

Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual Report for the year ended 31 March 2017

Registered Charity No: 1061384

Address of Charity: Royal Devon and Exeter NHS Foundation Trust General Charity
Bowmoor House
Barrack Road
Exeter
EX2 5DW

Corporate Trustee:

The Royal Devon and Exeter NHS Foundation Trust is the corporate trustee of the Royal Devon and Exeter NHS Foundation Trust General Charity. The executive and non-executive directors who served the Royal Devon and Exeter NHS Foundation Trust are as follows:

J Brent	Chairman
J Ashman	Non-Executive Director
P Dillon	Non-Executive Director
J Kay	Non-Executive Director
S Kirby	Non-Executive Director (appointed 1 September 2017)
S Knowles	Non-Executive Director (appointed 1 September 2017)
D Robertson	Non-Executive Director (resigned 31 October 2017)
M Romaine	Non-Executive Director
A Willis	Non-Executive Director (resigned 31 March 2017)
A Pedder – OBE	Chief Executive Officer (resigned 30 June 2016)
P Adey	Chief Operating Officer (formerly known as Director of Operations) (appointed 1 April 2016)
T Cottam	Executive Director Transformation and Organisational Development
A Harris	Executive Medical Director
P Southard	Acting Chief Financial Officer (appointed 1 July 2016 and resigned 17 September 2017)
C Tidman	Chief Financial Officer (appointed 18 September 2017)
S Tracey	Deputy Chief Executive / Chief Financial Officer until 30 June 2016, Acting Chief Executive from 1 July 2016 until 20 November 2016, and Chief Executive from 21 November 2016
E Wilkinson-Brice	Deputy Chief Executive / Chief Nurse

Bankers: Bank of Scotland
33 Old Broad Street
London

Investment Managers: Brewin Dolphin
Vantage Point, Woodwater Park
Pynes Hill
Exeter EX2 5FD

Independent Auditors: KPMG LLP
Chartered Accountants
66 Queen Square
Bristol BS1 4BE

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Structure, Governance and Management

The Charity was created by Trust Deed on the 19th March 1997 and was named the Royal Devon and Exeter Healthcare NHS Trust General Charity.

On the 3rd August 2004 the Charity was renamed as the Royal Devon and Exeter NHS Foundation Trust General Charity (the "Charity"), reflecting the Royal Devon and Exeter NHS Foundation Trust's foundation status.

The Corporate Trustee (the "Trustee") is the Royal Devon and Exeter NHS Foundation Trust (the "Trust"), and the executive directors and non-executive directors of the Trust Board share responsibility to ensure that the Trust fulfills its duties as Trustee.

The Trust's chairman and non-executive directors are appointed by the Trust's Council of Governors (the "COG") acting on the recommendation of the Nominations Committee, which is a committee of the COG. Prior to the appointment of a non-executive director, the Trust's Board undertake a review of the 'Policy for the Composition of Non-Executive Directors on the Board' to ensure the necessary mix of skills and experience on the Board is achieved.

Executive directors are appointed in accordance with the Trust's constitution. The non-executive directors select the chief executive officer and the appointment is ratified by the COG. A committee of the chairman and non-executive directors appoints the executive directors.

A Charity Sub-Committee has been established to oversee the operation of the Charity on behalf of the Trust Board in its role as Corporate Trustee. Its purpose is to give assurance to the Trust Board that charitable funds are managed and operated in accordance with the governing documents and comply with relevant legislation and guidance from the Charity Commission for England and Wales. The Charity Sub-Committee makes recommendations, as agreed at its meetings, to the Trust Board as the Corporate Trustee, for its approval or otherwise.

The Chief Financial Officer has delegated authority for the day to day management and control of the administration of the Charity.

The Charity is the umbrella under which 13 special purpose charities operate. The special purposes relate to distinct areas within the hospital, for example the medical directorate.

The funds held under special charities are classified as restricted income funds. The remaining funds held by the Charity are classified as unrestricted income funds, i.e. general funds.

Within each of the special charities there are a number of funds relating to particular wards and departments. Each fund is managed on a day to day basis by a fund holder, normally the ward/departmental manager.

Trustee induction and training

As part of their induction new members of the Corporate Trustee are made aware of their responsibilities.

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Statement of Trustee's responsibilities

Under the trust deed and rules of the Charity and charity law, the Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The Trustee has elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the Trust Deed and rules, subject to any material departures disclosed and explained in the financial statements; and
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is required to act in accordance with the Trust Deed and the rules of the Charity, within the framework of trust law. The Trustee is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the Charity at that time, and to enable the Trustee to ensure that, where any statements of accounts are prepared by it under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. The Trustee has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

Objectives & Activities

The Charity was registered with the objective:

"For any charitable purpose and purposes relating to the National Health Service wholly or mainly for the Royal Devon and Exeter NHS Foundation Trust."

The objectives of the special charities relating to wards and departments of the hospital are:

"The relief of sickness in the X directorate and for the relief of sickness in the X directorate by promoting the efficient performance of their duties by the staff of the X directorate."

The general research special charity has different objectives relating specifically to the investigation, and related education, into the causes, prevention, treatment and cure of sickness and disability.

The overall policy of the Charity is to provide support to the Royal Devon and Exeter NHS Foundation Trust by the following means:

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- Patients' expenditure - purchase of small equipment and the provision of services and facilities not normally provided by, or in addition to, the normal NHS provision.
- Staff expenditure - a) motivation of staff, by improving staff facilities and by providing services that improve staff wellbeing,
b) education of staff by providing education over and above that normally provided by the Trust.
- Capital equipment - purchase of equipment in addition to that normally provided by an NHS trust.
- Research expenditure - resources to allow staff to undertake non-commercial research and educational activities.

The objectives of each of the individual funds state whether the use of the fund is for patients, staff, and provision of equipment or research.

Royal Devon and Exeter NHS Foundation Trust Profile

The Trust provides integrated health and care services across Exeter, East and Mid Devon. With 8,000 staff, it manages a large acute teaching hospital, 12 community hospitals and provides community services to a core population of over 450,000.

The Trust is nationally and internationally recognised for excellence in a number of specialist fields including the Princess Elizabeth Orthopaedic Centre, the Centre for Women's Health (maternity, neonatology and gynaecology services), Cancer Services, Renal Services, Exeter Mobility Centre and Mardon Neuro-rehabilitation Centre.

Review of the Activities of the Charitable Funds

During the year, the Charity continued to provide grants to the Trust benefiting both patients and staff. The Charity does not currently actively fundraise and relies on the generosity of patients and their relatives, and other donors who provide generous support to their local NHS service.

The Charity's total incoming resources were £713,000, a decrease of £145,000 compared to the prior year. The decrease was primarily due to a decrease in income from donations and legacies.

Total resources expended were £854,000, an increase of £92,000 compared to the prior year. Expenditure on purchases of capital equipment and contributions towards capital schemes increased by £248,000. This was partly offset by decreases in expenditure on patient welfare and amenities of £111,000 and expenditure on staff training and development of £65,000.

Departmental & Ward Funds:

There are around 100 departmental and ward funds; these funds are used specifically in the designated area for the benefit of patients and staff.

The funds benefit patients through purchasing supplementary or complementary equipment or services, which the Trust is unable to provide through exchequer funds. Examples of this include providing musical therapy at Mardon Neuro-Rehabilitation Centre and holidays for terminally ill children and their families.

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Staff expenditure is used to further staff training and education, thereby promoting efficient performance of their duties and development of staff skills, with support also given to team building activities.

Where funding is not available from capital funds, the Charity supports the Trust's equipment and building purchasing programme. In the year the Charity made grants of £361,000 to purchase equipment and to contribute towards other capital schemes.

General Funds

The income received in these funds is not specific with regard to department or ward but may be used more generally across the Trust.

General funds include an overall "General Fund", the Patients' Fund, and the Nurses' Comfort Fund.

The General Fund may be used to support charitable expenditure that is relevant to the Trust as a whole.

The following are examples of some of the Charity's achievements during the year:

Bramble Ward

Bramble ward paid £45,000 for the supply, installation and commissioning of a new outside play area. The play area has been given a full range of brightly coloured equipment including a large wooden climbing frame, walkways, buggies and a play house. Play is considered to be an essential part of a child's recovery during their hospital stay and the play area is for the use of the children on Bramble Ward as well as their family members and visitors.

The play area was largely funded by £41,500 of fundraising and donations from individuals and other Charities including the Exeter Lions, Exeter Foundation and "Otter Wheels". This income was received in 2015/16.

Cardiology

An advanced echocardiography simulator was purchased at a cost of £68,000. The equipment was part-funded by a donation of £10,000 from the University of Exeter.

The equipment has resulted in improved staff training relating to carrying out ultrasound examinations of the heart. The simulator allows training on a mannequin with realistic simulation of real life experience. Given the improved training and access to echocardiography across Exeter and potentially the rest of Devon, the intention is that more patients will be able to have scans earlier in their hospital stay resulting in better decision-making and improved treatment and outcomes.

Hepatology

A portable fibroscanner for the Hepatology Department was purchased at a cost of £41,000. The equipment was part-funded by donations including £20,000 from Exeter League of Friends.

The machine uses ultrasound technology to assess fibrosis (scarring) of the liver in a quick and painless way. The procedure reduces the need for more invasive procedures such as a liver biopsy. As the scanner is portable, it can be used in community clinics ensuring that liver patients have improved access to treatments.

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Kidney Unit

Donations of nearly £11,000 were received, many in memory of patients in recognition of the care and attention they received in the Kidney Unit, or when under the care of the Renal Community Team who dialyse patients at home.

A donation of £20,000 was received from the Royal Devon and Exeter Kidney Development Fund Charity, which was used to purchase an ultrasound machine used for inpatient scans on Creedy Ward.

Over £2,000 was spent on supporting staff development through attending local, national and international courses and conferences. This has enabled staff to discuss new innovations with others, and share experiences and ideas to bring about improvement in renal care.

Other expenditure included purchasing TV remote control holders to ensure that each patient bed has a remote control available, and supporting staff social events.

Ophthalmology

£36,000 was used to purchase an Optical Biometry Machine for Axminster Hospital using funds donated by Axminster League of Friends. The equipment tests the size of a patient's eye and determines which lens to use for cataract patients.

Orthopaedics

A 4D Surface Topography machine was purchased at a cost of £27,800. The equipment was fully funded by a donation from the Spinal Research Foundation.

The equipment is used to assess spinal patients. It is a contactless static measurement of the back surface which produces a 3D reconstruction of the spine with no radiation and therefore with no harm or risk to patients.

Paediatric Oncology Fund

Nearly £16,000 was donated by individuals and fundraisers.

The fund supports children with cancer and leukaemia. Some cancers require very specialised treatment, which means children have to travel to other centres. The fund supports families who have to travel for treatment by offering help with journeys, subsistence and accommodation.

The fund also provides grants for patients, including short breaks for families who are unable to plan too far ahead and respite breaks. Other grants include tuition fees and driving lessons. In total the fund spent nearly £13,000 in providing these grants.

Surgical Urology

A Flex Focus Ultrasound Scanner for Exmouth Hospital was purchased at a cost of £78,500 thanks to the fundraising efforts of former patient Geoff Fidler who raised £47,000 across the 2014/15 and 2015/16 financial years.

The scanner has given patients in East Devon better access to diagnostic facilities for prostate cancer. Previously patients from East Devon were required to travel to Exeter or Tiverton where the only other scanners used for prostate biopsies are located. Having an extra scanner has also eased the pressure on the service at Exeter and Tiverton.

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Vascular Surgery

A portable ultrasound scanner was purchased at a cost of £21,000. The equipment was fully funded by donations from five local Leagues of Friends Charities.

The scanner is taken to a number of community hospitals, allowing patients in the community to benefit from a one-stop clinic and scan service. This reduces repeat appointments and results in a quicker diagnosis.

Contribution of Volunteers

The Trustee of the Charity is extremely grateful to the volunteers who help support front line staff. These volunteers work in diverse areas such as guiding patients around the hospital, and assisting the chaplaincy service. Volunteers involved with affiliated charities such as RVS, FORCE Cancer Charity, the Exeter Leukaemia Fund (ELF), Hospital Radio Exeter and the League of Friends.

Fundraising

Individuals and groups have carried out a large number of fundraising events. Examples of these include:

£10,500 was raised for Clyst Ward by a golf club as the fund was their chosen Charity for the year. A number of events were held including golf days, lunches and talks.

A family raised £9,000 for the Intensive Care Unit by holding a series of events.

The Paediatric Oncology Fund received over £8,000 which was raised by a family.

Over £7,500 was raised by three people for the Maternity Fund and £6,500 was raised for the Intensive Care Unit.

Over £4,500 was raised for the Coronary Care Unit by another golf club that held a series of events during the year.

Public benefit statement

The Trustee has complied with its duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

To identify and respond to the needs of the intended beneficiaries of the Charity, individual wards and departments have been granted authority over the use of their charitable fund, so long as any and all expenditure falls within the overall objective of the Charity.

The delegated authority ensures that those closest to the intended beneficiaries are able to directly influence and develop the Charity to meet the needs of its beneficiaries.

Events since the year end and future plans

In May 2017, the Charity became responsible for thirty eight charitable funds with a value of £904,000 relating to the twelve Community Hospitals the Trust has managed since October 2016. These funds were being administered by the Northern Devon Healthcare NHS Trust Charity called Over and Above. £799,000 related to restricted funds, £103,000 to a deferred asset fund and £2,000 to an endowment.

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£701,000 was invested with investment managers Brewin Dolphin in May 2017. £100,000 was held as cash.

The deferred asset fund of £103,000 relates to a Trust administered by a firm of solicitors with annual interest payments being made to the Charity's Sidmouth Hospital Fund.

No material legacies relating to Community Hospitals were transferred to the Charity.

Examples of some actual and proposed future activities are:

The Paediatric Oncology Fund has plans to refurbish clinical areas, waiting areas and a garden to enhance the environment for children in the unit.

An extension to Yarty Ward, to provide facilities for in-patients and their families, has been funded by a very generous donation of £494,000 from Exeter Leukaemia Fund Charity received in May 2017.

Pinpoint equipment for Gynaecology was purchased for £90,000 in May 2017. The equipment was fully funded by a donation from FORCE received in May 2017.

The Intensive Care Unit purchased a Sara Combiliser chair for £15,000 in June 2017. The chair was funded by a donation from Exeter League of Friends received in June 2017 and fundraising by a family.

Investment Policy

The Charity's investment powers are determined by the Trust Deed, which gives the Trustee a general power of investment, subject to a restriction that no speculative or hazardous investments be made. Specifically, futures or traded options are not allowed.

The investment policy is reviewed every three years as a minimum. The Charity's investment objective is to maintain and, if possible, enhance the real value of the reserves represented by its investments while producing an income. The risk profile is to provide a diversified return, subject to a balanced degree of risk as agreed with the Investment Managers.

The performance of the investments is reviewed on a quarterly basis in comparison with suitable benchmarks.

The Charity investment managers are Brewin Dolphin. The method of investing is the direct purchase of the underlying assets to create a bespoke portfolio of investments.

The performance of the investments, in comparison to their benchmark are:

Investments held with Brewin Dolphin investment managers

Performance on a Total Return basis (1 April 2016 to 31 March 2017)

	Charity %	Index %	
Investment portfolio	19.75	19.60	Risk Category 6 - balanced

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Reserve Policy

The Charity has a formal policy regarding the holding of reserves, which is reviewed annually. The Trustee, having examined the circumstances facing the Charity and its future income and expenditure patterns, has determined that no minimum level of reserves is necessary. This policy is applicable to the unrestricted reserves.

The Charity's total expenditure for the year represents 53% of the opening unrestricted, restricted and endowment reserves. The unrestricted reserves available to the Charity as at the 31 March 2017 were £162,000.

Grant Making Policy

This year the Charity made grants of £784,000, excluding support costs of £58,000. The Charity awards grants in the following areas on an ad-hoc basis, and in accordance with the objectives of the individual funds and special charities. The grants policy is summarised as follows:

a) Grants to the NHS for the purchase of capital assets

The needs of the relevant hospital departments are assessed and grants are awarded in the circumstances where the NHS would not normally provide equipment and where there is a benefit to patients in the provision of the equipment.

b) Grants to other research institutions

Grants are made on an ad-hoc basis to other local research institutions where elements of research cannot be carried out within the hospital or where there are joint funding arrangements.

c) Grants to individuals

In certain cases of hardship or severe illness, small grants will be made on an ad-hoc basis to patients and/or relatives. Although grants must be approved by a fund manager, the basis of an assessment may be conducted by either the relevant fund manager or by other staff involved in the case.

Risk Management Policy

The Trustee has drawn up a risk management policy. This policy details the process to be followed in identifying risks and controls, assessing risks and evaluating the actions required. This information is consolidated onto the Risk Register.

The Risk Register is reviewed on an annual basis and the Trustee reviews any new risks identified during the year on an ongoing basis.

There are no major risks to which the Charity is exposed, as identified by the Trustee. Systems have been reviewed to manage risks.

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A Big Thank You

On behalf of the staff and patients who have benefited from improved services due to the donations and legacies received, the Trustee would like to thank patients and their relatives, staff and everyone who have made charitable donations.

Approved on behalf of the Corporate Trustee.



Suzanne Tracey: Chief Executive
29 November 2017

**Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual
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**Independent auditor's report to the Trustee of Royal Devon and Exeter NHS Foundation
Trust General Charity**

We have audited the financial statements of Royal Devon and Exeter NHS Foundation Trust General Charity for the year ended 31 March 2017 set out on pages 12 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the Charity's Trustee as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to them in an auditor's 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 Charity and its Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 3, the Trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the Charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.



Jonathan Brown

for and on behalf of KPMG LLP, Statutory Auditor, Chartered Accountants

66 Queen Square, Bristol, BS1 4BE

Dated 29 November 2017

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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Statement of Financial Activities for the year ended 31 March 2017

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2016/17 £000	Total funds 2015/16 £000
Income and endowments from:						
Donations and legacies	2	12	651	-	663	802
Income from Investments	9	5	36	-	41	37
Income from Charitable activities		-	9	-	9	19
Total income and endowments		<u>17</u>	<u>696</u>	<u>-</u>	<u>713</u>	<u>858</u>
Expenditure on:						
Raising funds:						
Investment management costs		2	10	-	12	9
Charitable activities:	4					
Capital equipment and contributions towards capital schemes		10	351	-	361	113
Patient welfare and amenities		12	205	-	217	328
Staff training and development, welfare and amenities		20	175	-	195	260
Medical research		1	68	-	69	52
Total resources expended		<u>45</u>	<u>809</u>	<u>-</u>	<u>854</u>	<u>762</u>
Net gains/(losses) on investments		<u>26</u>	<u>176</u>	<u>12</u>	<u>214</u>	<u>(29)</u>
Net income/(expenditure)		<u>(2)</u>	<u>63</u>	<u>12</u>	<u>73</u>	<u>67</u>
Transfers between funds		(2)	2	-	-	-
Net movement in funds		<u>(4)</u>	<u>65</u>	<u>12</u>	<u>73</u>	<u>67</u>
Reconciliation of funds:						
Total funds brought forward		166	1,392	68	1,626	1,559
Total funds carried forward	12	<u>162</u>	<u>1,457</u>	<u>80</u>	<u>1,699</u>	<u>1,626</u>

All gains and losses recognised in the year are included in the statement of financial activities and relate to continuing operations. There is no material difference between the surplus for the financial year and its historical cost equivalent.

Comparative figures for the Statement of Financial Activities for the year ended 31 March 2016 are shown in note 15.

The notes on pages 15 to 20 form part of these accounts.

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Balance Sheet as at 31 March 2017

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 31 March 2017 £000	Total funds 31 March 2016 £000
Fixed assets						
Investments	10	163	1,273	80	1,516	1,314
Total fixed assets		163	1,273	80	1,516	1,314
Current assets						
Debtors	6	-	95	-	95	12
Cash at bank and in hand		9	161	-	170	395
Total current assets		9	256	-	265	407
Liabilities:						
Creditors: amounts falling due within one year	7	10	72	-	82	95
Net current assets / liabilities		(1)	184	-	183	312
Total net assets		162	1,457	80	1,699	1,626
The funds of the Charity						
Endowment funds	12	-	-	80	80	68
Restricted income funds	12	-	1,457	-	1,457	1,392
Unrestricted income funds:						
Designated income funds	12	162	-	-	162	166
Total Charity funds		162	1,457	80	1,699	1,626

The accounts were approved by the Corporate Trustee on 29 November 2017 and signed on its behalf by:


 Suzanne Tracey, Chief Executive
 29 November 2017

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Statement of Cash Flows for the year ended 31 March 2017

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2016/17 £000	Total funds 2015/16 £000
Cash flows from operating activities:					
Net cash (used in) / provided by operating activities	(24)	(242)	-	(266)	44
Cash flows from investing activities:					
Dividends, interest and rents from investments	5	36	-	41	37
Investment management fees	-	-	-	-	(9)
Proceeds from sale of investments	-	-	-	-	1,360
Purchase of investments	-	-	-	-	(1,360)
Net cash provided by / (used in) investing activities	5	36	-	41	28
Change in cash and cash equivalents in the reporting period	(19)	(206)	-	(225)	72
Cash and cash equivalents at the beginning of the reporting period	28	367	-	395	323
Cash and cash equivalents at the end of the reporting period	9	161	-	170	395

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2016/17 £000	Total funds 2015/16 £000
Net Income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(4)	65	12	73	67
Adjustments for:					
(Gains)/Losses on investments	(26)	(176)	(12)	(214)	29
Investment management fees	2	10	-	12	9
Dividends, interest and rents from investments	(5)	(36)	-	(41)	(37)
(increase)/decrease in debtors	-	(83)	-	(83)	(3)
Increase/(decrease) in creditors	9	(22)	-	(13)	(21)
Net cash (used in) / provided by operating activities	(24)	(242)	-	(266)	44

Analysis of cash and cash equivalents

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 31 March 2017 £000	Total funds 31 March 2016 £000
Cash in hand	9	161	-	170	395
Total cash and cash equivalents	9	161	-	170	395

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Notes to the Accounts

1. Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention, with the exception of investments which are included at their fair value, and the accounting policies have been consistently applied. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) effective from 1 January 2015, and applicable UK Accounting Standards (FRS102) and the Charities Act 2011.

The Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustee considers it appropriate to adopt the going concern basis in preparing the accounts.

1.2 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 only the income of the fund may be applied, or as a restricted income fund where the donor has requested the donation to be spent in furtherance of a specified charitable purpose.

Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the donor has made known their non binding wishes or where the Trustee, at its discretion, has created a fund for a specific purpose.

1.3 Incoming resources

All incoming resources are recognised once the Charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

1.4 Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or when receipt is probable; this will be once there has been a grant of probate, the executors have confirmed that there are sufficient assets in the estate after settling liabilities to pay the legacy and all conditions attached to the legacy are within the control of the Charity or have been met.

Material legacies which have been notified but not recognised as incoming resources in the Statement of Financial Activities are disclosed in Note 8 to the accounts with an estimate of the amount receivable.

1.5 Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and is recognised when a legal or constructive obligation arises, resulting in a payment being unavoidable.

Irrecoverable VAT is charged to the relevant expenditure category.

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Notes to the Accounts

1. Accounting policies (continued)

1.6 Taxation

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

1.7 Recognition of liabilities for grants payable

Grants payable are payments made to a related party or third party NHS bodies and non NHS bodies in furtherance of the charitable objects of the funds. They are accounted for on the accruals basis where the conditions for their payment have been met or where the recipient has a reasonable expectation that they will receive the grant.

1.8 Allocation of support costs

The Charity incurs administrative (overheads, administrative and governance costs) and external audit costs that are not wholly attributable to charitable activities. The support costs are apportioned to charitable activities and the basis for the apportionment is disclosed in Note 3.

1.9 Costs of raising funds

The costs of generating funds consists of investment management costs.

1.10 Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the objects of the Charity. These costs comprise direct costs and an apportionment of support costs as shown in Note 4.

1.11 Fixed asset investments

Investments are stated at the bid price as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on the revaluation as at the end of the financial period and disposals throughout the year.

Realised gains and losses on investments are calculated as the difference between sales proceeds and the valuation from the previous financial year end or the purchase price if purchased during the current financial year. Unrealised gains and losses are calculated as the difference between opening market value (or purchase price if purchased during the year) and the market value at the year end.

Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual Report for the year ended 31 March 2017

Notes to the Accounts

2. Voluntary income

	Unrestricted funds £000	Restricted funds £000	2016/17 £000	2015/16 £000
Donations	9	531	540	738
Legacies	3	120	123	64
	<u>12</u>	<u>651</u>	<u>663</u>	<u>802</u>

3. Allocation of support costs and overheads

The Charity does not have employees. The administrative and governance costs of operating the Charity are incurred by the Trust and recharged to the Charity.

Administrative and governance costs are apportioned between the charitable activities based upon expenditure incurred by each activity. However, for apportionment purposes the expenditure relating to the purchase of capital equipment and contributions towards capital schemes has been restricted to a maximum of £100,000. It is considered that without including this restriction the weighting of the apportionment to this category would be too high.

3.1 Allocation and apportionment to support costs

	<i>Basis of apportionment</i>	2016/17 £000	2015/16 £000
Financial	<i>Allocated on time</i>	55	55
External audit	<i>Allocated on time</i>	<u>3</u>	<u>3</u>
		<u>58</u>	<u>58</u>

4. Charitable activities

The Charity did not undertake any direct charitable activities on its own account during the year. Grants were approved in favour of beneficiaries and the Charity incurred expenditure with third parties in pursuance of those grants or reimbursed expenditure incurred by beneficiaries.

	Grant funded activity £000	Support costs £000	2016/17 £000	2015/16 £000
Capital equipment and contributions towards capital schemes	350	11	361	113
Patient welfare and amenities	196	21	217	328
Staff training and development, welfare and amenities	176	19	195	260
Medical research	<u>62</u>	<u>7</u>	<u>69</u>	<u>52</u>
	<u>784</u>	<u>58</u>	<u>842</u>	<u>753</u>

5. External audit cost

The cost of the external audit is incurred by the Trust and an element is recharged to the Charity. The cost recharged by the Trust in the year was £3,000 (2015/16: £3,000).

6. Debtors

	31 March 2017 £000	31 March 2016 £000
Debtors under one year		
Other debtors	<u>95</u>	<u>12</u>

7. Creditors: amounts falling due within one year

	31 March 2017 £000	31 March 2016 £000
Royal Devon and Exeter NHS Foundation Trust	70	76
Other creditors	<u>12</u>	<u>19</u>
	<u>82</u>	<u>95</u>

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Notes to the Accounts

8. Material legacies

As at 31 March 2017 the Charity had been notified of legacies with an estimated value of £37,500 (31 March 2016: £98,500), which have not been accrued as they do not meet the recognition criteria, see accounting policy Note 1.4.

9. Investment income

	2016/17	2015/16
	£000	£000
Quoted investments (fixed asset investments)	40	35
Interest on cash held on deposit (current assets)	1	2
	<u>41</u>	<u>37</u>

10. Fixed asset investments

Movement in fixed asset investments	31 March 2017	31 March 2016
	£000	£000
Market value brought forward as at 1 April 2016	1,314	1,343
Disposals at carrying value	(105)	(1,351)
Additions to investments at cost	112	1,360
Investment managers fees	(12)	(9)
Gain/(loss) on revaluation	207	(29)
Market value as at 31 March 2017	<u>1,516</u>	<u>1,314</u>

Net cash released from investments in the year was £nil (2016: £nil)

Fixed asset investments holdings

The market value of investments held with Brewin Dolphin Investment Managers was:

	31 March 2017	31 March 2016
	£000	£000
Listed investments	1,471	1,245
Cash	45	69
	<u>1,516</u>	<u>1,314</u>

As at 31 March 2017, overseas equities comprised 39.6% of the Charity's investment portfolio.

11. Related party transactions

The ultimate controlling party of the Charity is the Royal Devon and Exeter NHS Foundation Trust. Copies of the Trust's 2016/17 Annual Report and Financial Statements can be obtained by writing to: Chief Financial Officer, Royal Devon and Exeter NHS Foundation Trust, Bowmoor House, Barrack Road, Exeter, EX2 5DW.

The Charity has made grants (Note 13) of £771,000 (2015/16: £668,000) and reimbursed £58,000 (2015/16: £58,000) relating to support costs (Note 3.1) to the Trust.

No members of the Trust's Board of Directors have received honoraria, emoluments or expenses from the Charity in the year.

Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual Report for the year ended 31 March 2017

Notes to the Accounts

12. Analysis of charitable funds

12.1 Analysis of endowment fund movements

	Balance b/fwd £000	Net gain on investments £000	Balance c/fwd £000
Chorley	48	-	48
Other funds	20	12	32
	<u>68</u>	<u>12</u>	<u>80</u>

The object of the Chorley Endowment Fund is to apply the income from the permanently endowed gift for the benefit of staff and patients within the Royal Devon and Exeter NHS Foundation Trust.

12.2 Analysis of restricted fund movements

	Balance b/fwd £000	Incoming resources £000	Resources expended £000	Transfers £000	Net gain on investments £000	Balance c/fwd £000
Bramble Ward Fund	62	14	(59)	3	-	20
Clyst Ward	32	20	(7)	2	-	47
Exeter Fetal and Maternal Assessment Unit Fund	22	15	(5)	3	-	35
Gastroenterology Research Fund	35	2	(12)	12	-	37
General Research Fund	32	3	(5)	11	-	41
Kidney Unit Fund	54	37	(39)	10	-	62
Lung Research	29	2	(13)	11	-	29
Oncology Department Fund	39	24	(19)	8	-	52
Orthopaedic Unit Fund	37	4	(7)	7	-	41
Paediatric Oncology	58	18	(18)	10	-	68
Pan Peninsula Diabetes Education Fund	34	2	(10)	11	-	37
Surgical Urology Fund	89	2	(62)	11	-	40
Other funds	<u>869</u>	<u>553</u>	<u>(553)</u>	<u>(97)</u>	<u>176</u>	<u>948</u>
	<u>1,392</u>	<u>696</u>	<u>(809)</u>	<u>2</u>	<u>176</u>	<u>1,457</u>

The above individual funds represent funds with balances in excess of £30,000, excluding unrealised investment gains, either at the 1 April 2016 or 31 March 2017.

The objective and purpose of the funds shown above are as follows:

Bramble Ward Fund	Education and welfare of staff. Equipment / Facilities to benefit patient care and comforts. Small grants for the benefit of patients and their families.
Clyst Ward Fund	Staff benefits. Staff Education and training. Patient benefits. Ward/departmental activities.
Exeter Fetal and Maternal Assessment Unit Fund	Equipment and facilities for ultrasound department. Education and welfare purposes for ultrasound staff.
Gastroenterology Research Fund	Assist with the funding of research staff, the training of research staff, scientific journals and equipment for research.
General Research Fund	Investigation of causes of sickness and disability and prevention. Advancement of scientific research and medical education. Furtherance of any other charitable purpose for the relief of suffering.
Kidney Unit Fund	To support the purchase of complementary equipment, provide training to staff and team building within the unit.
Lung Research	To fund staff, equipment, materials or other activities involved in the research, treatment and prevention of lung diseases.
Oncology Department fund	To support the purchase of complementary equipment, provide training to staff and team building within the department.
Orthopaedic Unit Fund	Provide extra comforts for patients and staff, support training and education and contribute towards equipment.
Paediatric Oncology	Facilities and equipment to help children with cancer and their families. Staff education and welfare.
Pan Peninsula Diabetes Education Fund	To develop, support and deliver diabetes education to health professionals throughout the South West peninsula. The courses and study days are educational events that are largely funded by donations from sponsors.
Surgical Urology Fund	To support the RD&E Urology Service.

Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual Report for the year ended 31 March 2017

Notes to the Accounts

12. Analysis of charitable funds (continued)

12.3 Analysis of unrestricted fund movements

	Balance b/fwd £000	Incoming resources £000	Resources expended £000	Transfers £000	Net gains on investments £000	Balance c/fwd £000
General Fund	136	17	(44)	7	-	116
Other funds	30	-	(1)	(9)	26	46
	<u>166</u>	<u>17</u>	<u>(45)</u>	<u>(2)</u>	<u>26</u>	<u>162</u>

The objective and purpose of the General Fund is to provide benefits to both staff and patients of the Trust. The other unrestricted funds also provide benefits to nurses and other Trust staff, and to patients.

13. Analysis of grants

The majority of grants are made to the Royal Devon and Exeter NHS Foundation Trust. Grants are sometimes made to individuals, e.g. to help families with travel expenses. The total cost of making grants, including support costs, is disclosed in Note 4.

Individual grants are not made by the Corporate Trustee, instead the fund managers have been given delegated authority to manage their funds in accordance with the Charity's objectives and the donors' wishes.

Institution receiving grant support		Total amount paid in 2016/17 £000	Total amount paid in 2015/16 £000
Royal Devon and Exeter NHS Foundation Trust	<i>Scheme of delegation</i>	771	668
Other grants		13	27
		<u>784</u>	<u>695</u>

14. Post Balance Sheet event

In May 2017, the Charity became responsible for the management of the charitable funds relating to the Community Hospitals following the transfer of responsibility for the Eastern Community Services, which passed to the Trust from the Northern Devon Healthcare NHS Trust in October 2016. Thirty eight funds with a value of £904,000 were transferred to the Charity.

15. Comparative figures for Statement of Financial Activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2015/16 £000
Income and endowments from:				
Donations and legacies	31	771	-	802
Income from Investments	4	33	-	37
Income from Charitable activities	1	18	-	19
Total Income and endowments	<u>36</u>	<u>822</u>	<u>-</u>	<u>858</u>
Expenditure on:				
Raising funds:				
Investment management costs	2	7	-	9
Charitable activities:				
Capital equipment and contributions towards capital schemes	1	112	-	113
Patient welfare and amenities	4	324	-	328
Staff training and development, welfare and amenities	24	236	-	260
Medical research	1	51	-	52
Total resources expended	<u>32</u>	<u>730</u>	<u>-</u>	<u>762</u>
Net (losses)/gains on investments	(4)	(23)	(2)	(29)
Net income/(expenditure)	<u>0</u>	<u>69</u>	<u>(2)</u>	<u>67</u>
Transfers between funds	1	(1)	-	-
Net movement in funds	<u>1</u>	<u>68</u>	<u>(2)</u>	<u>67</u>
Reconciliation of funds:				
Total funds brought forward	165	1,324	70	1,559
Total funds carried forward	<u>166</u>	<u>1,392</u>	<u>68</u>	<u>1,626</u>