year (2018/19: none).

The charity does not believe that there is a significant risk to vulnerable people from the activities of volunteer fundraisers who, unlike professional fundraisers and commercial participators, have no financial interest in maximising donations. The charity does ask all volunteer fundraisers not to do anything which would reflect badly on the NHS.

In addition to the above, the Art for Life fund holds exhibitions of works of art and receives commission from their sales which is used to further enhance the environment of the hospital for the enjoyment of its visitors.

Rainbow Day Nursery holds an annual fete, the proceeds of which are used for the purchase of play equipment. Some wards hold occasional raffles. Total net income from fundraising trading in 2019/20, after deducting costs, amounted to £2,000 (2018/19: £2,000).

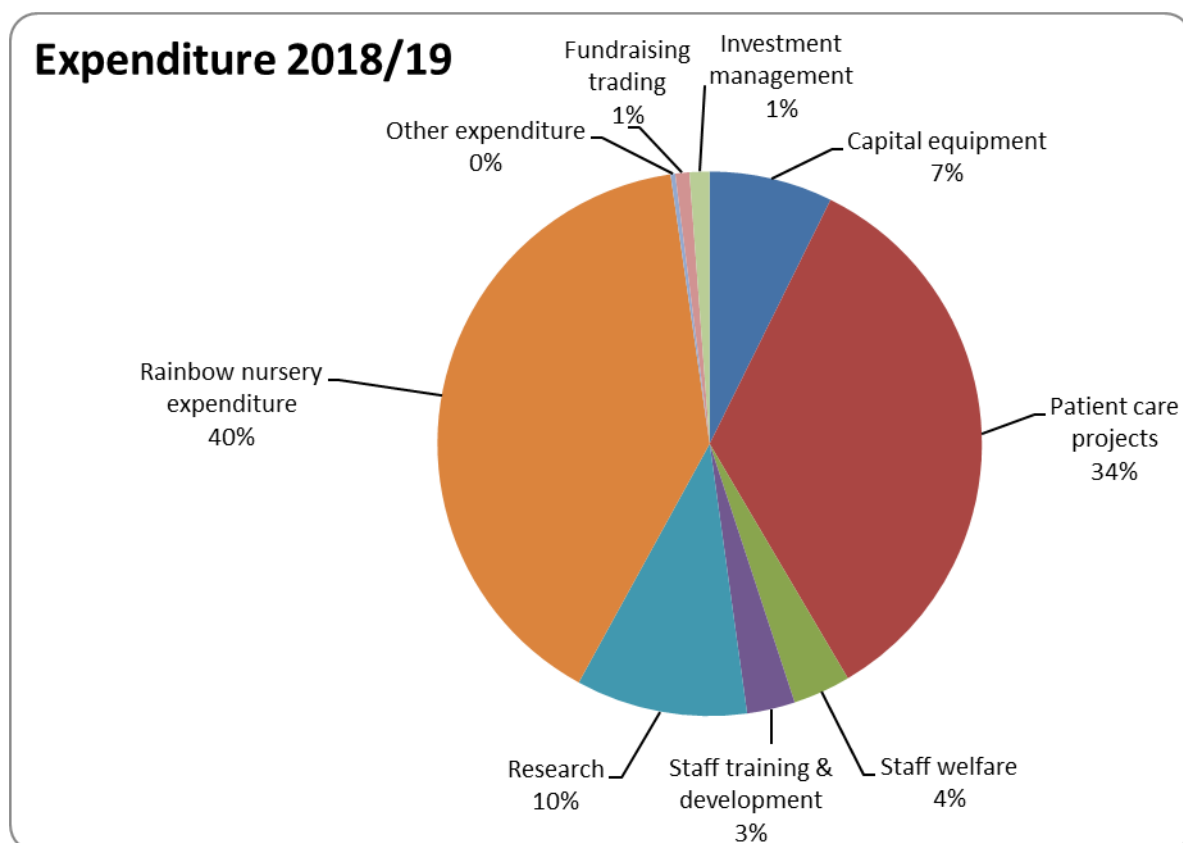
### Investments

Investment income for the year was £56,000 (2018/19: £58,000).

### Gift Aid

Torbay and South Devon NHS Charitable Fund participates in the government's Gift Aid scheme. Wherever possible we encourage donors to assist us with this by authorising us to claim tax back from HM Revenue and Customs in respect of their donation. This can increase the value of the donation by 25% at no additional cost to the donor. In 2019/20 we boosted our donations by £4,256 as a result of this initiative.

## 6.2 - Expenditure





<b>Expenditure</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£'000</b>	<b>£'000</b>
Capital equipment	105	1,321
Patient care projects	490	489
Staff welfare	49	47
Staff development	41	86
Research	146	100
Transfers to other charities	3	0
Rainbow nursery expenditure	569	552
Other expenditure	1	2
Fundraising	12	16
Investment management	17	17
<b>Total expenditure</b>	<b>1,433</b>	<b>2,630</b>

Expenditure in 2019/20 was significantly lower than in the prior year, particularly with respect to capital equipment. This was primarily because the prior year had included the purchase of £1.3m of endoscopy equipment, funded by an exceptional donation from the Torbay League of Friends.

Expenditure for the year included a total of £376,000 funded by Leagues of Friends, the Torbay Medical Research Fund and other charities. Further details of this expenditure is given on pages 8 to 9.

### **General charitable expenditure**

The following are examples of some of the ways in which donations have been put to use during 2019/20:

- Giraffe Incubator care station x 2, Louisa Cary ward (£41,761)
- RFID tagging machine for all wards/depts (28,711) + tags and carbon ribbon (£9,775)
- Armchairs for Ricky Grant day unit and Turner ward (£17,251)
- Ultrasound system, Torbay Cancer unit (£12,800)
- Probe for Cardiac department (£12,400)
- Contribution towards cost of Friends Centre in Brixham (£10,000)
- Transducer and medical diagnostic tablet for Torbay Chest Clinic (£9,995)
- Accuvein handheld vein viewing system & stand for the Ricky Grant Day Unit satellite unit at Paignton (£8,390)
- Reclining armchairs Ricky Grant day unit and Turner ward (£8,176)
- Auto tonometer and table for the Ophthalmic dept (£7,035)
- Promoting Health and Wellbeing Event held by Cancer services at the Riviera Conference centre (£5,250)
- Projector and screen to set up Heart & Lung conference room for MDT meetings (£5,139)

### **Leagues of Friends, Torbay Medical Research Fund and other charities**

2019/20 has been a great year in respect of equipment and projects funded by the various hospital Leagues of Friends, the Torbay Medical Research Fund and other charities, to whom we are greatly indebted. Listed below are just some of the projects funded by them during the year.

#### **Torbay Hospital League of Friends**

- Raizer Chairs, Falls Prevention (£17,700)
- Mindray Monitoring, Midgely Ward (£14,730)
- Happy Rehab (2<sup>nd</sup> Happy rehab funded), Physiotherapy (£14,714)
- Upgrade of Turner ward bathroom (£15,000)
- Pachymeter, Ophthalmology (£2,658)
- Recliner Chairs , TAIRU (£3,504)

#### **Bovey Tracey Hospital League of Friends**

- Pneumatic post amputation aids (£1,100)
- Iphones, Albany house (£5,243)

#### **Dartmouth Hospital League of Friends**

- Physio Equipment (£830)
- Iphones, Dartmouth clinic (£1,201)

#### **Dawlish Hospital League of Friends**

- OMI Mobii patient equipment (£6,763)
- Pinpoint Alarm system (£4,846)

#### **Newton Abbot Hospital League of Friends**

- Iphones for community staff (£15,360)
- Hoverjack Air patient lift system (£6,900)
- Raizer chair (£2,995)

#### **Paignton Hospital League of Friends**

- Ultrasound Machine (£16,999)

#### **Teignmouth Hospital League of Friends**

- Bladder scanner (£8,197)

#### **Totnes Hospital League of Friends**

- Iphones, community staff (£1,282)
- Totnes Hospital alterations (£1,197)

#### **Torbay Medical Research Fund**

- Study 102 – Rehabilitation for massive irreparable rotator cuff tear (£3,000)

- Study 120 – Integrated care for patients with multiple long-term conditions (£14,460)
- Study 121 – Natural urease inhibitors (£5,251)
- Study 122 - Exploring the effectiveness of immersive three-dimensional video in supplementing training (£49,548)
- Study 129 - measurement of faecal nitric oxide production for the diagnosis of bacterial gastroenteritis (£42,437)
- Study 132 - Doctoral and pre-doctoral fellowship for nurses, midwives and allied health professionals (1,782)
- Study 135 - Evaluating the impact of the implementation of patient information videos into cardiology (1,830)
- Scholarship funding (£5,353)

There are also many other smaller projects and pieces of equipment funded by the various Leagues of Friends, the Torbay Medical Research Fund and other charities totalling £111,000 making a grand total funded from these sources during the year of £376,000.

### **Rainbow Nursery**

Rainbow Nursery funds its costs, which in 2019/20 amounted to £569,000 (2018/19: £552,000), from fees charged to parents of the children attending the Nursery and from Early Years funding by Torbay Council. The Nursery is a purpose built facility, sited at the Torbay Hospital Annexe, with 50 registered places and a holiday club for 4-11 year olds. It provides local NHS staff with reassurance that their children are being well cared for while they are at work. It consistently receives excellent reports from OFSTED and is recognised for the high standards of care and pre-school education it provides. Further information regarding the financial position of the nursery is provided in Note 8 to the Accounts.

## **7 - Risk Management**

The Charity operates within the framework of internal control established by Torbay and South Devon NHS Foundation Trust, for which the Board of Directors of the Trust is accountable.

The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives, and
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Responsibility for the oversight of the risk management process has been delegated by the Board to the Risk and Assurance Integrated Governance Group which manages the assurance framework. The Trust's risk management strategy provides an integrated framework for the identification and management of risks of all kinds. This is supported by a single risk management and assurance framework. There is a review process under the leadership of the executive directors.

The charity has identified the following principal risks and uncertainties:

- Safe nursery services

This risk is controlled through staff training and management, the Trust's risk management procedures (eg monitoring of state of nursery building) and appropriate insurance policies. Assurance is provided through the Ofsted regulatory regime and the Trust's internal assurance processes.

- Performance of investment portfolio

This risk is controlled by means of an investment policy and written instructions to the investment manager, who provides at least a quarterly report for the Corporate Trustee and attends meetings of the Charitable Funds Committee twice a year. The charity holds a medium risk investment portfolio spread across a diverse range of investments which is actively managed and reviewed by the Charitable Funds Committee. Assurance is provided through the scrutiny of the Charitable Funds Committee, including the comparing of investment performance against a peer benchmark.

- Compliance with regulatory requirements and maintenance of donor confidence

This risk is controlled through staff training and management, the scrutiny of the Charitable Funds Committee and the Trust's internal assurance processes (eg internal financial controls, as described below). Assurance regarding compliance is gained through internal audit.

The principal impact upon the charity of the UK exit from the European Union is likely to be upon the valuation of the charity's investments, which is influenced by movements in the valuation of Sterling. The charity's investment manager has discussed this risk regularly with the Charitable Funds Committee and has explained the investment strategy being taken to mitigate this risk. The charity has not identified the UK exit as a significant risk to the charity.

The impact of COVID-19 upon the charity has been three-fold:

- There has been a very significantly increased level of donations to NHS charities, at both the national and local levels.
- The Rainbow nursery has been significantly impacted by a (largely temporary) reduction in occupancy during the lockdown period. The Trust has supported the nursery during this period and, due to this support, no material financial impact is anticipated.
- The fall in investment markets in March 2020 resulted in investment losses, which are reflected in the Statement of Financial Activities and in the reduced value of the investment portfolio on the Balance Sheet. These losses have been partly recovered in the period since 31 March 2020 but uncertainty remains as to the longer-term impact of COVID-19 on investment returns.

The major risks to which the charity is exposed, as identified by the Corporate Trustee, have been reviewed and systems or procedures have been established to manage those risks.

### **Internal Financial Control and Governance**

The Charitable Funds Committee is a sub-committee of the Trust Board and usually meets three or four times a year. It has delegated authority and terms of reference within which it governs, manages and regulates the finances, accounts, investments, assets, business and other affairs of the charity. It reports to the full Board of the Trust, which is ultimately responsible for the Corporate Trusteeship of the charity. There are also

procedures specifically related to the financial management of the Charitable Fund. Amongst other things, these define expenditure limits applicable to the above structure.

Each year an income and expenditure plan is drawn up in consultation with the fund managers in order that the Corporate Trustee may know that the funds are available and adequate to fulfil the obligations of the charity. The financial position as at the 31st March 2020 was more than adequate to meet future plans and obligations as at that date, both overall and on a fund-by-fund basis.

The Standing Orders and Standing Financial Instructions of the Trust cover both Exchequer and charitable funds. Financial procedures comply with the Standing Financial Instructions of the Trust and include a Scheme of Delegation to Fund Managers. Compliance is rigorously checked and controlled. The financial and accounting procedures and arrangements are audited periodically by internal audit. The most recent internal audit was conducted during 2019/20, resulting in a ‘Significant’ (top level) assurance rating. Our external auditors audit the accounts annually and no material control issues have been raised.

## **8 - Reserves**

The Charity Commission defines reserves as “that part of a charity’s unrestricted funds that is freely available to spend on any of the charity’s purposes” (Charity reserves: building resilience (CC19)). The underlying purpose is to identify those funds which can potentially act as a contingency against financial risks such as fluctuations in income or in the level of charitable need.

While the charity has minimal funds which are ‘freely available’ in this sense, it has significant fund balances which can be used for any of the charity’s purposes but which are restricted or designated for use within particular clinical areas. As these funds are spread over a wide number of clinical areas, they cumulatively provide a significant source of funding for most financial contingencies that the charity might face.

For the above reason, the charity assesses its reserves primarily by monitoring the level of overall funds (excluding endowments, which can not be spent).

In line with Charity Commission guidance, the policy of the charity is to ensure that donations are spent within a reasonable period of receipt. An appropriate balance may be held in order to take account of potential fluctuations in income and the valuation of the investment portfolio, and to accommodate fluctuations in the level of charitable need which result in changes in expenditure requirements. Balances may also be built up temporarily in order to undertake a higher-value item of expenditure. The Corporate Trustee considers this policy to be in the best interests of the charity.

Since 2016, the Corporate Trustee has had a strategy of spending down accumulated funds, in view of the perceived growing level of patient need, as a result of pressure upon NHS resources. In June 2018, the Committee reviewed this position and set a target level of funds (excluding endowments) of £1.15m. The actual level of these funds will inevitably fluctuate above and below the target, in line with level of patient/client demand. As at March 2020, these funds total £0.82m (March 2020: £0.96m). The Committee expects the target level to be achieved during the coming years.

The legal structure of the charity includes 21 Special Purpose Charities (see section 2 above). The governing document of each Special Purpose Charity requires that its funds be ‘wholly or mainly’ spent within a particular clinical area. As a result, funds held within Special Purpose Charities must be classified as restricted funds.

The majority of the charity's funds are held within these Special Purpose Charities and are therefore classified as restricted funds.

## 9 - Future plans

As charitable resources are limited, the Corporate Trustee has introduced guidance for Fund Managers regarding priority areas for charitable expenditure. This is to ensure that charitable donations are used as effectively as possible.

For 2020/21, the Corporate Trustee has asked Fund Managers to prioritise expenditure on:

- Discretionary staff training/development
- Purchases of medical equipment
- Comforts for patients and their visitors.

The Corporate Trustee believes that these priorities will maximise the benefit to patients.

Charitable needs may often arise at short notice and the charity retains sufficient reserves to allow it to respond swiftly to such needs, in collaboration with Trust clinicians and managers.

## 10 - Assets and Liabilities

<b>Total assets and liabilities</b>	<b>31/03/20</b>	<b>31/03/19</b>
	<b>£'000</b>	<b>£'000</b>
Investments	1,661	1,821
Debtors	246	104
Cash and cash equivalents	47	63
<b>Total assets</b>	<b>1,954</b>	<b>1,988</b>
Creditors	843	670
<b>Total liabilities</b>	<b>843</b>	<b>670</b>
<b>Total assets less liabilities</b>	<b>1,111</b>	<b>1,318</b>

As described in section 8, the Corporate Trustee has in recent years had a strategy of spending down the level of reserves. This strategy leads to a requirement for cash, for which investment sales are required. The value of the investment portfolio has reduced in recent years as a result.

No investment sales were made during 2019/20. However, COVID-19 had a significant adverse impact upon the market value of the portfolio during March 2020. Principally as a result of this, the value of the portfolio declined during the year.

Two large legacies (£121,000 and £81,000) are recognised as debtors at 31 March 2020. As a result, debtors are higher than the prior year.

The charity awarded a grant of £1.0m to the Trust in March 2018. The Trust has indicated that it can be flexible regarding the timing of the payment of this grant. £0.4m of this grant was paid during 2018/19. £0.2m of this grant was due to be paid in late 2019/20 along with other creditors owing to the Trust. Due to the impact of COVID-19 on investment markets in March 2020, these sales (and the corresponding paying down of creditors) were postponed. Principally for this reason, creditors at 31 March 2020 are higher than at the prior year.

## 10.1 Investments

The investment portfolio is medium risk, spread across a diverse range of investments including Government 'gilt-edged' securities, local authority securities and loans, UK equities and authorised UK and overseas unit and investment trusts, plus cash on deposit. The split between the asset groups were as follows: -

	<b>31 March 2020</b>	<b>31 March 2019</b>
Fixed Interest	19%	16%
UK Equities	30%	40%
Overseas	29%	30%
Property	7%	6%
Alternative assets	6%	5%
Cash	9%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### Investment Policy and Ethical Investments

Charitable bodies are bound by the Trustee Act 2000. The Corporate Trustee also follows the basic principles for the investment of charitable funds as outlined by the Charity Commission. The Governing Document authorises the Corporate Trustee to invest the retained funds held in duly authorised investments.

The Corporate Trustee seeks to maximise the return from retained funds by prudent investment, taking into account available dividend, interest and potential growth in the value of the investments.

The current objective, taking into account the above factors, is to achieve a balance of maximising current income while aiming for a growth in capital value in order to obtain a reasonable long-term overall return at medium risk.

The Corporate Trustee has employed Investec Wealth & Investment Limited since July 2011 on a discretionary basis to manage the portfolio. The risk profile is regarded as medium and the manager is specifically requested to avoid direct investment in companies whose core business is in the following areas:

- Manufacture/production/retail of tobacco
- Production/retail of alcohol
- Production/retail of foods with high fat content
- Production/retail of foods/drinks with high sugar content

The Corporate Trustee has also sought assurance from the investment manager regarding the ESG (Environmental, Social and Governance) scoring of the investment portfolio. Based on the Sustainalytics scoring method, in June 2020 the portfolio scored 23.2, which is favourable to the MSCI UK benchmark of 24.5.

The current benchmarks that the portfolio is measured against, with their weighting ratios are:-

UK Equities	45%	FTSE-A All Share
Bonds	20%	FTSE-A Government All Stocks
Overseas	25%	FTSE-A World (ex UK)
Property	7%	IPD Monthly
Cash	3%	BoE Base Rate (-0.5%)

The investment managers provide quarterly performance reports, which include performance against the benchmark indices listed above.

A review of the portfolio performance is undertaken by the Corporate Trustee twice-yearly at the meetings of the Charitable Funds Committee, alongside a review of the performance of the investment manager. The performance of the investment manager is also subject to a more extensive review every three years. The last such review was in November 2017.

The investment policy is reviewed by the Corporate Trustee annually.

## 11 - Contact details

The day-to-day management of the charity is delegated to the Trust's Senior Finance Manager – Capital and Financial Accounting. This role is currently undertaken by Patrick Vincent ACMA.

### Principal Address

Torbay and South Devon NHS Charitable Fund  
c/o Torbay and South Devon NHS Foundation Trust  
Hengrave House  
Torbay Hospital  
Lawes Bridge  
Torquay  
Devon TQ2 7AA

### Finance Office

Charitable Funds Accountant  
Finance Department  
Torbay and South Devon NHS Foundation Trust  
Regent House  
Regent Close  
Torquay  
Devon TQ2 7AN

### Independent Auditors

PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
2 Glass Wharf  
Bristol BS2 0FR

### Investment Advisers

Investec Wealth & Investment  
2 Gresham Street  
London EC2V 7QP

### Bankers

National Westminster Bank plc  
108 Union Street  
Torquay  
Devon TQ1 2AQ

Scottish Widows  
67 Morrison Street  
Edinburgh EH3 8YJ



**Further Information**

If you require any further information about the Torbay and South Devon NHS Charitable Fund please contact Chief Finance Officer, Torbay and South Devon NHS Foundation Trust, Regent House, Regent Close, Torquay, Devon TQ2 7AN

**Signed on behalf of the Corporate Trustee**

**Non-Executive Director and member of Charitable Funds Committee**  
**Torbay and South Devon NHS Foundation Trust**

**Date:**

## **TORBAY AND SOUTH DEVON NHS CHARITABLE FUND**

### **ACCOUNTS 2019-20**

#### **FOREWORD**

These accounts 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 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2015.

#### **STATUTORY BACKGROUND**

Torbay and South Devon NHS Foundation Trust is the Corporate Trustee of the Torbay and South Devon NHS Charitable Fund under paragraph 47(2)(c) of the National Health Service Act 2006.

The Torbay and South Devon NHS Charitable Fund is registered with the Charity Commission and includes funds held in respect of the following Hospitals:

Ashburton Hospital  
Bovey Tracey Hospital  
Brixham Hospital  
Dartmouth Hospital  
Dawlish Hospital  
Newton Abbot Hospital  
Paignton Hospital  
Teignmouth Hospital  
Torbay Hospital  
Totnes Hospital

#### **MAIN PURPOSE OF THE FUNDS HELD ON TRUST**

The main purpose of the fund is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the Torbay and South Devon NHS Foundation Trust.

## Statement of Trustee's Responsibilities

The trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee 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 the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. It is 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.

### By Order of the Trustee

Signed:

Chief Finance Officer .....

Date .....

## **Independent auditors' report to the Trustee of Torbay and South Devon NHS Charitable Fund**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Torbay and South Devon NHS Charitable Fund's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report") and which comprise: the balance sheet as at 31 March 2020; the statement of financial activities for the year then ended, the statement of cash flows for the year then ended; and the notes to the financial statements which include a summary of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## **Independent auditors' report to the Trustee of Torbay and South Devon NHS Charitable Fund (continued)**

### *Trustee's Report*

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustee's Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the Trustee for the financial statements*

As explained more fully in the Statement of Trustee's Responsibilities, the trustee is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### *Auditors' responsibilities for the audit of the financial statements*

We are eligible to act and have been appointed as auditors under section 149 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the charity's trustee as a body in accordance with section 149 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Charities Act 2011 exception reporting**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

Date:

## Statement of Financial Activities for the year ending 31 March 2020

	Note	Unrestricted Funds 2019/20 £'000	Restricted Funds 2019/20 £'000	Endowment Funds 2019/20 £'000	<b>Total 2019/20 £'000</b>	Total 2018/19 £'000
<b>Income and endowments from:</b>						
Donations and legacies	4	194	557	0	<b>751</b>	1,930
Other NHS Charities		0	0	0	<b>0</b>	5
Charitable activities - Rainbow nursery income	5	0	565	0	<b>565</b>	543
Other trading activities		0	14	0	<b>14</b>	18
Investments	6	24	32	0	<b>56</b>	58
<b>Total</b>		<b>218</b>	<b>1,168</b>	<b>0</b>	<b>1,386</b>	<b>2,554</b>
<b>Expenditure on:</b>						
Raising funds	7	(3)	(20)	(6)	<b>(29)</b>	(33)
Charitable activities						
- NHS capital equipment grants	8	(6)	(99)	0	<b>(105)</b>	(1,321)
- Patient welfare & amenities	8	(88)	(402)	0	<b>(490)</b>	(489)
- Staff welfare & amenities	8	(9)	(40)	0	<b>(49)</b>	(47)
- Staff development	8	(1)	(40)	0	<b>(41)</b>	(86)
- Research	8	0	(146)	0	<b>(146)</b>	(100)
- Transfers to other charities	8	0	(3)	0	<b>(3)</b>	0
- Rainbow nursery expenditure	8	0	(569)	0	<b>(569)</b>	(552)
Sub-total charitable activities		(104)	(1,299)	0	<b>(1,403)</b>	(2,595)
Other expenditure		0	(1)	0	<b>(1)</b>	(2)
<b>Total</b>		<b>(107)</b>	<b>(1,320)</b>	<b>(6)</b>	<b>(1,433)</b>	<b>(2,630)</b>
Net (losses)/gains on investments	13.4	(37)	(62)	(61)	<b>(160)</b>	96
<b>Net income/(expenditure)</b>		<b>74</b>	<b>(214)</b>	<b>(67)</b>	<b>(207)</b>	<b>20</b>
Transfers between funds		(1)	1	0	<b>0</b>	0
<b>Net movement in funds</b>		<b>73</b>	<b>(213)</b>	<b>(67)</b>	<b>(207)</b>	<b>20</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		207	748	363	<b>1,318</b>	1,298
<b>Total funds carried forward</b>	18	<b>280</b>	<b>535</b>	<b>296</b>	<b>1,111</b>	<b>1,318</b>

A prior year Statement of Financial Activities with analysis by fund type is provided in note 2.1.

### Balance Sheet as at 31 March 2020

	Note	Unrestricted Funds 31/03/2020 £'000	Restricted Funds 31/03/2020 £'000	Endowment Funds 31/03/2020 £'000	<b>Total 31/03/2020 £'000</b>	Total 31/03/2019 £'000
Fixed assets:						
Investments	13	470	895	296	<b>1,661</b>	1,821
<b>Total fixed assets</b>		<b>470</b>	<b>895</b>	<b>296</b>	<b>1,661</b>	<b>1,821</b>
Current Assets:						
Debtors	14	134	112	0	<b>246</b>	104
Cash at bank and in hand	15	(47)	94	0	<b>47</b>	63
<b>Total current assets</b>		<b>87</b>	<b>206</b>	<b>0</b>	<b>293</b>	<b>167</b>
Liabilities						
Creditors: Amounts falling due within one year	16	(277)	(566)	0	<b>(843)</b>	(670)
<b>Net current liabilities</b>		<b>(190)</b>	<b>(360)</b>	<b>0</b>	<b>(550)</b>	<b>(503)</b>
<b>Total net assets</b>		<b>280</b>	<b>535</b>	<b>296</b>	<b>1,111</b>	<b>1,318</b>
<b>The funds of the charity:</b>						
Endowment Funds	18	0	0	296	<b>296</b>	363
Restricted Income Funds	18	0	535	0	<b>535</b>	748
Unrestricted Income Funds	18	280	0	0	<b>280</b>	207
<b>Total charity funds</b>		<b>280</b>	<b>535</b>	<b>296</b>	<b>1,111</b>	<b>1,318</b>

The notes on pages 24 to 37 form part of these accounts.

A prior year Balance Sheet with analysis by fund type is provided in note 2.2.

The accounts on pages 21 to 37 were approved by the Corporate Trustee on and signed on its behalf by:

**Chief Finance Officer**

**Date**

## Statement of cash flows for the year ending 31 March 2020

	Note	Total 2019/20 £'000	Total 2018/19 £'000
<b>Cash flows from operating activities:</b>			
Net (expenditure)/income for the year (as per the Statement of Financial Activities)		(207)	20
Adjustments for:			
- Losses/(gains) on investments	13.4	160	(96)
- Dividends, interests and rents from investments	6	(56)	(58)
- (Increase)/decrease in debtors	14	(142)	51
- Increase/(decrease) in creditors	16	173	(537)
<b>Net cash used in operating activities</b>		<b>(72)</b>	<b>(620)</b>
<b>Cash flows from investing activities:</b>			
Dividends, interests and rents from investments	6	56	58
Less non-cash dividends included within above value	13.3	0	0
Cash withdrawn from the investment portfolio	13.3	0	450
<b>Net cash provided by investing activities</b>		<b>56</b>	<b>508</b>
<b>Change in cash and cash equivalents over the year</b>		<b>(16)</b>	<b>(112)</b>
Cash and cash equivalents at the beginning of the year	15	63	175
<b>Cash and cash equivalents at the end of the year</b>	<b>15</b>	<b>47</b>	<b>63</b>



## Notes to the Accounts

### 1. Accounting policies

#### (a) Basis of preparation

The accounts have been prepared under the historic cost convention, with the exception of investments which are included at their market value.

These accounts 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 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

#### Judgements

The most significant judgements made in applying the charity's accounting policies are:

- the assumption that voluntary income is not subject to legal trusts unless there is clear written evidence of such a legal trust
- the assumption that, where the executor of a legacy has not raised any issues relating to the payment of a legacy, this can be taken as evidence that the executors have established that there are sufficient assets to pay the legacy.

#### Estimates

The charity does not consider that it makes any estimations which have a significant risk of causing a material adjustment within the following financial year. The most significant estimation made is that of allocating support costs (further details of which are given in note 10), which is not considered to be subject to any significant risk.

#### Going concern

The charity's business activities are limited to the running of the Rainbow nursery. As explained in Note 8, the nursery holds sufficient reserves of its own to support its operation for the foreseeable future. Should exceptional financial pressures be placed upon the nursery, the Corporate Trustee could also draw upon the charity's significant other reserves.

The charity's non-business activities (grants to support the work of the Foundation Trust) are discretionary. Long-term commitments are not normally made and grants are only awarded where funds are already in place to support the grant. The charity is exposed to the risk of fluctuating voluntary income and/or investment losses, but such risks can be managed through a corresponding reduction in discretionary grant expenditure and/or the utilisation of the charity's significant reserves.

Taking the above into account, the Corporate Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This is not subject to any material uncertainties. The charity therefore continues to adopt the going concern basis in preparing its accounts.

#### Public benefit and legal form

The charity is a public benefit entity and an unincorporated trust.

## Notes to the Accounts

### 1. Accounting policies (continued)

#### (b) Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as an endowment fund, where the donor has expressly provided that the income of the fund may be applied, or as a restricted income fund where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

Endowment funds, where capital is held to generate income for charitable purposes, are sub analysed between those where the trustee has the discretion to spend the capital, expendable endowment and those where there is no discretion to spend the capital, permanent endowment. The charity has five permanent endowment funds and no expendable endowments.

Those funds which are neither endowment nor restricted income funds are unrestricted income funds which are used wholly at the trustee's discretion.

The major funds held in each of these categories are disclosed in note 18.

#### (c) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. Until these criteria are met, any monies received would be classified as deferred income.

#### (d) Incoming resources - legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable. Receipt is probable when:

- Probate has been granted,
- The executors have established that there are sufficient assets in the estate to pay the legacy and
- All conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

#### (e) Incoming resources from endowment funds

The incoming resources received from the investment of endowment funds have been earmarked in accordance with the donor's stated wishes by allocating to the nominated restricted general funds.

#### (f) Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event
- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- The amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### (g) Resources expended - grants

Grants payable are payments or donations of goods or services made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

Notes to the Accounts

**1. Accounting policies (continued)**

**(g) Resources expended - grants (continued)**

Evidence of a constructive obligation exists where:

- The commitment made by the charity is specific, for example a promise is made to provide particular goods, services or grant funding;
- This commitment is communicated directly to particular beneficiaries or grant recipients; and
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustee has control over the amount and timing of grant payments and consequently where approval has been given by the Trustee and all of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are, then those conditions have to be met before the liability is recognised.

Due to the close working connection between the charity and the Corporate Trustee, the recognition criteria will normally only be met when the charity's staff team have clearly indicated the charity's acceptance of a grant liability.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

**(h) Allocation of overhead and support costs**

Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 10.

**(i) Fundraising costs**

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees.

**(j) Charitable activities**

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 8.

**(k) Fixed asset investments**

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the Balance Sheet at the current market value quoted by the charity's investment manager, excluding dividend.

## Notes to the Accounts

### 1. Accounting policies (continued)

#### (k) Fixed asset investments (continued)

The main form of financial risk faced by the charity is that of volatility in investment and foreign exchange markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning particular investment sectors. Further information on investments can be found in note 13.

All investment gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

Fixed asset investments includes cash held by the investment manager for investment purposes.

#### (l) Debtors

Debtors are amounts owed to the charity. These are measured on the basis of their recoverable amount.

#### (m) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

#### (n) Creditors

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

#### (o) Pensions

The charity does not issue contracts of employment or operate a pension scheme. Employees of Torbay and South Devon NHS Foundation Trust who are under the control of the charity are treated as charity staff. Pension costs in relation to these staff are recharged to the charity by the Foundation Trust.

#### (p) Pooling scheme

An official pooling scheme is operated for investments relating to the following funds:

South Devon Healthcare NHS Foundation Trust (Expendable Funds) Common Investment Fund  
South Devon Healthcare NHS Foundation Trust (Capital) Common Investment Fund

The scheme was registered with the Charity Commission on 23rd February 1999.

#### (q) Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in the furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

## Notes to the accounts

## 2. Prior year comparatives by type of fund

## 2.1 Statement of Financial Activities

	Note	Unrestricted Funds 2018/19 £'000	Restricted Funds 2018/19 £'000	Endowment Funds 2018/19 £'000	Total 2018/19 £'000
<b>Income and endowments from</b>					
Donations and legacies	4	163	1,767	0	1,930
Other NHS charities		5	0	0	5
Charitable activities - Rainbow nursery income	5	0	543	0	543
Other trading activities		0	18	0	18
Investments	6	19	39	0	58
<b>Total</b>		<b>187</b>	<b>2,367</b>	<b>0</b>	<b>2,554</b>
<b>Expenditure on:</b>					
Raising funds	7	(2)	(26)	(5)	(33)
Charitable activities					
- NHS capital equipment grants	8	(31)	(1,290)	0	(1,321)
- Patient welfare & amenities	8	(79)	(410)	0	(489)
- Staff welfare & amenities	8	(6)	(41)	0	(47)
- Staff training & education	8	(2)	(84)	0	(86)
- Research	8	0	(100)	0	(100)
- Transfers to other charities	8	0	0	0	0
- Rainbow nursery expenditure	8	0	(552)	0	(552)
Sub-total charitable activities	8	(118)	(2,477)	0	(2,595)
Other expenditure		0	(2)	0	(2)
<b>Total</b>		<b>(120)</b>	<b>(2,505)</b>	<b>(5)</b>	<b>(2,630)</b>
Net gains on investments	13.4	12	59	25	96
<b>Net income/(expenditure)</b>		<b>79</b>	<b>(79)</b>	<b>20</b>	<b>20</b>
Transfers between funds		0	0	0	0
<b>Net movement in funds</b>		<b>79</b>	<b>(79)</b>	<b>20</b>	<b>20</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		128	827	343	1,298
<b>Total funds carried forward</b>	18	<b>207</b>	<b>748</b>	<b>363</b>	<b>1,318</b>

Notes to the accounts

**2. Prior year comparatives by type of fund (continued)**

**2.2 Balance Sheet**

	Note	Unrestricted Funds 31/03/2019 £'000	Restricted Funds 31/03/2019 £'000	Endowment Funds 31/03/2019 £'000	Total 31/03/2019 £'000
Fixed assets:					
Investments	13	316	1,142	363	1,821
<b>Total fixed assets</b>		<b>316</b>	<b>1,142</b>	<b>363</b>	<b>1,821</b>
Current Assets:					
Debtors	14	58	46	0	104
Cash at bank and in hand	15	(26)	89	0	63
<b>Total current assets</b>		<b>32</b>	<b>135</b>	<b>0</b>	<b>167</b>
Liabilities					
Creditors: Amounts falling due within one year	16	(141)	(529)	0	(670)
<b>Net current liabilities</b>		<b>(109)</b>	<b>(394)</b>	<b>0</b>	<b>(503)</b>
<b>Total net assets</b>		<b>207</b>	<b>748</b>	<b>363</b>	<b>1,318</b>
<b>The funds of the charity:</b>					
Endowment Funds	18	0	0	363	363
Restricted Income Funds	18	0	748	0	748
Unrestricted Income Funds	18	207	0	0	207
<b>Total charity funds</b>	18	<b>207</b>	<b>748</b>	<b>363</b>	<b>1,318</b>

Notes to the accounts

**3. Related party transactions**

During the year no parties related to a member of the Board of Torbay and South Devon NHS Foundation Trust (the Corporate Trustee) has undertaken material transactions with the charity (2018/19: 1). No members of the key management staff or parties related to them has undertaken any material transactions with the charity (2018/19: none).

During the year one (2018/19: 1) public sector organisation has undertaken material transactions with the charity. Torbay Council provided £140k (2018/19: £118k) Early Years funding to the charity in respect of the charity's provision of nursery services to eligible children.

The charity has made revenue and capital payments to the Corporate Trustee:

Finance and administration costs bought in from Torbay and South Devon NHS Foundation Trust, £53k (2018/19 £66k). Please see Note 10 for further details.

Reimbursement of charitable expenditure incurred by Torbay and South Devon NHS Foundation Trust on behalf of the charity, £1,380k (2018/19: £2,564k).

During the year, the Corporate Trustee was not paid or reimbursed for the costs it incurs in its role as Corporate Trustee, such as the salary costs of members of the Board of the Corporate Trustee (2018/19: £0).

There was an outstanding creditor due to Torbay and South Devon NHS Foundation Trust at 31st March 2020 of £795k (31 March 2019: £641k).

No members of the Corporate Trustee's Board received honoraria, emoluments or expenses in the year from the Charitable Fund (2018/19: none).

## Notes to the Accounts

**4. Donations and legacies**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>Total 2019/20 £'000</b>	Total 2018/19 £'000
Donations	73	459	0	<b>532</b>	1,801
Legacies	121	90	0	<b>211</b>	89
Grants	0	8	0	<b>8</b>	40
<b>Total</b>	<b>194</b>	<b>557</b>	<b>0</b>	<b>751</b>	<b>1,930</b>

**5. Charitable activities - Rainbow nursery income**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>Total 2019/20 £'000</b>	Total 2018/19 £'000
Rainbow nursery income	0	565	0	<b>565</b>	543
<b>Total</b>	<b>0</b>	<b>565</b>	<b>0</b>	<b>565</b>	<b>543</b>

Rainbow nursery provides nursery services, primarily to employees of Torbay and South Devon NHS Foundation Trust.

**6. Investments**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>Total 2019/20 £'000</b>	Total 2018/19 £'000
Listed investments	24	32	0	<b>56</b>	58
<b>Total</b>	<b>24</b>	<b>32</b>	<b>0</b>	<b>56</b>	<b>58</b>

The charity holds low levels of cash, due to the insignificant level of interest being received. This results in a negligible level of investment income from cash and cash equivalents.

**7. Raising funds**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>Total 2019/20 £'000</b>	Total 2018/19 £'000
Investment management costs	(3)	(8)	(6)	<b>(17)</b>	(17)
Fundraising trading costs	0	(12)	0	<b>(12)</b>	(16)
	<b>(3)</b>	<b>(20)</b>	<b>(6)</b>	<b>(29)</b>	<b>(33)</b>

The charity employs a professional investment management company (Investec Wealth & Investment Ltd) to manage its investment portfolio.

**8. Analysis of expenditure from charitable activities**

	Activities undertaken £'000	Grant expenditure £'000	Support costs £'000	<b>Total 2019/20 £'000</b>	Total 2018/19 £'000
NHS capital equipment grants	0	(100)	(5)	<b>(105)</b>	(1,321)
Patient welfare & amenities	0	(445)	(45)	<b>(490)</b>	(489)
Staff welfare & amenities	0	(49)	0	<b>(49)</b>	(47)
Staff development	0	(39)	(2)	<b>(41)</b>	(86)
Research	0	(143)	(3)	<b>(146)</b>	(100)
Transfers to other charities	0	(3)	0	<b>(3)</b>	0
<b>Sub-total - grant expenditure</b>	<b>0</b>	<b>(779)</b>	<b>(55)</b>	<b>(834)</b>	<b>(2,043)</b>
Rainbow nursery expenditure	(564)	0	(5)	<b>(569)</b>	(552)
<b>Total</b>	<b>(564)</b>	<b>(779)</b>	<b>(60)</b>	<b>(1,403)</b>	<b>(2,595)</b>



## Notes to the Accounts

**8. Analysis of expenditure from charitable activities (continued)**

With the exception of the running costs of the Rainbow nursery, the charity's expenditure consists of grants to relevant NHS bodies.

Over the long run, the running costs of Rainbow nursery are met from nursery fee income received. A surplus has been made in most years, allowing the nursery to build up revenue reserves, which totalled £32,000 at 31 March 2020 (31 March 2019: £36,000). During 2019/20, the nursery incurred a deficit of £4,000 (2018/19: £9,000) - largely due to the impact of the NHS-wide pay award and the declining real value of funding received from Torbay Council. The Charitable Funds Committee has initiated a review of the options for ensuring the financial sustainability of the nursery. In the meantime, the nursery's revenue reserves provide funding to cover immaterial deficits that may be incurred.

**9. Analysis of grant expenditure**

All grants are made to organisations. All grants have been made to Torbay and South Devon NHS Foundation Trust with the one following exception (2018/19: no exceptions). £3,000 of funds ring-fenced to benefit Cystic Fibrosis services were transferred during the year to the Royal Devon and Exeter NHS Foundation Trust General Charity, as the Cystic Fibrosis service for the Torbay and South Devon area is conducted by the Royal Devon and Exeter NHS Foundation Trust.

An analysis of grant expenditure by type of activity is given in Note 8, which also discloses the support costs allocated to each category of grant expenditure.

**10. Support costs**

	Basis of allocation	Charitable activities £'000	Total 2019/20 £'000	Total 2018/19 £'000
External audit fees	Value of expenditure	7	7	7
Staffing cost - governance activities	Value of expenditure	16	16	16
Total governance cost		23	23	23
Staffing cost - administrative activities	Value of expenditure	37	37	50
Other costs - administrative activities	Value of expenditure	0	0	0
		<b>60</b>	<b>60</b>	<b>73</b>

Support costs are those costs which can not be directly attributed to an individual activity. These include the cost of the staff who administer the charity and governance costs (such as the audit fee). In deciding upon a basis for allocating support costs, the charity has considered the Charity Commission's 'NHS Charities Guidance' section G.3. The charity believes that 'value of expenditure' is the most appropriate basis of allocation, in particular given the complexity of allocating costs across c. 200 individual charity funds and the consequent risks and administrative cost of adding further complexity through the use of a more complex basis of allocation. Support costs are allocated between fund types in line with the analysis of expenditure between fund types.

Most support costs are incurred by the Foundation Trust and recharged to the charity, as disclosed in Note 3 and as described in Note 12.

Grant expenditure tends to consist of one-off discretionary projects. By contrast, Rainbow nursery expenditure mainly consists of recurring costs which are simple to administer, once set up. The allocation of support costs takes account of this difference and reduces the allocation to Rainbow nursery accordingly.

**Analysis of support costs by fund**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019/20 £'000	Total 2018/19 £'000
Capital equipment	0	5	0	5	1
Patient welfare	5	40	0	45	58
Staff welfare	0	0	0	0	0
Staff development	0	2	0	2	6
Research	0	3	0	3	3
Rainbow nursery expenditure	0	5	0	5	5
	<b>5</b>	<b>55</b>	<b>0</b>	<b>60</b>	<b>73</b>

Notes to the Accounts

**11. Auditors' remuneration**

The auditors' remuneration of £7k (2018/19 £7k) related to the audit with no additional work undertaken (2018/19: none).

**12. Analysis of staffing cost**

	Rainbow nursery £'000	Support costs £'000	<b>Total 2019/20 £'000</b>	Total 2018/19 £'000
Wages and salaries	415	43	<b>458</b>	457
Social security costs	21	4	<b>25</b>	26
Employer contributions to NHS Pension Scheme	55	6	<b>61</b>	62
	<b>491</b>	<b>53</b>	<b>544</b>	<b>545</b>
Average headcount	40.5	8.3	<b>48.8</b>	50.2
Average whole-time equivalent	20.6	1.4	<b>22.0</b>	22.2

The charity does not issue contracts of employment. The values disclosed above relate to staff who are employed on contracts of employment issued by Torbay and South Devon NHS Foundation Trust but who are effectively under the control of the charity and are therefore treated as employees of the charity. From time to time the charity, in addition, provides funding to the Foundation Trust to support other staff posts (eg research posts) but does not control these individuals, who are therefore not considered to be employees of the charity and are not included within the values disclosed above.

There are no employees who received employee benefits excluding employer pension costs of more than £60,000 (2018/19: none).

**13. Investments**

**13.1 Fixed asset investments by class**

	Total value held in the UK 31/03/2020 £'000	Total value held in the UK 31/03/2019 £'000
Listed investments - at fair value	1,653	1,767
Cash or cash equivalents	8	54
<b>Total</b>	<b>1,661</b>	<b>1,821</b>

**13.2 Movement in fixed asset investments - listed investments**

	2019/20 £'000	2018/19 £'000
Market value brought forward at 1st April	1,767	2,110
Purchases at cost	296	88
Disposals at carrying value	(273)	(516)
Unrealised (loss)/gain on revaluation	(137)	85
<b>Market valuation as at 31st March</b>	<b>1,653</b>	<b>1,767</b>

## Notes to the Accounts

**13. Investments (continued)**
**13.3 Movement in fixed asset investments - cash or cash equivalents**

	2019/20 £'000	2018/19 £'000
Brought forward at 1st April	54	65
Proceeds on disposal of listed investments	250	527
Purchases of listed investments	(296)	(88)
Cash withdrawn from the investment portfolio	0	(450)
<b>Value as at 31st March</b>	<b>8</b>	<b>54</b>

During 2019/20 the charity made withdrawals from the investment portfolio totalling £0k (2018/19: £450k). These withdrawals had been required in order to fund planned reductions in reserves (as described in the Annual Report).

**13.4 (Losses)/gains on investments**

	2019/20 £'000	2018/19 £'000
Realised (losses)/gains	(23)	11
Unrealised (losses)/gains	(137)	85
<b>Total</b>	<b>(160)</b>	<b>96</b>

**14. Debtors**

	Total 31/03/2020 £'000	Total 31/03/2019 £'000
Trade debtors	234	89
Prepayments and accrued income	12	15
<b>Total</b>	<b>246</b>	<b>104</b>

**15. Cash at bank and in hand**

	Total 31/03/2020 £'000	Total 31/03/2019 £'000
Current account	43	52
Deposit accounts	4	11
<b>Total</b>	<b>47</b>	<b>63</b>

**16. Creditors: amounts falling due within one year**

	Total 31/03/2020 £'000	Total 31/03/2019 £'000
Accruals	(33)	(25)
Deferred Income	(15)	(4)
Torbay and South Devon NHS Foundation Trust	(795)	(641)
<b>Total</b>	<b>(843)</b>	<b>(670)</b>

Creditors are unsecured, repayable on demand and not subject to interest.

**Analysis of movement in deferred income:**

	2019/20 £'000	2018/19 £'000
Deferred income brought forward at 1 April	(4)	(9)
Release in year of deferred income brought forward	4	9
Recognition in year of new deferred income	(15)	(4)
<b>Deferred income carried forward at 31 March</b>	<b>(15)</b>	<b>(4)</b>

Deferred income relates to the activities of the Rainbow nursery. Nursery income is deferred where it is received in advance of the delivery of the corresponding nursery services.

**17. Contingent assets - legacies**

As at 31 March 2020 there were no (2019: 1) legacies where probate had been granted but where income had not been recognised because the value could not be measured with sufficient reliability. The total receivable from these legacies has been estimated as £0k (2019: £3k).

## Notes to the Accounts

## 18. Analysis of funds

	Balance 1 April 2019 £'000	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Transfers £'000	Balance 31 March 2020 £'000
<b>Endowment funds (see also note 18.1)</b>						
Torbay Hospital PGMF Fund	68	0	(1)	(11)	0	56
Ashburton Hospital Easterbrook Bequest	20	0	(1)	(3)	0	16
Newton Abbot Hospital Easterbrook Bequest	20	0	0	(4)	0	16
Newton Abbot Hospital Blake Bequest	237	0	(4)	(40)	0	193
Newton Abbot Hospital Gribble Bequest	18	0	0	(3)	0	15
<b>Total Endowment funds</b>	<b>363</b>	<b>0</b>	<b>(6)</b>	<b>(61)</b>	<b>0</b>	<b>296</b>
<b>Restricted income funds (see also note 18.2)</b>						
Torbay Hospital Patients	122	26	(50)	(17)	1	82
Torbay Hospital Cancer Services	78	66	(126)	(2)	0	16
Torbay Hospital Heart & Lung Unit	62	11	(20)	(9)	0	44
Torbay Hospital Staff	56	569	(592)	8	(1)	40
Torbay Hospital General	32	365	(327)	11	0	81
Paignton Hospital General	86	38	(47)	(13)	1	65
Torbay Hospital General Surgery & Urology	43	5	(9)	(7)	0	32
Torbay Hospital Gastroenterology	18	1	(7)	(1)	0	11
Torbay Hospital Radiology	32	20	(23)	(5)	0	24
Torbay Hospital Radiotherapy	38	3	(7)	(6)	0	28
Torbay Hospital Laboratory Medicine	37	5	(3)	(7)	0	32
Torbay Hospital Maternity	48	31	(67)	0	0	12
Torbay Hospital Ophthalmology	22	5	(2)	(5)	0	20
Torbay Hospital Endocrinology	34	2	(2)	(6)	0	28
Others (6)	40	21	(38)	(3)	0	20
<b>Total Restricted funds</b>	<b>748</b>	<b>1,168</b>	<b>(1,320)</b>	<b>(62)</b>	<b>1</b>	<b>535</b>
<b>Unrestricted income funds (see also note 18.3)</b>						
Community Hospitals	52	91	(101)	(7)	(1)	34
Other	155	127	(6)	(30)	0	246
<b>Total Unrestricted funds</b>	<b>207</b>	<b>218</b>	<b>(107)</b>	<b>(37)</b>	<b>(1)</b>	<b>280</b>
<b>Total funds</b>	<b>1,318</b>	<b>1,386</b>	<b>(1,433)</b>	<b>(160)</b>	<b>0</b>	<b>1,111</b>

Notes to the Accounts

**18. Analysis of funds (continued)**

**18.1 Details of material Endowment funds**

**Torbay Hospital Post Graduate Medical Centre (PGMC) Fund** - a gift from the South West Regional Hospital Board in 1973, to be held in perpetuity and the income from which is applied to the Torbay Hospital Bursary fund to be used :-

- a) to finance projects of an educational or research nature;
- b) to contribute to expenses for conferences ; and
- c) to award prizes.

**Ashburton Hospital Easterbrook Bequest** - a legacy from the estate of the late Elsie Easterbrook, the will being dated 1973, to be held in perpetuity for the benefit of Ashburton Hospital. The income generated is applied to the Ashburton Hospital General Fund.

**Newton Abbot Hospital Easterbrook Bequest** - a legacy from the estate of the late Elsie Easterbrook, the will being dated 1973, to be held in perpetuity for the benefit of Newton Abbot Hospital. The income generated is applied to the Newton Abbot Hospital General Fund.

**Newton Abbot Hospital Blake Bequest** - a legacy from the estate of the late Elizabeth Blake who died in 1938 to be held in perpetuity for the benefit of Newton Abbot Hospital. The income generated is applied to the Newton Abbot Hospital General Fund.

**Newton Abbot Hospital Gribble Bequest** - a legacy from the estate of the late Frederick Gribble who died in 1943 to be held in perpetuity for the benefit of Newton Abbot Hospital. The income generated is applied to the Newton Abbot Hospital General Fund.

**18.2 Details of material restricted funds**

**Torbay Hospital Patients** - For the relief of patients treated at Torbay Hospital, Torquay, Devon through the purchase of, for example, medical equipment and staff training & education.

**Torbay Hospital Cancer Services** - For any charitable purposes in connection with Cancer Services, Torbay Hospital.

**Torbay Hospital Heart & Lung Unit** - For any charitable purposes in connection with the Heart & Lung Unit, Torbay Hospital.

**Torbay Hospital Staff** - For the relief of sickness by promoting efficient performance by the staff of Torbay Hospital. This includes the Rainbow Day Nursery , Christmas and other social functions.

**Torbay Hospital General** - For any charitable purposes for Torbay Hospital, Torquay, Devon, including donations from the Torbay Hospital League of Friends.

**Paignton Hospital General** - For any charitable purposes for Paignton Hospital, Devon, including donations from the Paignton Hospital League of Friends.

**Torbay Hospital General Surgery & Urology** - For any charitable purposes in connection with the General Surgery & Urology Directorate, Torbay Hospital.

**Torbay Hospital Gastroenterology** - For any charitable purposes in connection with the Gastroenterology Unit, Torbay Hospital.

**Torbay Hospital Radiology** - For any charitable purposes in connection with the Radiology Directorate, Torbay Hospital

**Torbay Hospital Radiotherapy** - For any charitable purposes in connection with the Radiotherapy Department, Torbay Hospital

**Torbay Hospital Laboratory Medicine** - For any charitable purposes in connection with the Laboratory Medicine Directorate, Torbay Hospital

**Torbay Hospital Maternity** - For any charitable purposes in connection with the Maternity Department, Torbay Hospital

**Torbay Hospital Ophthalmology** - For any charitable purpose in connection with the Ophthalmology Department, Torbay Hospital

**Torbay Hospital Endocrinology** - For any charitable purposes in connection with the Endocrinology Service, Torbay Hospital

Other restricted funds relate to other wards and clinical departments at Torbay Hospital and other community hospitals as listed in the foreword for which donors have indicated their wishes when making their generous gifts.

Notes to the Accounts

**18. Analysis of funds (continued)**

**18.3 Details of material unrestricted funds**

**Community Hospitals** - for any charitable purpose or purposes in connection with the Community Hospitals operated by Torbay and South Devon NHS Foundation Trust, with the exception of Brixham and Paignton Community Hospitals (which each have their own Restricted Funds).

**19. Ultimate holding organisation**

The ultimate controlling party of the charity is Torbay and South Devon NHS Foundation Trust, which is the Corporate Trustee of the charity. The Foundation Trust provides NHS healthcare and social care services to the Torbay and South Devon area. Its registered address is Torbay Hospital, Lowes Bridge, Torquay, TQ2 7AA.

Copies of the 2019/20 Annual Report and Financial Statements of Torbay and South Devon NHS Foundation Trust can be obtained by writing to: Chief Finance Officer, Torbay and South Devon NHS Foundation Trust, Torbay Hospital, Lowes Bridge,

**20. Mergers**

The charity has not undertaken any mergers with other charities.

**21. Post Balance Sheet Event**

The Covid-19 pandemic has had a significant impact upon the charity in the period since the balance sheet date:

- The operation of the Rainbow nursery was significantly affected by the withdrawal of the majority of the children during the lockdown period. However, the Foundation Trust has provided financial support and no significant financial impact is anticipated.
- The significant investment losses experienced during March 2020 have been partially reversed, although there remains considerable uncertainty regarding the timing of full recovery.
- The charity has received significant increased donations, both locally and through NHS Charities Together, and is using these donations to support NHS services.