

**Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual  
Report for the year ended 31 March 2018**

**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)
J McCloskey	Non-Executive Director (appointed 1 October 2018)
D Robertson	Non-Executive Director (resigned 31 October 2017)
M Romaine	Non-Executive Director (resigned 1 September 2018)
P Adey	Chief Operating Officer
J Cooper	Executive Director People (appointed 17 September 2018)
T Cottam	Executive Director Transformation and Organisational Development (resigned 1 September 2018)
A Harris	Executive Medical Director
P Southard	Acting Chief Financial Officer (resigned 17 September 2017)
C Tidman	Chief Financial Officer (appointed 18 September 2017)
S Tracey	Chief Executive
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

## **Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual Report for the year ended 31 March 2018**

### ***Structure, Governance and Management***

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

On the 3<sup>rd</sup> 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 has one linked charity, the Common Investment Fund, which has capital restrictions. Twelve other linked charities, with no restrictions, were dissolved by the Charity Commission, at the request of the Corporate Trustee, in March 2018. These linked charities were created in 1997, at the same time as the umbrella charity was established, and represented the operational structure of the Hospital at that time. The structure of the hospital had since changed, and the linked charities no longer served a useful purpose.

The funds held under the Common Investment fund are classified as restricted income funds. The funds relating to particular wards and departments are also treated as restricted income funds, with the remaining funds held by the Charity classified as unrestricted income funds, i.e. general funds.

The funds relating to particular wards and departments are 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 Trustees' responsibilities in respect of the Trustees' annual report and the financial statements***

Under the trust deed and rules of the Charity and charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The Trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including 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 trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state 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;
- state whether the financial statements comply with the Trust Deed and rules, subject to any material departures disclosed and explained in the financial statements; and
- assess the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the Trust Deed and the rules of the Charity, within the framework of trust law. They are 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 Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have 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.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the Charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

***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 funds relating to specific wards and departments include objectives relevant to those wards and departments. The objectives of funds relating to research include education and investigation 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 has a long and proud history dating back over 250 years. The Trust has earned an international reputation as a recognised provider of high quality healthcare services, innovation, research and education. 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 £2,731,000, an increase of £2,018,000 compared to the prior year. The increase was primarily due to the Community funds of £904,000 taken on in the year, and an increase in income from donations and legacies.

Some particularly large donations were received from other charities in the year, including £494,000 from the Exeter Leukaemia Fund for the extension to the Yarty Ward, and £101,000 from FORCE Cancer Charity, to fund equipment purchases. Further details regarding these very generous donations are given in the section on Donations from other Charities, below.

In addition, a donation of £200,000 was made from the Estate of the late Wendy Green in the year, to support training in the ICU.

A number of large legacies have been received by the Charity in the year, including a legacy of £236,000 for the West of England Eye Unit.

Total resources expended were £1,422,000, an increase of £568,000 compared to the prior year. Expenditure on purchases of capital equipment and contributions towards capital schemes

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increased by £358,000. There were also increases in expenditure on patient welfare and amenities of £95,000 and expenditure on staff training and development of £77,000 with a decrease in expenditure on research and development of £52,000. Also £85,000 of funds relating to the Seaton Hospital at Home Fund were transferred to the Seaton and District Hospital League of Friends (LOF) in February 2018.

### ***Departmental & Ward Funds:***

There are around 120 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.

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 £719,000 to purchase equipment and to contribute towards other capital schemes. These grants included £494,000 which had been received from Exeter Leukemia Fund for the extension to the Yarty Ward, and £90,000 from the FORCE Cancer Charity for the "Pinpoint" equipment for the Gynaecology Department.

### ***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.

### ***Donations from other Charities***

The Royal Devon and Exeter NHS Foundation Trust is extremely grateful for the generous donations received from other Charities. These donations have been used to fund a number of purchases.

The largest donations have been received from the Exeter Leukaemia Fund and FORCE.

An extension to Yarty Ward in Cancer services has been completed at a cost of £494,000, funded by a very generous donation from the Exeter Leukaemia Fund Charity. The extension has provided facilities for in-patients and their families.

In addition to funding the Pinpoint equipment for £90,000, and the associated maintenance costs of £3,000, FORCE also funded the purchase of four pumps for a new chemotherapy outreach service at a total cost of £8,000. The pumps are currently being used at Tiverton and Okehampton community hospitals and there is a plan to use them in a third location. The pumps enable patients to be treated much closer to their home.

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Other significant donations have been received from Tiverton League of Friends, Exeter League of Friends, Exmouth League of Friends, the Olivia Holmes Foundation and Exeter Foundation.

**The Wendy Green ICU training Fund**

A donation of £200,000 was received from a family estate. A new fund has been set up using the money to support the training of staff in the Intensive Care Unit.

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

**Gynaecology**

Pinpoint equipment for uterine cancer patients was purchased for £90,000. The equipment was wholly funded by a donation from FORCE. The equipment is used for lymph node sampling which helps tailor treatment towards an individual patient avoiding both under treatment and over treatment.

**Ophthalmology - Tiverton**

An Optical Coherence Tomography machine was purchased for use at Tiverton Community Hospital at a cost of £47,000. The purchase was wholly funded by a donation from Tiverton League of Friends. The machine has facilitated an increase in the number of Ophthalmology clinics at Tiverton. This has resulted in care closer to home for patients and has freed up capacity at the West of England Eye Unit in Exeter. The equipment is used extensively in glaucoma and macular clinics.

**Surgical Urology**

Last year 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. This year has seen additional expenditure of £26,500 to purchase software that is used in conjunction with the scanner.

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.

**Doris Heard Ward, Exmouth**

The Exmouth and Budleigh Salterton General Fund spent £18,000 refurbishing rooms and installing showers within two existing six bed bays at Exmouth Community Hospital. This refurbishment has improved the environment and patient experience with modern facilities now in use.

**Intensive Care Unit**

The Intensive Care Unit purchased a Sara Combiliser rehabilitation chair for £15,000. The chair was funded by a donation from Exeter League of Friends of £9,000 with the balance from fundraising carried out by a family. The chair is a mobilisation aid that allows patients to stand in a safe and supported manner even if they are still requiring mechanical ventilation. Early and timely rehabilitation has been shown to reduce the period of mechanical ventilation which helps to reduce the length of stay.

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### **Paediatric Oncology**

Nearly £8,000 was donated by individuals and fundraisers and a further £8,000 was donated by other Charities.

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. Nearly £4,000 was spent on taxi fares and over £500 on other travel and accommodation.

The fund also provides grants for patients, including spending over £2,500 to fund short breaks for families who are unable to plan too far ahead and respite breaks. Other grants include tuition fees and driving lessons.

The fund also spent £14,000 to purchase furniture as part of the refurbishment of the paediatric waiting room, oncology ward area and treatment room. The refurbishment, completed in 2018/19, has improved the environment for children by providing improved seating, cupboards, tables, flooring and a new television.

### **General Fund**

The General Fund provided £20,000 to support seven members of staff to study for a Postgraduate Certificate in Healthcare Leadership and Management. The course is multi-disciplinary and the staff members are from a range of different roles at the Trust. The qualification is designed to develop compassionate, inclusive and effective leaders.

### **Community Funds**

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. £798,000 related to restricted funds, £104,000 to an Investment Trust fund and £2,000 to an endowment.

The Investment Trust fund, now valued at £128,000, 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.

### **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 are also 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:

£4,300 was raised for the Neonatal Unit Fund by holding a darts exhibition match. £3,300 was also raised for the Neonatal Unit by a member of the public for a sponsored twenty six mile walk.

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£3,300 was raised for the Kidney Unit by a golf club as their chosen charity for the year, and £2,100 was raised for the Kidney Unit Fund from a series of events including a scooter rally.

£2,200 was raised for the Paediatric Oncology Fund by holding a "ladies night" which also included a raffle.

***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 funds, 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***

The completion of the refurbishment of the paediatric waiting room, oncology ward area and treatment room resulted in the Paediatric Oncology Fund incurring construction costs of £13,000 and further £6,000 was spent on furniture.

The Exeter Fetal and Maternal Assessment Unit Fund has agreed to support the refurbishment of the Ultrasound waiting room at an estimated cost of £17,000. The improved waiting room will improve facilities and patient experience when attending clinics.

***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 at least annually, or more frequently if required. 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 Charity's ethical investment policy excludes direct investment in tobacco, armaments, alcohol, gambling and pornography. In November 2018, the Trustee also agreed to exclude direct investment in companies with a high exposure to unhealthy foods linked to obesity.

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

The Trustee has appointed Brewin Dolphin Ltd to manage the Charity's investments on a discretionary basis. The method of investing is the direct purchase of the underlying assets to create a bespoke portfolio of investments.



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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 2017 to 31 March 2018)

	Charity Index		
	%	%	
Investment portfolio	1.57	1.90	Risk Category 6 – balanced

The Charity's investment portfolio underperformed the benchmark due to a combination of stock or fund selection, and asset allocation. The portfolio was slightly low on direct USA exposure, compared to the benchmark, leading to the loss of a small degree of performance. Some volatility in the UK companies held may also have pushed the performance slightly below the benchmark, but Brewin Dolphin continue to hold these investments, as performance is expected to improve.

***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 84% of the opening unrestricted, restricted and endowment reserves. The unrestricted reserves available to the Charity as at the 31 March 2018 were £106,000.

***Grant Making Policy***

This year the Charity made grants of £1,347,000, 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. 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.

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***Charity Risk Management Policy***

The Trustee has drawn up a risk management policy for the Charity. 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 Charity's Risk Register.

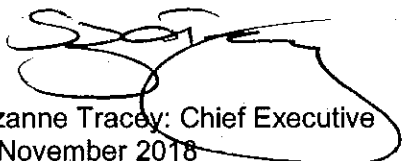
The Charity's Risk Register is reviewed on an annual basis and the Trustee reviews any new risks identified during the year on an ongoing basis.

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

***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.

A handwritten signature in black ink, appearing to read 'Suzanne Tracey', is written over a circular stamp. The signature is fluid and cursive.

Suzanne Tracey: Chief Executive  
28 November 2018

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**Independent auditor's report to the Trustees 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 ("the charity") for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**Other information**

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

**Matters on which we are required to report by exception**

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

- the charity has not kept sufficient accounting records; or

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- 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.

We have nothing to report in these respects.

**Trustees' responsibilities**

As explained more fully in their statement set out on page 3, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.


**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charity's trustees 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Jonathan Brown**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE  
28 November 2018

*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 2018

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2017/18 £000	Total funds 2016/17 £000
<b>Income and endowments from:</b>						
Donations and legacies	2	75	1,689	-	1,764	663
Income from investments	9	6	52	-	58	41
Income from Charitable activities		-	5	-	5	9
Community funds received	14	-	798	106	904	-
<b>Total income and endowments</b>		<b>81</b>	<b>2,544</b>	<b>106</b>	<b>2,731</b>	<b>713</b>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Investment management costs		2	15	-	17	12
Charitable activities:	4					
Capital equipment and contributions towards capital schemes		20	699	-	719	361
Patient welfare and amenities		5	307	-	312	217
Staff training and development, welfare and amenities		53	219	-	272	195
Medical research		-	17	-	17	69
Community fund transferred	14	-	85	-	85	-
<b>Total resources expended</b>		<b>80</b>	<b>1,342</b>	<b>-</b>	<b>1,422</b>	<b>854</b>
Net (losses)/gains on investments		-	(34)	23	(11)	214
<b>Net Income</b>		<b>1</b>	<b>1,168</b>	<b>129</b>	<b>1,298</b>	<b>73</b>
Transfers between funds		-	-	-	-	-
<b>Net movement in funds</b>		<b>1</b>	<b>1,168</b>	<b>129</b>	<b>1,298</b>	<b>73</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		162	1,457	80	1,699	1,626
<b>Total funds carried forward</b>	<b>12</b>	<b>163</b>	<b>2,625</b>	<b>209</b>	<b>2,997</b>	<b>1,699</b>

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 2017 are shown in note 15.

The notes on pages 16 to 21 form part of these accounts.

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## Balance Sheet as at 31 March 2018

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 31 March 2018 £000	Total funds 31 March 2017 £000
<b>Fixed assets</b>						
Investments	10	98	2,185	80	2,363	1,516
Investment Trust	10	-	-	123	123	-
<b>Total fixed assets</b>		<u>98</u>	<u>2,185</u>	<u>203</u>	<u>2,486</u>	<u>1,516</u>
<b>Current assets</b>						
Investment Trust	10	-	-	5	5	-
Debtors	8	69	366	1	436	95
Cash at bank and in hand		49	179	-	228	170
<b>Total current assets</b>		<u>118</u>	<u>545</u>	<u>6</u>	<u>669</u>	<u>265</u>
<b>Liabilities:</b>						
Creditors: amounts falling due within one year	7	53	105	-	158	82
<b>Net current assets</b>		<u>65</u>	<u>440</u>	<u>6</u>	<u>511</u>	<u>183</u>
<b>Total net assets</b>		<u>163</u>	<u>2,625</u>	<u>209</u>	<u>2,997</u>	<u>1,699</u>
<b>The funds of the Charity</b>						
Endowment funds	12	-	-	209	209	80
Restricted Income funds	12	-	2,625	-	2,625	1,457
Unrestricted income funds:						
Designated income funds	12	163	-	-	163	162
<b>Total Charity funds</b>		<u>163</u>	<u>2,625</u>	<u>209</u>	<u>2,997</u>	<u>1,699</u>

The accounts were approved by the Corporate Trustee on 28 November 2018 and signed on its behalf by:

  
Suzanne Tracey: Chief Executive

28 November 2018

**Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual  
Report for the year ended 31 March 2018**

**Statement of Cash Flows for the year ended 31 March 2018**

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2017/18 £000	Total funds 2016/17 £000
<b>Cash flows from operating activities:</b>					
<b>Net cash provided by / (used in) operating activities</b>	<u>(29)</u>	<u>927</u>	<u>105</u>	<u>1,003</u>	<u>(266)</u>
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments	6	52	-	58	41
Take on of Investment Trust			(103)	(103)	-
Net purchase of investments	<u>63</u>	<u>(981)</u>	<u>(2)</u>	<u>(900)</u>	<u>-</u>
<b>Net cash provided by / (used in) investing activities</b>	<u>69</u>	<u>(909)</u>	<u>(105)</u>	<u>(945)</u>	<u>41</u>
Change in cash and cash equivalents in the reporting period	40	18	-	58	(225)
Cash and cash equivalents at the beginning of the reporting period	<u>9</u>	<u>161</u>	<u>-</u>	<u>170</u>	<u>395</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>49</u>	<u>179</u>	<u>-</u>	<u>228</u>	<u>170</u>

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

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2017/18 £000	Total funds 2016/17 £000
<b>Net Income for the reporting period (as per the Statement of Financial Activities)</b>	<b>1</b>	<b>1,168</b>	<b>129</b>	<b>1,298</b>	<b>73</b>
<b>Adjustments for:</b>					
Losses/(gains) on investments	-	34	(23)	11	(214)
Investment management fees	2	15	-	17	12
Dividends, interest and rents from investments	(6)	(52)	-	(58)	(41)
(Increase) in debtors	(69)	(271)	(1)	(341)	(83)
Increase/(decrease) in creditors	<u>43</u>	<u>33</u>	<u>-</u>	<u>76</u>	<u>(13)</u>
<b>Net cash provided by / (used in) operating activities</b>	<u>(29)</u>	<u>927</u>	<u>105</u>	<u>1,003</u>	<u>(266)</u>

**Analysis of cash and cash equivalents**

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 31 March 2018 £000	Total funds 31 March 2017 £000
Cash in hand	<u>49</u>	<u>179</u>	<u>-</u>	<u>228</u>	<u>170</u>
<b>Total cash and cash equivalents</b>	<u>49</u>	<u>179</u>	<u>-</u>	<u>228</u>	<u>170</u>

# **Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual Report for the year ended 31 March 2018**

## **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.



# **Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual Report for the year ended 31 March 2018**

## **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 2018

## Notes to the Accounts

### 2. Voluntary income

	Unrestricted funds	Restricted funds	2017/18	2016/17
	£000	£000	£000	£000
Donations	5	1,241	1,246	540
Legacies	70	448	518	123
	<u>75</u>	<u>1,689</u>	<u>1,764</u>	<u>663</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>	2017/18	2016/17
		£000	£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	Support costs	2017/18	2016/17
	£000	£000	£000	£000
Capital equipment and contributions towards capital schemes	710	9	719	361
Patient welfare and amenities	286	26	312	217
Staff training and development, welfare and amenities	250	22	272	195
Medical research	16	1	17	69
Community Fund transferred	85	-	85	-
	<u>1,347</u>	<u>58</u>	<u>1,405</u>	<u>842</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 (2016/17: £3,000).

### 6. Debtors

	31 March 2018	31 March 2017
	£000	£000
Debtors under one year		
Legacy debtors	421	94
Other debtors	<u>15</u>	<u>1</u>
	<u>436</u>	<u>95</u>

### 7. Creditors: amounts falling due within one year

	31 March 2018	31 March 2017
	£000	£000
Royal Devon and Exeter NHS Foundation Trust	92	70
Other creditors	<u>66</u>	<u>12</u>
	<u>158</u>	<u>82</u>

# Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual Report for the year ended 31 March 2018

## Notes to the Accounts

### 8. Material legacies

As at 31 March 2018 the Charity had been notified of legacies with an estimated value of £37,500 (31 March 2017: £37,500), which have not been accrued as they do not meet the recognition criteria, see accounting policy Note 1.4.

### 9. Investment Income

	2017/18 £000	2016/17 £000
Quoted Investments (fixed asset Investments)	58	40
Interest on cash held on deposit (current assets)	-	1
	<u>58</u>	<u>41</u>

### 10. Fixed asset Investments

Movement in fixed asset Investments	31 March 2018 £000	31 March 2017 £000
Market value brought forward as at 1 April 2017	1,516	1,314
Disposals at carrying value	(411)	(105)
Additions to Investments at cost	1,303	112
Investment managers fees	(17)	(12)
(Loss)/gain on revaluation	(28)	207
Market value as at 31 March 2018	<u>2,363</u>	<u>1,516</u>

Net cash released from investments in the year was £nil (2016/17: £nil)

#### Fixed asset Investments holdings

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

	31 March 2018 £000	31 March 2017 £000
Listed investments	2,314	1,471
Cash	49	45
	<u>2,363</u>	<u>1,516</u>

As at 31 March 2018, overseas equities comprised 38.7% of the Charity's investment portfolio.

#### Investment Trust

The Investment Trust Fund relates to a legacy for Sidmouth Hospital where the principal is held by a firm of solicitors in line with the wishes of the deceased, as described in Note 12.1.

### 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 2017/18 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 £1,254,000 (2016/17: £771,000) and reimbursed £58,000 (2016/17: £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 2018

## Notes to the Accounts

### 12. Analysis of charitable funds

#### 12.1 Analysis of endowment fund movements

	Balance b/fwd £000	Incoming resources £000	Net gain / (loss) on investments £000	Balance c/fwd £000
Chorley	48	-	-	48
Moretonhampstead Laycock	-	2	-	2
Sidney Hawkins Investment Trust	-	104	25	129
Other funds	32	-	(2)	30
	<u>80</u>	<u>106</u>	<u>23</u>	<u>209</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. The object of the Moretonhampstead Laycock Endowment Fund is to apply the income for the benefit of the patients & staff of Moretonhampstead Hospital. The Sidney Hawkins Investment Trust was set up in 1989, for a period of 79 years, and makes annual interest payments to three beneficiaries, including £5,000 per annum for the benefit of the staff of the Sidmouth Hospital. Moretonhampstead and Sidmouth Hospitals became part of the Royal Devon & Exeter NHS Foundation Trust in October 2016.

#### 12.2 Analysis of restricted fund movements

	Balance b/fwd £000	Incoming resources £000	Resources expended £000	Transfers £000	Net loss on investments £000	Balance c/fwd £000
Administer General Fund	-	51	(3)	-	-	48
Clyst Ward	47	10	(18)	-	-	39
Exeter Fetal and Maternal Assessment Unit Fund	35	8	(11)	-	-	32
Gastroenterology Research Fund	37	1	(1)	-	-	37
General Research Fund	41	5	(1)	-	-	45
Improving Working Lives Staff Lottery Fund	9	59	(10)	-	-	58
Kidney Unit Fund	156	17	(20)	90	-	243
Oncology Department Fund	52	11	(27)	12	-	48
Orthopaedic Unit Fund	41	98	(14)	-	-	125
Orthopaedic Wards Fund	6	78	(8)	-	-	74
Ottery St Mary Hospital General Fund	-	242	(8)	-	-	234
Paediatric Oncology	68	18	(29)	-	-	57
Pan Peninsula Diabetes Education Fund	37	1	(17)	-	-	21
Sidmouth General Fund	-	204	(22)	-	-	182
Surgical Urology Fund	40	1	(1)	-	-	40
Surgical Wards Fund	10	48	(11)	-	-	47
The Wendy Green ICU Training Fund	-	202	-	-	-	202
West of England Eye Unit Fund	20	238	(4)	-	-	254
Other funds	858	1,254	(1,137)	(102)	(34)	839
	<u>1,457</u>	<u>2,544</u>	<u>(1,342)</u>	<u>0</u>	<u>(34)</u>	<u>2,625</u>

The above individual funds represent funds with balances in excess of £30,000, excluding unrealised investment gains, either at the 1 April 2017 or 31 March 2018.

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

Administer General Fund	For any charitable purpose or purposes relating to the NHS wholly or mainly for the patients and staff of Administer Hospital
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.
Improving Working Lives Staff Lottery Fund	The provision of equipment. The carrying out of works or the provision of services. Facilities or events that benefit staff through environmental, social physical or other means.
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.
Orthopaedic Wards Fund	Provide extra comforts for patients and staff, support training and education and contribute towards equipment.
Ottery St Mary Hospital General Fund	For any charitable purpose or purposes relating to the NHS wholly or mainly for the patients & staff of Ottery St Mary Hospital
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.
Sidmouth General Fund	For any charitable purpose or purposes relating to the NHS wholly or mainly for the patients & staff of Sidmouth Hospital
Surgical Urology Fund	To support the RD&E Urology Service.
Surgical Wards Fund	Education and welfare of staff. Equipment/facilities to benefit patient care. Staff functions.
The Wendy Green ICU Training Fund	To provide financial assistance to support the training, education and development of permanent staff within the Intensive Care Unit and also to purchase equipment that supports this training
West of England Eye Unit Fund	Education and welfare of staff. Equipment/facilities for patients.

# Royal Devon and Exeter NHS Foundation Trust General Charity Accounts and Annual Report for the year ended 31 March 2018

## 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	Balance c/fwd £000
General Fund	116	81	(78)	119
Other funds	46	-	(2)	44
	<u>162</u>	<u>81</u>	<u>(80)</u>	<u>163</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 2017/18 £000	Total amount paid in 2016/17 £000
Royal Devon and Exeter NHS Foundation Trust	<i>Scheme of delegation</i>	1,254	771
Other grants		<u>93</u>	<u>13</u>
		<u>1,347</u>	<u>784</u>

### 14. Community Funds

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.

The funds received consisted of £798,000 of restricted funds, an Investment Trust valued at £104,000 and an endowment fund of £2,000.

£800,000 of cash was received with £700,000 being invested with Brewin Dolphin and the balance held within cash.

£85,000 of funds received for the Seaton Hospital at Home Fund were transferred to the Seaton and District Hospital League of Friends (LOF) in February 2018. The Seaton LOF has historically funded, and continues to fund, the Seaton 'Hospice at home' service which comprises of a team of nurses who support patients in their own home in the Seaton area who are at end of life. These nurses are now employed by 'Hospice Exeter' and the service is totally funded by the Seaton LOF.

### 15. Comparative figures for Statement of Financial Activities

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

