

TORBAY AND SOUTH DEVON NHS CHARITABLE FUND

England & Wales · Charity number 1052232

Details

Other names	SOUTH DEVON HEALTHCARE CHARITABLE FUND, Torbay and South Devon NHS Charity
Status	Registered
Legal form	Other
Registered	1996-01-24
Register	View on the Charity Commission register

Contact

Address	Regents House Regent Close Torquay TQ2 7AN
Phone	01803653526
Email	sdhct.charitablefunds@nhs.net

Activities

Objects: FOR ANY CHARITABLE PURPOSE OR PURPOSES RELATING TO THE NATIONAL HEALTH SERVICE

Activities: Any charitable purpose relating to the NHS, also specifically of the Torbay and South Devon NHS area. To provide equipment and amenities, improve conditions for care and other benefits for the advancement of the health of patients and help make staff more effective in delivering healthcare

Classification

- **How:** Makes Grants To Organisations, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Devon
- Torbay

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£433,000	£488,000	-	-
2024-03-31	£1,050,000	£897,000	£1,768,000	22
2023-03-31	£903,000	£1,064,000	£1,499,000	23
2022-03-31	£997,000	£1,213,000	£1,776,000	23
2021-03-31	£1,334,000	£752,000	£1,922,000	22

Trustees

Name	Role	Appointed
Torbay and South Devon NHS Foundation Trust		

Linked charities

- PARAMEDIC SERVICES CHARITABLE FUND (1052232-1)
- PAIGNTON HOSPITAL CHARITABLE FUND (1052232-10)
- TEIGNMOUTH HOSPITAL CHARITABLE FUND (1052232-11)
- TOTNES HOSPITAL CHARITABLE FUND (1052232-12)
- TORBAY HOSPITAL GENERAL CHARITABLE FUND (1052232-13)
- CANCER SERVICES CHARITABLE FUND (1052232-14)
- HEART AND LUNG UNIT CHARITABLE FUND (1052232-15)
- GENERAL SURGERY AND UROLOGY DIRECTORATE CHARITABLE FUND (1052232-16)
- LABORATORY MEDICINE DIRECTORATE CHARITABLE FUND (1052232-17)
- RADIOTHERAPY DEPARTMENT CHARITABLE FUND (1052232-18)
- ENDOCRINOLOGY SERVICE CHARITABLE FUND (1052232-19)
- MENTAL HEALTH AND LEARNING DISABILITIES DIRECTORATE CHARITABLE FUND (1052232-2)
- GASTROENTEROLOGY UNIT CHARITABLE FUND (1052232-20)
- ACCIDENT AND EMERGENCY DIRECTORATE CHARITABLE FUND (1052232-21)
- ANAESTHETICS AND INTENSIVE CARE UNIT DIRECTORATE CHARITABLE FUND (1052232-22)
- RADIOLOGY DIRECTORATE CHARITABLE FUND (1052232-23)
- MATERNITY DEPARTMENT CHARITABLE FUND (1052232-24)
- OPHTHALMOLOGY DEPARTMENT CHARITABLE FUND (1052232-25)
- CHILD HEALTH DIRECTORATE CHARITABLE FUND (1052232-26)
- HEAD AND NECK DIRECTORATE CHARITABLE FUND (1052232-27)
- TORBAY HOSPITAL STAFF CHARITABLE FUND (1052232-28)
- TORBAY HOSPITAL PATIENTS CHARITABLE FUND (1052232-29)
- ASHBURTON HOSPITAL CHARITABLE FUND (1052232-3)
- SOUTH DEVON HEALTHCARE NATIONAL HEALTH SERVICE FOUNDATION TRUST (EXPENDABLE FUNDS) COMMON INVESTMENT FUND (1052232-30)
- SOUTH DEVON HEALTHCARE NATIONAL HEALTH SERVICE FOUNDATION TRUST (CAPITAL) COMMON INVESTMENT FUND (1052232-31)
- BOVEY TRACEY HOSPITAL CHARITABLE FUND (1052232-4)
- BRIXHAM HOSPITAL CHARITABLE FUND (1052232-5)
- DARTMOUTH HOSPITAL CHARITABLE FUND (1052232-6)
- DAWLISH HOSPITAL CHARITABLE FUND (1052232-7)
- MORETONHAMPSTEAD HOSPITAL CHARITABLE FUND (1052232-8)
- NEWTON ABBOT HOSPITAL CHARITABLE FUND (1052232-9)

TORBAY AND SOUTH DEVON NHS CHARITABLE FUND

England & Wales - Charity number 1052232

Accounts

Torbay and South Devon NHS Charity

Annual Report and Accounts

**Year ended 31st March
2025**

Welcome

I am delighted to welcome you to our Torbay and South Devon NHS Charity Annual Report for 2024/25—a year in which the power of community, compassion, and innovation has truly shone through.

Thanks to the generosity of our supporters, we raised over £383,000, enabling us to deliver projects that have had a tangible and lasting impact on the lives of patients, families and staff across Torbay and South Devon. From the transformation of the Louisa Cary ward into a vibrant seaside-themed space for children, to the purchase of dual scalp coolers that ease the burden of chemotherapy and the creation of a restorative garden for coronary care patients, every initiative has been rooted in care, dignity, and hope.

Beyond our hospital walls, our charity has supported yoga and art therapy for cancer patients, community wellbeing initiatives and staff development programmes—all designed to enhance health and happiness across Torbay and South Devon.

Thank you for helping us make things better.

These achievements are only possible because of the incredible people who walk alongside us: our fundraisers, donors, volunteers, many local businesses and those who leave us a gift in their Wills. We recognise the trust that people put in us to use the money they give us wisely, making things better for local people and NHS staff.

Our Torbay and South Devon NHS Charity aims to support the full range of services offered by Torbay and South Devon NHS Foundation Trust – adult social care, community services and hospital-based services while working closely with other charities who also support health and wellbeing locally. We are proud to work in collaboration with charities such as Rowcroft Hospice, Devon Air Ambulance, and our eight dedicated Leagues of Friends, whose shared commitment to wellbeing strengthens our people and communities every day

As we look ahead, we remain focused on delivering projects that make a real difference—projects that go beyond what the NHS alone can provide, and that reflect the values of kindness, inclusion, and innovation at the heart of our charity.

Liz Edwards-Smith
Charity Committee Chair

Thank you

At Torbay and South Devon NHS Foundation Trust we're proud to be part of a community that consistently steps up to support one another. Our NHS Charity is a vital part of that community – helping us go further, reach wider and do more for the people we serve.

This year, our NHS Charity has enabled us to deliver projects that simply wouldn't be possible through core NHS funding alone, making a huge difference to the care and treatment our services can offer to our people and communities.

We've always believed that care should be shaped around what matters most to people. That's why we were the first trust in England to integrate hospital, community and social care. And it's why we continue to innovate—whether that's through nationally recognised clinical services or through the work of our NHS Charity, which brings added value to everything we do.

The pandemic reminded us just how much the NHS means to people. It also highlighted the inequalities and pressures that still exist.

My reflections on the recent publication of the 10-year health plan for England is that we are well placed to lead the way on many areas here at Torbay and South Devon – we always have integrated and established neighbourhood teams (with more to do), have a digital lab that is leading the way in developing new technology and an integrated approach to prevention that we need to truly build on given the inequalities within our population and the high levels of need in rural and coastal communities.

We need to also build further here on the amazing voluntary sector we work with.

Thanks to the generosity of our supporters—and the momentum we've built through partnerships like NHS Charities Together—we're now in a stronger position to respond to our challenges with compassion, creativity and purpose.

To everyone who has donated, fundraised, volunteered or shared our story: thank you. Your support is helping us make things better, every day, for everyone in Torbay and South Devon.

Joe Teape
Chief Executive
Torbay and South Devon NHS Foundation Trust

Our annual report

Our Torbay and South Devon NHS Charity is here to provide better care for people in Torbay and South Devon from birth to the end of life and everything in-between.

By supporting our charity you are helping to make things better and thanks to supporters like you we gave over £383,000 in 2024/25 to improve people's experience and their environment, to provide specialist equipment, to support the wellbeing of all and to reduce health inequalities.

We are delighted to be able to share with you some of the projects and improvements your donations and support have helped us to fund during the year and the positive impact they have made.

Our vision

Our vision is to provide better care for you, your family and neighbours, from birth to the end of life and everything in-between. By supporting us, you are helping to make things better for people in Torbay and South Devon.

Our fundraising mission is to work with Torbay and South Devon NHS Foundation Trust to make a positive impact on the health and wellbeing of people who use our services and our dedicated, talented and amazing people. By investing in innovative healthcare initiatives and promoting the wellbeing of all, we strive to create an inclusive culture that benefits all those who come into contact with our charity. Our intent is to ensure equity of opportunity for all our health and social care services to benefit from our charity.

Our NHS values drive us to support excellent care every day, ensuring that the needs of our people and our communities are cared for both now and in the future.

How you can get involved

- Fundraise for us
 - Regular or one-off donation (online)
 - Offline donation
 - Remembering a loved one
 - Leaving a gift in your will
 - Donate while you shop via www.easyfundraising.org.uk
 - Follow us on social media and share our story
 - Email: tsdft.charity@nhs.net
 - Website: <https://charity.torbayandsouthdevon.nhs.uk/>
-

How you helped

Thank you are just two small words that often don't seem enough to recognise the time, energy, kindness, commitment and care that you show our charity.

Without you, we simply couldn't do what we do. Any success we have is due to your support. And we couldn't be more grateful.

Here's a few examples of the lengths you went to this year to fundraise for us.

"I've chosen to support the Unit because everyday I meet the most incredible people and I really see the difference that we can make to the patients that we see. Our aim is to accurately diagnose and treat breast cancer, achieving the best outcome possible for our patients. But, if we can also make their journey that little bit more comfortable along the way, we are really doing our job well."

Phoebe Sage, Radiographer, Breast Care Unit

How you helped

74km cycled over beaches, gravel and backroads by Professor Chris Balch, Chair of Torbay and South Devon NHS Foundation Trust with his sons Sam and Roger.

50 different wards, services and areas supported by our charity

100 miles cycled by Scott and Zoe Davies in aid of Louisa Cary ward (from Torbay Hospital to Bristol Children's Hospital)

22.6 miles rowed by the Blades Crew (Paul, Zach, Matt, Rob, Brendan and Ross) in the Great River Race in support of Ricky Grant Day Unit

£12,840 our largest single donation (excluding legacies)

50p our smallest single donation

Working together

None of the important and impactful projects we fund across Torbay and South Devon would be possible without the generous support of our fundraisers and donors.

We would like to take this opportunity to thank all the individuals, families, local businesses, community groups and other organisations who have supported our Torbay and South Devon NHS Charity throughout the year.

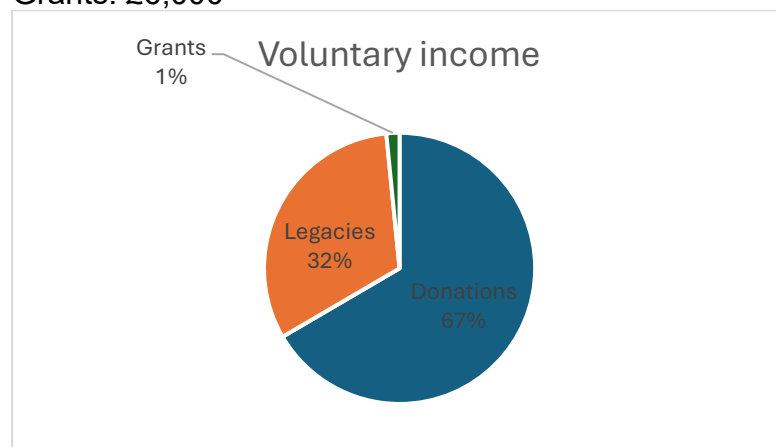
We've highlighted just a few on the following pages, but we are grateful for every single person who has supported our charity this year.

Voluntary income

Donations: £253,000

Legacies: £124,000

Grants: £6,000



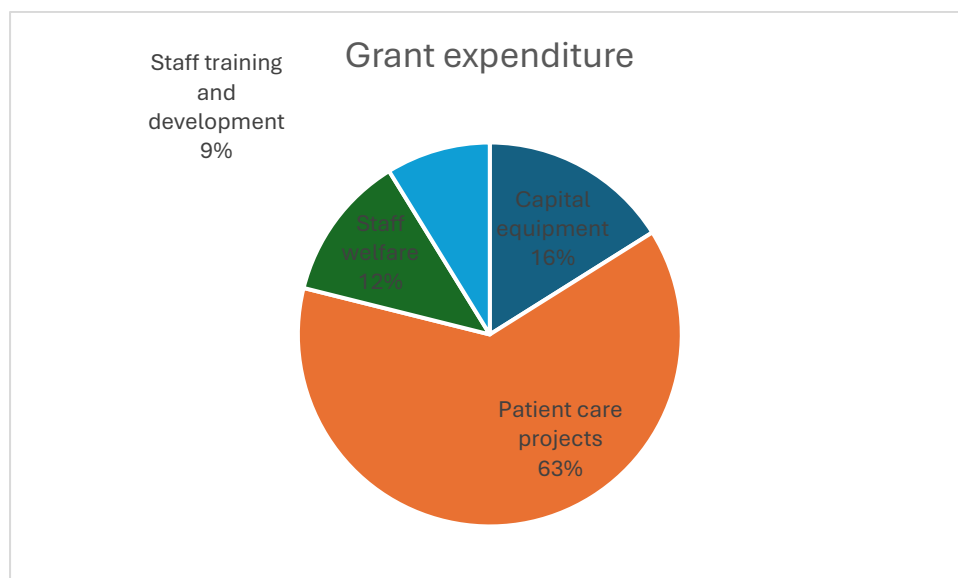
Grant expenditure

Capital equipment: £64,000

Patient care projects: £250,000

Staff training and development: £49,000

Staff welfare: £35,000



Reducing health inequalities

Building confidence and resilience in our young adult carers

There are hundreds of young adult carers in Torbay and South Devon. Being a young adult carer can affect a young person's health, social life and self-confidence with many struggling to manage their education, working life and caring role, which can cause pressure and stress.

While the Torbay Young Adult Carers Service is funded by Torbay and South Devon NHS Foundation Trust to support young people aged 16 - 25 with caring responsibilities, their activities, which give young adult carers a break, time with other young carers and a chance to build vital resilience, confidence and skills, are only possible thanks to donations and funds raised.

A huge thank you to Torquay Rotary, Brixham Sorophomists and to Sports England for supporting our young adult carers in 2024/25.

Thanks to their support, local young carers aged 16-25 were able to access regular drop-in sessions, enjoy activities such as bike rides and bowling, and even challenge themselves with a once-in-a lifetime opportunity of a week's sailing adventure on board an iconic 72 ft Challenge racing yacht for a small number of carers.

A breath of hope . . .

Project aimed at smoking cessation

Thanks to a grant from Torbay Council we were able to partner with our award-winning smokefree pregnancy team to create a film and social media campaign aimed at encouraging expectant mothers to quit smoking during pregnancy.

This initiative will help the dedicated smokefree pregnancy team to go over and above in their support for mums to be, by addressing a gap in smoking cessation support for mothers before 15 weeks of pregnancy.

Improving experience

Healing through art

Every week, beautiful artwork is created in the Moving On art group—an initiative that offers free creative sessions to people recovering from breast cancer, for up to two years after treatment.

Thanks to the kindness and generosity of our supporters, more than 50 individuals have already taken part in the Moving On art and meditation groups, finding comfort, connection and confidence through creativity.

“I’ve always liked art, when you are doing it, you don’t think about anything else – it’s good for your mental health. My treatment took me to some dark places and when you finish, you worry a lot and think a lot ‘will it come back’? Art takes me away from everything and the group is really friendly, it’s good to meet people in the same situation who properly understand what you’ve been through.” Steph

Improving experience and our environment

Ricky Grant Day Unit now has a dual Paxman Scalp Cooling machine—doubling capacity for this vital treatment. Scalp cooling helps reduce hair loss during chemotherapy, and thanks to this upgrade, every patient who requests it can now access it.

Seven new specialist chemotherapy armchairs have been funded by Torbay and South Devon NHS Charity, replacing older chairs on the Ricky Grant and Turner wards.

Patients receiving treatment for up to nine hours can now do so in greater comfort.

Young patients on Louisa Cary ward explored music and digital media through a six-week creative programme and delivered by Sound Communities CIC—bringing joy and expression to hospital stays.

New vibrant wallcoverings featuring our amazing colleagues have been installed across Torbay Hospital.

Funded by NHS Charities Together, these eye-catching vinyls raise awareness and celebrate the work of our charity.

Improving experience

Waves of kindness

Thanks to the incredible generosity of NHS charity fundraisers, Torbay Hospital's children's ward now features vibrant seaside-themed wallcoverings that brighten the space for thousands of young patients each year.

Among the many supporters who made this possible, Scott and Zoe Davies from Torquay raised an incredible £5,000 through a fundraising challenge last July, in heartfelt thanks to the staff at Torbay Hospital and Bristol Royal Hospital for Children who saved their son Dempsey's life in 2023.

The final design was shaped by ideas from children, families and staff, ensuring the space reflects the voices of those who use it. The seaside theme continues into the older children's area, with age-appropriate images like dolphins and turtles.

With your continued support, we aim to raise further funds to transform the short stay assessment unit and paediatric emergency department—creating hospital spaces that are not only functional, but also welcoming, engaging and full of hope for children and their families.

"It's not easy for children to be in hospital and it can be a stressful, anxious and worrying time. We are delighted with the new seaside themed wallcoverings and the positive impact they've had. The ward environment plays a big part in a patient's care and having a bright and colourful environment undoubtedly makes a huge difference in how our patients feel." Michelle Townsend, Ward Manager

Supporting our NHS people

Thanks to the generosity of our corporate sponsors, Torbay and South Devon NHSFT were able to hold their annual our people celebration event in May 2024.

More than 180 NHS award winners came together for a night to remember (and a classic disco) so that we could recognise and reward them for their dedication and commitment, care and compassion and innovation and achievements.

As part of the evening we awarded our first ever Charity Champion Award, given to a member of staff who has gone above and beyond for our charity.

We were delighted to have three winners in the 2024 Awards. Jane Read, Cheryl McKinnon and Gill Walach, recognising the hard work of three members of staff in our Special Care Baby Unit, our young adult carers service and on Templer ward.

"It was a real pleasure to be part of such a special evening, and SDS was proud to support the event through sponsorship.

Thank you and congratulations to everyone involved. It was inspiring to see the recognition given to so many deserving individuals."

Supporting our people

From silence to canvas

For the past three years, artist Helen Snell has worked closely with people who work for Torbay and South Devon NHS Foundation Trust to explore themes of wellbeing and burnout through art—capturing the emotional journey of those who cared for others during and after the pandemic.

From the early days of lockdown to the long road of recovery, clinical and non-clinical staff gave everything to support patients at home and in the community.

To mark the fifth anniversary of the first lockdown, our charity proudly funded a permanent exhibition in the Board Room at Torbay Hospital titled *And breathe, said the machine*. This powerful collection reflects the thoughts, emotions and lived experiences of NHS staff during one of the most challenging periods in healthcare history.

Appointed artist-in-residence in 2022 through funding secured from NHS Charities Together, Helen shadowed staff in a wide range of roles—from cleaners to surgeons, pharmacists to scrub nurses—inviting them to reflect on their work environments as metaphorical spaces and to share their views on wellbeing within the NHS.

“I’m extremely grateful to those who trusted me to tell their stories.

Their words became a potent seam of metaphors—giving presence to people who often feel unheard or unseen, and mapping the complex, ever-changing culture of the organisation.” Helen Snell, Artist in Residence

Improving experience

Big smiles, small moves

Thanks to a generous grant from the Claire Milne Charitable Trust, adults living with profound disabilities at Hollacombe Resource Centre are now enjoying the benefits of a new Magic Mirror—an interactive screen that responds to even the smallest movements.

The Magic Mirror projects images and games onto a screen, allowing users to engage in fun, sensory experiences that support physiotherapy.

Whether playing games solo or as part of a group, participants are encouraged to move, interact and enjoy.

The benefits go far beyond play.

The Magic Mirror helps improve mobility, cognitive behaviour, and memory—especially for younger adults, who now have access to familiar technology that has supported their development since school.

“The Magic Mirror is benefiting the people who use our services in all sorts of ways. It will make such a difference in enhancing the care we can provide.” Emma Ashcombe, Hollacombe Resource Centre

Our star fundraisers

April 2024

David Jones ran the London Marathon to support our special care baby unit following the care his son Luka received.

"Their work is truly commendable, and it's heartwarming to know that Luca received such dedicated care in the first weeks of his life."

53 people ran for our charity in the Inflatable 5k event. The seven teams included staff and supporters from Templer ward, Torview midwives, Emergency Department, Radiology, Health and Social Care, Communications and Site Support Services.

May 2024

Seven people ran half marathons or 10Ks for our charity, braving hills and torrential rain in the Great West Run in Exeter.

June 2024

Young Katie Wreyford walked 28 miles in the 'Moors to Moreleigh' challenge raising funds for Louisa Cary ward at Torbay Hospital. Katie was keen to ensure the money raised helps fund craft and art kits to help support older children on the ward.

"Without this help, the patience, understanding and kindness of the docs/nurses on the ward and the ongoing support I am still receiving, I wouldn't be here today."

July 2024

Zoë and Scott undertook an epic 500km bike ride from Torbay Hospital to Bristol Children's Hospital raising funds to give back to the teams that supported their son Dempsey.

"To say thank you is basically impossible. There's not a word in the dictionary that describes our feelings towards all the teams that were on shift that day, and there on after with Dempsey's incredible care, even to this day. If there was I would definitely be shouting it from the rooftops."

August 2024

Torquay teenager Lottie Bryon-Edmond has raised more than £15,000 for a memorial to ensure local organ donors, are not forgotten. In August, Lottie, who received a liver transplant at 5 weeks old, undertook a sailing challenge as part of her fundraising efforts. The memorial will be installed in Torbay Hospital in autumn 2025.

September 2024

Ten brave people from Compass House Medical Centre, Brixham jumped out of a plane at 15,000 ft to support local people undergoing treatment for breast cancer.

“This cause is dear to all of our hearts at Compass House, and we are very grateful for all the amazing work the Torbay Breast Care Unit have been doing over the years supporting dear colleagues, friends and family and our patients in Torbay.

This is our way of saying thank you and helping to give something back to the Unit and future patients.”

We cheered on the Blades Crew as they took part in the Great London River Race, rowing 21.6 miles along the River Thames and competing against 400 boats.

The team's raised funds for Ricky Grant Day Unit which provides chemotherapy and associated treatments, plus education and advice for those living with cancer.

25 people signed up to run the THM on our behalf, unfortunately due to weather condition, the event was cancelled. Rather than letting the charity or their sponsors down, all our runners then ran the Torbay Half Marathon ‘their way’ ensuring that the charity still received the vital funds raised.

October 2024

During national Baby Loss Week, Tamsin Field jumped out of a plane at 15,000 feet in memory of baby Oscar.

Oscar was born sleeping in February 2024, and since then Tamsin tirelessly raised funds for Torbay's maternity bereavement suite and to raise awareness of baby loss.

November 2024

Elliot started his hoops challenge for part of his primary school Civic award. Setting himself a challenge of shooting 200 basketball hoops each month Elliot had a very personal reason for choosing to fundraise for the special care baby unit.

“I was born prematurely at 34 weeks to my mum and dad's surprise. The team on the Unit took great care of me and reassured my mum and dad.”

December 2024

We were overwhelmed by the generosity of local businesses and the kindness of our supporters and fundraisers who all wanted to help make life a little more joyous, festive and fun for people who use our services.

Whether it was donations of gifts for people in hospital or Christmas stockings for young adult carers, NHS staff taking part in our Big Christmas Cake Bake or people lighting up their houses, it felt like the whole of Torbay and South Devon came together to help make things better.

January 2025

David from Dirtbag Waste Disposal kindly collected and recycled local people's Christmas trees while supporting our special care baby unit.

We think it's wonderful that he was able to support and care for the next generation while helping to save the planet for them.

February 2025

Duncan and his daughter Alaska ran the Exeter Half Marathon to raise funds for Ricky Grant Day Unit following the care his wife received on the Unit in 2024.

They raised a staggering £16,000!

"We want to give something meaningful back to the Unit and future patients. They need to replace treatment chairs for the comfort of those receiving chemotherapy which can last for hours over many months."

March 2025

Radiographer Phoebe Sage, a staff member in our Breast Care Unit, took on an epic trek in Cuba to raise funds for patients supported by the Unit.

Spotlight on . . .

Some of our NHS staff really do give new meaning to going the extra mile when it comes to fundraising for our charity.

Consultant in Anaesthetics and Pain Medicine, Douglas Natusch ran the Torbay Half Marathon to raise funds for new virtual reality (VR) equipment, designed to help reduce pain and discomfort for people living with chronic pain.

"VR alters the sensory input to your brain, the programming can help people relax if they are feeling stressed and afraid, to learn to move again gently. People sometimes find they can do sophisticated movements, as part of activities and games in VR, that they may be too afraid to consider trying without the headset on. The ability to learn to move without fear is an important step in helping people change their relationship to pain and suffering. Having more equipment allows us to reach more people and also to allow people to practice at home."

Leaving a lasting legacy

This year, generous gifts left in Wills have helped us raise £124,000, supporting areas such as our coronary care unit.

By including a gift in your Will, you can help ensure your loved ones are looked after, while also making a lasting difference to future generations in Torbay and South Devon.

A gift in a Will received by the unit transformed a previously unloved outside space, adding plants, flowers and garden furniture to benefit both patients and staff. Sister Jackie had the vision and is working hard to make this space into a beautiful garden.

"This is just the beginning; I've planted spring bulbs today and hope in the spring to paint the garden furniture and add climbing plants, trelliswork, poetry and hopefully even a water feature. I love gardening and it has been fantastic to see how this project has made such a difference to everyone."

Ward manager, Sam is over the moon with the outcome: 'When the plants arrived the whole ward was buzzing, now patients have a space to sit outside, you can see green plants and flowers through the windows. We'd like to say a huge thank you to the amazing person who left a gift in their Will.'

Please get in touch at tsdft.charity@nhs.net to find out more about leaving a gift in your Will, or visit <https://charity.torbayandsouthdevon.nhs.uk/>

Looking forward

We have an ambitious five year fundraising strategy which puts people at the heart of everything we do and is aligned to the vision of Torbay and South Devon NHS Foundation Trust for better health and care for all.

Our vision is to provide better care for you, your family and neighbours, from birth to the end of life and everything in-between. By supporting us, you are helping to make things better for people in Torbay and South Devon.

For the next year we have identified the following priorities for spending the monies raised through donations, legacies and grants:

- improving the health and wellbeing of our staff, in the context of ongoing operational pressures
- purchasing of medical equipment
- purchasing items to improve the experience of people who use our services and their carers
- staff training and development
- reducing health inequalities
- supporting health education.

Our fundraising mission is to work with Torbay and South Devon NHS Foundation Trust to make a positive impact on the health and wellbeing of people who use their services and the dedicated, talented and amazing people and volunteers who deliver care and services.

Over the next year we will focus on:

- developing our trust and grants fundraising to bring new and additional monies into Torbay and South Devon through projects which are aligned to our fundraising principles
- ensuring excellent governance and ethical standards of charity practice
- launching a staff lottery to provide a dedicated income stream to support the wellbeing of our teams, enabling them to deliver better care
- as we build our unrestricted funds, delivering an effective and accessible microgrants scheme to support improvements aligned to our fundraising principles
- developing our brand to ensure that our ability to deliver impact is understood
- build and strengthen partnerships with key health, VCSE and charity organisations locally to deliver greater impact
- generating financial support for Torbay and South Devon NHS Foundation Trust's recognition and awards programme.

Appendix 1

Reference and administrative information

Charity name: Torbay and South Devon NHS Charitable Fund. Our working name is Torbay and South Devon NHS Charity.

Charity registration No: 1052232

Governing document: Declaration of Trust dated 12/12/1995 as amended by supplemental deed dated 04/07/2007 as amended by deed dated 06/01/2016.

1 The Corporate Trustee

The Corporate Trustee of Torbay and South Devon NHS Charitable Fund (the charity) is Torbay and South Devon NHS Foundation Trust (the Trust). The Board of Directors of the Trust are responsible for the trusteeship of the charity. The members of the Board of Directors at the date of signing of this report were:

Non-Executive Members

Chris Balch - Chair
Martin Beaman
Liz Edwards-Smith
Ashish Ghadiali
Mark Greaves
Paul Richards
Chris Saxby
Robert Williams

Executive Members

Joe Teape – Chief Executive
Adel Jones – Chief Operating Officer/Deputy Chief Executive
James Corrigan – Chief Finance Officer
Dr Catherine Lissett – Chief Medical Officer
Emily Long – Director of Corporate Governance and Trust Secretary
Nicola McMinn – Chief Nurse
Simon Tapley – Chief Strategy and Planning Officer

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

Newly appointed members of the Board go through an induction procedure to assist them in adjusting to the new social and working conditions in order to achieve maximum safe working and efficiency in the shortest possible time, to ensure they

have knowledge of the organisation structure and how their particular area of work relates to the 'broader picture'.

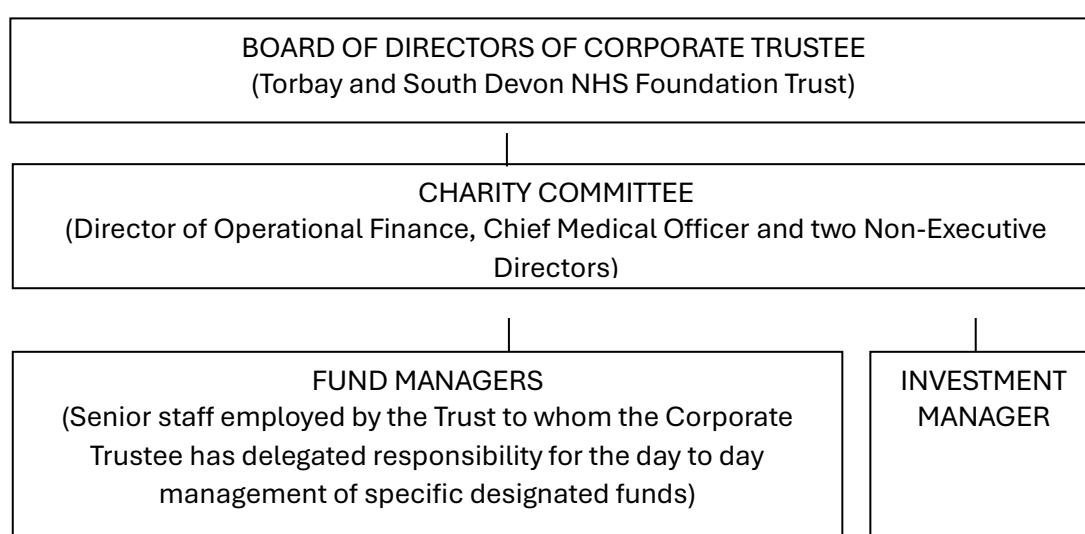
The Trust administers the charity and disburses to the charity the cost of doing this. Further details are provided in Notes 3 and 10 to the Accounts.

For day-to-day purposes, the charity uses the working name Torbay and South Devon NHS Charity. This working name has been registered with the Charity Commission. The charity's legal name however remains Torbay and South Devon NHS Charitable Fund.

2 Organisation structure

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

The Trust's charitable funds are held within an Umbrella charity and 21 Special Purpose charities (2023/24: 21). These do not constitute separate charities for accounts purposes. However, they facilitate the correct direction of donations towards the purposes for which they were granted. Each Special Purpose charity itself is divided into a number of designated funds for particular purposes. There are 169 funds in total (2023/24: 173).



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

3 Objectives

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

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

4 Aims

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

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

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

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

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

The charity achieves its aims principally through making grants of equipment or services to relevant NHS bodies (principally the Trust). The charity's policy for grant-making is described above. The charity does not currently make use of social investment. The charity's use of volunteers is confined to its use of volunteer fundraisers.

5 Monitoring

Each year, the charity prepares an income and expenditure plan. This plan takes into account feedback received from Fund Managers, who are usually medical practitioners and other front-line staff who can best assess the needs of their

patients. This plan is considered and approved by the Charity Committee, with delegated authority from the Trust Board.

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

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

6 Performance against objectives

The charity's over-riding objective is to use donations within a reasonable timeframe to make grants which achieve the greatest benefit for the charity's beneficiaries.

The charity sets default grant-making priorities each year, in line with Charity Commission guidance. For 2024/25, these priorities were:

- the health and wellbeing of staff
- purchases of medical equipment
- items to improve the experience of patients and their carers
- non-mandatory staff training/development.

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

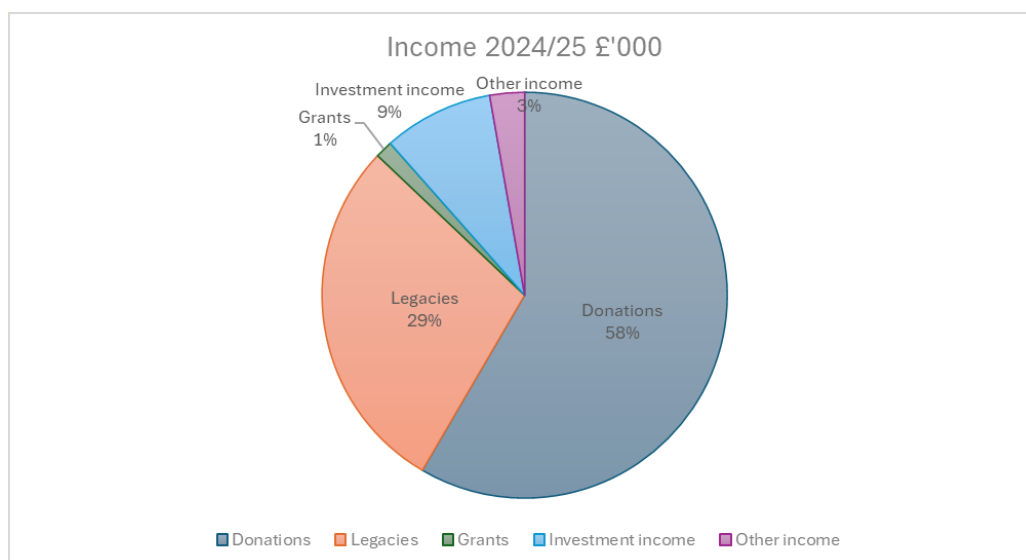
Due to its nature, voluntary income is dependent on the wishes of donors and is inherently variable. Grant expenditure is almost entirely discretionary and hence also highly variable. For these reasons, performance against the charity's annual plan is normally subject to a relatively high level of variability.

	2024/25			2023/24
	Plan	Actual	Variance	Actual
	£'000	£'000	£'000	£'000
Income	428	433	5	1,050
Expenditure	(522)	(488)	34	(897)
(Deficit)/surplus prior to investment gains/losses	(94)	(55)	39	153

The charity planned in 2024/25 to incur a deficit (before investment gains/losses) of £94k. The actual result was a deficit (before investment gains) of £55k, which was £39k favourable to plan.

On behalf of those users of our services who have benefited either directly or indirectly, the Corporate Trustee would like to thank all the donors who have made contributions to the funds during the year. Examples of some of the ways in which donations have been used are given in our impact report.

Income



Income	2024/25	2023/24
	£'000	£'000
Donations	253	264
Legacies	124	214
Grants	6	115
Investment income	38	36
Rainbow nursery income	0	409
Other income	12	12
Total Income	433	1,050

A gift in a will is a valued way of donating to charity and we are fortunate to be remembered by so many people each year. Legacy income is unpredictable and therefore tends to vary from year to year. During 2024/25, a total of £124k (2023/24: £214k) was kindly bequeathed to the charity legacies.

Torbay and South Devon NHS Charitable Fund participates in the government's Gift Aid scheme. Wherever possible we encourage donors to assist us with this by authorising us to claim tax back from HM Revenue and Customs in respect of their donation. This can increase the value of the donation by 25% at no additional cost to the donor.

Examples of some of the generous donations received during the year are given in our impact report.

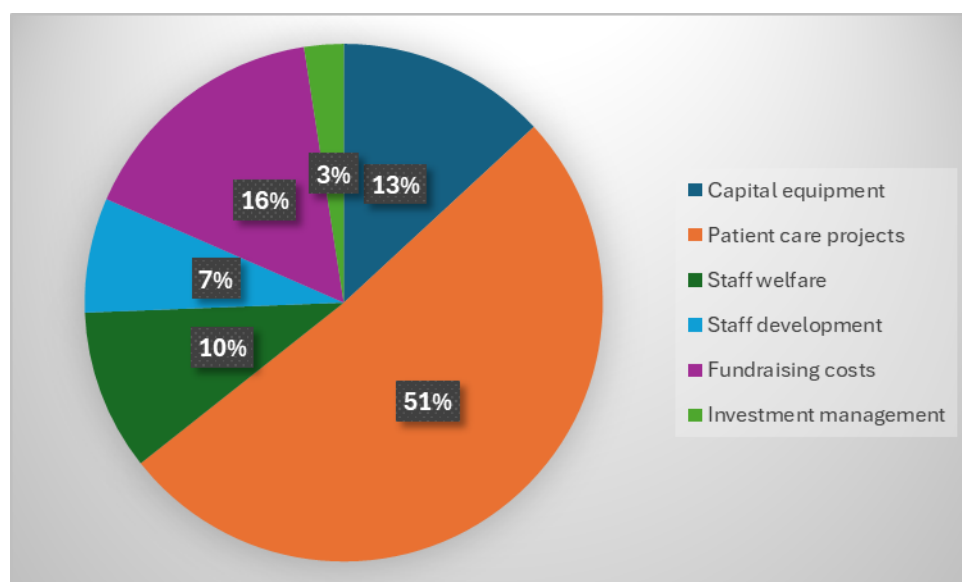
Fundraising governance

While the charity aims to ensure that fundraising is always conducted appropriately, given the as yet relatively small scale of fundraising activity the charity has not yet chosen to join or adopt any of the voluntary schemes or standards for fundraising, such as those provided by the Fundraising Regulator or Fundraising Standards Board. This position will be reviewed as the charity's fundraising activities develop.

There are significant practical limitations on monitoring the activities of volunteer fundraisers (who mostly conduct their fundraising from their private homes). As such, very limited monitoring can be undertaken but the charity is ready to act swiftly in the event of a complaint. No such complaints were received in the year (2023/24: none).

The charity does not believe that there is a significant risk to vulnerable people from the activities of its fundraising manager or volunteer fundraisers who, unlike professional fundraisers and commercial participators, have no financial interest in maximising donations. The charity does ask all volunteer fundraisers not to do anything which would reflect badly on the NHS. All charity volunteers are registered with the Trust's volunteers service and are required to undertake mandatory training and follow policies and procedures.

Expenditure



Expenditure	2024/25	2023/24
	£'000	£'000
Capital equipment	64	66
Patient care projects	250	259
Staff welfare	49	41
Staff development	35	18
Rainbow nursery expenditure	0	419
Fundraising costs	78	80
Investment management	12	14
Total resources expended	488	897

Charitable expenditure almost always consists of discretionary one-off project costs (for example, purchase of medical equipment). As such, it tends to fluctuate from year to year.

Examples of some of the ways in which donations have been used are given in our impact report.

7 Risk Management

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

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

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

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

The charity has identified the following principal risks and uncertainties:

- Compliance with regulatory requirements and maintenance of donor confidence
These risks are controlled through staff training and management, the scrutiny of the Charity Committee and the Trust's internal assurance processes (eg internal financial controls, as described below). Assurance regarding compliance is gained through internal audit.
- Performance of investment portfolio
This risk is controlled by means of an investment policy and written instructions to the investment manager, who provides at least a quarterly report for the Corporate Trustee and attends meetings of the Charity Committee twice a year. The charity holds a medium risk investment portfolio spread across a diverse range of investments which is actively managed and reviewed by the Charity Committee. Assurance is provided through the scrutiny of the Charity Committee, including the comparing of investment performance against a peer benchmark.
- Injuries to fundraisers, volunteers and staff
This risk is controlled through training for staff and volunteers, the charity's public liability insurance, the introduction of contactless donation opportunities and partnering with event organisers with robust liability and safety arrangements in place.
- Viability and sustainability of the charity including potential or actual loss of people in key roles
These risks are controlled through staff training and development, a completed branding exercise and rollout of the visual identity across trust sites, the development of the charity's strategy and establishment of the approved five year fundraising strategy. Assurance is provided through the scrutiny of the Charity Committee.

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

Internal financial control and governance

The Charity Committee is a sub-committee of the Trust Board and usually meets four times a year. It has delegated authority and terms of reference within which it governs, manages and regulates the finances, accounts, investments, assets, business and other affairs of the charity. It reports to the full Board of the Trust, which is ultimately responsible for the Corporate Trusteeship of the charity. There are also procedures specifically related to the financial management of the Charitable Fund. Among other things, these define expenditure limits applicable to the above structure.

Each year an income and expenditure plan is drawn up in consultation with the fund managers in order that the Corporate Trustee may know that the funds are available and adequate to fulfil the obligations of the charity. The financial position as at the 31 March 2025 was more than adequate to meet future plans and obligations as at that date, both overall and on a fund-by-fund basis.

The Standing Orders and Standing Financial Instructions of the Trust cover both Exchequer and charitable funds. Financial procedures comply with the Standing Financial Instructions of the Trust and include a Scheme of Delegation to Fund Managers. Compliance is rigorously checked and controlled. The financial and accounting procedures and arrangements are audited periodically by internal audit. The most recent internal audit was conducted during 2024, resulting in a 'Satisfactory' assurance rating.

8 Reserves

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

While the charity has minimal funds which are 'freely available' in this sense, it has significant fund balances which can be used for any of the charity's purposes but which are restricted or designated for use within particular clinical areas. As these funds are spread over a wide number of clinical areas, they cumulatively provide a significant source of funding for financial contingencies that the charity might face. For the above reason, the charity assesses its reserves primarily by monitoring the level of overall funds (excluding endowments, which cannot be spent).

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

expenditure. The Corporate Trustee considers this policy to be in the best interests of the charity.

In June 2018, the Committee reviewed the level of funds and set a target level (excluding endowments) of £1.15m. The actual level of these funds can be expected to fluctuate above and below the target, given the variability of voluntary income, discretionary grant expenditure and investment gains/losses. As at March 2025, these funds total £1.36m (March 2024: £1.41m).

The legal structure of the charity includes 21 Special Purpose Charities (see above). The governing document of each Special Purpose Charity requires that its funds be 'wholly or mainly' spent within a particular clinical area. As a result, funds held within Special Purpose Charities have been classified as restricted funds. The majority of the charity's funds are held within these Special Purpose Charities and are therefore classified as restricted funds.

9 Assets and liabilities

Total assets and liabilities	31/03/25	31/03/24
	£'000	£'000
Investments	1,623	1,509
Debtors	22	14
Cash and cash equivalents	125	382
Total assets	1,770	1,905
Creditors	(47)	(137)
Total liabilities	(47)	(137)
Total assets less liabilities	1,723	1,768

The value of investments increased during the year. This was due to the impact of investment gains, partly offset by sales of investments to fund the planned operating deficit.

10. Investments

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

The charity has an investment policy which is reviewed by the Charity Committee at least annually. The current objective is to achieve a balance of maximising current income while aiming for a growth in capital value in order to obtain a reasonable long-term overall return at medium risk.

The investment policy requires the manager specifically to avoid direct investment in companies whose core business is in the following areas:

- manufacture/production/retail of tobacco
- production/retail of alcohol
- production/retail of foods with high fat content

- production/retail of foods/drinks with high sugar content.

The investment policy defines the benchmark that portfolio performance is measured against and the permitted ranges for each asset class. These are as follows, with the actual position at March 2025 and March 2024 shown alongside:

Investment type	Bench- mark weighting	Benchmark comparison index	Permitted allocation range	Actual allocation March 2025	Actual allocation March 2024
Fixed interest	18%	FTA Government Gilt Index	10%-35%	27%	20%
Equities – UK and overseas	65%	MSCI All Countries World Index	45%-75%	62%	64%
Property	5%	IPD Monthly Property Index	0%-12.5%	3%	5%
Alternatives	10%	IW&I Alternatives Index	2.5%-20%	5%	9%
Cash	2%	Bank of England Base Rate minus 0.5%	0%-20%	3%	2%
Total	100%			100%	100%

The investment manager provides quarterly performance reports, which include performance against the benchmark indices listed above.

A review of the portfolio performance is undertaken by the Charity Committee twice-yearly, alongside a review of the performance of the investment manager. The performance of the investment manager is also subject to a more extensive review every three years.

During 2023/24, the charity and Corporate Trustee undertook a full re-procurement exercise for this contract and awarded it to LGT Wealth Management UK LLP. However, the change of manager did not take effect until after 31 March 2024.

The Corporate Trustee has also sought assurance from the investment manager regarding the ESG (Environmental, Social and Governance) scoring of the investment portfolio.

11 Contact details

The day-to-day management of the charity is delegated to senior manager within the Corporate Trustee's Finance Department and the Associate Director of Communications and Partnerships.

Principal Address

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

Finance Office

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

Auditors

Bishop Fleming Audit Limited
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth PL4 0BN

Investment Advisers

LGT Wealth Management
14 Cornhill
London EC3V 3NR

Bankers

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

Scottish Widows
67 Morrison Street
Edinburgh EH3 8YJ

Further Information

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

Signed on behalf of the Corporate Trustee

James Corrigan - Non-Executive Director and member of Charity Committee

Date: 5th January 2026

Torbay and South Devon NHS Foundation Trust

TORBAY AND SOUTH DEVON NHS CHARITABLE FUND

ACCOUNTS 2024/25

FOREWORD

These accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2019.

STATUTORY BACKGROUND

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

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

Ashburton Hospital

Bovey Tracey Hospital

Brixham Hospital

Dartmouth Hospital

Dawlish Hospital

Newton Abbot Hospital

Paignton Hospital

Teignmouth Hospital

Torbay Hospital

Totnes Hospital

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

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

Statement of Trustee's Responsibilities

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

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

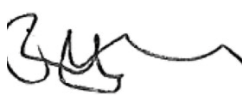
In preparing these financial statements, the trustee is required to:

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

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Trustee

Signed:

A handwritten signature in black ink, appearing to be 'J. Corrigan', written over a horizontal line.

Chief Finance Officer: James Corrigan

Date: 5th January 2026

Independent Examiner's Report to the Trustees of Torbay and South Devon NHS Charitable Fund (the 'Charity')

I report to the Charity Trustees on my examination of the accounts of the Torbay and South Devon NHS Charitable Fund (the Charity) for the year ended 31 March 2025.

Responsibilities and basis of report

As the Trustees of the Charity, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Bishop Fleming Audit Limited

Charles Martin (FCA)

Bishop Fleming Audit Limited
Chartered Accountants
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 6 January 2026

Statement of Financial Activities for the year ending 31 March 2025

	Note	Unrestricted Funds 2024/25 £'000	Restricted Funds 2024/25 £'000	Endowment Funds 2024/25 £'000	Total 2024/25 £'000	Total 2023/24 £'000
Income and endowments from:						
Donations and legacies	4	125	258	0	383	593
Charitable activities	5	0	12	0	12	421
Other trading activities	5	0	0	0	0	0
Investments	6	19	19	0	38	36
Total		144	289	0	433	1,050
Expenditure on:						
Raising funds	7	(35)	(53)	(2)	(90)	(94)
Charitable activities						
- NHS capital equipment grants	8	(8)	(56)	0	(64)	(66)
- Patient welfare & amenities	8	(41)	(209)	0	(250)	(259)
- Staff welfare & amenities	8	(3)	(46)	0	(49)	(41)
- Staff development	8	(2)	(33)	0	(35)	(18)
- Research	8	0	0	0	0	0
- Rainbow nursery expenditure	8	0	0	0	0	(419)
Sub-total charitable activities		(54)	(344)	0	(398)	(803)
Total		(89)	(397)	(2)	(488)	(897)
Net gains/(losses) on investments	13.4	2	5	3	10	116
Net income/(expenditure)		57	(103)	1	(45)	269
Transfers between funds		0	0	0	0	0
Net movement in funds		57	(103)	1	(45)	269
Reconciliation of funds:						
Total funds brought forward		496	913	359	1,768	1,499
Net movement in funds - as above		57	(103)	1	(45)	269
Total funds carried forward	18	553	810	360	1,723	1,768

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

Balance Sheet as at 31 March 2025

	Note	Unrestricted Funds 31/03/2025 £'000	Restricted Funds 31/03/2025 £'000	Endowment Funds 31/03/2025 £'000	Total 31/03/2025 £'000	Total 31/03/2024 £'000
Fixed assets:						
Investments	13	512	751	360	1,623	1,509
Total fixed assets		512	751	360	1,623	1,509
Current Assets:						
Debtors	14	3	19	0	22	14
Cash at bank and in hand	15	51	74	0	125	382
Total current assets		54	93	0	147	396
Liabilities						
Creditors: Amounts falling due within one year	16	(13)	(34)	0	(47)	(137)
Net current assets		41	59	0	100	259
Total net assets		553	810	360	1,723	1,768
The funds of the charity:						
Endowment Funds	18	0	0	360	360	359
Restricted Income Funds	18	0	810	0	810	913
Unrestricted Income Funds	18	553	0	0	553	496
Total charity funds		553	810	360	1,723	1,768

The notes on pages 31 to 44 form part of these accounts.

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

The accounts on pages 28 to 44 were approved by the Corporate Trustee on 5th January 2026 and signed on its behalf by:



Chief Finance Officer: James Corrigan

Date: 5th January 2026

Statement of Cash flow for the year ended 31 March 2025

	Note	Total 2024/25 £'000	Total 2023/24 £'000
Cash flows from operating activities:			
Net income/(expenditure) for the year (as per the Statement of Financial Activities)		(45)	269
Adjustments for:			
- Gains on investments	13.4	(10)	(116)
- Dividends, interests and rents from investments	6	(38)	(36)
- Increase in debtors	14	(8)	(5)
- (Decrease)/increase in creditors	16	(90)	44
Net cash used in operating activities		(191)	156
Cash flows from investing activities:			
Dividends, interests and rents from investments	6	38	36
Non-cash dividends included above	13.3	0	1
Cash withdrawn from the investment portfolio	13.3	(104)	85
Net cash provided by investing activities		(66)	122
Change in cash and cash equivalents over the year		(257)	278
Cash and cash equivalents at the beginning of the year	15	382	104
Cash and cash equivalents at the end of the year	15	125	382

Notes to the Accounts

1. Accounting policies

(a) Basis of preparation

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

These accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2019.

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

Judgements

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

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

Estimates

The charity does not consider that it makes any estimations which have a significant risk of causing a material adjustment within the following financial year. For a small proportion of investments such as property unit trusts, valuations may be estimated by the unit trust manager and are subject to some uncertainty. The potential impact is small.

Going concern

Up until 30 November 2023, the charity was responsible for the Rainbow nursery, which was a material business activity. The nursery was transferred to the Foundation Trust on 1 December 2023. Since this point, the charity's remaining business activities have been immaterial.

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

The charity's reserves are largely held within its investment portfolio. Cash can be realised from the investment portfolio within a matter of days.

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

Public benefit and legal form

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

Notes to the Accounts

1. Accounting policies (continued)

(b) Funds structure

The Corporate Trustee has the power to accept gifts, including gifts to be held on trust either for the purposes of the Corporate Trustee or for any purposes relating to the NHS. Charitable gifts to the Corporate Trustee which are held on trust are held by the charity and accounted for as gifts to the charity.

Some charitable gifts are only given to the Corporate Trustee after corresponding expenditure specified by the donor has already been incurred by the Corporate Trustee. In such cases, the gifts have been expended before they have been received. They are consequently not required to be held and are accounted for only as gifts to the Corporate Trustee.

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as an endowment fund, where the donor has expressly provided that the income of the fund may be applied, or as a restricted income fund where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. Endowment funds, where capital is held to generate income for charitable purposes, are sub analysed between those where the trustee has the discretion to spend the capital, expendable endowment and those where there is no discretion to spend the capital, permanent endowment. The charity has five permanent endowment funds and no expendable endowments.

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

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

(c) Incoming resources

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

(d) Incoming resources - legacies

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

Receipt is probable when:

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

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

(e) Incoming resources from endowment funds

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

(f) Resources expended and irrecoverable VAT

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

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

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

Notes to the Accounts

1. Accounting policies (continued)

(g) Resources expended - grants

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

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

Evidence of a constructive obligation exists where:

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

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

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

(h) Allocation of overhead and support costs

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

(i) Fundraising costs

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

(j) Charitable activities

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

(k) Fixed asset investments

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

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

Notes to the Accounts

1. Accounting policies (continued)

(k) Fixed asset investments (continued)

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

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

(l) Debtors

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

(m) Cash and cash equivalents

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

(n) Creditors

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

(o) Financial Instruments

The charity's Financial Instruments are all Basic Financial Instruments and consist of:

- Investments. See note 1(k). The carrying value for investments on the balance sheet at the reporting date entirely consists of financial assets measured at fair value through profit or loss.
- Debtors. See note 1(l).
- Cash and cash equivalents. See note 1(m).
- Creditors. See note 1(n).

(p) Pensions

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

(q) Pooling scheme

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

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

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

(r) Taxation

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

Notes to the accounts

2. Prior year comparatives by type of fund

2.1 Statement of Financial Activities

	Note	Unrestricted Funds 2023/24 £'000	Restricted Funds 2023/24 £'000	Endowment Funds 2023/24 £'000	Total 2023/24 £'000
Income and endowments from					
Donations and legacies	4	216	377	0	593
Charitable activities	5	0	421	0	421
Investments	6	15	21	0	36
Total		231	819	0	1,050
Expenditure on:					
Raising funds	7	(25)	(65)	(4)	(94)
Charitable activities					
- NHS capital equipment grants	8	(6)	(60)	0	(66)
- Patient welfare & amenities	8	(36)	(223)	0	(259)
- Staff welfare & amenities	8	(3)	(38)	0	(41)
- Staff training & education	8	0	(18)	0	(18)
- Rainbow nursery expenditure	8	0	(419)	0	(419)
Total		(70)	(823)	(4)	(897)
Net gains on investments	13.4	28	61	27	116
Net income/(expenditure)		189	57	23	269
Transfers between funds		(4)	4	0	0
Net movement in funds		185	61	23	269
Reconciliation of funds:					
Total funds brought forward		311	852	336	1,499
Net movement in funds		185	61	23	269
Total funds carried forward	18	496	913	359	1,768

Notes to the accounts

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

2.2 Balance Sheet

	Note	Unrestricted Funds 31/03/2024 £'000	Restricted Funds 31/03/2024 £'000	Endowment Funds 31/03/2024 £'000	Total 31/03/2024 £'000
Fixed assets:					
Investments	13	405	745	359	1,509
Total fixed assets		405	745	359	1,509
Current Assets:					
Debtors	14	2	12	0	14
Cash at bank and in hand	15	135	247	0	382
Total current assets		137	259	0	396
Liabilities					
Creditors: Amounts falling due within one year	16	(46)	(91)	0	(137)
Net current assets/(liabilities)		91	168	0	259
Total net assets		496	913	359	1,768
The funds of the charity:					
Endowment Funds	18	0	0	359	359
Restricted Income Funds	18	0	913	0	913
Unrestricted Income Funds	18	496	0	0	496
Total charity funds	18	496	913	359	1,768

Notes to the accounts

3. Related party transactions

During the year no parties (2023/24: none) related to a member of the Board of Torbay and South Devon NHS Foundation Trust (the Corporate Trustee) has undertaken material transactions with the charity. No members of the key management staff or parties related to them has undertaken any material transactions with the charity (2023/24: none).

During the year no public sector organisations have undertaken material transactions with the charity (2023/24: one). Torbay Council provided £nil (2023/24: £108k) Early Years funding to the charity in respect of the charity's provision of nursery services to eligible children during the part-year period April to November 2023. This service transferred to the Foundation Trust in December 2023.

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

- Finance and administration costs bought in from Torbay and South Devon NHS Foundation Trust, £47k (2023/24 £68k). Please see note 10 for further details.

- Reimbursement of charitable expenditure incurred by Torbay and South Devon NHS Foundation Trust on behalf of the charity, £441k (2023/24: £829k).

During the year, the Corporate Trustee was not paid or reimbursed for the costs it incurs in its role as Corporate Trustee, such as the salary costs of members of the Board of the Corporate Trustee (2023/24: £0).

There was an outstanding creditor due to Torbay and South Devon NHS Foundation Trust at 31st March 2025 of £32k (31 March 2024: £114k).

No members of the Corporate Trustee's Board received honoraria, emoluments or expenses in the year from the Charitable Fund (2023/24: none).

Notes to the Accounts**4. Donations and legacies**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024/25 £'000	Total 2023/24 £'000
Donations	1	252	0	253	264
Legacies	124	0	0	124	214
Grants	0	6	0	6	115
Total	125	258	0	383	593

5. Charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024/25 £'000	Total 2023/24 £'000
Rainbow nursery income	0	0	0	0	409
Other	0	12	0	12	12
Total	0	12	0	12	421

Rainbow nursery provides nursery services, primarily to employees of Torbay and South Devon NHS Foundation Trust. Charity nursery income was £nil in the current year, the nursery was transferred to the Foundation Trust as from 1 December 2023.

The 'Other' category principally relates to income from sales of mastectomy bras to patients.

6. Investments

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024/25 £'000	Total 2023/24 £'000
Listed investments	19	19	0	38	36
Total	19	19	0	38	36

Investment income is received from the charity's investment portfolio. In recent years, interest income received from cash balances has been negligible.

7. Raising funds

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024/25 £'000	Total 2023/24 £'000
Investment management costs	(4)	(6)	(2)	(12)	(14)
Fundraising costs	(31)	(47)	0	(78)	(80)
	(35)	(53)	(2)	(90)	(94)

The charity employs a professional investment management company to manage its investment portfolio. In March 2024, the Charity appointed LGT Wealth Management UK LLP to manage the portfolio.

8. Analysis of expenditure on charitable activities

	Activities undertaken £'000	Grant expenditure £'000	Support costs £'000	Total 2024/25 £'000	Total 2023/24 £'000
NHS capital equipment grants	(8)	(56)	0	(64)	(66)
Patient welfare & amenities	(41)	(209)	0	(250)	(259)
Staff welfare & amenities	(3)	(46)	0	(49)	(41)
Staff development	(2)	(33)	0	(35)	(18)
Research	0	0	0	0	0
Transfers to other charities	0	0	0	0	0
Sub-total - grant expenditure	(54)	(344)	0	(398)	(384)
Rainbow nursery expenditure	0	0	0	0	(419)
Total	(54)	(344)	0	(398)	(803)

Notes to the Accounts

8. Analysis of expenditure from charitable activities (continued)

The charity's expenditure consists of grants to relevant NHS bodies.

9. Analysis of grant expenditure

All grants are made to organisations. All grants have been made to Torbay and South Devon NHS Foundation Trust (2023/24: all grants).

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

10. Support costs

	Basis of allocation	Charitable activities £'000	Total 2024/25 £'000	Total 2023/24 £'000
External audit/review fees	Value of balance	5	5	14
Staffing cost - governance activities	Value of balance	24	24	25
Total governance cost		29	29	39
Staffing cost - administrative activities	Value of expenditure	24	24	43
		53	53	82

Support costs are those costs which can not be directly attributed to an individual activity. These include the cost of the staff who administer the charity and governance costs (such as the audit fee). In deciding upon a basis for allocating support costs, the charity has considered the Charity Commission's 'NHS Charities Guidance'. The charity believes that 'value of balance' is the most appropriate basis of allocation for governance costs, as the value of funds is a key driver for governance activities, and 'value of expenditure' is the most appropriate basis of allocation for day to day management/administration costs, as management of expenditure is the principal administrative activity. Support costs are allocated across c 200 separate funds. This is a complex process and, as such, the charity does not consider that it would be sensible to adopt a more complex basis of apportionment. Support costs are allocated between fund types in line with the above bases of apportionment.

Most support costs are incurred by the Foundation Trust and recharged to the charity, as disclosed in note 3 and as described in note 12. Support costs are lower than in the prior year, due to the reducing cost of administering the very generous donations in response to the Covid pandemic.

Grant expenditure tends to consist of one-off discretionary projects. By contrast, Rainbow nursery expenditure mainly consisted of recurring costs which were simple to administer, once set up. The allocation of support costs took account of this distinction and reduced the allocation to Rainbow nursery accordingly.

Analysis of support costs by fund

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024/25 £'000	Total 2023/24 £'000
Patient welfare	0	53	0	53	74
Staff welfare	0	0	0	0	2
Staff development	0	0	0	0	3
Rainbow nursery expenditure	0	0	0	0	3
	0	53	0	53	82

Notes to the Accounts

11. Auditors' remuneration

The auditors' remuneration of £5,000 excl VAT (2023/24 £12,000 excl VAT) related to the independent examination (24/25)/audit (23/24) with no additional work undertaken (2023/24: none). Including irrecoverable VAT, the cost to the charity was £6,000 (2023/24: £14,400).

12. Analysis of staffing cost

	Fundraising costs £'000	Support costs £'000	Total 2024/25 £'000	Total 2023/24 £'000
Wages and salaries	58	35	93	410
Social security costs	9	7	16	33
Employer contributions to NHS Pension Scheme	7	5	12	58
	74	47	121	501
Average headcount	1.2	5.6	6.8	35.8
Average whole-time equivalent	1.2	1.2	2.4	22.1

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

Nursery pay cost was zero as the nursery transferred to the Foundation Trust as from 1 December 2023.

There are no employees who received employee benefits excluding employer pension costs of more than £60,000 (2023/24: none).

13. Investments

13.1 Fixed asset investments by class

	Total value held in the UK 2024/25 £'000	Total value held in the UK 2023/24 £'000
Listed investments - at fair value	1,583	1,483
Cash or cash equivalents	40	26
Total	1,623	1,509

13.2 Movement in fixed asset investments - listed investments

	2024/25 £'000	2023/24 £'000
Market value brought forward at 1st April	1,483	1,454
Purchases at cost	1,842	453
Disposals at carrying value	(1,637)	(546)
Unrealised (loss)/gain on revaluation	(105)	122
Market valuation as at 31st March	1,583	1,483

Notes to the Accounts

13. Investments (continued)

13.3 Movement in fixed asset investments - cash or cash equivalents

	2024/25 £'000	2023/24 £'000
Brought forward at 1st April	26	25
Proceeds on disposal of listed investments	1,752	540
Purchases of listed investments	(1,842)	(453)
Purchased interest	0	(1)
Cash withdrawn from/(added to) from the investment portfolio	104	(85)
Value as at 31st March	40	26

13.4 Gains on investments

	2024/25 £'000	2023/24 £'000
Realised gains/(losses)	115	(6)
Unrealised (losses)/gains	(105)	122
Total	10	116

14. Debtors

	Total 2024/25 £'000	Total 2023/24 £'000
Prepayments and accrued income	22	14
Total	22	14

15. Cash at bank and in hand

	Total 2024/25 £'000	Total 2023/24 £'000
Current account	121	378
Deposit accounts	4	4
Total	125	382

16. Creditors: amounts falling due within one year

	Total 2024/25 £'000	Total 2023/24 £'000
Accruals	(15)	(23)
Torbay and South Devon NHS Foundation Trust	(32)	(114)
Total	(47)	(137)

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

Analysis of movement in deferred income:

	2024/25 £'000	2023/24 £'000
Deferred income brought forward at 1 April	0	(13)
Release in year of deferred income brought forward	0	13
Recognition in year of new deferred income	0	0
Deferred income carried forward at 31 March	0	0

In the prior year, deferred income related to the activities of the Rainbow nursery, which transferred to the Foundation Trust as from 1 December 2023. Nursery income was deferred where it was received in advance of the delivery of the corresponding nursery services.

17. Contingent assets - legacies

As at 31 March 2025 there were three legacies expected by the charity (31/03/2024: three legacies with an estimated value of £200k). The income has not been recognised, and cannot be quantified at this stage because either the value could not be measured with sufficient reliability or probability of receipt had not been established.

Notes to the Accounts

18. Analysis of funds

	Balance 31/03/2024 £'000	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Transfers £'000	Balance 31/03/2025 £'000
Endowment funds (see also note 18.1)						
Torbay Hospital PGMF Fund	68	0	(1)	1	0	68
Ashburton Hospital Easterbrook Bequest	20	0	0	0	0	20
Newton Abbot Hospital Easterbrook Bequest	20	0	0	0	0	20
Newton Abbot Hospital Blake Bequest	233	0	(1)	2	0	234
Newton Abbot Hospital Gribble Bequest	18	0	0	0	0	18
Total Endowment funds	359	0	(2)	3	0	360
Restricted income funds (see also note 18.2)						
Torbay Hospital Patients	134	28	(54)	1	0	109
Torbay Hospital Cancer Services	83	105	(69)	0	0	119
Torbay Hospital Heart & Lung Unit	61	5	(8)	0	0	58
Torbay Hospital Staff	39	12	(7)	0	0	44
Torbay Hospital General	255	51	(127)	1	0	180
Paignton Hospital General	89	11	(25)	1	0	76
Torbay Hospital General Surgery & Urology	47	6	(9)	0	0	44
Torbay Hospital Gastroenterology	17	0	(2)	0	0	15
Torbay Hospital Radiology	20	28	(29)	0	0	19
Torbay Hospital Radiotherapy	39	14	(7)	1	0	47
Torbay Hospital Laboratory Medicine	47	3	(23)	0	0	27
Torbay Hospital Ophthalmology	20	1	(5)	0	0	16
Torbay Hospital Endocrinology	29	1	(4)	0	0	26
Torbay Hospital Maternity	27	16	(16)	1	0	28
Others (6)	6	8	(12)	0	0	2
Total Restricted funds	913	289	(397)	5	0	810
Unrestricted income funds (see also note 18.3)						
Community Hospitals	75	10	(21)	1	0	65
Other	421	134	(68)	1	0	488
Total Unrestricted funds	496	144	(89)	2	0	553
Total funds	1,768	433	(488)	10	0	1,723

Notes to the Accounts

18. Analysis of funds (continued)

18.1 Details of material Endowment funds

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

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

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

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

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

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

18.2 Details of material restricted funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Other restricted funds consist of funds with immaterial opening and closing balances which relate to other wards and clinical departments at Torbay Hospital and other community hospitals as listed in the foreword.

Notes to the Accounts

18. Analysis of funds (continued)

18.3 Details of material unrestricted funds

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

18.4 Transfers between funds

In the prior year, the transfer of £4,000 related to the remainder of a legacy received in 2017. The relevant department indicated that they had no further use for the funding. The Charity Committee agreed that it be transferred to the Torbay Hospital General fund, for use within other departments.

19. Ultimate controlling party

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

Copies of the Annual Report and Financial Statements of Torbay and South Devon NHS Foundation Trust can be obtained by writing to: Chief Finance Officer, Torbay and South Devon NHS Foundation Trust, Torbay Hospital, Lowes Bridge, Torquay, TQ2 7AA.

20. Mergers

The charity has not undertaken any mergers with other charities.

Accounts

Annual Report

2023-24



Welcome

I am very proud to welcome you to our Annual Report for 2023/24. We are Torbay and South Devon NHS Charity (the working name for Torbay and South Devon NHS Charitable Fund). Thanks to the generosity of our fundraisers and supporters we have been able to support a bigger number of projects than ever before and help to make things better for people who use our services, their loved ones and our colleagues.

This has been another tough year for many people in our communities with the aftereffects of the COVID-19 pandemic impacting on people's health and wellbeing and cost of living crisis continuing to affect us all. This makes the work that our charity is doing even more important and makes us more grateful than ever to those who continue to support us during these difficult times.

Our Torbay and South Devon NHS Charity aims to support the full range of services offered by Torbay and South Devon NHS Foundation Trust – adult social care, community services and hospital-based services while working with other charities who also support health and wellbeing locally and the eight dedicated Leagues of Friends who support services based in specific locations in our footprint (Ashburton, Brixham, Dawlish, Newton Abbot, Paignton, Torbay, Totnes and Teignmouth). We are proud to work alongside them to benefit and support our people and communities.

This year we have seen a significant rise in the number of people fundraising for us, particularly our NHS colleagues, and we were delighted to recognise their exceptional efforts through our new Charity Champion Award. The award was presented in May to Jane Read (Special Care Baby Unit), Gill Walach (Templar Ward, Newton Abbot Hospital) and Cheryl MacKinnon (Torbay Young Adult Carers) who, between them had raised more than £20,000 in the past year on top of their busy day jobs. Our team has worked hard to ensure value for money with every pound spent, to help make the most positive impact we can for those who need our help and support.

During the year we approved our fundraising strategy which sets out our mission to work with Torbay and South Devon NHS Foundation Trust to make a positive impact on the health and wellbeing of people who use our services and our dedicated, talented and amazing people. By investing in innovative healthcare initiatives and promoting the wellbeing of our people, we strive to create an inclusive culture that benefits all those who come into contact with our charity. Our intent is to ensure equity of opportunity for all our health and social care services to benefit from our charity.

I hope you enjoy reading about how we have supported people and projects locally, how we have worked with local businesses and partner organisations to make things better and how we have spent the money that people have so kindly trusted us to use wisely.

I would like to take this opportunity to thank all our fundraisers, supporters, sponsors and donors as well as those who leave gifts in their Wills. You have helped to make things better in a very real and tangible way.

Thank you also to my dedicated colleagues at Torbay and South Devon NHS Foundation Trust for helping with important decision-making on how we spend our charity income, supporting us through staff fundraising and in working together with us to make things better for everyone.



Siân Walker-McAllister
Chair of Charity Committee



A word from Torbay and South Devon NHS Foundation Trust

Our Torbay and South Devon NHS Charity is integral to the success of Torbay and South Devon NHS Foundation Trust by providing enhanced services over and above what the NHS funds. Funding from our charity makes a huge difference to the care and treatment our services can offer to our people and communities.

We are proud pioneers in integrating health and social care nationally and were the first NHS trust in England to integrate hospital and community care with social care. We passionately believe that the best way to care for people is by focusing on what matters to them, putting them at the centre of everything they do and integrating services around them. We believe that care as close to home as possible benefits everyone. We have a proven track-record of innovation both in terms of our integrated care services and with some of our specialist clinical services, for example day surgery, being nationally recognised for their best practice.

The COVID-19 pandemic has shown us just how much our NHS is loved and valued – both locally and nationally – but it has also shone a stark light on the health inequalities in our communities and the challenges facing our people and services. Thanks to investment through NHS Charities Together we have been able to take some important steps to making much more impact through our charity.

Your support as we grow and develop our charity has meant the world to us and is allowing us to give our people a better experience, better outcomes and better environments. Thank you so much for your interest in our charity and in helping to make things better for everyone in Torbay and South Devon.

Liz Davenport
Chief Executive



Welcome to Torbay and South Devon NHS Charity's Annual Report 2023/24

Our Torbay and South Devon NHS Charity is here to provide better care for people in Torbay and South Devon from birth to the end of life and everything in-between.

By supporting our charity you are helping to make things better and thanks to supporters like you we gave over £384,000 in 2023/24 to improve people's experience and their environment, to provide specialist equipment, to support the wellbeing of all and to reduce health inequalities.

We are delighted to be able to share with you some of the projects and improvements your donations and support have helped us to fund during the year and the positive impact they have made.



Helping to make things better - our impact report

Our vision is to provide better care for you, your family and neighbours, from birth to the end of life and everything in-between. By supporting us, you are helping to make things better for people in Torbay and South Devon.

Our fundraising mission is to work with Torbay and South Devon NHS Foundation Trust to make a positive impact on the health and wellbeing of people who use our services and our dedicated, talented and amazing people. By investing in innovative healthcare initiatives and promoting the wellbeing of all, we strive to create an inclusive culture that benefits all those who come into contact with our charity. Our intent is to ensure equity of opportunity for all our health and social care services to benefit from our charity.

Our NHS values drive us to support excellent care every day, ensuring that the needs of our people and our communities are cared for both now and in the future.



How you helped

Thank you is just two small words that often don't seem enough to recognise the time, energy, kindness, commitment and care that you show our charity.

Without you, we simply couldn't do what we do. Any success we have is due to your support. And we couldn't be more grateful.

Here's a few examples of the lengths you went to this year to fundraise for us.

I love my job and I'm keen to help in any way I can. This is why I have decided to run a half marathon with all monies raised to go towards the childrens ward

Natalie, Louisa Cary Ward



How you helped

£593,000

raised to help
make things
better

£214,000

donated by
people who
kindly left gifts in
their wills

£115,000

in grants from
charitable trusts
and foundations

60

community
events

25

people ran,
cycled or walked

6

years old

from footgolf to
tea parties, from
Elvis nights to
boogie nights

2,294

miles. Almost as
far as Torquay to
Timbuktu!

our youngest
fundraiser, Caleb
climbed Ben
Nevis

“ *Its been nice to give
something back and help
them to help other families
who find themselves in the
same situation* ”



How you helped



£20,000

15,000
plants



60
people

raised by our
three staff Charity
Champion award
winners between
them

gifted to offices
and non-clinical
areas through
our green plant
project

supported to
have earlier
endoscopy scans



15,000
feet



180
of our people



the height Mia
and Marco
skydived from

who attended our
annual celebration
event, boosting
morale



“Just wanted to say a massive thanks
for hosting us last night! We all had
a really good time and it was
amazing to see all the people get
their well earned awards”



How you can get involved

- Fundraise for us - from sky dives to bake sales, inflatables to marathons, sponsored silences to raffles there are a wide range of ways that you can help us to make things better
- Regular or one off donation (online) - you can set this up on our website, sponsor one of our fundraisers or donate via our Facebook page
- Offline donation - talk to us about how you can do this
- Leaving a gift in your will - see page 30
- Donate while you shop at  **easyfundraising**
- Follow us on social media and share our story
- Contact us at: tsdft.charity@nhs.net or 07557 481459
- Website: <https://charity.torbayandsouthdevon.nhs.uk/>

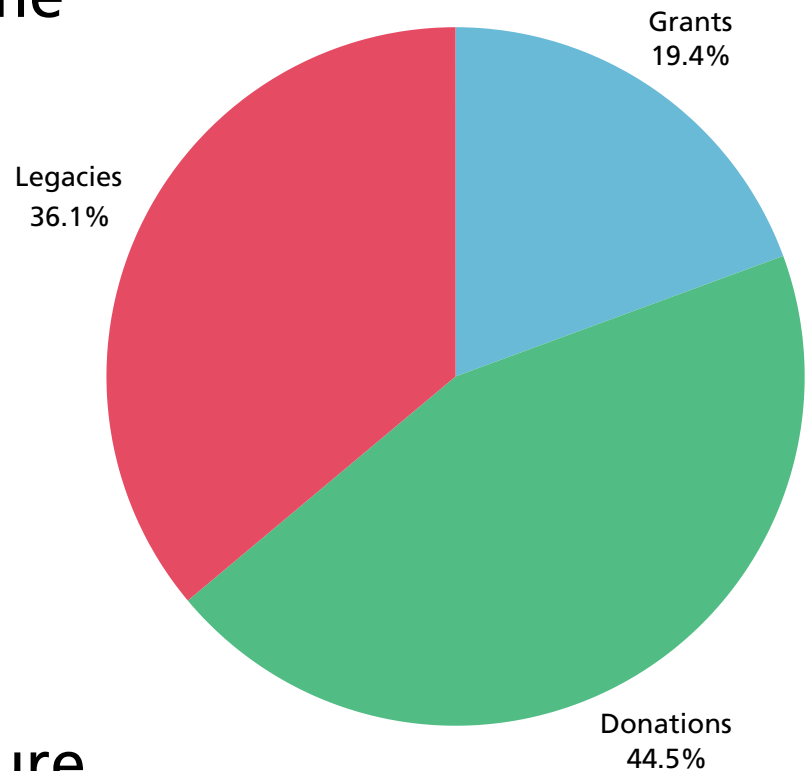
What we have achieved

Voluntary income

Donations: £264,000

Grants: £115,000

Legacies: £214,000



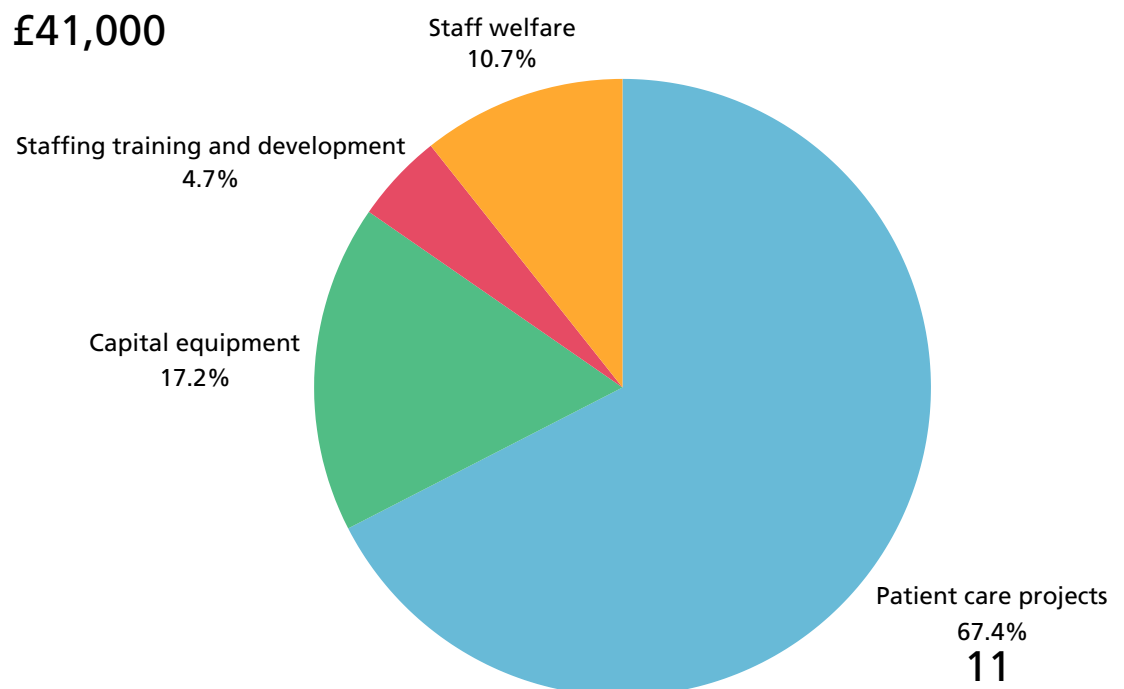
Grant expenditure

Capital equipment: £66,000

Patient care projects: £259,000

Staff training and development: £18,000

Staff welfare: £41,000



Reducing health inequalities

Supporting our services to provide equal healthcare opportunities for all

Earlier endoscopy scans

60 local people waiting for diagnostic tests, which may potentially indicate gastro-intestinal cancer had a reduced waiting time and faster diagnosis thanks to a very generous donation from Lord Julian and Lady Jan Darling.



For people undergoing medical investigations such as diagnostic endoscopy, a faster diagnosis leads to quicker treatment. This makes a significant difference to outcomes.

Lord and Lady Darling were inspired to give to their local NHS after seeing singer Rod Stewart generously fund MRI scans in an effort to reduce down waiting times. Their donation was enough to fund two full days of running the endoscopy unit.

“We were so impressed with the same day treatment we received at Torbay Hospital . and inspired by a press article about Rod Stewart’s pledge to fund a day’s worth of scans at his local Essex hospital, we felt compelled to match his offer at Torbay”

Giving the gift of time

There are hundreds of young adult carers in Torbay and South Devon. Being a young adult carer can affect a young person’s health, social life and self confidence with many struggling to manage their education, working life and caring role which can cause pressure and stress. In September we were able to offer six young adult carers the opportunity to take part in a once-in-a-lifetime opportunity of a week’s sailing adventure from Portsmouth to Plymouth on board an iconic 72ft Challenge racing yacht thanks to the generosity of Torquay Rotary.



While the Torbay young adult carers service is funded to support young people aged 16-25 with caring responsibilities by Torbay and South Devon NHS Foundation Trust, their activities which give young adult carers a break, time with other young carers and a chance to build vital resilience, confidence and skills, are only possible thanks to donations and funds raised.

“

The events have given me time to myself which I find hard to do between caring and working. It has also taught me valuable skills to take away and use, skills like organising, trust, improving my social skills and confidence. I am part of the operational group as well which allows me to voice opinions and take part in fundraising events and this helps build my confidence and experience. I mostly use the drop-in service to have two hours to relax, play games and make friends. Some events I have gone to is the shopping trip to Bristol, Christmas dinner and sailing. I go to these events to have fun and try new things with people I trust.

”



Going above and beyond to provide the best care

Local podiatrists are now able to improve and enhance the care they offer thanks to three new dermatoscopes.

Sarah, Ruth and Amanda, three of our dedicated podiatry team undertook the Inflatable 5k to fund the new equipment over and above that which is usually available to podiatrists in the NHS.

“The new Dermatoscopes will help to improve and enhance the care that we can offer to patients by enabling more accurate identification of moles on feet, lower legs and possibly elsewhere on the body, that could need further investigation. The Dermatoscopes will also help to increase the scope of our practice as we will be able to identify lesions more easily and therefore flag the need for a referral to dermatology colleagues at a much earlier stage.”



Improving people's experience and their environment

More people than ever are living with and beyond cancer. Receiving care that is tailored to a person's needs can have a significant impact on their experience and quality of life.

We're here to help people live well whatever their diagnosis or prognosis.

We gave £4,100 for a project which is supporting people in recovery from breast cancer through yoga, meditation and art.

These free weekly sessions offer a welcoming and supportive environment in which people can learn new skills, gain new experiences and develop techniques to relax and find peace of mind.

“

Adrenaline got me through surgery and radiotherapy last year but now my emotions are catching up with me. Without the group, I would just be left to get on with life and deal with my emotions. Here I can network with other women in the same boat doing something really creative and positive, helping to deflect negative emotions

”



Improving people's experience and their environment

Losing hair through chemotherapy can be distressing for people already under strain from dealing with a cancer diagnosis and treatment. Thanks to the dedicated fundraisers and supporters of Ricky Grant Day Unit we are now able to offer Paxman scalp cooling units which make a significant positive difference to people's wellbeing.

Two machines were purchased during the year and each costs £10,000 with further costs for maintenance and training – all of which has been funded by donors who were invited to a special thank you cream tea to recognise their efforts.

The Paxman units work by reducing the temperature of the scalp by a few degrees immediately before, during and after the administration of chemotherapy. This in turn reduces blood flow to hair follicles, which can prevent or minimise hair loss. The new scalp coolers replace the unit's current scalp cooling machine which is over ten years old, and offers significantly improved technology.

“The amazing NHS staff at Ricky Grant Day Unit and the oncology unit saved my life – but the Paxman's cold cap machine saved my hair. Being able to still see myself with hair in the mirror, for me was the most incredible psychological boost.”

As well as benefiting from the new scalp coolers, people are now receiving chemotherapy treatment in greater comfort as seven specialist chemotherapy armchairs have been funded for Ricky Grant Day Unit and Turner Ward as well as five chairs for the quiet rooms and day rooms

The 12 chairs, bought at a cost of £16,000 replaced old chairs which were far less comfortable. People receiving chemotherapy can sit for up to nine hours at a time up to three times a week meaning that a comfortable chair really does matter.



Improving people's experiences and their environment

Torbay and South Devon goes green

Thanks to the inspiration and commitment of nurse, Nina Henton-Waller, staff and visitors at Torbay Hospital and several community sites have gone green with over 1,500 plants distributed to offices and non-clinical spaces.

Not only are the plants improving the physical spaces and environment they are also improving people's wellbeing and mental health. Nina's green plant project was funded thanks to a grant from NHS Charities Together.



“It was such a privilege to stand there and give plants to people, because they were just so, so happy.”

More staff are now able to spend their breaks outside (weather permitting) as monies from NHS Charities Together grants have been used to install outdoor furniture in ten locations across Torbay and South Devon's NHS sites. Access to fresh air, sunlight and time to recharge is invaluable in helping people to care for others while indoor planting schemes in Newton Abbot Hospital and at the Acute Medical Unit in Torbay Hospital are bringing the outside inside.

Meanwhile insect towers, bat boxes and minibeast houses have been funded to improve biodiversity across a number of sites and are tempting staff, patients and visitors outside to enjoy the environment.





Improving people's experiences and their environment

Art for all

Artist in residence, Helen Snell, has brought her expertise to bear on a number of projects which are aimed to support recovery and wellbeing. Funded by a grant from NHS Charities Together Helen's work has included artists and clinicians working together to improve the patient environment.

Many people who are admitted to Simpson ward at Torbay Hospital spend the majority of their time in bed and are unable to sit up due to their health conditions. Beautiful ceiling tiles have been installed in the side rooms which take details from larger art works which have been placed in the wellbeing room on the ward. This has made a huge difference to patients, particularly those who are unable to sit up in bed.



Creations by local artists have been included in new building projects including the award-winning state-of-the-art Dartmouth health and wellbeing centre and the new acute medical unit at Torbay Hospital, enhancing the physical environment and establishing a legacy of art that will benefit everyone who visits the buildings for many years to come.

Supporting our people - caring for our staff

Boosting wellbeing

We know that NHS staff in Torbay and South Devon work extremely hard every single day of the year and often go above and beyond for the people they care for and their families.

We know that the better we support our NHS staff, the better the care they provide is for everyone.



“It was AMAZING! I felt calm, connected, valued - a human rather than employee. I often work on my own and don't get to see the team very often so it was great to get to spend some time with the team, getting to know everyone better and feeling part of the team.”

Thanks to grants from NHS Charities together 45 teams were able to apply for wellbeing grants of up to £500 to support team building and bonding, relaxation and a little bit of fun.

For some teams this was the first time in recent years that they had been able to come together face to face and recharge.

“As the service manager this was priceless for me. To have a team that feel as one, sharing this special experience will bond the team. It will support their wellbeing, reduce sickness and simply have a happy team that stay with us.”





Supporting our people - caring for our staff

Improving facilities

We often hear the phrase 'fit your own oxygen mask first' to describe how important self-care is when caring for others.

Thanks to grants from NHS Charities Together we have been able to improve staff kitchens on Louisa Cary ward, the delivery suite, Midgeley and New Forrest wards as well as at St Edmunds community care centre benefiting more than 350 of our people, encouraging them to take regular breaks, stay hydrated and prepare food in comfort.



Developing our leaders

Thanks to a project funded by £8,000 from NHS Charities Together, 120 leaders from clinical, operational and corporate NHS services benefited from workshops which provided a space to develop their reflective practice and how to create a culture at work where everyone feels that they belong and can contribute.

Creating a great place to work not only benefits our dedicated, talented, caring people but also positively impacts patient care, experience and outcomes.

Celebrating our people

Thanks to the generosity of our corporate sponsors Torbay and South Devon NHS was able to hold their first in person our people celebration event since the pandemic.

More than 180 NHS award winners came together for a night to remember (and a classic disco) so that we could recognise and reward them for their dedication and commitment, care and compassion and for their innovation and achievements.





Fundraising and working within our communities

None of the important and impactful projects we fund across Torbay and South Devon would be possible without the generous support of our fundraisers and donors.

We would like to take this opportunity to thank all the individuals, families, local businesses, community groups and other organisations who have supported our Torbay and South Devon NHS Charity throughout the year.

We've highlighted just a few below but we are grateful for every single person who has supported our charity this year.



Charlie Zapple

Together with her family and friends, Charlie held a 'bash for Ben' in memory of her late brother.

This year they raised £1,000 for the Emergency Department at Torbay Hospital.

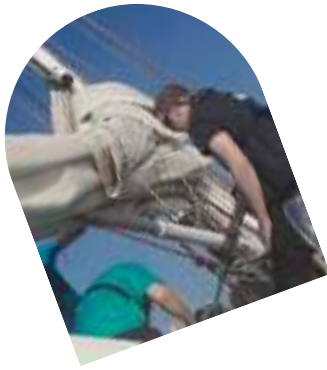
Spirent

Local firm Spirent raised £834 to support young people on Louisa Cary ward through a range of activities include a car wash, bake sale and pool competition. The ward is planning a new sensory space for children and young people.



Dunelm Torquay

Dunelm Torquay chose us as one of their Delivering Joy partners for a second year. We were delighted to receive 187 bags of gifts, full of thoughtful items to support our most vulnerable patients as they are discharged over Christmas.



Torquay Rotary

Torquay Rotary Club donated £1,000 which gave six young adult carers aged 16-25 a life changing experience by enabling them to join a tall ships voyage sailing from Portsmouth to Plymouth.

Pat and Zoe's fundraising events

Pat, Zoe and Mel have raised thousands over the year for Ricky Grant Day Unit. They have been fundraising for the unit since 2011 and their have helped change countless lives.



JJ and Jamie

Senior Practice Pharmacists JJ and Jamie from Compass House Surgery, Brixham, launched their mission to raise £10,000 for Torbay's Breast Care Unit, cycling over 1,000 miles each.

Darren Whittington

Darren took on the challenge to run 26.2 miles following a breast cancer diagnosis last year and raised £967. Thankfully the cancer has now been removed, but his support will benefit the care of current and future patients of our breast care unit.



Mia

Mia raised an amazing £1,409 by jumping out of a plane at 15,000ft raising money to support care of older children and young people on Louisa Cary ward.



Andy Uglow and friends

Andy and friends braved the shave and raised £1,168 for Ricky Grant Day Unit before Andy started stem cell treatment on the unit

Torquay United

Torquay United are longstanding supporters of Louisa Cary and during this year they helped to fund a new carbon dioxide monitor and a parent bed as well as popping in at Christmas to bring gifts and say hello.



Caleb, Stacey and Lee Prowse

Caleb and his parents climbed Ben Newis and raised £545 for the maternity bereavement suite at Torbay Hospital. The family were climbing in memory of their babies Avery and Blake

Shaun Wingrove

Shaun ran the Eden Marathon and raised £1,200 for the special care baby unit at Torbay Hospital. Shaun's twin boys were born six and a half weeks prematurely and spent three weeks on the unit.



Sarah Clark

Sarah took on one of the toughest Ironman events in the world to raise £941 for The Lodge cancer support centre. The Ironman event in Tenby, Wales, included a 2.2 mile sea swim, 112 mile bike ride with 8,000 feet of climbing and a 26.2 mile run with 1,600 feet elevation in 17 hours!



Mike Waters

Donations made in memory of Mike's late wife, Marilyn, funded a doppler and headlamp for our Breast Care Unit. More than £2,300 was donated in memory of Marilyn.

Team TSD

Our Torbay and South Devon NHS staff brewed up a storm during the NHS Big Tea raising over £1,500 to fund activities for young adult carers, cheer up an outpatient waiting room, purchase plants to brighten an outside space and even fund a talking book machine.



Marco, charge nurse at Newton Abbot Hospital, raised over £500 for patients needing stroke and neuro rehabilitation on Templer ward by bravely jumping out of a plane.

His courage has funded innovative special gloves which help retrain hands and feet after a stroke or for patients with neurological impairment

Torview community midwives, based at Newton Abbot hospital, raised an amazing £450 from their Easter bake sale and raffle.

Our midwives are passionate about improving families' experiences through pregnancy, birth and the postnatal period and are raising funds to make improvements to the maternity unit for local families.





Spotlight on . . .

Some of our NHS staff really do give new meaning to going the extra mile when it comes to fundraising for our charity.

Three very different but equally amazing colleagues have raised over £20,000 for our charity between them in recent years.

We want to give them a special shout out and say a heartfelt thank you.

Cheryl MacKinnon and the Young Adult Carers (YAC) team

“Between the YAC team (Cheryl Mackinnon, Dave Baker and Julie Moseley) and current and former young adult carers they do a fantastic job to raise significant amounts of money for young people aged 16-25 who care for a family member or friend. Not only do their activities raise thousands of pounds, but they also raise awareness.”

Jane Read, Special care baby unit

“Jane is a tireless charity fundraiser for the Special Care Baby Unit, spending many hours running raffles, collecting prizes and contacting people and companies in a bid to provide our precious babies and their families with some small comforts during very difficult times.”

Gill Walach, Templer ward, Newton Abbot community hospital

“Gill has been continually leading fundraising for Templer ward. She has organised raffles, sponsored events, craft sales on the ward to raise funds she has also herself fundraised by taking part in sponsored events for the ward and co-ordinated others to participate.”



Leaving a lasting legacy

This year we received gifts in Wills, totalling £214,000 which helped us support areas such as the special care baby unit.

Writing your Will helps ensure your loved ones are protected in years to come and can also help to care for future generations of people in Torbay and South Devon.

“What makes haematology unique as a speciality is that not only do we look after our patients we are also heavily involved in the laboratory diagnosis of their conditions. Being able to use an excellent and modern microscope is especially important for this.

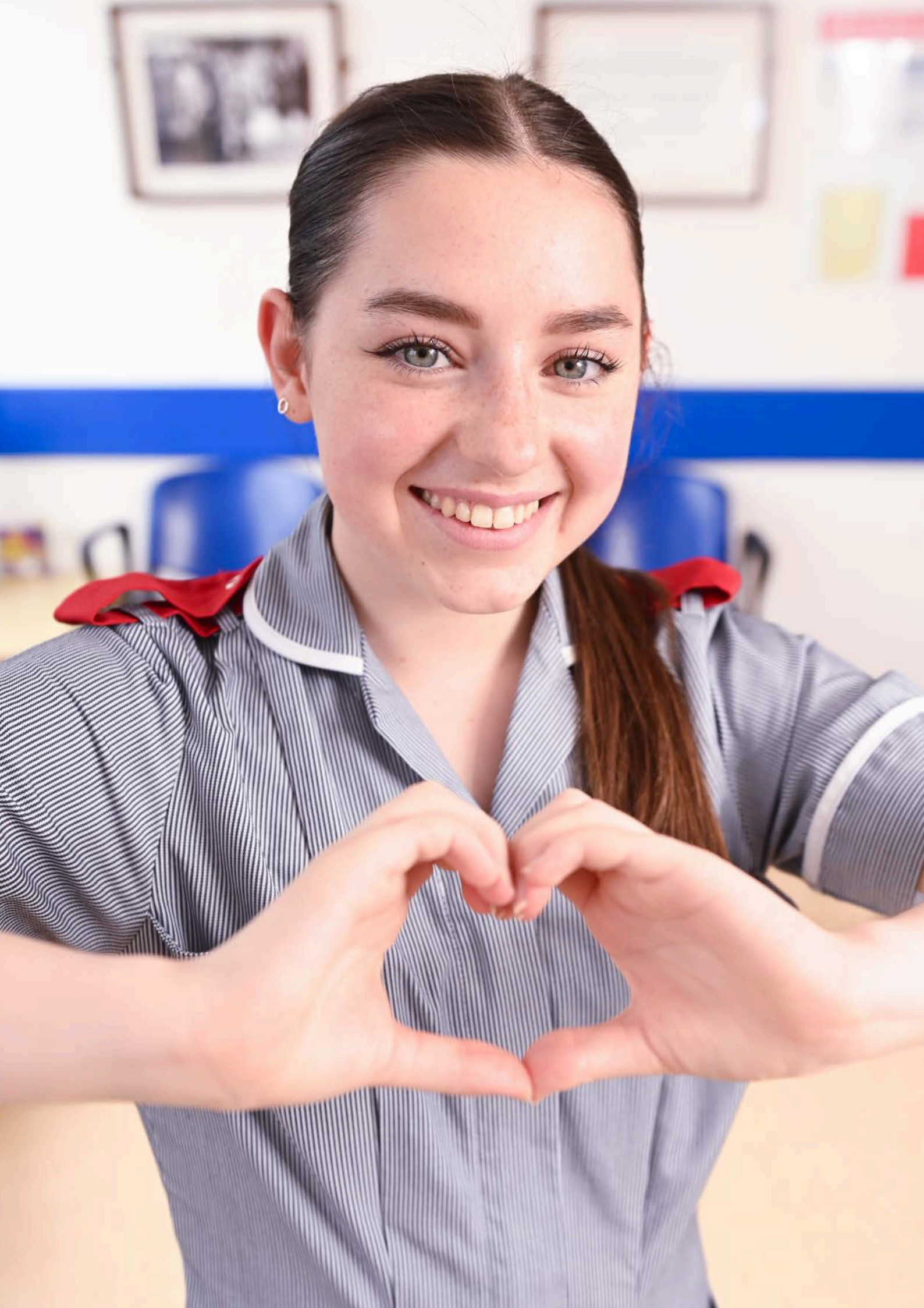
Thanks to an exceedingly kind legacy to benefit the haematology team, we have been able to purchase a double-headed microscope which is vital for side-by-side teaching of our postgraduate doctors. This will help to improve their diagnostic skills to become outstanding haematology consultants of the future.

We all take great pride in the excellent teaching we deliver so on behalf of the whole haematology team; I would like to extend my gratitude for this legacy which will benefit patients as a result of the greatly enhanced teaching opportunities within the team.



To find out more about leaving a gift to Torbay and South Devon's NHS call 07557 481459 or visit www.charity.torbayandsouthdevon.nhs.uk





Looking forward

We have set an ambitious fundraising strategy for the next five years which puts people at the heart of everything we do and is aligned to the vision of Torbay and South Devon NHS Foundation Trust for better health and care for all.

Our vision is to provide better care for you, your family and neighbours, from birth to the end of life and everything in-between. By supporting us, you are helping to make things better for people in Torbay and South Devon.

For the next year we have identified the following priorities for spending the monies raised through donations, legacies and grants:

- improving the health and wellbeing of our staff, in the context of ongoing operational pressures
- purchasing of medical equipment
- purchasing items to improve the experience of people who use our services and their carers
- staff training and development
- reducing health inequalities
- supporting health education.

Our fundraising mission is to work with Torbay and South Devon NHS Foundation Trust to make a positive impact on the health and wellbeing of people who use their services and the dedicated, talented and amazing people and volunteers who deliver care and services.



Over the next year we will focus on:

- developing our trust and grants fundraising to bring new and additional monies into Torbay and South Devon through projects which are aligned to our fundraising principles
- ensuring excellent governance and ethical standards of charity practice
- launching a staff lottery to provide a dedicated income stream to support the wellbeing of our teams, enabling them to deliver better care
- as we grow our unrestricted funds, delivering an effective and accessible microgrants scheme to support improvements aligned to our fundraising principles
- developing our brand to ensure that our ability to deliver impact is understood
- build and strengthen partnerships with key health, VCSE and charity organisations locally to deliver greater impact
- generate financial support for Torbay and South Devon NHS Foundation Trust's recognition and awards programme.



Our first ever twin cot for our special care baby unit

Appendix

1. Reference and administrative information

Charity name: Torbay and South Devon NHS Charitable Fund. Our working name is Torbay and South Devon NHS Charity.

Charity registration No: 1052232

Governing document: Declaration of Trust dated 12/12/1995 as amended by supplemental deed dated 04/07/2007 as amended by deed dated 06/01/2016.

2. The Corporate Trustee

The Corporate Trustee of Torbay and South Devon NHS Charitable Fund (the charity) is Torbay and South Devon NHS Foundation Trust (the Trust). The Board of Directors of the Trust are responsible for the trusteeship of the charity. The members of the Board of Directors at the date of signing of this report were:

Non-executive Members

Chris Balch - Chair

Martin Beaman

Richard Crompton

Vikki Matthews

Paul Richards

Robin Sutton

Siân Walker-McAllister

Robert Williams

Executive Members

Liz Davenport – Chief Executive

Adel Jones – Chief Strategy and Transformation Officer/Deputy Chief Executive

Mark Brice – Interim Chief Finance Officer

Arun Chandran – Chief Operating Officer

Nicola McMinn – Interim Chief Nurse

Dr Michelle Westwood – Chief People Officer

Dr Catherine Lissett – Chief Medical Officer

Dr Joanne Watson – Health and Care Strategy Director

Emily Long – Director of Corporate Governance and Trust Secretary

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

performance of the Board of Directors and to represent the interests of the members of the Trust as a whole and the interests of the public.

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

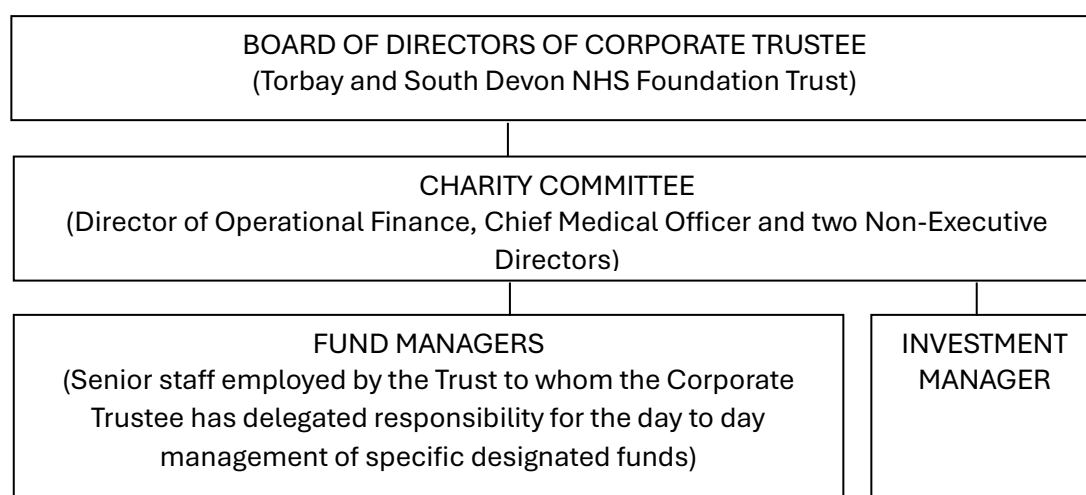
The Trust administers the charity and disburses to the charity the cost of doing this. Further details are provided in Notes 3 and 10 to the Accounts. The Trust also charged the charity £18,000 per annum for the rent of the premises occupied by Rainbow Nursery. The rental value was provided by the District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

For day-to-day purposes, the charity uses the working name Torbay and South Devon NHS Charity. This working name has been registered with the Charity Commission. The charity's legal name however remains Torbay and South Devon NHS Charitable Fund.

3. Organisation structure

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

The Trust's charitable funds are held within an Umbrella charity and 21 Special Purpose charities (2022/23: 21). These do not constitute separate charities for accounts purposes. However, they facilitate the correct direction of donations towards the purposes for which they were granted. Each Special Purpose charity itself is divided into a number of designated funds for particular purposes. There are 173 funds in total (2022/23: 188).



Fund Managers have responsibility for managing these funds in accordance with procedures and with the concurrence of the Corporate Trustee. Fund Managers

have delegated authority to authorise expenditure items up to £5,000. Items above this value require central approval.

4. Objectives

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

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

5. Aims

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

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

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

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

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

The charity achieves its aims principally through making grants of equipment or services to relevant NHS bodies (principally the Trust). The charity's policy for grant-making is described above. In addition, until 01 December 2023 the charity ran a day nursery open to employees of relevant NHS bodies, which improves staff morale and retention and hence benefits patients. During the year it was agreed to transfer the nursery to the Trust, as described further in section 6.1. The charity does not currently make use of social investment. The charity's use of volunteers is confined to its use of volunteer fundraisers.

6. Monitoring

Each year, the charity prepares an income and expenditure plan. This plan takes into account feedback received from Fund Managers, who are usually medical practitioners and other front-line staff who can best assess the needs of their patients. This plan is considered and approved by the Charity Committee, with delegated authority from the Trust Board.

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

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

7. Performance against objectives

The charity's over-riding objective is to use donations within a reasonable timeframe to make grants which achieve the greatest benefit for the charity's beneficiaries.

The charity sets default grant-making priorities each year, in line with Charity Commission guidance. For 2023/24, these priorities were:

- the health and wellbeing of staff
- purchases of medical equipment
- items to improve the experience of patients and their carers
- non-mandatory staff training/development.

Given the extensive nature of the services supported by the charity, the charity's management cannot be aware of changing patient need within each individual service and therefore primarily relies upon its Fund Managers to decide how best to

utilise donations (subject to the delegated authority limit detailed in section 2). The above priorities are therefore a guide and are not prescriptive.

Due to its nature, voluntary income is dependent on the wishes of donors and is inherently variable. Grant expenditure is almost entirely discretionary and hence also highly variable. For these reasons, performance against the charity's annual plan is normally subject to a relatively high level of variability.

	2023/24			2022/23
	Plan	Actual	Variance	Actual
	£'000	£'000	£'000	£'000
Income	1,090	1,050	-40	903
Expenditure	-1,186	-897	289	-1,064
(Deficit)/surplus prior to investment gains/losses	-96	153	249	-161

The charity planned in 2023/24 to incur a deficit (before investment gains/losses) of £96,000. The actual result was a surplus (before investment gains) of £153,000, which was £249,000 favourable to plan. The principal variances were:

- the transfer of the nursery from the Charity to the Trust on 1 December 2023 (as described further in section 6.1). As a result, there was no nursery income or expenditure in the last 4 months of the year. This reduced both income and expenditure by around £200,000 each but did not significantly affect the bottom line.
- the receipt of an unusually high level of legacy income during the year, in particular an extremely generous £200,000 legacy from the late Sheila Flowers to benefit the work of the Special Care Baby Unit at Torbay Hospital.

On behalf of those users of our services who have benefited either directly or indirectly, the Corporate Trustee would like to thank all the donors who have made contributions to the funds during the year. Examples of some of the ways in which donations have been used are given in our impact report, above.

7.1. Rainbow nursery

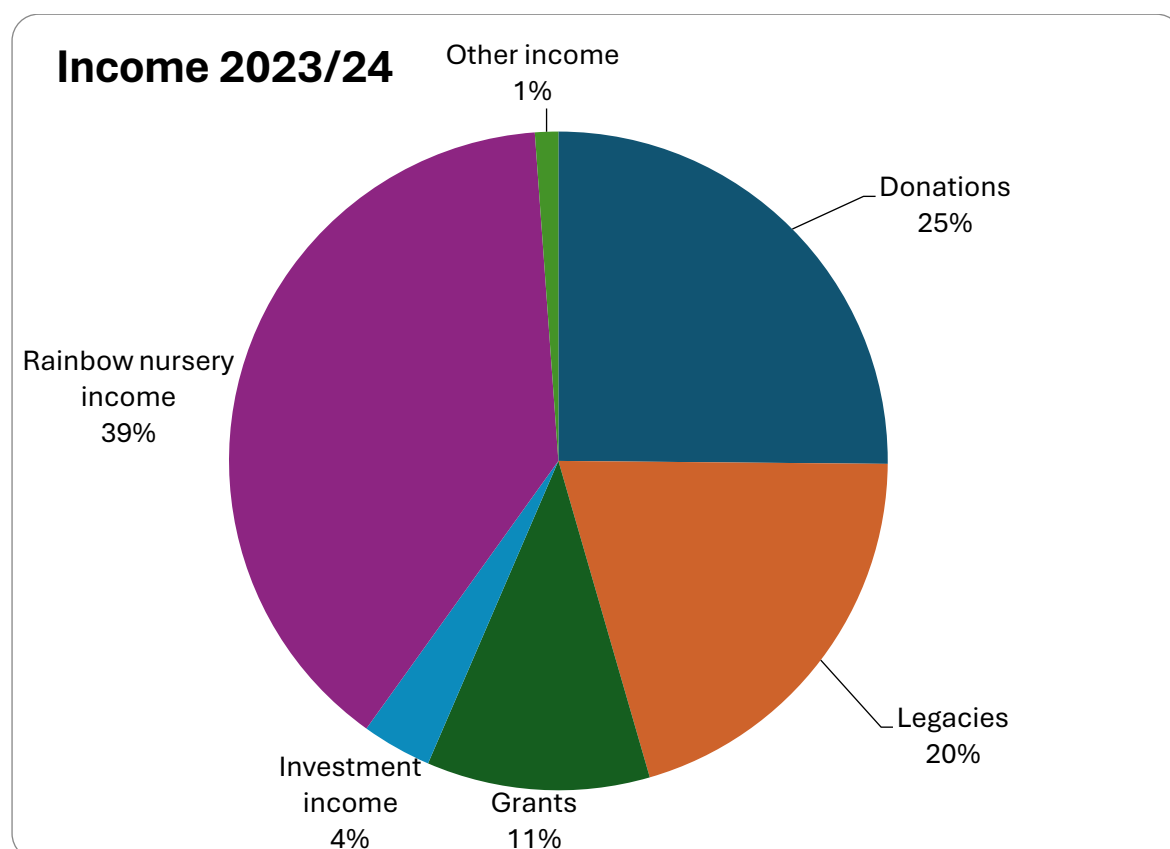
The nursery is a purpose-built facility, sited at the Torbay Hospital Annexe, with 54 registered places. It provides staff with reassurance that their children are being well cared for while they are at work. The nursery funds its costs from fees received from parents of the children and from Early Years funding received from Torbay Council.

During the year the charity and the Trust reviewed the governance and operations of the nursery. It was jointly agreed that it would be more effective for the nursery to be held by the Trust rather than by the charity. As a result, the nursery was transferred from the charity to the Trust on 01 December 2023. The principal reason for this change was that the nursery is a service-provider. Its work is thus closer to the work

of the Trust (which is also a service-provider) than to the work of the remainder of the charity (which is a grant-maker). As such, the Trust would be better able to manage nursery services and this would leave the charity better able to focus on its grant-making work.

During the 8-month period April to November 2023, the Rainbow nursery incurred a deficit of £10,000 (2022/23: full-year deficit of £17,000).

7.2. Income



Income	2023/24	2022/23
	£'000	£'000
Donations	264	143
Legacies	214	11
Grants	115	78
Investment income	36	40
Rainbow nursery income	409	619
Other income	12	12
Total Income	1,050	903

Donations income has risen significantly since the prior year. It is likely that this reflects the efforts of the charity's experienced Fundraising Manager, who has been in post since September 2022.

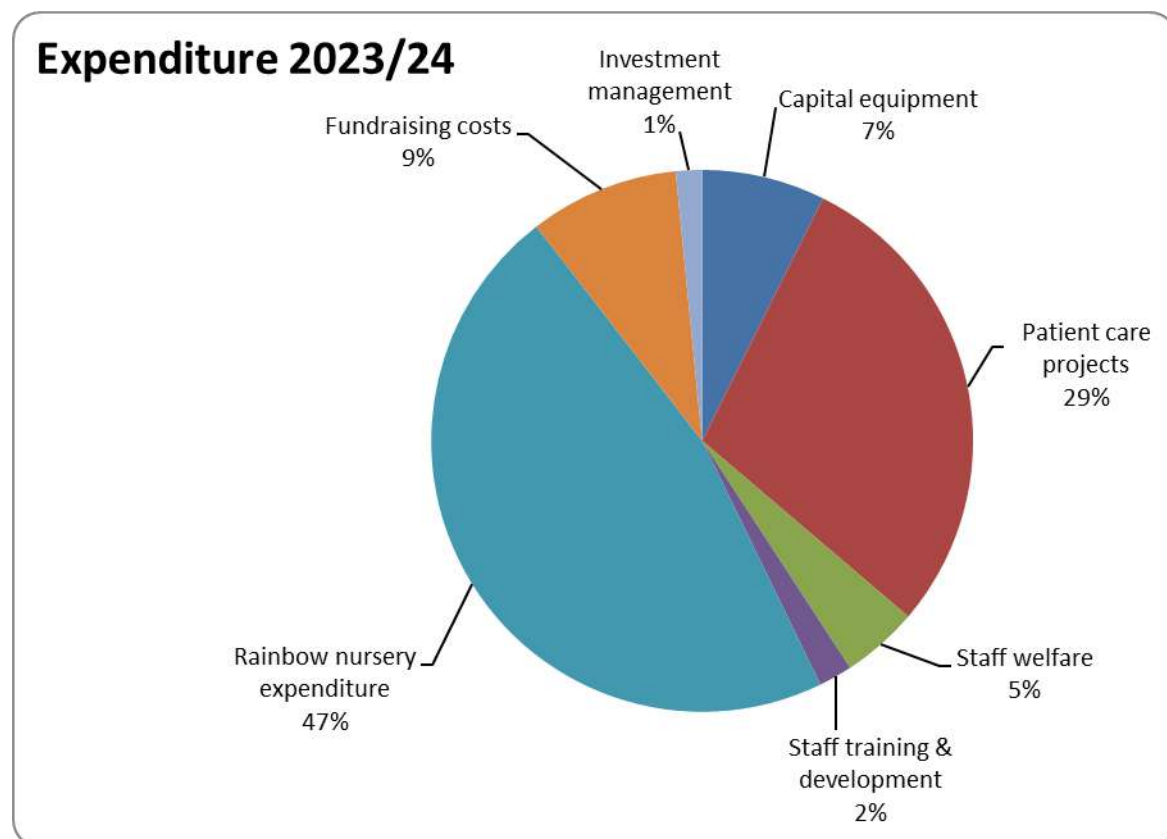
A gift in a will is a valued way of donating to charity and we are fortunate to be remembered by so many people each year. Legacy income is unpredictable and therefore tends to vary from year to year. Legacy income was significantly higher than the prior year, largely due to the extremely generous legacy of £200,000 from the late Sheila Flowers. During 2023/24, a total of £214,000 was kindly bequeathed to the charity from five legacies. These ranged in value from £1,000 up to £200,000.

Nursery income was significantly lower than the prior year, due to the decision to transfer the nursery to the Trust on 01 December 2023, as described further earlier in this section.

Torbay and South Devon NHS Charitable Fund participates in the government's Gift Aid scheme. Wherever possible we encourage donors to assist us with this by authorising us to claim tax back from HM Revenue and Customs in respect of their donation. This can increase the value of the donation by 25% at no additional cost to the donor. In 2023/24 we boosted our donations by £10,840 as a result of this initiative.

Examples of some of the generous donations received during the year are given in our impact report, above.

7.3. Expenditure



Expenditure	2023/24	2022/23
	£'000	£'000
Capital equipment	66	17
Patient care projects	259	294
Staff welfare	41	49
Staff development	18	19
Research	0	1
Rainbow nursery expenditure	419	636
Fundraising costs	80	31
Investment management	14	15
Other expenditure	0	2
Total resources expended	897	1,064

Charitable expenditure almost always consists of discretionary one-off project costs (for example, purchase of medical equipment). As such, it tends to fluctuate from year to year.

Rainbow nursery expenditure was significantly lower than the prior year, due to the decision to transfer the nursery to the Trust on 01 December 2023, as described further in section 6.1.

Fundraising costs rose as 2023/24 was the first full year in which our Fundraising Manager was in post and as we were fortunate to receive grant funding from NHS Charities Together specifically intended to strengthen our fundraising capacity.

Examples of some of the ways in which donations have been used are given in our impact report, above.

8. Risk Management

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

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

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

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

The charity has identified the following principal risks and uncertainties:

- **Safe nursery services**
This risk is controlled through staff training and management, the Trust's risk management procedures (eg monitoring of state of nursery building) and appropriate insurance policies. Assurance is provided through the Ofsted regulatory regime and the Trust's internal assurance processes. Following the transfer of the nursery to the Trust on 01 December 2023, this risk is now managed by the Trust.
- **Performance of investment portfolio**
This risk is controlled by means of an investment policy and written instructions to the investment manager, who provides at least a quarterly report for the Corporate Trustee and attends meetings of the Charity Committee twice a year. The charity holds a medium risk investment portfolio spread across a diverse range of investments which is actively managed and reviewed by the Charity Committee. Assurance is provided through the scrutiny of the Charity Committee, including the comparing of investment performance against a peer benchmark.
- **Compliance with regulatory requirements and maintenance of donor confidence**
This risk is controlled through staff training and management, the scrutiny of the Charity Committee and the Trust's internal assurance processes (eg internal financial controls, as described below). Assurance regarding compliance is gained through internal audit.

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

8.1. Internal financial control and governance

The Charity Committee is a sub-committee of the Trust Board and usually meets three or four times a year. It has delegated authority and terms of reference within which it governs, manages and regulates the finances, accounts, investments, assets, business and other affairs of the charity. It reports to the full Board of the Trust, which is ultimately responsible for the Corporate Trusteeship of the charity. There are also procedures specifically related to the financial management of the Charitable Fund. Among other things, these define expenditure limits applicable to the above structure.

Each year an income and expenditure plan is drawn up in consultation with the fund managers in order that the Corporate Trustee may know that the funds are available and adequate to fulfil the obligations of the charity. The financial position as at the 31 March 2024 was more than adequate to meet future plans and obligations as at that date, both overall and on a fund-by-fund basis.

The Standing Orders and Standing Financial Instructions of the Trust cover both Exchequer and charitable funds. Financial procedures comply with the Standing Financial Instructions of the Trust and include a Scheme of Delegation to Fund Managers. Compliance is rigorously checked and controlled. The financial and accounting procedures and arrangements are audited periodically by internal audit. The most recent internal audit was conducted during 2024, resulting in a 'Satisfactory' assurance rating. Our external auditors audit the accounts annually and no material control issues have been raised.

8.2. Fundraising governance

While the charity aims to ensure that fundraising is always conducted appropriately, given the as yet relatively small scale of fundraising activity the charity has not yet chosen to join or adopt any of the voluntary schemes or standards for fundraising, such as those provided by the Fundraising Regulator or Fundraising Standards Board. This position will be reviewed as the charity's fundraising activities develop.

There are significant practical limitations on monitoring the activities of volunteer fundraisers (who mostly conduct their fundraising from their private homes). As such, very limited monitoring can be undertaken but the charity is ready to act swiftly in the event of a complaint. No such complaints were received in the year (2022/23: none).

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

9. Reserves

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

While the charity has minimal funds which are 'freely available' in this sense, it has significant fund balances which can be used for any of the charity's purposes but which are restricted or designated for use within particular clinical areas. As these funds are spread over a wide number of clinical areas, they cumulatively provide a significant source of funding for financial contingencies that the charity might face. For the above reason, the charity assesses its reserves primarily by monitoring the level of overall funds (excluding endowments, which can not be spent).

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

In June 2018, the Committee reviewed the level of funds and set a target level (excluding endowments) of £1.15m. The actual level of these funds can be expected to fluctuate above and below the target, given the variability of voluntary income, discretionary grant expenditure and investment gains/losses. As at March 2024, these funds total £1.41m (March 2023: £1.16m).

The legal structure of the charity includes 21 Special Purpose Charities (see section 2). The governing document of each Special Purpose Charity requires that its funds be 'wholly or mainly' spent within a particular clinical area. As a result, funds held within Special Purpose Charities have been classified as restricted funds. The majority of the charity's funds are held within these Special Purpose Charities and are therefore classified as restricted funds.

10. Assets and liabilities

Total assets and liabilities	31/03/24	31/03/23
	£'000	£'000
Investments	1,509	1,479
Debtors	14	9
Cash and cash equivalents	382	104
Total assets	1,905	1,592
Creditors	(137)	(93)
Total liabilities	(137)	(93)
Total assets less liabilities	1,768	1,499

The value of investments increased slightly during the year. This was due to the impact of investment gains, partly offset by sales of investments to fund the planned operating deficit. While the charity ended the year with an operating surplus of £153k, the charity had been incurring an operating deficit, up until the receipt in March 2024 of the very generous £200,000 legacy from the late Sheila Flowers. The receipt of this £200,000 legacy in March 2024 also resulted in an unusually high level of cash being held at 31 March 2024.

10.1. Investments

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

The charity has an investment policy which is reviewed by the Charity Committee at least annually. The current objective is to achieve a balance of maximising current income while aiming for a growth in capital value in order to obtain a reasonable long-term overall return at medium risk.

The investment policy requires the manager specifically to avoid direct investment in companies whose core business is in the following areas:

- manufacture/production/retail of tobacco
- production/retail of alcohol
- production/retail of foods with high fat content
- production/retail of foods/drinks with high sugar content.

The investment policy defines the benchmark that portfolio performance is measured against and the permitted ranges for each asset class. These are as follows, with the actual position at March 2024 and March 2023 shown alongside:

Investment type	Bench- mark weighting	Benchmark comparison index	Permitted allocation range	Actual allocation (March 2024)	Actual allocation (March 2023)
Fixed interest	18%	FTA Government Gilt Index	10%-35%	20%	17%
Equities – UK and overseas	65%	MSCI All Countries World Index	45%-75%	64%	64%
Property	5%	IPD Monthly Property Index	0%-12.5%	5%	6%
Alternatives	10%	IW&I Alternatives Index	2.5%-20%	9%	11%
Cash	2%	Bank of England Base Rate minus 0.5%	0%-20%	2%	2%
Total	100%			100%	100%

The investment manager provides quarterly performance reports, which include performance against the benchmark indices listed above.

A review of the portfolio performance is undertaken by the Charity Committee twice-yearly, alongside a review of the performance of the investment manager. The performance of the investment manager is also subject to a more extensive review every three years.

In 2011, the charity appointed Investec Wealth & Investment Limited as discretionary manager of the portfolio. During 2023/24, the charity and Corporate Trustee undertook a re-procurement exercise for this contract and awarded it to LGT Wealth Management UK LLP. However, the change of manager did not take effect until after 31 March 2024.

The Corporate Trustee has also sought assurance from the investment manager regarding the ESG (Environmental, Social and Governance) scoring of the investment portfolio. Based on the Sustainalytics scoring method, at December 2023 the portfolio scored 19.4, which is favourable to the benchmark of 22.3.

11. Contact details

The day-to-day management of the charity is delegated to a senior manager within the Corporate Trustee's Finance Department. This role is currently undertaken by Patrick Vincent (ACMA).

Principal Address

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

Finance Office

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

Auditors

Bishop Fleming LLP
Salt Quay House, 4 North East Quay
Sutton Harbour
Plymouth PL4 0BN

Investment Advisers

Investec Wealth & Investment
2 Gresham Street
London EC2V 7QP

Bankers

National Westminster Bank plc
108 Union Street
Torquay TQ1 2AQ

Scottish Widows
67 Morrison Street
Edinburgh EH3 8YJ

Further Information

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

Signed on behalf of the Corporate Trustee

Non-Executive Director and member of Charity Committee
Torbay and South Devon NHS Foundation Trust

Date:

TORBAY AND SOUTH DEVON NHS CHARITABLE FUND

ACCOUNTS 2023/24

FOREWORD

These accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2019.

STATUTORY BACKGROUND

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

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

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

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

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

Statement of Trustee's Responsibilities

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

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

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

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Trustee

Signed:

Director of Operational Finance

Date

Independent Auditor's Report to the Trustee of Torbay and South Devon NHS Charitable Fund

Opinion

We have audited the financial statements of Torbay and South Devon NHS Charitable Fund (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustee's Annual Report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.

Independent auditor's report to the trustee of Torbay and South Devon NHS Charitable Fund (continued)

Responsibilities of the trustee

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

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

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we have considered the nature of the industry and sector, control environment and business performance;
- we have considered the results of our enquiries of management and those charged with governance about their own identification and assessment of the risk of irregularities;
- for any matters identified, we have obtained and reviewed the charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
 - the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- we have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) – Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements, but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations, licensing acts and employment legislation.

Independent auditor's report to the trustee of Torbay and South Devon NHS Charitable Fund (continued)

Auditor responsibilities for the audit of the financial statements (continued)

As a result of performing the above procedures, we have cut-off of revenue recognition as a key audit matter related to the potential risk of fraud. Our procedures to respond to the risks identified included the following:

- documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- considering manual income journals as part of our work on fraud risks documented above;
- reviewing the financial statement disclosures and testing to supporting documentation;
- enquiring of management concerning actual and potential litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that that may indicate risks of material misstatement;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP (Statutory Auditor)

Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth, Devon, PL4 0BN

Date:

Statement of Financial Activities for the year ending 31 March 2024

	Note	Unrestricted Funds 2023/24 £'000	Restricted Funds 2023/24 £'000	Endowment Funds 2023/24 £'000	Total 2023/24 £'000	Total 2022/23 £'000
Income and endowments from:						
Donations and legacies	4	216	377	0	593	232
Charitable activities	5	0	421	0	421	631
Other trading activities	5	0	0	0	0	0
Investments	6	15	21	0	36	40
Total		231	819	0	1,050	903
Expenditure on:						
Raising funds	7	(25)	(65)	(4)	(94)	(46)
Charitable activities						
- NHS capital equipment grants	8	(6)	(60)	0	(66)	(17)
- Patient welfare & amenities	8	(36)	(223)	0	(259)	(294)
- Staff welfare & amenities	8	(3)	(38)	0	(41)	(49)
- Staff development	8	0	(18)	0	(18)	(19)
- Research	8	0	0	0	0	(1)
- Rainbow nursery expenditure	8	0	(419)	0	(419)	(636)
Sub-total charitable activities		(45)	(758)	0	(803)	(1,016)
Other expenditure	21	0	0	0	0	(2)
Total		(70)	(823)	(4)	(897)	(1,064)
Net gains/(losses) on investments	13.4	28	61	27	116	(116)
Net income/(expenditure)		189	57	23	269	(277)
Transfers between funds		(4)	4	0	0	0
Net movement in funds		185	61	23	269	(277)
Reconciliation of funds:						
Total funds brought forward		311	852	336	1,499	1,776
Total funds carried forward	18	496	913	359	1,768	1,499

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

Balance Sheet as at 31 March 2024

	Note	Unrestricted Funds 31/03/2024 £'000	Restricted Funds 31/03/2024 £'000	Endowment Funds 31/03/2024 £'000	Total 31/03/2024 £'000	Total 31/03/2023 £'000
Fixed assets:						
Investments	13	405	745	359	1,509	1,479
Total fixed assets		405	745	359	1,509	1,479
Current Assets:						
Debtors	14	2	12	0	14	9
Cash at bank and in hand	15	135	247	0	382	104
Total current assets		137	259	0	396	113
Liabilities						
Creditors: Amounts falling due within one year	16	(46)	(91)	0	(137)	(93)
Net current assets		91	168	0	259	20
Total net assets		496	913	359	1,768	1,499
The funds of the charity:						
Endowment Funds	18	0	0	359	359	336
Restricted Income Funds	18	0	913	0	913	852
Unrestricted Income Funds	18	496	0	0	496	311
Total charity funds		496	913	359	1,768	1,499

The notes on pages 55 to 68 form part of these accounts.

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

The accounts on pages 47 to 68 were approved by the Corporate Trustee on and signed on its behalf by:

Director of Operational Finance

Date

Statement of cash flows for the year ending 31 March 2024

	Note	Total 2023/24 £'000	Total 2022/23 £'000
Cash flows from operating activities:			
Net income/(expenditure) for the year (as per the Statement of Financial Activities)		269	(277)
Adjustments for:			
- (Gains)/losses on investments	13.4	(116)	116
- Dividends, interests and rents from investments	6	(36)	(40)
- Decrease/(increase) in debtors	14	(5)	1
- (Decrease)/increase in creditors	16	44	66
Net cash used in operating activities		156	(134)
Cash flows from investing activities:			
Dividends, interests and rents from investments	6	36	40
Less non-cash dividends included within above value	13.3	1	0
Plus purchased interest	13.3	0	0
Cash withdrawn from the investment portfolio	13.3	85	165
Net cash provided by investing activities		122	205
Change in cash and cash equivalents over the year		278	71
Cash and cash equivalents at the beginning of the year	15	104	33
Cash and cash equivalents at the end of the year	15	382	104

Notes to the Accounts

1. Accounting policies

(a) Basis of preparation

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

These accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2019.

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

Judgements

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

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

Estimates

The charity does not consider that it makes any estimations which have a significant risk of causing a material adjustment within the following financial year. For a small proportion of investments such as property unit trusts, valuations may be estimated by the unit trust manager and are subject to some uncertainty. The potential impact is small.

Going concern

Up until 30 November 2023, the charity was responsible for the Rainbow nursery, which was a material business activity. The nursery was transferred to the Foundation Trust on 1 December 2023, as explained further in Section 6 of the Annual Report. Since this point, the charity's remaining business activities (such as the sale of mastectomy bras to patients) have been immaterial.

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

The charity's reserves are largely held within its investment portfolio. Cash can be realised from the investment portfolio within a matter of days.

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

Public benefit and legal form

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

Notes to the Accounts

1. Accounting policies (continued)

(b) Funds structure

The Corporate Trustee has the power to accept gifts, including gifts to be held on trust either for the purposes of the Corporate Trustee or for any purposes relating to the NHS. Charitable gifts to the Corporate Trustee which are held on trust are held by the charity and accounted for as gifts to the charity.

Some charitable gifts are only given to the Corporate Trustee after corresponding expenditure specified by the donor has already been incurred by the Corporate Trustee. In such cases, the gifts have been expended before they have been received. They are consequently not required to be held and are accounted for only as gifts to the Corporate Trustee.

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

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

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

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

(c) Incoming resources

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

(d) Incoming resources - legacies

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

Receipt is probable when:

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

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

(e) Incoming resources from endowment funds

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

(f) Resources expended and irrecoverable VAT

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

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

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

Notes to the Accounts

1. Accounting policies (continued)

(g) Resources expended - grants

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

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

Evidence of a constructive obligation exists where:

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

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

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

(h) Allocation of overhead and support costs

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

(i) Fundraising costs

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

(j) Charitable activities

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

(k) Fixed asset investments

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

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

Notes to the Accounts

1. Accounting policies (continued)

(k) Fixed asset investments (continued)

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

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

(l) Debtors

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

(m) Cash and cash equivalents

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

(n) Creditors

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

(o) Financial Instruments

The charity's Financial Instruments are all Basic Financial Instruments and consist of:

- Investments. See note 1(k). The carrying value for investments on the balance sheet at the reporting date entirely consists of financial assets measured at fair value through profit or loss.
- Debtors. See note 1(l).
- Cash and cash equivalents. See note 1(m).
- Creditors. See note 1(n).

(p) Pensions

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

(q) Pooling scheme

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

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

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

(r) Taxation

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

Notes to the accounts

2. Prior year comparatives by type of fund

2.1 Statement of Financial Activities

	Note	Unrestricted Funds 2022/23 £'000	Restricted Funds 2022/23 £'000	Endowment Funds 2022/23 £'000	Total 2022/23 £'000
Income and endowments from					
Donations and legacies	4	9	223	0	232
Charitable activities	5	0	631	0	631
Other trading activities		0	0	0	0
Investments	6	17	23	0	40
Total		26	877	0	903
Expenditure on:					
Raising funds	7	(12)	(31)	(3)	(46)
Charitable activities					
- NHS capital equipment grants	8	(8)	(9)	0	(17)
- Patient welfare & amenities	8	(72)	(222)	0	(294)
- Staff welfare & amenities	8	(5)	(44)	0	(49)
- Staff training & education	8	(1)	(18)	0	(19)
- Research	8	0	(1)	0	(1)
- Transfers to other charities	8	0	0	0	0
- Rainbow nursery expenditure	8	0	(636)	0	(636)
Sub-total charitable activities	8	(86)	(930)	0	(1,016)
Other expenditure		0	(2)	0	(2)
Total		(98)	(963)	(3)	(1,064)
Net gains on investments	13.4	(31)	(59)	(26)	(116)
Net income/(expenditure)		(103)	(145)	(29)	(277)
Transfers between funds		0	0	0	0
Net movement in funds		(103)	(145)	(29)	(277)
Reconciliation of funds:					
Total funds brought forward		414	997	365	1,776
Total funds carried forward	18	311	852	336	1,499

Notes to the accounts

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

2.2 Balance Sheet

	Note	Unrestricted Funds (restated) 31/03/2023 £'000	Restricted Funds (restated) 31/03/2023 £'000	Endowment Funds 31/03/2023 £'000	Total (restated) 31/03/2023 £'000
Fixed assets:					
Investments	13	306	837	336	1,479
Total fixed assets		306	837	336	1,479
Current Assets:					
Debtors	14	2	7	0	9
Cash at bank and in hand	15	23	81	0	104
Total current assets		25	88	0	113
Liabilities					
Creditors: Amounts falling due within one year	16	(20)	(73)	0	(93)
Net current liabilities		5	15	0	20
Total net assets		311	852	336	1,499
The funds of the charity:					
Endowment Funds	18	0	0	336	336
Restricted Income Funds	18	0	852	0	852
Unrestricted Income Funds	18	311	0	0	311
Total charity funds	18	311	852	336	1,499

Notes to the accounts

3. Related party transactions

During the year no parties (2022/23: none) related to a member of the Board of Torbay and South Devon NHS Foundation Trust (the Corporate Trustee) has undertaken material transactions with the charity. No members of the key management staff or parties related to them has undertaken any material transactions with the charity (2022/23: none).

During the year one (2022/23: 1) public sector organisation has undertaken material transactions with the charity. Torbay Council provided £108k (2022/23: £165k) Early Years funding to the charity in respect of the charity's provision of nursery services to eligible children during the part-year period April to November 2023. This service transferred to the Foundation Trust in December 2023 and further details can be found in Note 6 of the Annual Report.

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

- Finance and administration costs bought in from Torbay and South Devon NHS Foundation Trust, £68k (2022/23 £84k). Please see Note 10 for further details.

- Reimbursement of charitable expenditure incurred by Torbay and South Devon NHS Foundation Trust on behalf of the charity, £829k (2022/23: £977k). The Corporate Trustee provided financial support of £0 (2022/23: £12k) to the charity to offset the financial impact of Covid on the nursery.

During the year, the Corporate Trustee was not paid or reimbursed for the costs it incurs in its role as Corporate Trustee, such as the salary costs of members of the Board of the Corporate Trustee (2022/23: £0).

There was an outstanding creditor due to Torbay and South Devon NHS Foundation Trust at 31st March 2023 of £114k (31 March 2023: £57k).

No members of the Corporate Trustee's Board received honoraria, emoluments or expenses in the year from the Charitable Fund (2022/23: none).

Notes to the Accounts

4. Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023/24 £'000	Total 2022/23 £'000
Donations	8	256	0	264	143
Legacies	208	6	0	214	11
Grants	0	115	0	115	78
Total	216	377	0	593	232

5. Charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023/24 £'000	Total 2022/23 £'000
Rainbow nursery income	0	409	0	409	619
Other	0	12	0	12	12
Total	0	421	0	421	631

Rainbow nursery provides nursery services, primarily to employees of Torbay and South Devon NHS Foundation Trust. Charity nursery income was substantially lower than the prior year, as the nursery was transferred to the Foundation Trust as from 1 December 2023. Further details are provided in section 6 of the Annual Report. The 'Other' category principally relates to income from sales of mastectomy bras to patients.

6. Investments

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023/24 £'000	Total 2022/23 £'000
Listed investments	15	21	0	36	40
Total	15	21	0	36	40

Investment income is received from the charity's investment portfolio. In recent years, interest income received from cash balances has been negligible.

7. Raising funds

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023/24 £'000	Total 2022/23 £'000
Investment management costs	(3)	(7)	(4)	(14)	(15)
Fundraising costs	(22)	(58)	0	(80)	(31)
	(25)	(65)	(4)	(94)	(46)

The charity employs a professional investment management company to manage its investment portfolio. During the year, the portfolio was managed by Investec Wealth & Investment Ltd. In March 2024, the Charity appointed LGT Wealth Management UK LLP to manage the portfolio but this change took effect after the reporting date. Fundraising costs were substantially higher than the prior year, firstly as the Charity's fundraising manager role was a new role that commenced part-way through the prior year and secondly because the Charity utilised a grant from NHS Charities Together during the year to strengthen its fundraising function.

8. Analysis of expenditure on charitable activities

	Activities undertaken £'000	Grant expenditure £'000	Support costs £'000	Total 2023/24 £'000	Total 2022/23 £'000
NHS capital equipment grants	0	(66)	0	(66)	(17)
Patient welfare & amenities	0	(185)	(74)	(259)	(294)
Staff welfare & amenities	0	(39)	(2)	(41)	(49)
Staff development	0	(15)	(3)	(18)	(19)
Research	0	0	0	0	(1)
Transfers to other charities	0	0	0	0	0
Sub-total - grant expenditure	0	(305)	(79)	(384)	(380)
Rainbow nursery expenditure	(416)	0	(3)	(419)	(636)
Total	(416)	(305)	(82)	(803)	(1,016)

Notes to the Accounts

8. Analysis of expenditure from charitable activities (continued)

With the exception of the running costs of the Rainbow nursery, the charity's expenditure consists of grants to relevant NHS bodies. Charity nursery expenditure was substantially lower than the prior year as the nursery transferred to the Foundation Trust as from 1 December 2023. Further details are provided in section 6 of the Annual Report.

9. Analysis of grant expenditure

All grants are made to organisations. All grants have been made to Torbay and South Devon NHS Foundation Trust (2022/23: all grants).

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

10. Support costs

	Basis of allocation	Charitable activities £'000	Total 2023/24 £'000	Total 2022/23 £'000
External audit fees	Value of balance	14	14	13
Staffing cost - governance activities	Value of balance	25	25	22
Total governance cost		39	39	35
Staffing cost - administrative activities	Value of expenditure	43	43	62
		82	82	97

Support costs are those costs which can not be directly attributed to an individual activity. These include the cost of the staff who administer the charity and governance costs (such as the audit fee). In deciding upon a basis for allocating support costs, the charity has considered the Charity Commission's 'NHS Charities Guidance'. The charity believes that 'value of balance' is the most appropriate basis of allocation for governance costs, as the value of funds is a key driver for governance activities, and 'value of expenditure' is the most appropriate basis of allocation for day to day management/administration costs, as management of expenditure is the principal administrative activity. Support costs are allocated across c 200 separate funds. This is a complex process and, as such, the charity does not consider that it would be sensible to adopt a more complex basis of apportionment. Support costs are allocated between fund types in line with the above bases of apportionment.

Most support costs are incurred by the Foundation Trust and recharged to the charity, as disclosed in Note 3 and as described in Note 12. Support costs are lower than in the prior year, due to the reducing cost of administering the very generous donations in response to the Covid pandemic.

Grant expenditure tends to consist of one-off discretionary projects. By contrast, Rainbow nursery expenditure mainly consisted of recurring costs which were simple to administer, once set up. The allocation of support costs took account of this distinction and reduced the allocation to Rainbow nursery accordingly.

Analysis of support costs by fund

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023/24 £'000	Total 2022/23 £'000
Capital equipment	0	0	0	0	1
Patient welfare	9	65	0	74	87
Staff welfare	0	2	0	2	3
Staff development	0	3	0	3	2
Rainbow nursery expenditure	0	3	0	3	4
	9	73	0	82	97

Notes to the Accounts

11. Auditors' remuneration

The auditors' remuneration of £12,000 excl VAT (2022/23 £11,000 excl VAT) related to the audit with no additional work undertaken (2022/23: none). Including irrecoverable VAT, the cost to the charity was £14,400 (2022/23: £13,200).

12. Analysis of staffing cost

	Rainbow nursery £'000	Fundraising costs £'000	Support costs £'000	Total 2023/24 £'000	Total 2022/23 £'000
Wages and salaries	305	50	55	410	573
Social security costs	22	6	5	33	42
Employer contributions to NHS Pension Scheme	45	5	8	58	71
	372	61	68	501	686
Average headcount	28.9	1.0	5.9	35.8	38.9
Average whole-time equivalent	19.9	1.0	1.2	22.1	22.5

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

Nursery pay cost was substantially lower than the prior year as the nursery transferred to the Foundation Trust as from 1 December 2023. Further details are provided in section 6 of the Annual Report.

There are no employees who received employee benefits excluding employer pension costs of more than £60,000 (2022/23: none).

13. Investments
13.1 Fixed asset investments by class

	Total value held in the UK 2023/24 £'000	Total value held in the UK 2022/23 £'000
Listed investments - at fair value	1,483	1,454
Cash or cash equivalents	26	25
Total	1,509	1,479

13.2 Movement in fixed asset investments - listed investments

	2023/24 £'000	2022/23 £'000
Market value brought forward at 1st April	1,454	1,703
Purchases at cost	453	218
Disposals at carrying value	(546)	(384)
Unrealised gain/(loss) on revaluation	122	(83)
Market valuation as at 31st March	1,483	1,454

Notes to the Accounts

13. Investments (continued)

13.3 Movement in fixed asset investments - cash or cash equivalents

	2023/24 £'000	2022/23 £'000
Brought forward at 1st April	25	57
Proceeds on disposal of listed investments	540	351
Purchases of listed investments	(453)	(218)
Purchased interest	(1)	0
Cash withdrawn from the investment portfolio	(85)	(165)
Value as at 31st March	26	25

During 2023/24 the charity withdrew £85,000 from the investment portfolio (2022/23: £165,000). These withdrawals are made in order to fund planned reductions in reserves (as described in the Annual Report).

13.4 Gains on investments

	2023/24 £'000	2022/23 £'000
Realised (losses)/gains	(6)	(33)
Unrealised (losses)/gains	122	(83)
Total	116	(116)

14. Debtors

	Total 2023/24 £'000	Total 2022/23 £'000
Trade debtors	0	0
Prepayments and accrued income	14	9
Total	14	9

15. Cash at bank and in hand

	Total 2023/24 £'000	Total 2022/23 £'000
Current account	378	100
Deposit accounts	4	4
Total	382	104

16. Creditors: amounts falling due within one year

	Total 2023/24 £'000	Total 2022/23 £'000
Accruals	(23)	(23)
Deferred Income	0	(13)
Torbay and South Devon NHS Foundation Trust	(114)	(57)
Total	(137)	(93)

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

Analysis of movement in deferred income:

	2023/24 £'000	2022/23 £'000
Deferred income brought forward at 1 April	(13)	0
Release in year of deferred income brought forward	13	0
Recognition in year of new deferred income		(13)
Deferred income carried forward at 31 March	0	(13)

Deferred income relates to the activities of the Rainbow nursery, which transferred to the Foundation Trust as from 1 December 2023. Nursery income was deferred where it was received in advance of the delivery of the corresponding nursery services.

17. Contingent assets - legacies

As at 31 March 2023 there were three legacies with an estimated total value of £200k (31/03/2023: two legacies with an estimated value of £8k) where probate had been granted but where income had not been recognised because either the value could not be measured with sufficient reliability or probability of receipt had not been established.

Notes to the Accounts

18. Analysis of funds

	Balance 31/03/2023 £'000	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Transfers £'000	Balance 31/03/2024 £'000
Endowment funds (see also note 18.1)						
Torbay Hospital PGMC Fund	63	0	(1)	6	0	68
Ashburton Hospital Easterbrook Bequest	19	0	0	1	0	20
Newton Abbot Hospital Easterbrook Bequest	18	0	0	2	0	20
Newton Abbot Hospital Blake Bequest	219	0	(3)	17	0	233
Newton Abbot Hospital Gribble Bequest	17	0	0	1	0	18
Total Endowment funds	336	0	(4)	27	0	359
Restricted income funds (see also note 18.2)						
Torbay Hospital Patients	153	27	(58)	12	0	134
Torbay Hospital Cancer Services	78	89	(90)	6	0	83
Torbay Hospital Heart & Lung Unit	57	6	(7)	5	0	61
Torbay Hospital Staff	50	417	(431)	3	0	39
Torbay Hospital General	182	217	(155)	7	4	255
Paignton Hospital General	90	3	(11)	7	0	89
Torbay Hospital General Surgery & Urology	48	3	(8)	4	0	47
Torbay Hospital Gastroenterology	17	0	(1)	1	0	17
Torbay Hospital Radiology	20	26	(28)	2	0	20
Torbay Hospital Radiotherapy	39	3	(6)	3	0	39
Torbay Hospital Laboratory Medicine	48	3	(8)	4	0	47
Torbay Hospital Ophthalmology	20	1	(3)	2	0	20
Torbay Hospital Endocrinology	28	2	(3)	2	0	29
Torbay Hospital Maternity	17	12	(4)	2	0	27
Others (6)	5	10	(10)	1	0	6
Total Restricted funds	852	819	(823)	61	4	913
Unrestricted income funds (see also note 18.3)						
Community Hospitals	65	23	(19)	6	0	75
Other	246	208	(51)	22	(4)	421
Total Unrestricted funds	311	231	(70)	28	(4)	496
Total funds	1,499	1,050	(897)	116	0	1,768

Notes to the Accounts

18. Analysis of funds (continued)

18.1 Details of material Endowment funds

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

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

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

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

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

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

18.2 Details of material restricted funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Other restricted funds consist of funds with immaterial opening and closing balances which relate to other wards and clinical departments at Torbay Hospital and other community hospitals as listed in the foreword.

Notes to the Accounts

18. Analysis of funds (continued)

18.3 Details of material unrestricted funds

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

18.4 Transfers between funds

The transfer of £4,000 related to the remainder of a legacy received in 2017. The relevant department indicated that they had no further use for the funding. The Charity Committee agreed that it be transferred to the Torbay Hospital General fund, for use within other departments.

19. Ultimate controlling party

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

Copies of the 2023/24 Annual Report and Financial Statements of Torbay and South Devon NHS Foundation Trust can be obtained by writing to: Chief Finance Officer, Torbay and South Devon NHS Foundation Trust, Torbay Hospital, Lowes Bridge,

20. Mergers

The charity has not undertaken any mergers with other charities.



Torbay and South Devon NHS Charity, Torbay and South Devon NHS Foundation Trust, Hengrave House, Torbay Hospital, Newton Road, Torquay TQ2 7AA



tsdft.charity@nhs.net



<https://charity.torbayandsouthdevon.nhs.uk/>



[@tsd_nhscharity](https://www.instagram.com/tsd_nhscharity)



[@TorbayAndSouthDevonNHSCharity](https://www.facebook.com/TorbayAndSouthDevonNHSCharity)

TORBAY AND SOUTH DEVON NHS CHARITABLE FUND

England & Wales - Charity number 1052232

Accounts

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

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2023

Trustee's Report

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

1 - The Corporate Trustee

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

Non-executive Members

Sir Richard Ibbotson – Chairman
Chris Balch
Richard Crompton
Jacqui Lyttle
Vikki Matthews
Paul Richards
Robin Sutton
Siân Walker-McAllister

Executive Members

Liz Davenport – Chief Executive
Adel Jones – Director of Transformation and Partnerships/Deputy Chief Executive
Mark Brice – Interim Chief Finance Officer
John Scott – Interim Chief Operating Officer
Deborah Kelly – Chief Nurse
Michelle Westwood – Chief People Officer
Ian Currie – Chief Medical Officer
Joanne Watson – Health and Care Strategy Director
Emily Long – Director of Corporate Governance and Trust Secretary

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

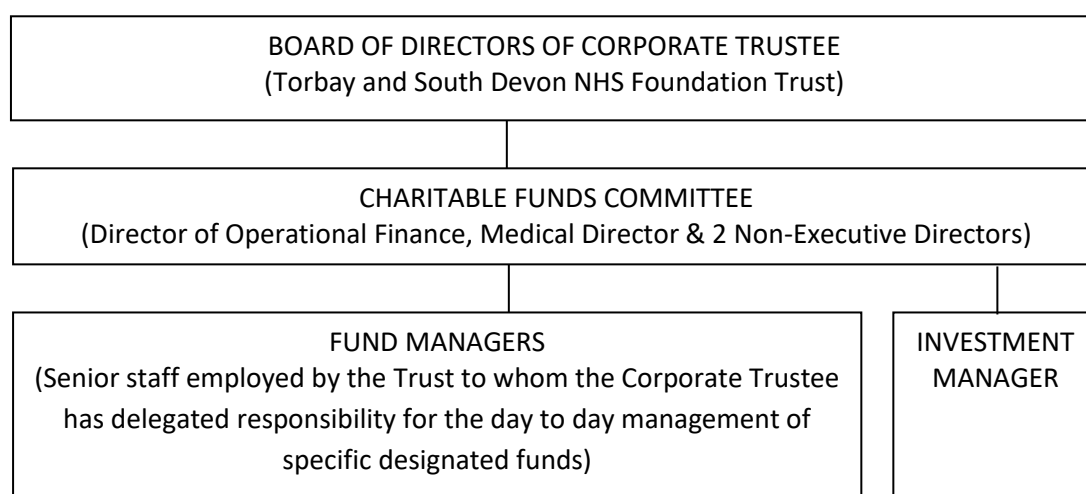
Newly appointed members of the Board go through an induction procedure to assist them in adjusting to the new social and working conditions in order to achieve maximum safe working and efficiency in the shortest possible time, to ensure they have knowledge of the organisation structure and how their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

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

2 - Organisation structure

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

The Trust's charitable funds are held within an Umbrella charity and 21 Special Purpose charities (2021/22: 21). These do not constitute separate charities for accounts purposes. However, they facilitate the correct direction of donations towards the purposes for which they were granted. Each Special Purpose charity itself is divided into a number of designated funds for particular purposes. There are 188 designated funds (2021/22: 192).



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

3- Objectives

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

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

4 - Aims

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

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

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

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

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

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

5 - Monitoring

Each year, the charity prepares an income and expenditure plan. This plan takes into account feedback received from Fund Managers, who are usually medical practitioners and other front-line staff who can best assess the needs of their patients. This plan is considered and approved by the Charitable Funds Committee, with delegated authority from the Trust Board.

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

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

6 - Performance against objectives

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

The charity sets default grant-making priorities each year, in line with Charity Commission guidance. For 2022/23, these priorities were:

- Recovery from Covid, including the health and well-being of staff
- Purchases of medical equipment
- Items to improve the experience of patients and their carers
- Discretionary staff training/development

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

Due to its nature, voluntary income is dependent on the wishes of donors and is inherently variable. Grant expenditure is almost entirely discretionary and hence also highly variable. For these reasons, performance against the charity's annual plan is normally subject to a relatively high level of variability.

	2022/23			2021/22
	Plan	Actual	Variance	Actual
	£'000	£'000	£'000	£'000
Income	965	903	-62	801
Expenditure	-1,159	-1,064	95	-1,017
(Deficit)/surplus prior to investment gains/losses	-194	-161	33	-216

The charity planned in 2022/23 to incur a deficit (before investment gains/losses) of £194,000. In line with its reserves policy, the charity has been spending down excess accumulated reserves for a number of years. The actual deficit (before investment gains) of £161,000 was £33,000 favourable to plan. There were two principal reasons for this variance:

- Expenditure on projects funded by Covid donations and by legacies was £95,000 lower than planned, due to project delays.
- Income from new legacies was £69,000 lower than planned, which partly offset the above variance. Legacy income is highly unpredictable and the plan assumed receipt of an average value.

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

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

Rainbow nursery

The nursery is a purpose-built facility, sited at the Torbay Hospital Annexe, with 50 registered places. It provides staff with reassurance that their children are being well cared for while they are at work. It consistently receives excellent reports from OFSTED and is recognised for the high standards of care and pre-school education it provides.

The nursery funds its costs from fees received from parents of the children and from Early Years funding received from Torbay Council.

The Rainbow nursery incurred a deficit of £17,000 on a turnover of £619,000 (2021/22: deficit of £5,000 on a turnover of £609,000). The deficit was £17,000 adverse to the planned breakeven position. Until recent years, the nursery typically made a surplus, allowing it to build up revenue reserves to fund periodic investments in the nursery. In recent years, the nursery sector nationally has struggled with recruitment of staff and increases in staff costs driven by increases in the minimum wage. The nursery has been affected by these issues, with staff recruitment having become noticeably more difficult during 2022/23, forcing the nursery to reduce its occupancy level.

At 31 March 2023, the nursery held reserves of £11,000 (2022: £28,000). A review of the options for the financial sustainability of the nursery is currently underway, considering also whether it would be in the best interests of the charity for the nursery to remain within the charity or to be held within the Foundation Trust.

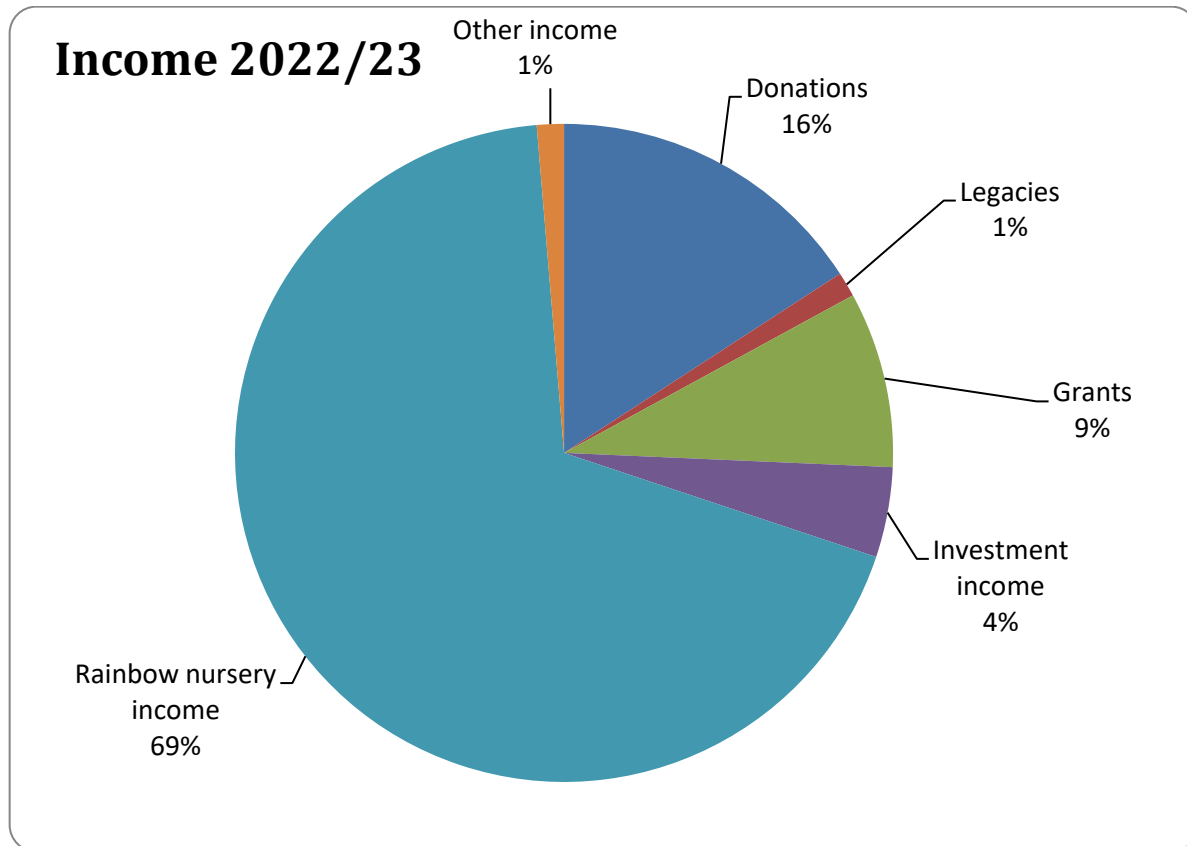
Expenditure funded retrospectively by external bodies

The Corporate Trustee is fortunate to receive the support of many local charities, such as the Leagues of Friends of the Corporate Trustee's hospitals and the Torbay Medical Research Fund. Typically, such support is offered for specific items (for example, the purchase of a specific piece of medical equipment) and the support is received after the agreed expenditure has been incurred.

In past years, such support flowed through the Charitable Fund. It was accounted for as a donation by the external charity to the Charitable Fund and as a corresponding grant by the Charitable Fund to the Corporate Trustee. Following a review, it has been concluded that it is not necessary or appropriate for the Charitable Fund to account for such support as its income and expenditure, given that the support is only received after the specified expenditure has been incurred, meaning that no funding is required to be held on trust. Instead, such support is now accounted for as given directly by the external charity to the Corporate Trustee.

The Charitable Fund's accounting policies have been updated (see Note 1(b) to the Accounts) and the prior year values have been restated accordingly. A summary of the impact of the prior year restatement is given in Note 21 to the Accounts.

6.1 – Income



Income	2022/23	2021/22
	£'000	£'000
Donations	143	124
Legacies	11	18
Grants	78	0
Investment income	40	39
Rainbow nursery income	619	609
Other income	12	11
Total Income	903	801

Donations, legacies and grants

The Covid pandemic has had a significant impact on voluntary income. During and since the pandemic, the charity has received substantial grants from NHS Charities Together (the body distributing donations given to the NHS nationally). At the same time, general donations have fallen since the pandemic, perhaps indicating 'donor fatigue'.

A gift in a will is a valued way of donating to charity and we are fortunate to be remembered by so many people each year. Legacy income is unpredictable and therefore tends to vary from year to year. During 2022/23 £11,000 was kindly bequeathed to the charity from 4 legacies. These ranged in value from £2,000 up to £5,000.

Further details of the expenditure funded by these generous donations are given on pages 9 to 12.

Fundraising

Historically, the charity did not engage in a significant amount of fundraising activity, other than supporting volunteer fundraisers. From September 2022, the charity has had an experienced Fundraising and Partnerships Manager in place and has taken a more proactive approach to raising funds and awareness.

In April 2023, the charity was fortunate to receive a grant of £30,000 from NHS Charities Together, specifically to strengthen the charity's capacity. A significant proportion of this grant will be used to support the development of the charity's fundraising capacity.

In the period September 2022 to March 2023, activity focused on:

- 1) Developing the charity's brand:
 - a) A new working name for the charity of 'Torbay and South Devon NHS Charity' was agreed.
 - b) A charity logo was created and applied across a range of items and charity materials aimed at raising awareness and funds.
- 2) Building infrastructure needed for a successful fundraising charity:
 - a) A new CRM system was identified and procured to support fundraising, enable more in-depth reporting; and improve stewardship of supporters.
 - b) Online and social media presence was established.
- 3) Increasing donations and funds raised:
 - a) Help, support and advice was given to patients, staff and general public to raise funds, as well as attendance at fundraising events.
 - b) 'Off the shelf' fundraising opportunities, events and challenges were developed and promoted.
 - c) Applications to charitable trusts and local grant giving organisations were submitted.

Some highlights:

- 43 people supported to raise funds for the charity during 2022/23.
- £3,000 raised through a patient's silent auction, £2,000 raised by a head-shave undertaken by a patient and her best friend; £2,500 raised through an auction by Torquay United, £1,600 by the Rock Compliance 'Race the Regions' event, £1,000 awarded by Torquay Rotary.
- 12 staff took part in the Inflatable 5k event raising over £1,400.
- Nine teams across the Trust took part in the NHS Big Tea raising over £1,500.
- £1,500 raised and 300 patients received Christmas gifts through the Dunelm Mill Delivering Joy initiative.
- £6,000 in sponsorship raised for the Our People Awards 2023.
- Over £1,900 raised for (and by) Templer Ward so far as part of 12 months of fundraising activity.

Some examples of how the charity uses its funds are given below in sections 6.2 and 7.

While the charity aims to ensure that fundraising is always conducted appropriately, given the small scale of fundraising activity the charity has not chosen to join or adopt any of the voluntary schemes or standards for

fundraising, such as those provided by the Fundraising Regulator or Fundraising Standards Board. This position will be reviewed as the charity's fundraising activities develop.

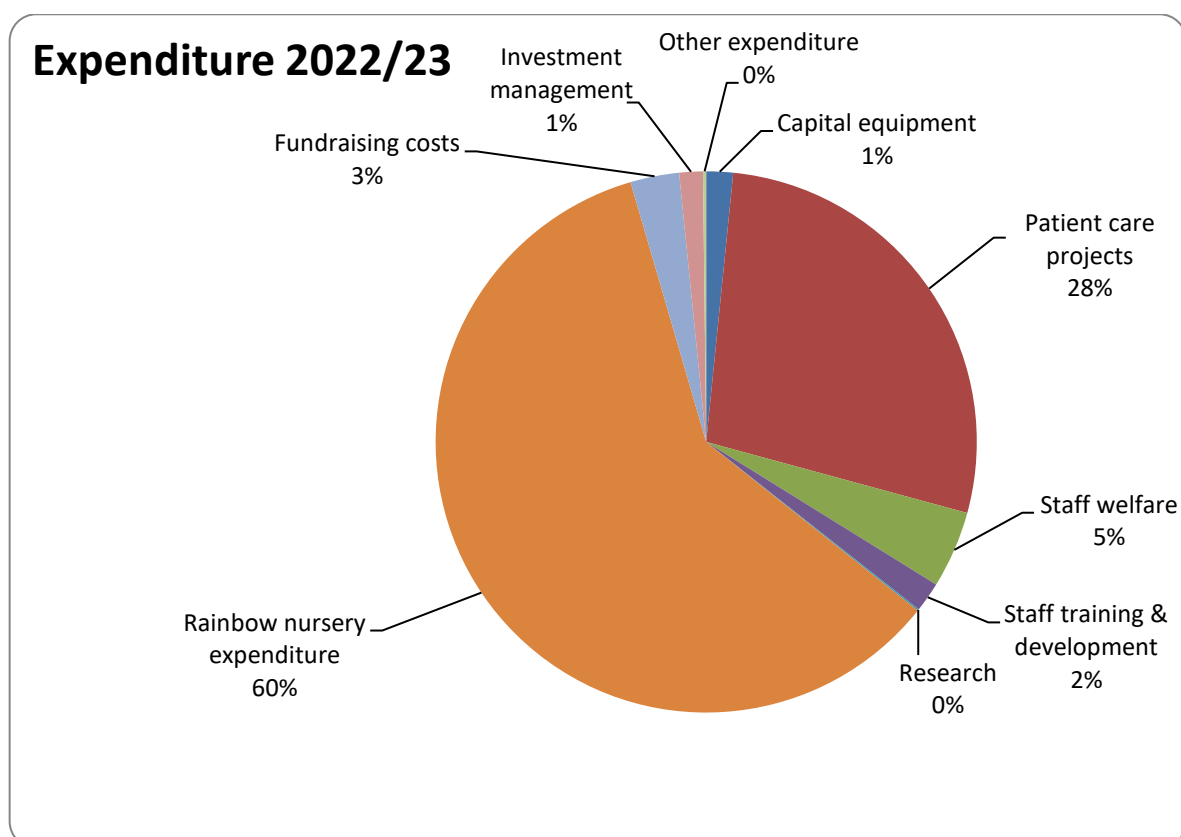
There are significant practical limitations on monitoring the activities of volunteer fundraisers (who mostly conduct their fundraising from their private homes). As such, very limited monitoring can be undertaken but the charity is ready to act swiftly in the event of a complaint. No such complaints were received in the year (2021/22: none).

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

Gift Aid

Torbay and South Devon NHS Charitable Fund participates in the government's Gift Aid scheme. Wherever possible we encourage donors to assist us with this by authorising us to claim tax back from HM Revenue and Customs in respect of their donation. This can increase the value of the donation by 25% at no additional cost to the donor. In 2022/23 we boosted our donations by £3,682 as a result of this initiative.

6.2 – Expenditure



Expenditure	2022/23	2021/22
	£'000	£'000
Capital equipment	17	60
Patient care projects	294	251
Staff welfare	49	49
Staff development	19	21
Research	1	1
Transfers to other charities	0	3
Rainbow nursery expenditure	636	614
Fundraising costs	31	0
Investment management	15	16
Other expenditure	2	2
Total resources expended	1,064	1,017

Charitable expenditure almost always consists of discretionary one-off project costs (for example, purchase of medical equipment). As such, it fluctuates from year to year.

The exception is expenditure relating to the Rainbow nursery. Further information regarding the financial performance of the nursery is given in section 6, above.

Projects made possible through the generous support of NHS Charities Together and donations from individuals, groups and companies during Covid aimed at supporting NHS staff and patients during this challenging time

The following projects were completed during the year:

- Improvements to Bayview Café wellbeing area (£17,000)
- Improvements for staff rest rooms (£7,000)
- Environment Gardens and Green spaces (£12,000)
- Artist in residence (£11,000)
- Mental Health – Wellness for staff (£8,500)
- Support for BAME (Black, Asian and Minority Ethnic) Leadership (£4,000)
- Volunteering (£5,000)
- Lockable cycle compound (£10,000)
- Discharge Lounge (£1,200)

Ongoing projects include:

- Environment Gardens and Green spaces (£13,000)
- Artist in residence (£29,000)
- Improvements for staff rest rooms (£58,000)
- Mental Health – Wellness for staff (£41,000)
- Support for BAME (Black, Asian and Minority Ethnic) Leadership (£1,500)
- Culture – (£8,000)

Some examples of other charitable expenditure

For Torbay Hospital:

- Overnight chair-bed sleeper for Warrington Ward (£1,100)
- Electric Armchairs for Cromie Ward (£5,300)
- Sleeper chair for Louisa Cary ward (£1,500)
- Specialist twin Cot for the Special Care Baby Unit (£4,500)
- A specialist training mannequin for the Intensive Care Team (£13,600)
- Staff training for the Ricky Grant Day Unit/Turner Ward (£2,000)

For Newton Abbot Hospital:

- A patient lifting device (£1,300)
- Pharmacy Trolley (£1,700)

Across all sites:

- A commemorative Tree Trail (£3,500)
- Staff training provided by the Centre of Education (£2,500)

7 – Examples of how donations have made a difference

7.1 - Outings and activities for young adult carers in Torbay (total spend £500)



Young adult carers are young people aged 16–25 who care, unpaid, for a family member or friend with an illness or disability, mental health condition or an addiction. The Torbay Young Adult Carers (TYAC) team provide much needed help, advice and support to around 241 young carers locally.

Although the Torbay Young Adult Carers (TYAC) service is funded by the NHS, the team offers a range of events, outings and meet-ups for young carers, funded by charitable donations. In 2022/23, the TYAC team was able to offer regular drop

in sessions, sailing, a Christmas meal and trips to Plymouth Aquarium and Bristol. These activities were so important to the young carers, building resilience and mental well-being and offering them a chance to pause responsibilities and enjoy being a teenager or young adult for a few hours.

One of the young adult carers supported by the service says,

“The events have given me time to myself which I find hard to do between caring and working. It has also taught me valuable skills to take away and use, skills like organising, trust, improving my social

skills and confidence. I am part of the operational group as well which allows me to voice opinions and take part in fundraising events and this helps build my confidence and experience. I mostly use the drop-in service to have two hours to relax, play games and make friends.”

7.2 - A new sleeper chair for Louisa Cary ward (the children’s ward at Torbay Hospital) £1,500

Parents of children cared for on Louisa Cary ward often need to stay by their child’s bedside overnight, sometimes for days at a time. Getting a good night’s sleep is essential for coping with what is likely to be a stressful and challenging time in their and their child’s life. New sleeper chairs by the child’s bedside, replacing old style camp beds, have helped to provide greater comfort for parents and have been a big success.

Tine Roberts, staff nurse on the ward says:

“We are really pleased with the new sleeper chairs, they are easy to clean, easy to set up and more comfortable for our parents.”



7.3 - Group yoga sessions for patients following breast cancer treatment (£1,900)

Thanks to charitable funds, Torbay Hospital’s Breast Care team has been able to offer free of charge weekly yoga sessions to patients following breast cancer treatment, led by an experienced yoga teacher, Theresa. These sessions make a significant difference to both the physical health and mental well-being of the ladies who attend, one of the ladies benefiting from the yoga said:

“Theresa’s yoga group and her knowledge and care, and the support of other group members has carried me through - not only cancer, but other medical and life events too. It has been one of the most important factors in my recovery, mind, body and spirit.”



7.4 - A new twin cot for Torbay Hospital's Special Care Baby Unit (SCBU) £4,500

The SCBU team, caring for new born babies requiring special care, was delighted to purchase their first ever twin cot for new-born twins needing special care thanks to the charity's support. Babies Henry and Ronnie were the first set of twins to try out the new twin cot.

"The SCBU team care for sets of twins on a regular basis and up until now, the babies would have to be in separate cots. Now, thanks to the funds that have been raised, twins can be cared for together, providing them with the comfort of knowing their sibling is close by and helping their parents keep their new family together", said SCBU matron, Carol.



7.5 - Supporting parents suffering the loss of a baby (£800)

At Torbay Hospital, a bereavement suite is available for parents who have suffered any kind of baby loss such as miscarriage or stillborn birth. The suite provides bereaved parents with a little oasis of peace and calm at a very difficult time in their lives. In addition to items in the suite, the Charity funds small items including keepsake hearts in two parts for families facing the loss of their baby. One heart can be placed in the baby's hand or blanket when saying goodbye and the other is for the parent to keep. It is a small gesture that means a great deal to the parents supported by the team at Torbay.

Bereavement midwife Anna Stewart said:

"We are always so grateful for donations, they make such a difference to help us to help parents who have sadly experienced the loss of a baby.

Many of the items we provide to parents, even the coffee machine, are funded thanks to people's kind donations."



8 - Risk Management

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

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

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

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

The charity has identified the following principal risks and uncertainties:

- Safe nursery services

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

- Performance of investment portfolio

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

- Compliance with regulatory requirements and maintenance of donor confidence

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

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

Internal Financial Control and Governance

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

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

Each year an income and expenditure plan is drawn up in consultation with the fund managers in order that the Corporate Trustee may know that the funds are available and adequate to fulfil the obligations of the charity. The financial position as at the 31st March 2023 was more than adequate to meet future plans and obligations as at that date, both overall and on a fund-by-fund basis.

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

9 - Reserves

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

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

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

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

In June 2018, the Committee reviewed the level of funds and set a target level (excluding endowments) of £1.15m. The actual level of these funds can be expected to fluctuate above and below the target, given the variability of voluntary income, discretionary grant expenditure and investment gains/losses. As at March 2023, these funds total £1.16m (March 2022: £1.41m).

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

10 - Future plans

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

For 2023/24, the Corporate Trustee has asked Fund Managers to prioritise expenditure on:

- Supporting the change process that many NHS services are going through.
- The health and well-being of staff.
- Discretionary staff training/development
- Purchases of medical equipment
- Comforts for patients and their visitors

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

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

11 - Assets and Liabilities

Total assets and liabilities	31/03/23	31/03/22
	£'000	£'000
Investments	1,479	1,760
Debtors	9	10
Cash and cash equivalents	104	33
Total assets	1,592	1,803
Creditors	93	27
Total liabilities	93	27
Total assets less liabilities	1,499	1,776

The value of investments reduced during the year. This was due to reductions in the market value of the portfolio and sales of investments to fund the planned operating deficit.

The charity's expenditure is incurred on its behalf by the Corporate Trustee and the charity periodically reimburses the Corporate Trustee. The Corporate Trustee, as a large organisation, has offered the charity some flexibility in terms of the timing of these reimbursements. The amount owing to the Corporate Trustee was higher at 31 March 2023 than at the prior year end – as such the cash balance and creditor balance were both higher than at the prior year end.

11.1 Investments

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

	31 March 2023	31 March 2022
Fixed Interest	17%	15%
Equities	64%	67%
Property	6%	6%
Alternative assets	11%	9%
Cash	2%	3%
Total	100%	100%

Investment Policy and Ethical Investments

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

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

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

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

The Corporate Trustee has also sought assurance from the investment manager regarding the ESG (Environmental, Social and Governance) scoring of the investment portfolio. Based on the Sustainalytics scoring method, at June 2022 the portfolio scored 18.1, which is favourable to the benchmark of 22.1.

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

Investment type	Weighting	Benchmark
Bonds	17%	FTA Government Gilt Index
Equities – UK	25%	FTSE All Share Index
Equities - Overseas	45%	FTSE World (ex UK) Index
Property	5%	IPD Property Index
Alternatives	5%	Bank of England Base Rate plus 2%
Cash	3%	Bank of England Base Rate minus 0.5%

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

A review of the portfolio performance is undertaken by the Corporate Trustee twice-yearly at the meetings of the Charitable Funds Committee, alongside a review of the performance of the investment manager. The performance of the investment manager is also subject to a more extensive review every three years. The last such review was in November 2017. The review due to be held in November 2020 has been delayed, primarily due to Covid.

The investment policy is reviewed by the Corporate Trustee annually.

12 - Contact details

The day-to-day management of the charity is delegated to a senior manager within the Corporate Trustee's Finance Department. This role is currently undertaken by Patrick Vincent ACMA.

Principal Address

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

Finance Office

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

Auditors

Bishop Fleming LLP
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth PL4 0BN

Investment Advisers

Investec Wealth & Investment
2 Gresham Street
London EC2V 7QP

Bankers

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

Scottish Widows
67 Morrison Street
Edinburgh EH3 8YJ

Further Information

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

Signed on behalf of the Corporate Trustee

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

Date:

TORBAY AND SOUTH DEVON NHS CHARITABLE FUND

ACCOUNTS 2022/23

FOREWORD

These accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2019.

STATUTORY BACKGROUND

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

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

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

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

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

Statement of Trustee's Responsibilities

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

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

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

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Trustee

Signed:

Director of Operational Finance

Date

Independent Auditor's Report to the Trustee of Torbay and South Devon NHS Charitable Fund

Opinion

We have audited the financial statements of Torbay and South Devon NHS Charitable Fund (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the trustee of Torbay and South Devon NHS Charitable Fund (continued)

Responsibilities of the trustee

As explained more fully in the trustee's responsibilities statement, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The procedures undertaken in order to identify and assess risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, are as follows:

- we have considered the nature of the industry and sector, control environment and business performance;
- we have considered the results of our enquiries of management and those charged with governance about their own identification and assessment of the risk of irregularities;
- for any matters identified, we have obtained and reviewed the charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
 - the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- we have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) – Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements, but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations, licensing acts and employment legislation.

Independent auditor's report to the trustee of Torbay and South Devon NHS Charitable Fund (continued)

Auditor responsibilities for the audit of the financial statements (continued)

As a result of performing the above procedures, we have cut-off of revenue recognition as a key audit matter related to the potential risk of fraud. Our procedures to respond to the risks identified included the following:

- documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- considering manual income journals as part of our work on fraud risks documented above;
- reviewing the financial statement disclosures and testing to supporting documentation;
- enquiring of management concerning actual and potential litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that that may indicate risks of material misstatement;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP (Statutory Auditor)

Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth, Devon, PL4 0BN

Date:

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

Statement of Financial Activities for the year ending 31 March 2023

	Note	Unrestricted Funds 2022/23 £'000	Restricted Funds 2022/23 £'000	Endowment Funds 2022/23 £'000	Total 2022/23 £'000	Total (restated) 2021/22 £'000
Income and endowments from:						
Donations and legacies	4	9	223	0	232	142
Charitable activities	5	0	631	0	631	620
Other trading activities	5	0	0	0	0	0
Investments	6	17	23	0	40	39
Total		26	877	0	903	801
Expenditure on:						
Raising funds	7	(12)	(31)	(3)	(46)	(16)
Charitable activities						
- NHS capital equipment grants	8	(8)	(9)	0	(17)	(60)
- Patient welfare & amenities	8	(72)	(222)	0	(294)	(251)
- Staff welfare & amenities	8	(5)	(44)	0	(49)	(49)
- Staff development	8	(1)	(18)	0	(19)	(21)
- Research	8	0	(1)	0	(1)	(1)
- Transfers to other charities	8	0	0	0	0	(3)
- Rainbow nursery expenditure	8	0	(636)	0	(636)	(614)
Sub-total charitable activities		(86)	(930)	0	(1,016)	(999)
Other expenditure	21	0	(2)	0	(2)	(2)
Total		(98)	(963)	(3)	(1,064)	(1,017)
Net gains/(losses) on investments	13.4	(31)	(59)	(26)	(116)	70
Net income/(expenditure)		(103)	(145)	(29)	(277)	(146)
Transfers between funds		0	0	0	0	0
Net movement in funds		(103)	(145)	(29)	(277)	(146)
Reconciliation of funds:						
Total funds brought forward		414	997	365	1,776	1,922
Total funds carried forward	18	311	852	336	1,499	1,776

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

Balance Sheet as at 31 March 2023

	Note	Unrestricted Funds 31/03/2023 £'000	Restricted Funds 31/03/2023 £'000	Endowment Funds 31/03/2023 £'000	Total 31/03/2023 £'000	Total (restated) 31/03/2022 £'000
Fixed assets:						
Investments	13	306	837	336	1,479	1,760
Total fixed assets		306	837	336	1,479	1,760
Current Assets:						
Debtors	14	2	7	0	9	10
Cash at bank and in hand	15	23	81	0	104	33
Total current assets		25	88	0	113	43
Liabilities						
Creditors: Amounts falling due within one year	16	(20)	(73)	0	(93)	(27)
Net current assets		5	15	0	20	16
Total net assets		311	852	336	1,499	1,776
The funds of the charity:						
Endowment Funds	18	0	0	336	336	365
Restricted Income Funds	18	0	852	0	852	997
Unrestricted Income Funds	18	311	0	0	311	414
Total charity funds		311	852	336	1,499	1,776

The notes on pages 26 to 39 form part of these accounts.

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

The accounts on pages 23 to 39 were approved by the Corporate Trustee on and signed on its behalf by:

Director of Operational Finance

Date

Statement of cash flows for the year ending 31 March 2023

	Note	Total 2022/23 £'000	Total (restated) 2021/22 £'000
Cash flows from operating activities:			
Net income/(expenditure) for the year (as per the Statement of Financial Activities)		(277)	(146)
Adjustments for:			
- (Gains)/losses on investments	13.4	116	(70)
- Dividends, interests and rents from investments	6	(40)	(39)
- Decrease/(increase) in debtors	14	1	3
- (Decrease)/increase in creditors	16	66	(57)
Net cash used in operating activities		(134)	(309)
Cash flows from investing activities:			
Dividends, interests and rents from investments	6	40	39
Less non-cash dividends included within above value	13.3	0	(1)
Plus purchased interest	13.3	0	0
Cash withdrawn from the investment portfolio	13.3	165	0
Net cash provided by investing activities		205	38
Change in cash and cash equivalents over the year		71	(271)
Cash and cash equivalents at the beginning of the year	15	33	304
Cash and cash equivalents at the end of the year	15	104	33

Notes to the Accounts

1. Accounting policies

(a) Basis of preparation

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

These accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2019.

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

Judgements

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

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

Estimates

The charity does not consider that it makes any estimations which have a significant risk of causing a material adjustment within the following financial year. For a small proportion of investments such as property unit trusts, valuations may be estimated by the unit trust manager and are subject to some uncertainty. The potential impact is small.

Going concern

The charity's business activities are limited to the running of the Rainbow nursery. As explained in Section 6 of the Annual Report, the nursery is currently experiencing financial challenges, in common with the rest of the nursery sector nationally. The nursery has been able to fund deficits from its own reserves. These deficits, although significant for the nursery, are very immaterial relative to the overall reserves of the charity.

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

The charity's reserves are largely held within its investment portfolio. Cash can be realised from the investment portfolio within a matter of days.

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

Public benefit and legal form

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

Notes to the Accounts

1. Accounting policies (continued)

(b) Funds structure

The Corporate Trustee has the power to accept gifts, including gifts to be held on trust either for the purposes of the Corporate Trustee or for any purposes relating to the NHS. Charitable gifts to the Corporate Trustee which are held on trust are held by the charity and accounted for as gifts to the charity.

Some charitable gifts are only given to the Corporate Trustee after corresponding expenditure specified by the donor has already been incurred by the Corporate Trustee. In such cases, the gifts have been expended before they have been received. They are consequently not required to be held and are accounted for only as gifts to the Corporate Trustee.

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

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

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

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

(c) Incoming resources

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

(d) Incoming resources - legacies

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

Receipt is probable when:

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

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

(e) Incoming resources from endowment funds

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

(f) Resources expended and irrecoverable VAT

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

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

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

Notes to the Accounts

1. Accounting policies (continued)

(g) Resources expended - grants

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

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

Evidence of a constructive obligation exists where:

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

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

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

(h) Allocation of overhead and support costs

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

(i) Fundraising costs

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

(j) Charitable activities

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

(k) Fixed asset investments

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

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

Notes to the Accounts

1. Accounting policies (continued)

(k) Fixed asset investments (continued)

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

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

(l) Debtors

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

(m) Cash and cash equivalents

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

(n) Creditors

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

(o) Financial Instruments

The charity's Financial Instruments are all Basic Financial Instruments and consist of:

- Investments. See note 1(k). The carrying value for investments on the balance sheet at the reporting date entirely consists of financial assets measured at fair value through profit or loss.
- Debtors. See note 1(l).
- Cash and cash equivalents. See note 1(m).
- Creditors. See note 1(n).

(p) Pensions

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

(q) Pooling scheme

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

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

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

(r) Taxation

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

Notes to the accounts

2. Prior year comparatives by type of fund

2.1 Statement of Financial Activities

	Note	Unrestricted Funds (restated) 2021/22 £'000	Restricted Funds (restated) 2021/22 £'000	Endowment Funds 2021/22 £'000	Total (restated) 2021/22 £'000
Income and endowments from					
Donations and legacies	4	17	125	0	142
Charitable activities	5	0	620	0	620
Other trading activities		0	0	0	0
Investments	6	16	23	0	39
Total		33	768	0	801
Expenditure on:					
Raising funds	7	(4)	(8)	(4)	(16)
Charitable activities					
- NHS capital equipment grants	8	0	(60)	0	(60)
- Patient welfare & amenities	8	(29)	(222)	0	(251)
- Staff welfare & amenities	8	(3)	(46)	0	(49)
- Staff training & education	8	(11)	(10)	0	(21)
- Research	8	0	(1)	0	(1)
- Transfers to other charities	8	0	(3)	0	(3)
- Rainbow nursery expenditure	8	0	(614)	0	(614)
Sub-total charitable activities	8	(43)	(956)	0	(999)
Other expenditure		0	(2)	0	(2)
Total		(47)	(966)	(4)	(1,017)
Net gains on investments	13.4	13	41	16	70
Net income/(expenditure)		(1)	(157)	12	(146)
Transfers between funds		0	0	0	0
Net movement in funds		(1)	(157)	12	(146)
Reconciliation of funds:					
Total funds brought forward		415	1,154	353	1,922
Total funds carried forward	18	414	997	365	1,776

Notes to the accounts

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

2.2 Balance Sheet

	Note	Unrestricted Funds (restated) 31/03/2022 £'000	Restricted Funds (restated) 31/03/2022 £'000	Endowment Funds 31/03/2022 £'000	Total (restated) 31/03/2022 £'000
Fixed assets:					
Investments	13	409	986	365	1,760
Total fixed assets		409	986	365	1,760
Current Assets:					
Debtors	14	3	7	0	10
Cash at bank and in hand	15	13	20	0	33
Total current assets		18	46	0	64
Liabilities					
Creditors: Amounts falling due within one year	16	(11)	(16)	0	(27)
Net current liabilities		5	11	0	16
Total net assets		414	997	365	1,776
The funds of the charity:					
Endowment Funds	18	0	0	365	365
Restricted Income Funds	18	0	997	0	997
Unrestricted Income Funds	18	414	0	0	414
Total charity funds	18	414	997	365	1,776

Notes to the accounts

3. Related party transactions

During the year no parties (2021/22: none) related to a member of the Board of Torbay and South Devon NHS Foundation Trust (the Corporate Trustee) have undertaken material transactions with the charity. No members of the key management staff or parties related to them has undertaken any material transactions with the charity (2021/22: none).

During the year one (2021/22: 1) public sector organisation has undertaken material transactions with the charity. Torbay Council provided £165k (2021/22: £155k) Early Years funding to the charity in respect of the charity's provision of nursery services to eligible children.

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

- Finance and administration costs bought in from Torbay and South Devon NHS Foundation Trust, £84k (2021/22 £117k). Please see Note 10 for further details.

- Reimbursement of charitable expenditure incurred by Torbay and South Devon NHS Foundation Trust on behalf of the charity, £977k (2021/22 restated: £900k). The Corporate Trustee also provided financial support of £12k (2021/22: £42k) to the charity to offset the financial impact of Covid on the nursery.

During the year, the Corporate Trustee was not paid or reimbursed for the costs it incurs in its role as Corporate Trustee, such as the salary costs of members of the Board of the Corporate Trustee (2021/22: £0).

There was an outstanding creditor due to Torbay and South Devon NHS Foundation Trust at 31st March 2023 of £57k (31 March 2022: £0).

No members of the Corporate Trustee's Board received honoraria, emoluments or expenses in the year from the Charitable Fund (2021/22: none).

Notes to the Accounts

4. Donations and legacies

	Unrestricted	Restricted	Endowment	Total	Total (restated)
	Funds	Funds	Funds	2022/23	2021/22
	£'000	£'000	£'000	£'000	£'000
Donations	2	141	0	143	124
Legacies	7	4	0	11	18
Grants	0	78	0	78	0
Total	9	223	0	232	142

5. Charitable activities

	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	2022/23	2021/22
	£'000	£'000	£'000	£'000	£'000
Rainbow nursery income	0	619	0	619	609
Other	0	12	0	12	11
Total	0	631	0	631	620

Rainbow nursery provides nursery services, primarily to employees of Torbay and South Devon NHS Foundation Trust. The 'Other' category principally relates to income from sales of mastectomy bras to patients.

6. Investments

	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	2022/23	2021/22
	£'000	£'000	£'000	£'000	£'000
Listed investments	17	23	0	40	39
Total	17	23	0	40	39

Investment income is received from the charity's investment portfolio. In recent years, interest income received from cash balances has been negligible.

7. Raising funds

	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	2022/23	2021/22
	£'000	£'000	£'000	£'000	£'000
Investment management costs	(4)	(8)	(3)	(15)	(16)
Fundraising costs	(8)	(23)	0	(31)	0
Total	(12)	(31)	(3)	(46)	(16)

The charity employs a professional investment management company (Investec Wealth & Investment Ltd) to manage its investment portfolio. Fundraising costs consists of the part-year cost of the charity's fundraising manager, a new role which commenced in September 2022.

8. Analysis of expenditure on charitable activities

	Activities	Grant	Support	Total	Total
	undertaken	expenditure	costs	2022/23	(restated)
	£'000	£'000	£'000	£'000	£'000
NHS capital equipment grants	0	(16)	(1)	(17)	(60)
Patient welfare & amenities	0	(207)	(87)	(294)	(251)
Staff welfare & amenities	0	(46)	(3)	(49)	(49)
Staff development	0	(17)	(2)	(19)	(21)
Research	0	(1)	0	(1)	(1)
Transfers to other charities	0	0	0	0	(3)
Sub-total - grant expenditure	0	(287)	(93)	(380)	(385)
Rainbow nursery expenditure	(632)	0	(4)	(636)	(614)
Total	(632)	(287)	(97)	(1,016)	(999)

Notes to the Accounts

8. Analysis of expenditure from charitable activities (continued)

With the exception of the running costs of the Rainbow nursery, the charity's expenditure consists of grants to relevant NHS bodies. During 2022/23, the nursery incurred a deficit of £17,000 (2021/22: £2,000). Further details regarding the nursery's financial performance are provided in section 6 of the Annual Report.

9. Analysis of grant expenditure

All grants are made to organisations. All grants have been made to Torbay and South Devon NHS Foundation Trust (2021/22: one grant of £3k was made to Devon Partnership Trust Special Charity).

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

10. Support costs

	Basis of allocation	Charitable activities £'000	Total 2022/23 £'000	Total 2021/22 £'000
External audit fees	Value of balance	13	13	11
Staffing cost - governance activities	Value of balance	22	22	16
Total governance cost		35	35	27
Staffing cost - administrative activities	Value of expenditure	62	62	101
		97	97	128

Support costs are those costs which can not be directly attributed to an individual activity. These include the cost of the staff who administer the charity and governance costs (such as the audit fee). In deciding upon a basis for allocating support costs, the charity has considered the Charity Commission's 'NHS Charities Guidance'. The charity believes that 'value of balance' is the most appropriate basis of allocation for governance costs, as the value of funds is a key driver for governance activities, and 'value of expenditure' is the most appropriate basis of allocation for day to day management/administration costs, as management of expenditure is the principal administrative activity. Support costs are allocated across c 200 separate funds. This is a complex process and, as such, the charity does not consider that it would be sensible to adopt more complex bases of apportionment. Support costs are allocated between fund types in line with the above bases of apportionment.

Most support costs are incurred by the Foundation Trust and recharged to the charity, as disclosed in Note 3 and as described in Note 12. Support costs have declined in 2022/23, due to the reducing cost of administering the very generous donations in response to the Covid pandemic.

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

Analysis of support costs by fund

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022/23 £'000	Total 2021/22 £'000
Capital equipment	1	0	0	1	0
Patient welfare	17	70	0	87	118
Staff welfare		3	0	3	4
Staff development		2	0	2	1
Rainbow nursery expenditure		4	0	4	5
	18	79	0	97	128

Notes to the Accounts

11. Auditors' remuneration

The auditors' remuneration of £11,000 excl VAT (2021/22 £9,500 excl VAT) related to the audit with no additional work undertaken (2020/21: none). Including irrecoverable VAT, the cost to the charity was £13,200 (2021/22: £11,400).

12. Analysis of staffing cost

	Rainbow nursery £'000	Fundraising costs £'000	Support costs £'000	Total 2022/23 £'000	Total 2021/22 £'000
Wages and salaries	478	28	67	573	558
Social security costs	32	3	7	42	37
Employer contributions to NHS Pension Scheme	61	0	10	71	71
	571	31	84	686	666
Average headcount	32.0	0.6	6.3	38.9	48.8
Average whole-time equivalent	20.2	0.6	1.7	22.5	23.2

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

There are no employees who received employee benefits excluding employer pension costs of more than £60,000 (2021/22: none).

13. Investments**13.1 Fixed asset investments by class**

	Total value held in the UK 2022/23 £'000	Total value held in the UK 2021/22 £'000
Listed investments - at fair value	1,454	1,703
Cash or cash equivalents	25	57
Total	1,479	1,760

13.2 Movement in fixed asset investments - listed investments

	2022/23 £'000	2021/22 £'000
Market value brought forward at 1st April	1,703	1,644
Purchases at cost	218	263
Disposals at carrying value	(384)	(252)
Unrealised gain/(loss) on revaluation	(83)	48
Market valuation as at 31st March	1,454	1,703

Notes to the Accounts

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

	2022/23 £'000	2021/22 £'000
Brought forward at 1st April	57	45
Proceeds on disposal of listed investments	351	274
Purchases of listed investments	(218)	(263)
Less non-cash dividends included within purchases	0	1
Cash withdrawn from the investment portfolio	(165)	0
Value as at 31st March	25	57

During 2022/23 the charity withdrew £165,000 from the investment portfolio (2021/22: nil). These withdrawals are made in order to fund planned reductions in reserves (as described in the Annual Report).

13.4 Gains on investments

	2022/23 £'000	2021/22 £'000
Realised (losses)/gains	(33)	22
Unrealised (losses)/gains	(83)	48
Total	(116)	70

14. Debtors

	Total 2022/23 £'000	Total (restated) 2021/22 £'000
Trade debtors	0	1
Prepayments and accrued income	9	9
Total	9	10

15. Cash at bank and in hand

	Total 2022/23 £'000	Total 2021/22 £'000
Current account	100	29
Deposit accounts	4	4
Total	104	33

16. Creditors: amounts falling due within one year

	Total 2022/23 £'000	Total (restated) 2021/22 £'000
Accruals	(23)	(27)
Deferred Income	(13)	0
Torbay and South Devon NHS Foundation Trust	(57)	0
Total	(93)	(27)

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

Analysis of movement in deferred income:

	2022/23 £'000	2021/22 £'000
Deferred income brought forward at 1 April	0	0
Release in year of deferred income brought forward	0	0
Recognition in year of new deferred income	(13)	0
Deferred income carried forward at 31 March	(13)	0

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

17. Contingent assets - legacies

As at 31 March 2023 there were two (31/03/2022: two) legacies with an estimated total value of £8k (31/03/2022: £5k) where probate had been granted but where income had not been recognised because either the value could not be measured with sufficient reliability or probability of receipt had not been established.

Notes to the Accounts

18. Analysis of funds

	Balance 31/03/2022 £'000	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Transfers £'000	Balance 31/03/2023 £'000
Endowment funds (see also note 18.1)						
Torbay Hospital PGMF Fund	69	0	(1)	(5)	0	63
Ashburton Hospital Easterbrook Bequest	20	0	0	(1)	0	19
Newton Abbot Hospital Easterbrook Bequest	20	0	0	(2)	0	18
Newton Abbot Hospital Blake Bequest	238	0	(2)	(17)	0	219
Newton Abbot Hospital Gribble Bequest	18	0	0	(1)	0	17
Total Endowment funds	365	0	(3)	(26)	0	336
Restricted income funds (see also note 18.2)						
Torbay Hospital Patients	175	28	(37)	(13)	0	153
Torbay Hospital Cancer Services	74	50	(41)	(5)	0	78
Torbay Hospital Heart & Lung Unit	65	5	(9)	(4)	0	57
Torbay Hospital Staff	71	631	(646)	(6)	0	50
Torbay Hospital General	222	92	(128)	(2)	(2)	182
Paignton Hospital General	82	23	(7)	(6)	(2)	90
Torbay Hospital General Surgery & Urology	59	2	(9)	(4)	0	48
Torbay Hospital Gastroenterology	21	1	(3)	(2)	0	17
Torbay Hospital Radiology	23	17	(20)	(2)	2	20
Torbay Hospital Radiotherapy	43	3	(4)	(3)	0	39
Torbay Hospital Laboratory Medicine	54	4	(6)	(4)	0	48
Torbay Hospital Ophthalmology	23	2	(3)	(2)	0	20
Torbay Hospital Endocrinology	35	1	(5)	(3)	0	28
Others (7)	50	18	(45)	(3)	2	22
Total Restricted funds	997	877	(963)	(59)	0	852
Unrestricted income funds (see also note 18.3)						
Community Hospitals	73	11	(14)	(5)	0	65
Other	341	15	(84)	(26)	0	246
Total Unrestricted funds	414	26	(98)	(31)	0	311
Total funds	1,776	903	(1,064)	(116)	0	1,499

Notes to the Accounts

18. Analysis of funds (continued)

18.1 Details of material Endowment funds

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

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

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

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

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

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

18.2 Details of material restricted funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Other restricted funds consist of funds with immaterial opening and closing balances which relate to other wards and clinical departments at Torbay Hospital and other community hospitals as listed in the foreword.

Notes to the Accounts

18. Analysis of funds (continued)

18.3 Details of material unrestricted funds

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

19. Ultimate controlling party

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

Copies of the 2022/23 Annual Report and Financial Statements of Torbay and South Devon NHS Foundation Trust can be obtained by writing to: Chief Finance Officer, Torbay and South Devon NHS Foundation Trust, Torbay Hospital, Lowes Bridge, Torquay, TQ2 7AA.

20. Mergers

The charity has not undertaken any mergers with other charities.

21. Prior year restatement

The charity has made a change to its accounting policy for Funds Structure (Note 1b). Gifts which are given in arrears, in reimbursement of expenditure specified by the donor are now accounted for as gifts to the Corporate Trustee and not as gifts to the charity. Further information regarding the rationale for this decision is provided in Section 6 of the Annual Report.

This has had a material impact on the charity's Accounts. The principal impact relates to gifts from local partner charities such as the local Leagues of Friends and Torbay Medical Research Fund. These gifts, and the expenditure funded by them, are now accounted for only by the Corporate Trustee and not by the charity.

The 2021/22 figures disclosed in these Accounts have been restated accordingly. The material impacts are:

- 2021/22 income from donations and legacies. Reduction of £196,000.
- 2021/22 charitable expenditure. Reduction of £196,000.
- 31 March 2022 debtors. Reduction of £21,000.
- 31 March 2022 creditors. Reduction of £21,000.
- 2021/22 cashflows from decrease in debtors. Reduction of £43,000.
- 2021/22 cashflows from decrease in creditors. Reduction of £43,000.
- Related parties (2021/22 charitable expenditure reimbursed to the Corporate Trustee). Reduction of £196,000.

Accounts

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

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2022

Trustee's Report

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

1 - The Corporate Trustee

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

Executive Members

Liz Davenport – Chief Executive

Dave Stacey – Chief Finance Officer and Deputy Chief Executive

John Scott – Interim Chief Operating Officer

Michelle Westwood – Chief People Officer

Adel Jones – Director of Transformation and Partnerships

Deborah Kelly – Chief Nurse

Ian Currie – Medical Director

Joanne Watson – Health and Care Strategy Director

Oyetona Raheem – Interim Director of Corporate Governance and Trust Secretary

Non-executive Members

Sir Richard Ibbotson – Chairman

Chris Balch

Richard Crompton

Jacqui Lyttle

Vikki Matthews

Paul Richards

Robin Sutton

Sally Taylor

Siân Walker-McAllister

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

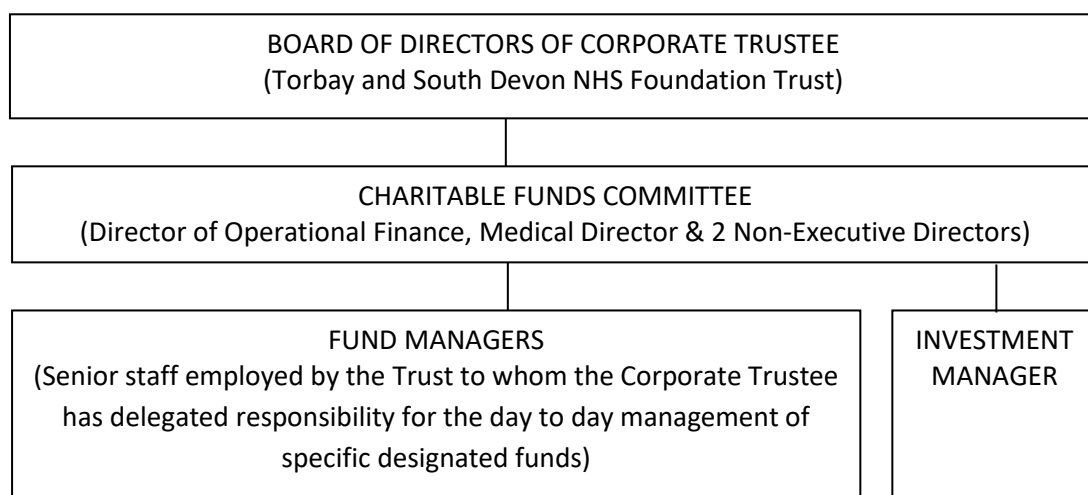
Newly appointed members of the Board go through an induction procedure to assist them in adjusting to the new social and working conditions in order to achieve maximum safe working and efficiency in the shortest possible time, to ensure they have knowledge of the organisation structure and how their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

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

2 - Organisation structure

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

The Trust's charitable funds are held within an Umbrella charity and 21 Special Purpose charities (2020/21: 21). These do not constitute separate charities for accounts purposes and are not separately registered. However, they facilitate the correct direction of donations towards the purposes for which they were granted. Each Special Purpose charity itself is divided into a number of designated funds for particular purposes. There are 192 designated funds (2020/21: 200).



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

3- Objectives

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

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

4 - Aims

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

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

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

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

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

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

5 - Monitoring

Each year, the charity prepares an income and expenditure plan. This plan takes into account feedback received from Fund Managers, who are usually medical practitioners and other front-line staff who can best assess the needs of their patients. This plan is considered and approved by the Charitable Funds Committee, with delegated authority from the Trust Board.

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

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

6 - Performance against objectives

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

The charity sets default grant-making priorities each year, in line with Charity Commission guidance. For 2021/22, these priorities were:

- Items to help the organisation to recover from the impact of Covid.
- Purchases of medical equipment
- Comforts for patients and their visitors
- Discretionary staff training/development

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

Due to its nature, voluntary income is dependent on the wishes of donors and is inherently variable. Grant expenditure is almost entirely discretionary and hence also highly variable. For these reasons, performance against the charity's annual plan is normally subject to a relatively high level of variability.

	2021/22				2022/23
	Plan	Actual	Variance		Plan
	£'000	£'000	£'000		£'000
Income	1,197	997	-200		1,115
Expenditure	-1,300	-1,213	+87		-1,309
(Deficit)/surplus prior to investment gains/losses	-103	-216	-113		-194

The charity planned in 2021/22 to incur a deficit (before investment gains/losses) of £103,000. In line with its reserves policy, the charity has been spending down excess accumulated reserves for a number of years. The actual deficit (before investment gains) of £216,000 was £113,000 adverse to plan. There were two principal reasons for this variance:

- Income from legacies was £63,000 lower than planned. Legacy income is highly unpredictable and the plan assumed receipt of an average value.
- Expenditure by delegated Fund Managers was £56,000 higher than planned, reflecting a continued desire by Fund Managers to spend down accumulated reserves.

Donations from NHS Charities Together (the body which has been distributing donations given to aid the NHS's Covid response) were £145,000 lower than planned, due to a delay in the receipt of these donations. However, expenditure on the projects funded by this income was also delayed. So this delay did not affect the level of the deficit.

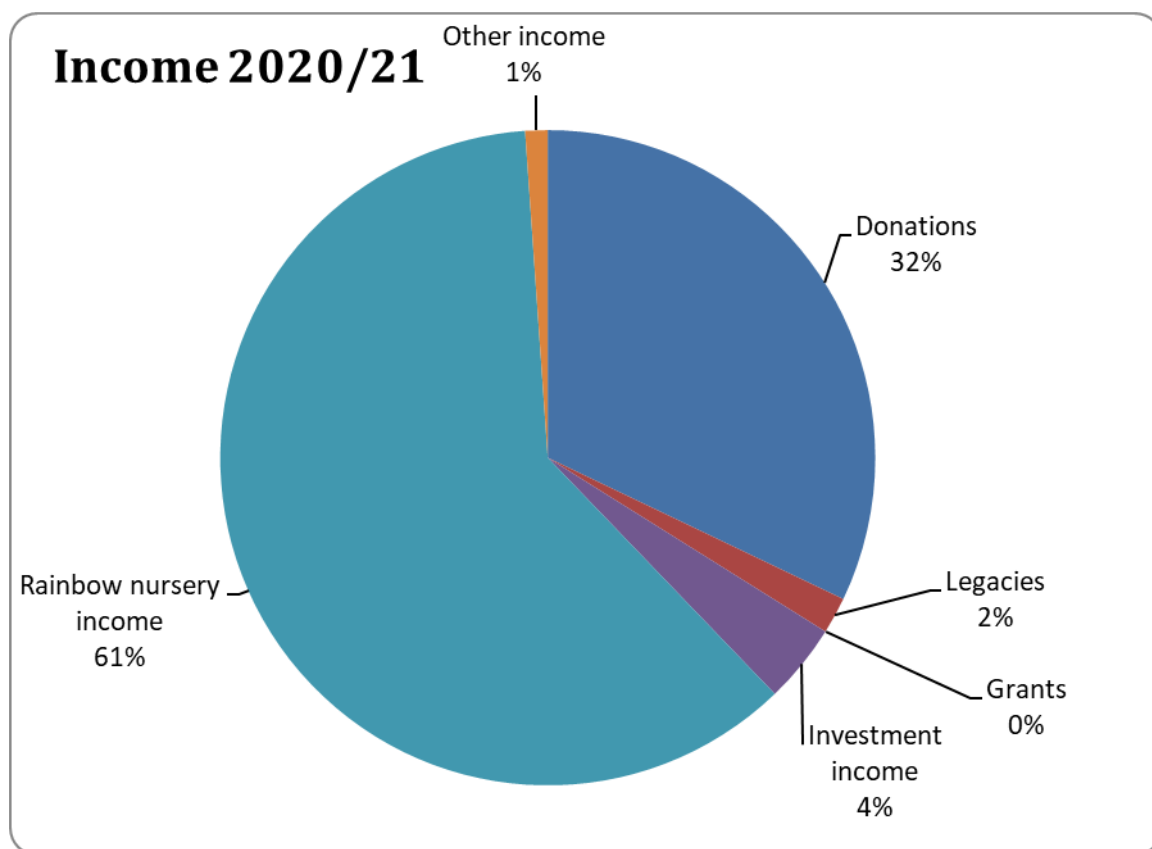
Further details of the generous support received from the Leagues of Friends, Torbay Medical Research Fund and other similar charities can be found on page 10 of this Report.

The Rainbow nursery incurred a deficit of £5,000, which was £16,000 adverse to the planned surplus of £11,000. As described in Note 8 to the Accounts, the Charitable Funds Committee has initiated a review into options to ensure the long-term financial sustainability of the nursery. Pending the conclusion of that review, the nursery has been able to fund any modest deficits out of its accumulated revenue reserves (March 2022: £28,000).

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

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

6.1 – Income



Income	2021/22	2020/21
	£'000	£'000
Donations	320	437
Legacies	18	31
Grants	0	226
Investment income	39	41
Rainbow nursery income	609	587
Other income	11	12
Total Income	997	1,334

Donations, legacies and grants

The Covid pandemic has had a significant impact on voluntary income. During 2020/21, the charity received £184,000 from NHS Charities Together and raised £48,000 through its local Covid fundraising campaign. During 2021/22, local donations have been significantly reduced, perhaps reflecting an element of 'donor fatigue'. In addition, no further grants have been received from NHS Charities Together, although further grants are expected in 2022/23.

Overall, the combined level of donation and grant income in 2021/22 (£338,000) was significantly lower than in the prior year (£663,000).

A gift in a will is a valued way of donating to charity and we are fortunate to be remembered by so many people each year. Legacy income is unpredictable and therefore tends to vary from year to year. During 2021/22 £18,000 was kindly bequeathed to the charity from 6 legacies. These ranged in value from less than £1,000 up to £5,000.

Further details of the expenditure funded by these generous donations are given on pages 9 to 10.

Fundraising

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

While the charity aims to ensure that fundraising is always conducted appropriately, given the small scale of fundraising activity the charity has not chosen to join or adopt any of the voluntary schemes or standards for fundraising, such as those provided by the Fundraising Regulator or Fundraising Standards Board.

There are significant practical limitations on monitoring the activities of volunteer fundraisers (who mostly conduct their fundraising from their private homes). As such, very limited monitoring can be undertaken but the charity is ready to act swiftly in the event of a complaint. No such complaints were received in the year (2020/21: none).

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

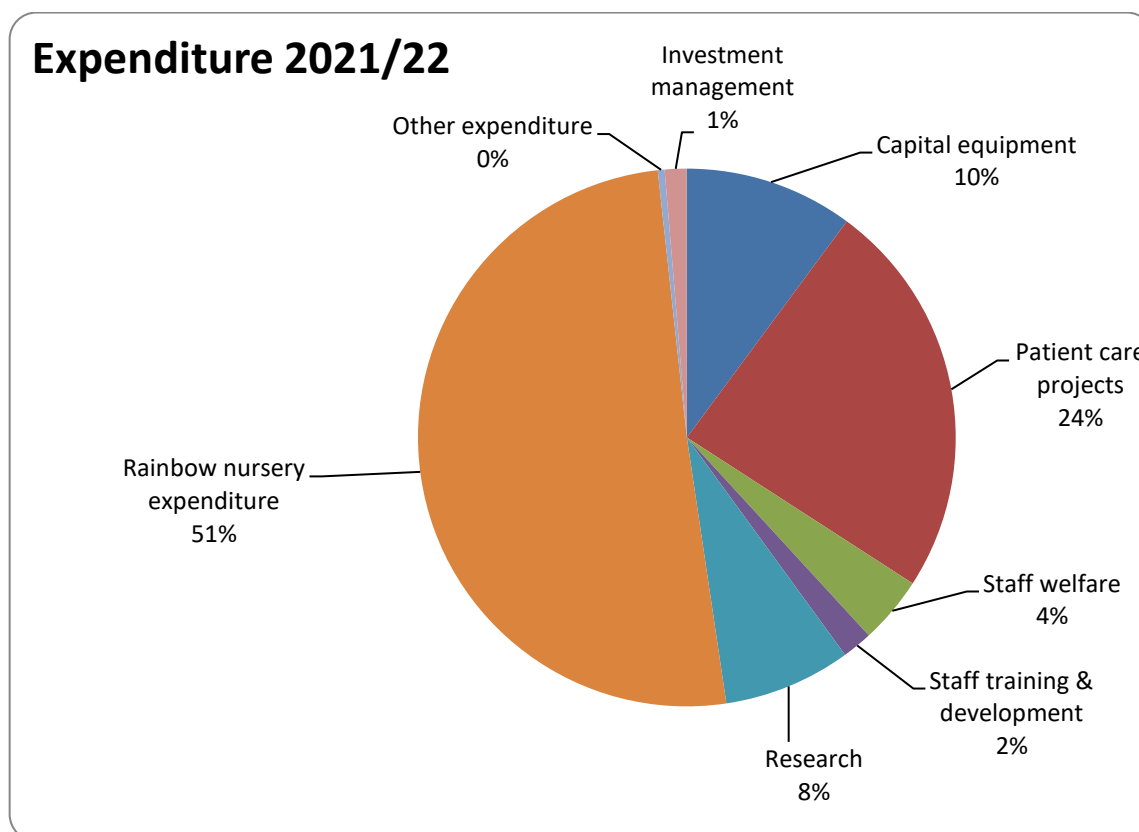
In September 2022, the charity started to employ an experienced Fundraising Manager and, during the remainder of 2022/23, the charity expects to start to develop its fundraising activities.

The charity sells mastectomy bras to patients. In previous years these sales had been treated as income-raising activities. From 2021/22, it was decided that it would be more appropriate to classify these sales as charitable activities. Further details can be found in notes 5 and 7 to the Accounts.

Gift Aid

Torbay and South Devon NHS Charitable Fund participates in the government's Gift Aid scheme. Wherever possible we encourage donors to assist us with this by authorising us to claim tax back from HM Revenue and Customs in respect of their donation. This can increase the value of the donation by 25% at no additional cost to the donor. In 2021/22 we boosted our donations by £4,763 as a result of this initiative.

6.2 – Expenditure



Expenditure	2021/22	2020/21
	£'000	£'000
Capital equipment	123	87
Patient care projects	291	311
Staff welfare	49	43
Staff development	22	17
Research	93	78
Transfers to other charities	3	0
Rainbow nursery expenditure	614	589
Other expenditure	2	2
Fundraising trading	0	10
Investment management	16	15
Total expenditure	1,213	1,152
Other expenditure - grants written back	0	(400)
Total resources expended	1,213	752

Expenditure in both 2021/22 and the prior year was lower than the longer-term average. This is thought to be principally because many charitable projects were delayed due to the need for staff to focus on the Covid response.

No grants were written back during the year, in contrast to the prior year, when one grant of £400,000 was written back. As a result, the overall level of resources expended was significantly higher during 2021/22 compared to the prior year.

Expenditure for the year included a total of £215,000 funded by Leagues of Friends, the Torbay Medical Research Fund and other charities. Further details of this expenditure is given on page 10.

Projects funded by Covid donations and grants

The following projects were completed during the year:

- Improvements to Bayview Café (£26,000)
- Bicycle storage facilities (£9,000)
- Outdoor spaces (£18,000)
- Bayview Restaurant videowall (£7,000)
- Staff wellbeing and support (£6,000)

Ongoing projects include:

- Improvements to Rose Garden (£40,000)
- Modernisation of staff rooms (£32,000)
- Support for BAME (Black, Asian and Minority Ethnic) staff network (£3,000)

General charitable expenditure

There has been a reduced level of general charitable expenditure during the current and prior year, as staff have prioritised dealing with the Covid pandemic. The following are examples of some of the ways in which donations have been put to use during 2021/22:

- Items for Stoma care (£13,000)
- Ultrasound system and transducer for Allerton Ward (£18,000)
- Staff development on Ricky Grant Day Unit and Turner Ward (£5,000)
- Specialist chair for Ophthalmology (£5,000)
- Improvements to On Call room in Anaesthetics (£5,000)

Leagues of Friends, Torbay Medical Research Fund and other charities

The charity remains greatly indebted to the various hospital Leagues of Friends, the Torbay Medical Research Fund and other charities, who raise and provide us with funds to support our work. Listed below are just some of the projects funded by them during the year.

Torbay Hospital League of Friends

- Ventilators for Intensive Care Unit (£33,000)
- Patient trolleys for Cardiology (£12,000)
- Bariatric Stairclimbers for Patient Transport (£12,000)
- Laparoscopic training equipment for Upper Gastrointestinal Surgery (£5,000)

Dawlish Hospital League of Friends

- Electrocardiogram machine (£3,000)
- Reclining armchairs (£3,000)
- Blood fridge (£4,000)

Newton Abbot Hospital League of Friends

- Specialist trauma chairs (£5,000)
- Dysphagia devices for Speech and Language Therapy (£3,000)

Teignmouth Hospital League of Friends

- Electrocardiogram machine (£2,000)
- Portable Electrocardiogram machine for District Nurses (£2,000)

Totnes Hospital League of Friends

- Dart Ward redecoration (£5,000)
- OverBed tables (£2,000)
- Specialist hospital beds (£3,000)

Torbay Medical Research Fund

- Research study 137 - A feasibility randomised controlled trial of a targeted peer coaching service for outpatients with long-term conditions (£19,000)
- Research study 132 - Doctoral and pre-doctoral fellowship for nurses, midwives and allied health professional (£55,000)

Torbay Prostate Support Association

- Specialist treatment chair for use in prostate biopsy (£18,000)

There were also many other smaller projects and pieces of equipment funded by the various Leagues of Friends, the Torbay Medical Research Fund and other charities totalling £29,000 making a grand total funded from these sources during the year of £215,000.

Rainbow Nursery

Rainbow Nursery funds its costs, which in 2021/22 amounted to £614,000 (2020/21: £589,000), from fees charged to parents of the children attending the Nursery and from Early Years funding by Torbay Council. The Nursery is a purpose-built facility, sited at the Torbay Hospital Annexe, with 50 registered places. It provides staff with reassurance that their children are being well cared for while they are at work. It consistently receives excellent reports from OFSTED and is recognised for the high standards of care and pre-school education it provides.

The Covid pandemic has had a severe impact on the nursery. During 2021/22, this included very significant levels of staff and child sickness absence due to Covid infection. In addition, social distancing and additional cleaning requirements had an ongoing adverse impact on costs. The Trust generously provided funding to the Nursery during the year to offset the impact of Covid. This funding amounted to £42,000 (2020/21: £94,000). Further information regarding the financial position of the nursery is provided in Note 8 to the Accounts.

7 - Risk Management

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

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

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

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

The charity has identified the following principal risks and uncertainties:

- Safe nursery services

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

- Performance of investment portfolio

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

- Compliance with regulatory requirements and maintenance of donor confidence

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

The impact of the Covid pandemic upon the charity has been four-fold:

- There has been a significantly increased level of donations to NHS charities, at both the national and local levels.
- Regular charitable activity has reduced, as staff prioritise the Covid response.
- The Rainbow nursery has been severely impacted by staff and child absences and an ongoing increased level of costs. The Trust has offset the financial impact.
- Investment markets have been subject to high levels of volatility.

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

Internal Financial Control and Governance

The Charitable Funds Committee is a sub-committee of the Trust Board and usually meets three or four times a year. It has delegated authority and terms of reference within which it governs, manages and regulates the finances, accounts, investments, assets, business and other affairs of the charity. It reports to the full Board of the Trust, which is ultimately responsible for the Corporate Trusteeship of the charity. There are also procedures specifically related to the financial management of the Charitable Fund. Amongst other things, these define expenditure limits applicable to the above structure.

Each year an income and expenditure plan is drawn up in consultation with the fund managers in order that the Corporate Trustee may know that the funds are available and adequate to fulfil the obligations of the charity. The financial position as at the 31st March 2022 was more than adequate to meet future plans and obligations as at that date, both overall and on a fund-by-fund basis.

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

8 - Reserves

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

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

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

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

In 2016, the Corporate Trustee identified that the value of accumulated funds was higher than was required. Fund Managers were encouraged to utilise excess fund balances. In June 2018, the Committee reviewed the position and set a target level of funds (excluding endowments) of £1.15m. The actual level of these funds can be expected to fluctuate above and below the target, given the variability of both voluntary income and discretionary grant expenditure. As at March 2022, these funds total £1.41m (March 2021: £1.57m).

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

9 - Future plans

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

For 2022/23, the Corporate Trustee has asked Fund Managers to prioritise expenditure on:

- Recovery from the impact of the Covid pandemic
- Discretionary staff training/development
- Purchases of medical equipment
- Comforts for patients and their visitors

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

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

10 - Assets and Liabilities

Total assets and liabilities	31/03/22	31/03/21
	£'000	£'000
Investments	1,760	1,689
Debtors	31	77
Cash and cash equivalents	33	304
Total assets	1,824	2,070
Creditors	48	148
Total liabilities	48	148
Total assets less liabilities	1,776	1,922

The value of investments increased during the year due to increases in the market value of the portfolio.

The value of cash was unusually high at March 2021, due to the receipt of significant Covid donations which could not be spent by the end of that year. The value of cash has declined to more normal levels during the year, as the charity has started utilising these Covid donations and as the charity has continued to spend down its excess accumulated reserves.

10.1 Investments

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

	31 March 2022	31 March 2021
Fixed Interest	15%	16%
Equities	67%	69%
Property	6%	5%
Alternative assets	9%	7%
Cash	3%	3%
Total	100%	100%

Investment Policy and Ethical Investments

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

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

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

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

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

The Corporate Trustee has also sought assurance from the investment manager regarding the ESG (Environmental, Social and Governance) scoring of the investment portfolio. Based on the Sustainalytics scoring method, at June 2022 the portfolio scored 19.8 (June 2020: 19.3), which is favourable to the MSCI Index average of 21.7 (June 2020: 22.8).

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

Investment type	Weighting	Benchmark
Bonds	17%	FTA Government Gilt Index
Equities – UK	25%	FTSE All Share Index
Equities - Overseas	45%	FTSE World (ex UK) Index
Property	5%	IPD Property Index
Alternatives	5%	Bank of England Base Rate plus 2%
Cash	3%	Bank of England Base Rate minus 0.5%

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

A review of the portfolio performance is undertaken by the Corporate Trustee twice-yearly at the meetings of the Charitable Funds Committee, alongside a review of the performance of the investment manager. The performance of the investment manager is also subject to a more extensive review every three years. The last such review was in November 2017. The review due to be held in November 2020 has been delayed, primarily due to Covid.

The investment policy is reviewed by the Corporate Trustee annually.

11 - Contact details

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

Principal Address

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

Finance Office

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

Auditors

Bishop Fleming LLP
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth PL4 0BN

Investment Advisers

Investec Wealth & Investment
2 Gresham Street
London EC2V 7QP

Bankers

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

Scottish Widows
67 Morrison Street
Edinburgh EH3 8YJ

Further Information

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

Signed on behalf of the Corporate Trustee

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

Date:

TORBAY AND SOUTH DEVON NHS CHARITABLE FUND

ACCOUNTS 2021/22

FOREWORD

These accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2019.

STATUTORY BACKGROUND

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

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

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

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

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

Statement of Trustee's Responsibilities

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

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

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

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Trustee

Signed:

Director of Operational Finance

Date

Independent Auditor's Report to the Trustee of Torbay and South Devon NHS Charitable Fund

Opinion

We have audited the financial statements of Torbay and South Devon NHS Charitable Fund (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the trustee of Torbay and South Devon NHS Charitable Fund (continued)

Responsibilities of the trustee

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

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

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The procedures undertaken in order to identify and assess risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, are as follows:

- we have considered the nature of the industry and sector, control environment and business performance;
- we have considered the results of our enquiries of management and those charged with governance about their own identification and assessment of the risk of irregularities;
- for any matters identified we have obtained and reviewed the charity's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
 - detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
 - the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- we have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations, licensing acts and employment legislation.

Independent auditor's report to the trustee of Torbay and South Devon NHS Charitable Fund (continued)

Auditor responsibilities for the audit of the financial statements (continued)

As a result of performing the above procedures, we have cut-off of revenue recognition as a key audit matter related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- undertaking substantive sample-based testing or proof in total calculations on all material revenue streams to ensure revenue has been recognised appropriately and accurately;
- considering manual income journals as part of our work on fraud risks documented above;
- reviewing the financial statement disclosures and testing to supporting documentation;
- enquiring of management concerning actual and potential litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the charity's trustee, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP (Statutory Auditor)
Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth, Devon, PL4 0BN

Date:

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

Statement of Financial Activities for the year ending 31 March 2022

	Note	Unrestricted Funds 2021/22 £'000	Restricted Funds 2021/22 £'000	Endowment Funds 2021/22 £'000	Total 2021/22 £'000	Total 2020/21 £'000
Income and endowments from:						
Donations and legacies	4	50	288	0	338	694
Charitable activities	5	0	620	0	620	587
Other trading activities	5	0	0	0	0	12
Investments	6	16	23	0	39	41
Total		66	931	0	997	1,334
Expenditure on:						
Raising funds	7	(4)	(8)	(4)	(16)	(25)
Charitable activities						
- NHS capital equipment grants	8	(13)	(110)	0	(123)	(87)
- Patient welfare & amenities	8	(49)	(242)	0	(291)	(311)
- Staff welfare & amenities	8	(3)	(46)	0	(49)	(43)
- Staff development	8	(11)	(11)	0	(22)	(17)
- Research	8	0	(93)	0	(93)	(78)
- Transfers to other charities	8	0	(3)	0	(3)	0
- Rainbow nursery expenditure	8	0	(614)	0	(614)	(589)
Sub-total charitable activities		(76)	(1,119)	0	(1,195)	(1,125)
Other expenditure	21	0	(2)	0	(2)	398
Total		(80)	(1,129)	(4)	(1,213)	(752)
Net gains/(losses) on investments	13.4	13	41	16	70	229
Net income/(expenditure)		(1)	(157)	12	(146)	811
Transfers between funds		0	0	0	0	0
Net movement in funds		(1)	(157)	12	(146)	811
Reconciliation of funds:						
Total funds brought forward		415	1,154	353	1,922	1,111
Total funds carried forward	18	414	997	365	1,776	1,922

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

Balance Sheet as at 31 March 2022

	Note	Unrestricted Funds 31/03/2022 £'000	Restricted Funds 31/03/2022 £'000	Endowment Funds 31/03/2022 £'000	Total 31/03/2022 £'000	Total 31/03/2021 £'000
Fixed assets:						
Investments	13	409	986	365	1,760	1,689
Total fixed assets		409	986	365	1,760	1,689
Current Assets:						
Debtors	14	5	26	0	31	77
Cash at bank and in hand	15	13	20	0	33	304
Total current assets		18	46	0	64	381
Liabilities						
Creditors: Amounts falling due within one year	16	(13)	(35)	0	(48)	(148)
Net current liabilities		5	11	0	16	233
Total net assets		414	997	365	1,776	1,922
The funds of the charity:						
Endowment Funds	18	0	0	365	365	353
Restricted Income Funds	18	0	997	0	997	1,154
Unrestricted Income Funds	18	414	0	0	414	415
Total charity funds		414	997	365	1,776	1,922

The notes on pages 26 to 39 form part of these accounts.

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

The accounts on pages 23 to 39 were approved by the Corporate Trustee on and signed on its behalf by:

Director of Operational Finance

Date

Statement of cash flows for the year ending 31 March 2022

	Note	Total 2021/22 £'000	Total 2020/21 £'000
Cash flows from operating activities:			
Net income/(expenditure) for the year (as per the Statement of Financial Activities)		(146)	811
Adjustments for:			
- (Gains)/losses on investments	13.4	(70)	(229)
- Dividends, interests and rents from investments	6	(39)	(41)
- Decrease/(increase) in debtors	14	46	169
- (Decrease)/increase in creditors	16	(100)	(695)
Net cash used in operating activities		(309)	15
Cash flows from investing activities:			
Dividends, interests and rents from investments	6	39	41
Less non-cash dividends included within above value	13.3	(1)	0
Plus purchased interest	13.3	0	1
Cash withdrawn from the investment portfolio	13.3	0	200
Net cash provided by investing activities		38	242
Change in cash and cash equivalents over the year		(271)	257
Cash and cash equivalents at the beginning of the year	15	304	47
Cash and cash equivalents at the end of the year	15	33	304

Notes to the Accounts

1. Accounting policies

(a) Basis of preparation

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

These accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2019.

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

Judgements

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

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

Estimates

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

Going concern

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

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

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

Public benefit and legal form

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

Notes to the Accounts

1. Accounting policies (continued)

(b) Funds structure

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

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

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

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

(c) Incoming resources

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

(d) Incoming resources - legacies

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

Receipt is probable when:

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

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

(e) Incoming resources from endowment funds

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

(f) Resources expended and irrecoverable VAT

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

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

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

(g) Resources expended - grants

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

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

Notes to the Accounts

1. Accounting policies (continued)

(g) Resources expended - grants (continued)

Evidence of a constructive obligation exists where:

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

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

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

(h) Allocation of overhead and support costs

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

(i) Fundraising costs

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

(j) Charitable activities

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

(k) Fixed asset investments

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

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

Notes to the Accounts

1. Accounting policies (continued)

(k) Fixed asset investments (continued)

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

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

(l) Debtors

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

(m) Cash and cash equivalents

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

(n) Creditors

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

(o) Financial Instruments

The charity's Financial Instruments are all Basic Financial Instruments and consist of:

- Investments. See note 1(k). The carrying value for investments on the balance sheet at the reporting date entirely consists of financial assets measured at fair value through profit or loss.
- Debtors. See note 1(l).
- Cash and cash equivalents. See note 1(m).
- Creditors. See note 1(n).

(p) Pensions

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

(q) Pooling scheme

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

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

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

(r) Taxation

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

Notes to the accounts

2. Prior year comparatives by type of fund

2.1 Statement of Financial Activities

	Note	Unrestricted Funds 2020/21 £'000	Restricted Funds 2020/21 £'000	Endowment Funds 2020/21 £'000	Total 2020/21 £'000
Income and endowments from					
Donations and legacies	4	109	585	0	694
Charitable activities - Rainbow nursery income	5	0	587	0	587
Other trading activities		0	12	0	12
Investments	6	16	25	0	41
Total		125	1,209	0	1,334
Expenditure on:					
Raising funds	7	(3)	(18)	(4)	(25)
Charitable activities					
- NHS capital equipment grants	8	(20)	(67)	0	(87)
- Patient welfare & amenities	8	(72)	(239)	0	(311)
- Staff welfare & amenities	8	(4)	(39)	0	(43)
- Staff training & education	8	0	(17)	0	(17)
- Research	8	0	(78)	0	(78)
- Transfers to other charities	8	0	0	0	0
- Rainbow nursery expenditure	8	0	(589)	0	(589)
Sub-total charitable activities	8	(96)	(1,029)	0	(1,125)
Other expenditure		70	328	0	398
Total		(29)	(719)	(4)	(752)
Net gains on investments	13.4	39	129	61	229
Net income/(expenditure)		135	619	57	811
Transfers between funds		0	0	0	0
Net movement in funds		135	619	57	811
Reconciliation of funds:					
Total funds brought forward		280	535	296	1,111
Total funds carried forward	18	415	1,154	353	1,922

Notes to the accounts

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

2.2 Balance Sheet

	Note	Unrestricted Funds 31/03/2021 £'000	Restricted Funds 31/03/2021 £'000	Endowment Funds 31/03/2021 £'000	Total 31/03/2021 £'000
Fixed assets:					
Investments	13	353	983	353	1,689
Total fixed assets		353	983	353	1,689
Current Assets:					
Debtors	14	30	47	0	77
Cash at bank and in hand	15	65	239	0	304
Total current assets		95	286	0	381
Liabilities					
Creditors: Amounts falling due within one year	16	(33)	(115)	0	(148)
Net current liabilities		62	171	0	233
Total net assets		415	1,154	353	1,922
The funds of the charity:					
Endowment Funds	18	0	0	353	353
Restricted Income Funds	18	0	1,154	0	1,154
Unrestricted Income Funds	18	415	0	0	415
Total charity funds	18	415	1,154	353	1,922

Notes to the accounts

3. Related party transactions

During the year no parties (2020/21: one party) related to a member of the Board of Torbay and South Devon NHS Foundation Trust (the Corporate Trustee) have undertaken material transactions with the charity. No members of the key management staff or parties related to them has undertaken any material transactions with the charity (2020/21: none).

During the year one (2020/21: 1) public sector organisation has undertaken material transactions with the charity. Torbay Council provided £155k (2020/21: £142k) Early Years funding to the charity in respect of the charity's provision of nursery services to eligible children.

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

- Finance and administration costs bought in from Torbay and South Devon NHS Foundation Trust, £117k (2020/21 £62k). Please see Note 10 for further details.

- Reimbursement of charitable expenditure incurred by Torbay and South Devon NHS Foundation Trust on behalf of the charity, £1,096k (2020/21: £1,090k). The Corporate Trustee also provided financial support of £42k (2020/21: £93k) to the charity to offset the financial impact of Covid on the nursery.

During the year, the Corporate Trustee was not paid or reimbursed for the costs it incurs in its role as Corporate Trustee, such as the salary costs of members of the Board of the Corporate Trustee (2020/21: £0).

There was an outstanding creditor due to Torbay and South Devon NHS Foundation Trust at 31st March 2022 of £19k (31 March 2021: £76k).

No members of the Corporate Trustee's Board received honoraria, emoluments or expenses in the year from the Charitable Fund (2020/21: none).

Notes to the Accounts

4. Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021/22 £'000	Total 2020/21 £'000
Donations	33	287	0	320	437
Legacies	17	1	0	18	31
Grants	0	0	0	0	226
Total	50	288	0	338	694

5. Charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021/22 £'000	Total 2020/21 £'000
Rainbow nursery income	0	609	0	609	587
Other	0	11	0	11	0
Total	0	620	0	620	587

Rainbow nursery provides nursery services, primarily to employees of Torbay and South Devon NHS Foundation Trust. The 'Other' category relates to income from sales of mastectomy bras to patients. In prior years, this income was classified within 'Other trading activities' (see also note 7).

6. Investments

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021/22 £'000	Total 2020/21 £'000
Listed investments	16	23	0	39	41
Total	16	23	0	39	41

Investment income is received from the charity's investment portfolio. In recent years, interest income received from cash balances has been negligible.

7. Raising funds

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021/22 £'000	Total 2020/21 £'000
Investment management costs	(4)	(8)	(4)	(16)	(15)
Fundraising trading costs	0	0	0	0	(10)
	(4)	(8)	(4)	(16)	(25)

The charity employs a professional investment management company (Investec Wealth & Investment Ltd) to manage its investment portfolio. Fundraising trading costs related to the cost of mastectomy bras which are sold to patients. During the year, it was decided that it would be more appropriate to account for this cost within 'Expenditure on charitable activities - Patient welfare & amenities'. The 2021/22 cost has been classified in this way.

8. Analysis of expenditure on charitable activities

	Activities undertaken £'000	Grant expenditure £'000	Support costs £'000	Total 2021/22 £'000	Total 2020/21 £'000
NHS capital equipment grants	0	(123)	0	(123)	(87)
Patient welfare & amenities	0	(173)	(118)	(291)	(311)
Staff welfare & amenities	0	(45)	(4)	(49)	(43)
Staff development	0	(21)	(1)	(22)	(17)
Research	0	(93)	0	(93)	(78)
Transfers to other charities	0	(3)	0	(3)	0
Sub-total - grant expenditure	0	(458)	(123)	(581)	(536)
Rainbow nursery expenditure	(609)	0	(5)	(614)	(589)
Total	(609)	(458)	(128)	(1,195)	(1,125)

Notes to the Accounts

8. Analysis of expenditure from charitable activities (continued)

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

Over the long run, the running costs of Rainbow nursery are met from nursery fee income received. A surplus has been made in most years, allowing the nursery to build up revenue reserves, which totalled £28,000 at 31 March 2021 (31 March 2021: £30,000). During 2021/22, the nursery incurred a deficit of £2,000 (2020/21: £2,000) - largely due to the impact of the NHS-wide pay award and the declining real value of funding received from Torbay Council. While the operational impact of Covid was very significant for the nursery, the financial impact was offset by financial support received from the Trust (as described in Note 3).

The Charitable Funds Committee has initiated a review of the options for ensuring the financial sustainability of the nursery. In the meantime, the nursery's revenue reserves provide funding to cover immaterial deficits that may be incurred.

9. Analysis of grant expenditure

All grants are made to organisations. All grants have been made to Torbay and South Devon NHS Foundation Trust with the exception that one grant of £3k was made to Devon Partnership Trust Special Charity (2020/21: no exceptions).

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

10. Support costs

	Basis of allocation	Charitable activities £'000	Total 2021/22 £'000	Total 2020/21 £'000
External audit fees	Value of balance	11	11	14
Staffing cost - governance activities	Value of balance	16	16	15
Total governance cost		27	27	29
Staffing cost - administrative activities	Value of expenditure	101	101	47
		128	128	76

Support costs are those costs which can not be directly attributed to an individual activity. These include the cost of the staff who administer the charity and governance costs (such as the audit fee). In deciding upon a basis for allocating support costs, the charity has considered the Charity Commission's 'NHS Charities Guidance'. The charity believes that 'value of balance' is the most appropriate basis of allocation for governance costs, as the value of funds is a key driver for governance activities, and 'value of expenditure' is the most appropriate basis of allocation for day to day management/administration costs, as management of expenditure is the principal administrative activity. Support costs are allocated across c 200 separate funds. This is a complex process and, as such, the charity does not consider that it would be sensible to adopt more complex bases of apportionment. Support costs are allocated between fund types in line with the above bases of apportionment.

Most support costs are incurred by the Foundation Trust and recharged to the charity, as disclosed in Note 3 and as described in Note 12. Support costs have risen significantly in 2021/22, due to the costs of administering the very generous donations in response to the Covid pandemic.

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

Analysis of support costs by fund

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021/22 £'000	Total 2020/21 £'000
Patient welfare	14	104	0	118	68
Staff welfare	0	4	0	4	2
Staff development	0	1	0	1	1
Rainbow nursery expenditure	0	5	0	5	5
	14	114	0	128	76

Notes to the Accounts

11. Auditors' remuneration

The auditors' remuneration of £9,500 excl VAT (2020/21 £11,830 excl VAT) related to the audit with no additional work undertaken (2020/21: none). Including unrecoverable VAT, the cost to the charity was £11,400 (2020/21: £14,196).

12. Analysis of staffing cost

	Rainbow nursery £'000	Support costs £'000	Total 2021/22 £'000	Total 2020/21 £'000
Wages and salaries	463	95	558	485
Social security costs	28	9	37	29
Employer contributions to NHS Pension Scheme	58	13	71	67
	549	117	666	581
Average headcount	37.7	11.1	48.8	45.4
Average whole-time equivalent	20.7	2.5	23.2	21.7

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

There are no employees who received employee benefits excluding employer pension costs of more than £60,000 (2020/21: none).

13. Investments

13.1 Fixed asset investments by class

	Total value held in the UK 2021/22 £'000	Total value held in the UK 2020/21 £'000
Listed investments - at fair value	1,703	1,644
Cash or cash equivalents	57	45
Total	1,760	1,689

13.2 Movement in fixed asset investments - listed investments

	2021/22 £'000	2020/21 £'000
Market value brought forward at 1st April	1,644	1,653
Purchases at cost	263	507
Disposals at carrying value	(252)	(680)
Unrealised gain/(loss) on revaluation	48	164
Market valuation as at 31st March	1,703	1,644

Notes to the Accounts

13. Investments (continued)

13.3 Movement in fixed asset investments - cash or cash equivalents

	2021/22 £'000	2020/21 £'000
Brought forward at 1st April	45	8
Proceeds on disposal of listed investments	274	745
Purchases of listed investments	(263)	(507)
Purchased interest	0	(1)
Less non-cash dividends included within purchases	1	0
Cash withdrawn from the investment portfolio	0	(200)
Value as at 31st March	57	45

During 2021/22 the charity made no withdrawals from the investment portfolio (2020/21: £200k). These withdrawals are made in order to fund planned reductions in reserves (as described in the Annual Report).

13.4 Gains on investments

	2021/22 £'000	2020/21 £'000
Realised gains	22	65
Unrealised gains	48	164
Total	70	229

14. Debtors

	Total 2021/22 £'000	Total 2020/21 £'000
Trade debtors	22	65
Prepayments and accrued income	9	12
Total	31	77

15. Cash at bank and in hand

	Total 2021/22 £'000	Total 2020/21 £'000
Current account	29	300
Deposit accounts	4	4
Total	33	304

16. Creditors: amounts falling due within one year

	Total 2021/22 £'000	Total 2020/21 £'000
Accruals	(29)	(72)
Torbay and South Devon NHS Foundation Trust	(19)	(76)
Total	(48)	(148)

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

17. Contingent assets - legacies

As at 31 March 2022 there were two (31/03/2021: one) legacies with an estimated total value of £5k (31/03/2021: £2k) where probate had been granted but where income had not been recognised because either the value could not be measured with sufficient reliability or probability of receipt had not been established.

Notes to the Accounts

18. Analysis of funds

	Balance 31/03/2021 £'000	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Transfers £'000	Balance 31/03/2022 £'000
Endowment funds (see also note 18.1)						
Torbay Hospital PGMC Fund	67	0	(1)	3	0	69
Ashburton Hospital Easterbrook Bequest	19	0	0	1	0	20
Newton Abbot Hospital Easterbrook Bequest	19	0	0	1	0	20
Newton Abbot Hospital Blake Bequest	230	0	(2)	10	0	238
Newton Abbot Hospital Gribble Bequest	18	0	(1)	1	0	18
Total Endowment funds	353	0	(4)	16	0	365
Restricted income funds (see also note 18.2)						
Torbay Hospital Patients	177	39	(49)	8	0	175
Torbay Hospital Cancer Services	61	53	(42)	2	0	74
Torbay Hospital Heart & Lung Unit	71	5	(14)	3	0	65
Torbay Hospital Staff	76	619	(626)	2	0	71
Torbay Hospital General	338	175	(300)	9	0	222
Paignton Hospital General	78	2	(1)	3	0	82
Torbay Hospital General Surgery & Urology	61	3	(7)	2	0	59
Torbay Hospital Gastroenterology	27	1	(8)	1	0	21
Torbay Hospital Radiology	38	15	(32)	2	0	23
Torbay Hospital Radiotherapy	44	5	(8)	2	0	43
Torbay Hospital Laboratory Medicine	54	4	(6)	2	0	54
Torbay Hospital Maternity	17	2	(3)	1	0	17
Torbay Hospital Ophthalmology	33	0	(11)	1	0	23
Torbay Hospital Endocrinology	35	1	(3)	2	0	35
Others (6)	44	7	(19)	1	0	33
Total Restricted funds	1,154	931	(1,129)	41	0	997
Unrestricted income funds (see also note 18.3)						
Community Hospitals	72	46	(48)	3	0	73
Other	343	20	(32)	10	0	341
Total Unrestricted funds	415	66	(80)	13	0	414
Total funds	1,922	997	(1,213)	70	0	1,776

Notes to the Accounts

18. Analysis of funds (continued)

18.1 Details of material Endowment funds

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

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

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

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

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

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

18.2 Details of material restricted funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Accounts

18. Analysis of funds (continued)

18.3 Details of material unrestricted funds

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

19. Ultimate controlling party

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

Copies of the 2021/22 Annual Report and Financial Statements of Torbay and South Devon NHS Foundation Trust can be obtained by writing to: Chief Finance Officer, Torbay and South Devon NHS Foundation Trust, Torbay Hospital, Lowes Bridge,

20. Mergers

The charity has not undertaken any mergers with other charities.

Accounts

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

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2021

Trustee's Report

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

1 - The Corporate Trustee

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

Executive Members

Liz Davenport – Chief Executive

Dave Stacey – Chief Finance Officer and Deputy Chief Executive

John Harrison – Chief Operating Officer

Judy Falcao – Director of Workforce and Organisational Development

Adel Jones – Director of Transformation and Partnerships

Deborah Kelly – Chief Nurse

Ian Currie – Medical Director

Joanne Watson – Health and Care Strategy Director

Non-executive Members

Sir Richard Ibbotson – Chairman

Chris Balch

Jacqui Lyttle

Vikki Matthews

Paul Richards

Robin Sutton

Sally Taylor

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

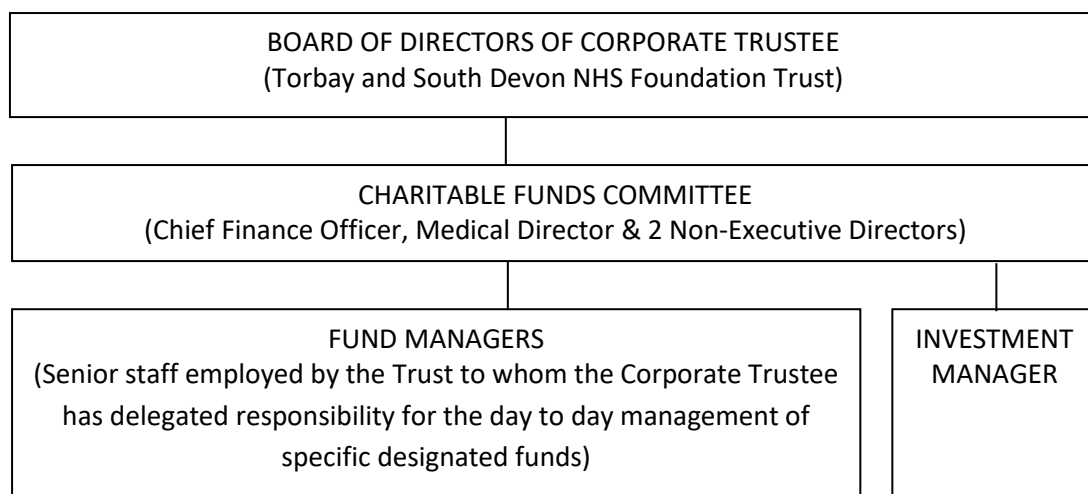
Newly appointed members of the Board go through an induction procedure to assist them in adjusting to the new social and working conditions in order to achieve maximum safe working and efficiency in the shortest possible time, to ensure they have knowledge of the organisation structure and how their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

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

2 - Organisation structure

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

The Trust's charitable funds are held within an Umbrella charity and 21 Special Purpose charities (2019/20: 21). These do not constitute separate charities for accounts purposes and are not separately registered. However, they facilitate the correct direction of donations towards the purposes for which they were granted. Each Special Purpose charity itself is divided into a number of designated funds for particular purposes. There are 200 designated funds (2019/20: 202).



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

3- Objectives

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

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

4 - Aims

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

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

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

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

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

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

5 - Monitoring

Each year, the charity prepares an income and expenditure plan. This plan takes into account feedback received from Fund Managers, who are usually medical practitioners and other front-line staff who can best assess the needs of their patients. This plan is considered and approved by the Charitable Funds Committee, with delegated authority from the Trust Board.

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

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

6 - Performance against objectives

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

The charity sets default grant-making priorities each year, in line with Charity Commission guidance. For 2020/21, these priorities were:

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

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

Due to its nature, voluntary income is dependent on the wishes of donors and is inherently variable. Grant expenditure is almost entirely discretionary and hence also highly variable. For these reasons, performance against the charity's annual plan is normally subject to a relatively high level of variability.

	2020/21			2021/22
	Plan	Actual	Variance	Plan
	£'000	£'000	£'000	£'000
Income	2,123	1,334	-789	1,197
Expenditure	-2,242	-752	+1,490	-1,300
(Deficit)/surplus prior to investment gains/losses	-119	582	+701	-103

The charity planned in 2020/21 to incur a deficit (before investment gains/losses) of £119,000. The actual surplus (before investment gains) of £582,000 was £701,000 favourable to plan. There were three principal reasons for this:

- Income (excluding that from the local Leagues of Friends) was higher than planned, due to the very generous donations in response to the Covid pandemic.
- Charitable expenditure was also lower than planned, due to the need for clinical teams to delay these projects and focus on the Covid pandemic.
- The Foundation Trust waived its right to receive the £400,000 outstanding balance on the grant awarded to it in 2017/18.

Donations from the local Leagues of Friends (and the expenditure these donations fund) were substantially lower than the high value planned, due to a change in the timing of the use of these funds. This resulted in a large reduction in the value of both income and expenditure.

Further details of the generous support received from the Leagues of Friends, Torbay Medical Research Fund and other similar charities can be found on pages 9 to 10 of this Report.

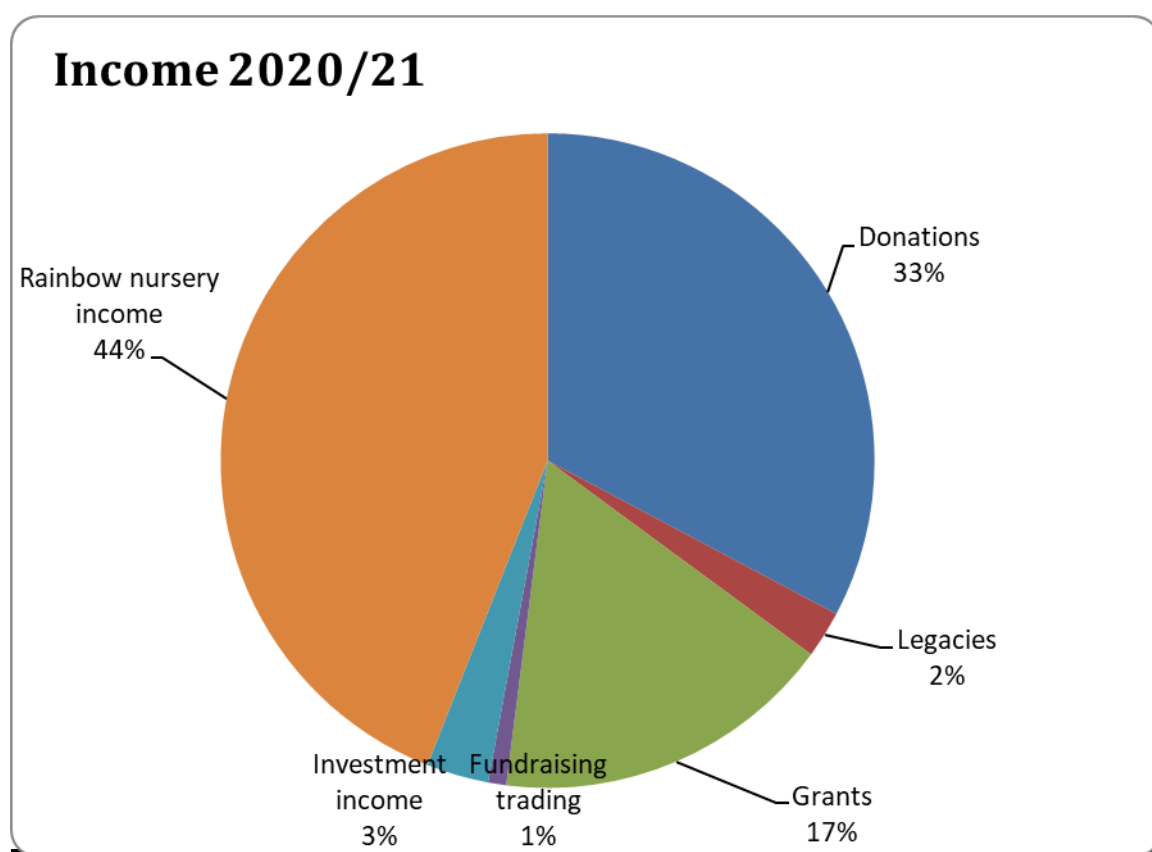
The Rainbow nursery incurred a deficit of £2,000, which was £4,000 adverse to the planned surplus of £2,000. As described in Note 8 to the Accounts, the Charitable Funds Committee has initiated a review into options to ensure the long-term financial sustainability of the nursery. Pending the conclusion of that review, the nursery has been able to fund any modest deficits out of its accumulated revenue reserves (March 2021: £30,000).

As mentioned above, during the year the Trust waived its right to receive the outstanding balance of £400,000 relating to the grant of £1,000,000 awarded to the Trust in March 2018. In March 2021, the Trust consulted the charity regarding this. The Trust explained that it was mindful that the payment of this grant was constraining the charity's ability to support other worthwhile projects. The Trust took the decision formally at its March 2021 Board Meeting and the charity has duly accounted for this as a 'grant written back'. Further details regarding the consequent impact upon the charity's financial statements can be found in note 21 to the Accounts.

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

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

6.1 – Income



Income	2020/21	2019/20
	£'000	£'000
Donations	437	532
Legacies	31	211
Grants	226	8
Fundraising	12	14
Investment income	41	56
Rainbow nursery income	587	565
Total Income	1,334	1,386

Donations, legacies and grants

The Covid pandemic had a significant impact on voluntary income. The charity received very generous grants totalling £184,000 from NHS Charities Together, funded by the exceptional donations made nationally to the NHS. In addition, the charity raised £48,000 through its local Covid fundraising campaign. At the same time, the level of general donations reduced, perhaps because some clinical activity had to be postponed due to Covid or because individuals had already donated to one of the Covid campaigns.

Overall, the combined level of donation and grant income in 2020/21 (£663,000) was significantly higher than in the prior year (£540,000).

A gift in a will is a valued way of donating to charity and we are fortunate to be remembered by so many people each year. Legacy income is unpredictable and therefore tends to vary from year to year. During 2020/21 £31,000 was kindly bequeathed to the charity from 4 legacies. These ranged in value from less than £1,000 up to £30,000.

Further details of the expenditure funded by these generous donations are given on pages 9 to 10.

Fundraising

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

Due to the Covid pandemic, in 2020/21 the charity launched a fundraising appeal, as described above. In addition, the number of volunteer fundraisers was very significantly higher than normal, reflecting the desire of local people to support the NHS.

While the charity aims to ensure that fundraising is always conducted appropriately, given the small scale of fundraising activity the charity has not chosen to join or adopt any of the voluntary schemes or standards for fundraising, such as those provided by the Fundraising Regulator or Fundraising Standards Board.

There are significant practical limitations on monitoring the activities of volunteer fundraisers (who mostly conduct their fundraising from their private homes). As such, very limited monitoring can be undertaken but the charity is ready to act swiftly in the event of a complaint. No such complaints were received in the year (2019/20: none).

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

In addition to the above, the Art for Life fund holds exhibitions of works of art and receives commission from their sales which is used to further enhance the environment of the hospital for the enjoyment of its visitors. Rainbow Day Nursery holds an annual fete, the proceeds of which are used for the purchase of play equipment. Some wards hold occasional raffles. Total net income from fundraising trading in 2020/21, after deducting costs, amounted to £2,000 (2019/20: £2,000).

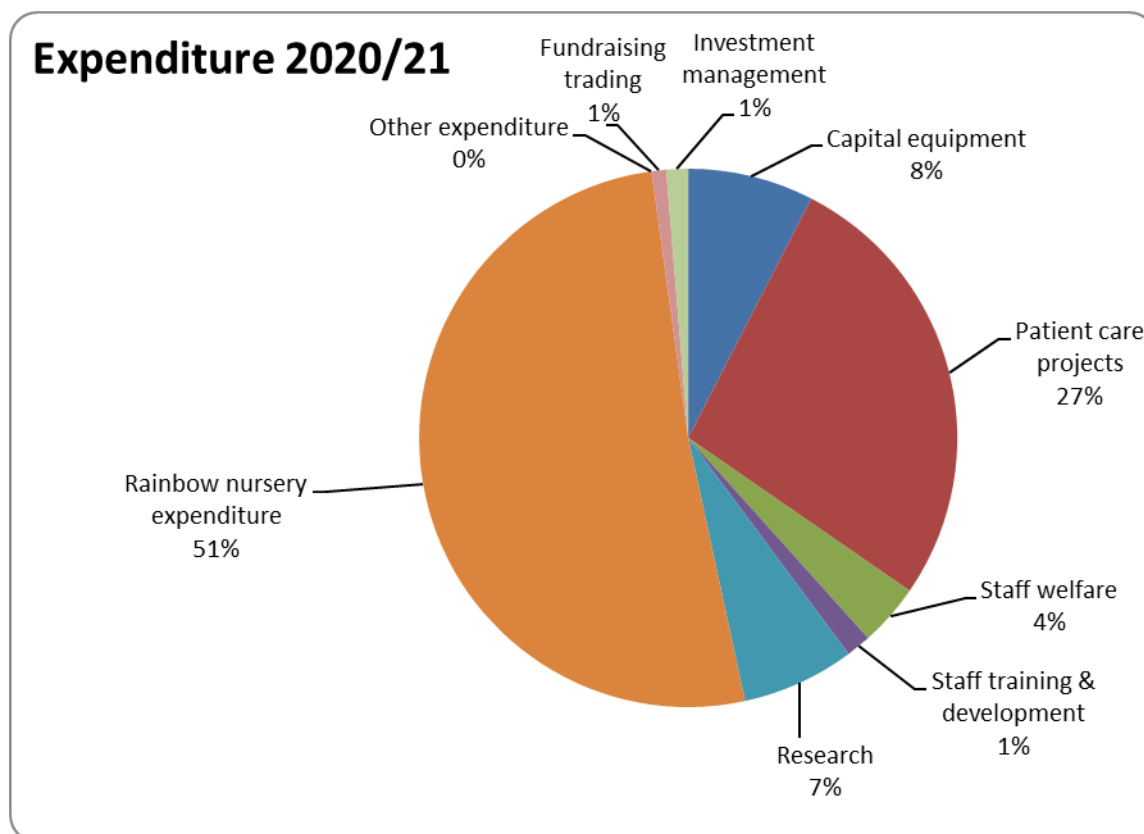
Investments

Investment income for the year was £41,000 (2019/20: £56,000). Due to the economic uncertainty caused by the Covid pandemic, many companies froze or reduced their dividends, resulting in a reduced level of income compared to the prior year.

Gift Aid

Torbay and South Devon NHS Charitable Fund participates in the government's Gift Aid scheme. Wherever possible we encourage donors to assist us with this by authorising us to claim tax back from HM Revenue and Customs in respect of their donation. This can increase the value of the donation by 25% at no additional cost to the donor. In 2020/21 we boosted our donations by £1,876 as a result of this initiative.

6.2 – Expenditure



Expenditure	2020/21	2019/20
	£'000	£'000
Capital equipment	87	105
Patient care projects	311	490
Staff welfare	43	49
Staff development	17	41
Research	78	146
Transfers to other charities	0	3
Rainbow nursery expenditure	589	569
Other expenditure	2	1
Fundraising	10	12
Investment management	15	17
Total expenditure	1,152	1,433
Other expenditure - grants written back	(400)	0
Total resources expended	752	1,433

Expenditure in 2020/21 was significantly lower than in the prior year. Many charitable projects were delayed due to the need for staff to focus on the Covid response. For expenditure funded by Covid donations and grants, there was additionally a desire to consult widely with staff before deciding how these funds should be best used. As a result, much of the expenditure funded by Covid donations will not take place until 2021/22.

During the year, the Trust waived its right to receive the £400,000 outstanding balance of the £1,000,000 grant awarded by the charity to the Trust in March 2018, which further reduced the reported level of expenditure.

Expenditure for the year included a total of £229,000 funded by Leagues of Friends, the Torbay Medical Research Fund and other charities. Further details of this expenditure is given on pages 9 to 10.

Projects funded by Covid donations and grants

The following are examples of how Covid donations and grants are being used, following consultation with staff:

- Improvements to Bayview Café (£40,000)
- Improvements to Rose Garden (£36,000)
- Modernisation of staff rooms (£32,000)
- Outdoor spaces (£16,000)
- Bicycle storage facilities (£10,000)
- Support for BAME (Black, Asian and Minority Ethnic) staff network (£5,000)

General charitable expenditure

There was a reduced level of general charitable expenditure during the year, as staff prioritised dealing with the Covid pandemic. The following are examples of some of the ways in which donations have been put to use during 2020/21:

- Upgrade to Ricky Grant Day unit (£14,846)
- New furniture (chairs and sofas) for the Cancer support and Information centre (£8,688)
- Manual Maxi-move hoist – for Newton Abbot Hospital (4,994)
- Reclining chairs for Special Care Baby Unit (£3,966)
- Airvo Optiflow oxygen provider for the Intensive Care Unit (£2,970)
- ECG recorder for Newton Abbot Hospital (£2,601)
- Works (building and decorating) in Oncology Unit (£2,483)
- Airvo Optiflow oxygen provider for the Louisa Cary Ward (£2,475)

Leagues of Friends, Torbay Medical Research Fund and other charities

The charity remains greatly indebted to the various hospital Leagues of Friends, the Torbay Medical Research Fund and other charities, who raise and provide us with funds to support our work. Listed below are just some of the projects funded by them during the year.

Torbay Hospital League of Friends

- Specialist ophthalmology chairs (£11,907)
- Specialist Echocardiography couches, pacemaker trolleys & laboratory incubator (£9,607)
- Comfort packs for Covid frontline staff (£2,336)
- Transformation of training room (£3,960)

Dartmouth Hospital League of Friends

- ECG (electrocardiogram) machine (£1,358)

Dawlish Hospital League of Friends

- Hoverjack patient lifting device (£9,581)
- Bladder scanner (£5,636)

Newton Abbot Hospital League of Friends

- ECG machine for Templar Ward (£2,601)
- Specialist chairs for Stroke ward (£10,170)

Teignmouth Hospital League of Friends

- Skin graft mesher and Stool (£6,137)

Totnes Hospital League of Friends

- Hovermatt patient movement device (£9,581)
- Dynamic Airwave Mattress (£3,480)

Torbay Medical Research Fund

- Study 132 - Doctoral and pre-doctoral fellowship for nurses, midwives and allied health professionals (£56,325)
- Study 102 - Brain plasticity and rehabilitation (£3,000)
- Study 135 - Evaluating the impact of the implementation of patient information videos into cardiology (£4,593)
- Scholarship funding (£1,103)

Torbay Prostate Support Association

- Ultrasound for use in prostate biopsy (£66,332)

There were also many other smaller projects and pieces of equipment funded by the various Leagues of Friends, the Torbay Medical Research Fund and other charities totalling £21,000 making a grand total funded from these sources during the year of £229,000.

Rainbow Nursery

Rainbow Nursery funds its costs, which in 2020/21 amounted to £589,000 (2019/20: £569,000), from fees charged to parents of the children attending the Nursery and from Early Years funding by Torbay Council. The Nursery is a purpose built facility, sited at the Torbay Hospital Annexe, with 50 registered places and a holiday club for 4-11 year olds. It provides local NHS staff with reassurance that their children are being well cared for while they are at work. It consistently receives excellent reports from OFSTED and is recognised for the high standards of care and pre-school education it provides.

Covid first impacted on the nursery in March 2020. During 2020/21, the impact was severe. Almost all children were withdrawn during the first lockdown. Following this, there was continued disruption due to social distancing requirements and due to children and staff unwell or having to isolate. The Trust provided funding to the Nursery during the year to offset the impact of Covid, which amounted to £94,000 (2019/20: £14,000). Further information regarding the financial position of the nursery is provided in Note 8 to the Accounts.

7 - Risk Management

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

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

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

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

The charity has identified the following principal risks and uncertainties:

- Safe nursery services

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

- Performance of investment portfolio

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

- Compliance with regulatory requirements and maintenance of donor confidence

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

The impact of the Covid pandemic upon the charity has been four-fold:

- There has been a significantly increased level of donations to NHS charities, at both the national and local levels.
- Regular charitable activity has reduced, as staff prioritise the Covid response.
- The Rainbow nursery has been severely impacted by a reduction in occupancy and an ongoing increased level of costs. The Trust has offset the financial impact.
- Investment markets largely recovered the significant losses incurred in March 2020, resulting in significant investment gains in year.

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

Internal Financial Control and Governance

The Charitable Funds Committee is a sub-committee of the Trust Board and usually meets three or four times a year. It has delegated authority and terms of reference within which it governs, manages and regulates the finances, accounts, investments, assets, business and other affairs of the charity. It reports to the full Board of the Trust, which is ultimately responsible for the Corporate Trusteeship of the charity. There are also procedures specifically related to the financial management of the Charitable Fund. Amongst other things, these define expenditure limits applicable to the above structure.

Each year an income and expenditure plan is drawn up in consultation with the fund managers in order that the Corporate Trustee may know that the funds are available and adequate to fulfil the obligations of the charity. The financial position as at the 31st March 2021 was more than adequate to meet future plans and obligations as at that date, both overall and on a fund-by-fund basis.

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

8 - Reserves

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

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

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

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

In 2016, the Corporate Trustee identified that the value of accumulated funds was higher than was required. Fund Managers were encouraged to utilise excess fund balances. In June 2018, the Committee reviewed the position and set a target level of funds (excluding endowments) of £1.15m. The actual level of these funds can be expected to fluctuate above and below the target, given the variability of both voluntary income and discretionary grant expenditure. As at March 2021, these funds total £1.57m (March 2020: £0.82m). The significant increase in the year was due to the surplus before investment gains of £0.58m (as described further in section 6) and investment gains on non-endowment funds of £0.17m.

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

9 - Future plans

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

For 2021/22, the Corporate Trustee has asked Fund Managers to prioritise expenditure on:

- Recovery from the impact of the Covid pandemic
- Discretionary staff training/development

- Purchases of medical equipment
- Comforts for patients and their visitors

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

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

10 - Assets and Liabilities

Total assets and liabilities	31/03/21	31/03/20
	£'000	£'000
Investments	1,689	1,661
Debtors	77	246
Cash and cash equivalents	304	47
Total assets	2,070	1,954
Creditors	148	843
Total liabilities	148	843
Total assets less liabilities	1,922	1,111

At the start of 2020/21, the charity owed the Trust £600,000 in respect of the grant of £1,000,000 it awarded to the Trust in March 2018. During the year, a further £200,000 of this grant was paid and the Trust agreed to waive its right to receive the remaining balance of £400,000 (as described further in section 6, above, and in note 21 to the Accounts). As a result, the value of creditors has decreased significantly during the year.

Excess cash is usually held within the investment portfolio, where it obtains a greater return. When required, transfers are made between the charity's bank account and its investment portfolio or vice versa. During the year, £200,000 (2019/20: £0) was transferred from the investment portfolio to the charity's bank account. This was done in order to enable the charity to make a grant payment of £200,000 to the Trust, as described above. This transfer from the portfolio was more than offset by investment gains, meaning that the value of the investment portfolio increased slightly during the year.

The value of cash was significantly higher than the prior year. This was largely due to the receipt of significant Covid donations which could not be spent by the end of the year. As it was envisaged that these donations would be spend within a relatively short timeframe, it was not thought appropriate to transfer the excess cash balance into the investment portfolio.

The value of debtors is significantly lower than in the prior year. This is because the prior year value included an unusually large legacy income debtor.

10.1 Investments

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

	31 March 2021	31 March 2020
Fixed Interest	16%	19%
Equities	69%	59%
Property	5%	7%
Alternative assets	7%	6%
Cash	3%	9%
Total	100%	100%

Investment Policy and Ethical Investments

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

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

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

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

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

The Corporate Trustee has also sought assurance from the investment manager regarding the ESG (Environmental, Social and Governance) scoring of the investment portfolio. Based on the Sustainalytics scoring method, at 30 June 2021 the portfolio scored 19.3 (June 2020: 23.2), which is favourable to the MSCI Index average of 22.8 (June 2020: 24.5).

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

Investment type	Weighting	Benchmark
Bonds	17%	FTA Government Gilt Index
Equities – UK	25%	FTSE All Share Index
Equities - Overseas	45%	FTSE World (ex UK) Index
Property	5%	IPD Property Index
Alternatives	5%	Bank of England Base Rate plus 2%
Cash	3%	Bank of England Base Rate minus 0.5%

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

A review of the portfolio performance is undertaken by the Corporate Trustee twice-yearly at the meetings of the Charitable Funds Committee, alongside a review of the performance of the investment manager. The performance of the investment manager is also subject to a more extensive review every three years. The last such review was in November 2017. The review due to be held in November 2020 has been delayed, primarily due to Covid.

The investment policy is reviewed by the Corporate Trustee annually.

11 - Contact details

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

Principal Address

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

Finance Office

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

Auditors

Grant Thornton UK LLP
Victoria House, 4th Floor
199 Avebury Boulevard
Milton Keynes
MK9 1AU

Investment Advisers

Investec Wealth & Investment
2 Gresham Street
London EC2V 7QP

Bankers

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

Scottish Widows
67 Morrison Street
Edinburgh EH3 8YJ

Further Information

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

Signed on behalf of the Corporate Trustee

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

Date:

TORBAY AND SOUTH DEVON NHS CHARITABLE FUND

ACCOUNTS 2020/21

FOREWORD

These accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2019.

STATUTORY BACKGROUND

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

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

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

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

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

Statement of Trustee's Responsibilities

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

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

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

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Trustee

Signed:

Chief Finance Officer

Date

Independent auditor's report to the trustee of Torbay and South Devon NHS Charitable Fund

Opinion

We have audited the financial statements of Torbay and South Devon NHS Charitable Fund (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 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 under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the charity to cease to continue as a going concern.

In our evaluation of the trustee's conclusions, we considered the inherent risks associated with the charity's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustee and the related disclosures and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the trustee with respect to going concern are described in the 'Responsibilities of trustee for the financial statements' section of this report.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the trustee of Torbay and South Devon NHS Charitable Fund (continued)

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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee for the financial statements

As explained more fully in the Trustee's Responsibilities Statement set out on page 19, the trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities SORP (FRS 102), Charities Act 2011 and Data protection Act 2018.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We enquired of management and those charged with governance, concerning the Charity's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations; and
 - the detection and response to the risks of fraud.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated the results of our enquires to relevant supporting documentation.

Independent auditor's report to the trustee of Torbay and South Devon NHS Charitable Fund
(continued)

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
(continued)**

- We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates;
 - understanding of the legal and regulatory requirements specific to the Charity including:
 - the provisions of the applicable legislation;
 - the applicable statutory provisions.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Charity's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the applicable statutory provisions;
 - the Charity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the Charity's compliance with regulatory requirements.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. 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.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
Date

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

Statement of Financial Activities for the year ending 31 March 2021

	Note	Unrestricted Funds 2020/21 £'000	Restricted Funds 2020/21 £'000	Endowment Funds 2020/21 £'000	Total 2020/21 £'000	Total 2019/20 £'000
Income and endowments from:						
Donations and legacies	4	109	585	0	694	751
Charitable activities - Rainbow nursery income	5	0	587	0	587	565
Other trading activities		0	12	0	12	14
Investments	6	16	25	0	41	56
Total		125	1,209	0	1,334	1,386
Expenditure on:						
Raising funds	7	(3)	(18)	(4)	(25)	(29)
Charitable activities						
- NHS capital equipment grants	8	(20)	(67)	0	(87)	(105)
- Patient welfare & amenities	8	(72)	(239)	0	(311)	(490)
- Staff welfare & amenities	8	(4)	(39)	0	(43)	(49)
- Staff development	8	0	(17)	0	(17)	(41)
- Research	8	0	(78)	0	(78)	(146)
- Transfers to other charities	8	0	0	0	0	(3)
- Rainbow nursery expenditure	8	0	(589)	0	(589)	(569)
Sub-total charitable activities		(96)	(1,029)	0	(1,125)	(1,403)
Other expenditure	21	70	328	0	398	(1)
Total		(29)	(719)	(4)	(752)	(1,433)
Net gains/(losses) on investments	13.4	39	129	61	229	(160)
Net income/(expenditure)		135	619	57	811	(207)
Transfers between funds		0	0	0	0	0
Net movement in funds		135	619	57	811	(207)
Reconciliation of funds:						
Total funds brought forward		280	535	296	1,111	1,318
Total funds carried forward	18	415	1,154	353	1,922	1,111

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

Balance Sheet as at 31 March 2021

	Note	Unrestricted Funds 31/03/2021 £'000	Restricted Funds 31/03/2021 £'000	Endowment Funds 31/03/2021 £'000	Total 31/03/2021 £'000	Total 31/03/2020 £'000
Fixed assets:						
Investments	13	353	983	353	1,689	1,661
Total fixed assets		353	983	353	1,689	1,661
Current Assets:						
Debtors	14	30	47	0	77	246
Cash at bank and in hand	15	65	239	0	304	47
Total current assets		95	286	0	381	293
Liabilities						
Creditors: Amounts falling due within one year	16	(33)	(115)	0	(148)	(843)
Net current liabilities		62	171	0	233	(550)
Total net assets		415	1,154	353	1,922	1,111
The funds of the charity:						
Endowment Funds	18	0	0	353	353	296
Restricted Income Funds	18	0	1,154	0	1,154	535
Unrestricted Income Funds	18	415	0	0	415	280
Total charity funds		415	1,154	353	1,922	1,111

The notes on pages 26 to 39 form part of these accounts.

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

The accounts on pages 23 to 39 were approved by the Corporate Trustee on and signed on its behalf by:

Chief Finance Officer

Date

Statement of cash flows for the year ending 31 March 2021

	Note	Total 2020/21 £'000	Total 2019/20 £'000
Cash flows from operating activities:			
Net income/(expenditure) for the year (as per the Statement of Financial Activities)		811	(207)
Adjustments for:			
- (Gains)/losses on investments	13.4	(229)	160
- Dividends, interests and rents from investments	6	(41)	(56)
- Decrease/(increase) in debtors	14	169	(142)
- (Decrease)/increase in creditors	16	(695)	173
Net cash used in operating activities		15	(72)
Cash flows from investing activities:			
Dividends, interests and rents from investments	6	41	56
Plus purchased interest	13.3	1	0
Cash withdrawn from the investment portfolio	13.3	200	0
Net cash provided by investing activities		242	56
Change in cash and cash equivalents over the year		257	(16)
Cash and cash equivalents at the beginning of the year	15	47	63
Cash and cash equivalents at the end of the year	15	304	47

Notes to the Accounts

1. Accounting policies

(a) Basis of preparation

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

These accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK GAAP as it applies from 1 January 2019.

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

Judgements

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

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

Estimates

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

Going concern

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

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

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

Public benefit and legal form

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

Notes to the Accounts

1. Accounting policies (continued)

(b) Funds structure

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

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

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

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

(c) Incoming resources

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

(d) Incoming resources - legacies

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

Receipt is probable when:

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

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

(e) Incoming resources from endowment funds

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

(f) Resources expended and irrecoverable VAT

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

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

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

(g) Resources expended - grants

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

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

Notes to the Accounts

1. Accounting policies (continued)

(g) Resources expended - grants (continued)

Evidence of a constructive obligation exists where:

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

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

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

(h) Allocation of overhead and support costs

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

(i) Fundraising costs

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

(j) Charitable activities

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

(k) Fixed asset investments

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

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

Notes to the Accounts

1. Accounting policies (continued)

(k) Fixed asset investments (continued)

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

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

(l) Debtors

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

(m) Cash and cash equivalents

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

(n) Creditors

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

(o) Financial Instruments

The charity's Financial Instruments are all Basic Financial Instruments and consist of:

- Investments. See note 1(k). The carrying value for investments on the balance sheet at the reporting date entirely consists of financial assets measured at fair value through profit or loss.
- Debtors. See note 1(l).
- Cash and cash equivalents. See note 1(m).
- Creditors. See note 1(n).

(p) Pensions

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

(q) Pooling scheme

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

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

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

(r) Taxation

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

Notes to the accounts

2. Prior year comparatives by type of fund

2.1 Statement of Financial Activities

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

Notes to the accounts

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

2.2 Balance Sheet

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

Notes to the accounts

3. Related party transactions

During the year one party (2019/20: none) related to a member of the Board of Torbay and South Devon NHS Foundation Trust (the Corporate Trustee) has undertaken material transactions with the charity. A Board member has undertaken (in a personal capacity, unconnected with their Trust role) consulting work for Torbay Council, with whom the charity has undertaken material transactions (as described below). No members of the key management staff or parties related to them has undertaken any material transactions with the charity (2019/20: none).

During the year one (2019/20: 1) public sector organisation has undertaken material transactions with the charity. Torbay Council provided £142k (2019/20: £140k) Early Years funding to the charity in respect of the charity's provision of nursery services to eligible children.

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

- Finance and administration costs bought in from Torbay and South Devon NHS Foundation Trust, £62k (2019/20 £53k). Please see Note 10 for further details.

- Reimbursement of charitable expenditure incurred by Torbay and South Devon NHS Foundation Trust on behalf of the charity, £1,090k (2019/20: £1,380k). In addition, during the year the Corporate Trustee waived its right to receive an outstanding grant balance of £400k (see note 21 for further details). The Corporate Trustee also provided financial support of £93k to the charity to offset the financial impact of Covid on the nursery.

During the year, the Corporate Trustee was not paid or reimbursed for the costs it incurs in its role as Corporate Trustee, such as the salary costs of members of the Board of the Corporate Trustee (2019/20: £0).

There was an outstanding creditor due to Torbay and South Devon NHS Foundation Trust at 31st March 2021 of £76k (31 March 2020: £795k).

No members of the Corporate Trustee's Board received honoraria, emoluments or expenses in the year from the Charitable Fund (2019/20: none).

Notes to the Accounts

4. Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Donations	79	358	0	437	532
Legacies	30	1	0	31	211
Grants	0	226	0	226	8
Total	109	585	0	694	751

5. Charitable activities - Rainbow nursery income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Rainbow nursery income	0	587	0	587	565
Total	0	587	0	587	565

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

6. Investments

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Listed investments	16	25	0	41	56
Total	16	25	0	41	56

The charity generally holds low levels of cash, due to the insignificant level of interest being received. This results in a negligible level of investment income from cash and cash equivalents. Cash balances at 31/03/2021 were significantly higher than the prior year, largely due to Covid donations which were received in advance of the related expenditure and which were expected to be spent within a relatively short timescale.

7. Raising funds

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Investment management costs	(3)	(8)	(4)	(15)	(17)
Fundraising trading costs	0	(10)	0	(10)	(12)
	(3)	(18)	(4)	(25)	(29)

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

8. Analysis of expenditure on charitable activities

	Activities undertaken £'000	Grant expenditure £'000	Support costs £'000	Total 2020/21 £'000	Total 2019/20 £'000
NHS capital equipment grants	0	(87)	0	(87)	(105)
Patient welfare & amenities	0	(243)	(68)	(311)	(490)
Staff welfare & amenities	0	(41)	(2)	(43)	(49)
Staff development	0	(16)	(1)	(17)	(41)
Research	0	(78)	0	(78)	(146)
Transfers to other charities	0	0	0	0	(3)
Sub-total - grant expenditure	0	(465)	(71)	(536)	(834)
Rainbow nursery expenditure	(584)	0	(5)	(589)	(569)
Total	(584)	(465)	(76)	(1,125)	(1,403)

Notes to the Accounts

8. Analysis of expenditure from charitable activities (continued)

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

Over the long run, the running costs of Rainbow nursery are met from nursery fee income received. A surplus has been made in most years, allowing the nursery to build up revenue reserves, which totalled £30,000 at 31 March 2021 (31 March 2020: £32,000). During 2020/21, the nursery incurred a deficit of £2,000 (2019/20: £4,000) - largely due to the impact of the NHS-wide pay award and the declining real value of funding received from Torbay Council. While the operational impact of Covid was very significant for the nursery (for example, the withdrawal of most children during the first lockdown), the financial impact was offset by financial support received from the Trust (as described in Note 3).

The Charitable Funds Committee has initiated a review of the options for ensuring the financial sustainability of the nursery. In the meantime, the nursery's revenue reserves provide funding to cover immaterial deficits that may be incurred.

9. Analysis of grant expenditure

All grants are made to organisations. All grants have been made to Torbay and South Devon NHS Foundation Trust with no exceptions (2019/20: one exception, £3k).

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

10. Support costs

	Basis of allocation	Charitable activities £'000	Total 2020/21 £'000	Total 2019/20 £'000
External audit fees	Value of balance	14	14	7
Staffing cost - governance activities	Value of balance	15	15	16
Total governance cost		29	29	23
Staffing cost - administrative activities	Value of expenditure	47	47	37
Other costs - administrative activities	Value of expenditure	0	0	0
		76	76	60

Support costs are those costs which can not be directly attributed to an individual activity. These include the cost of the staff who administer the charity and governance costs (such as the audit fee). In deciding upon a basis for allocating support costs, the charity has considered the Charity Commission's 'NHS Charities Guidance' section G.3. The charity believes that 'value of balance' is the most appropriate basis of allocation for governance costs, as the value of funds is a key driver for governance activities, and 'value of expenditure' is the most appropriate basis of allocation for day to day management/administration costs, as management of expenditure is the principal administrative activity. Support costs are allocated across c 200 separate funds. This is a complex process and, as such, the charity does not consider that it would be sensible to adopt more complex bases of apportionment. Support costs are allocated between fund types in line with the above bases of apportionment.

Most support costs are incurred by the Foundation Trust and recharged to the charity, as disclosed in Note 3 and as described in Note 12. Support costs have risen in 2020/21, due to the costs of administering the very generous donations in response to the Covid pandemic.

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

Analysis of support costs by fund

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Capital equipment	0	0	0	0	5
Patient welfare	6	62	0	68	45
Staff welfare	0	2	0	2	0
Staff development	0	1	0	1	2
Research	0	0	0	0	3
Rainbow nursery expenditure	0	5	0	5	5
	6	70	0	76	60

Notes to the Accounts

11. Auditors' remuneration

The auditors' remuneration of £14k (2019/20 £7k) related to the audit with no additional work undertaken (2019/20: none).

12. Analysis of staffing cost

	Rainbow nursery £'000	Support costs £'000	Total 2020/21 £'000	Total 2019/20 £'000
Wages and salaries	434	51	485	458
Social security costs	25	4	29	25
Employer contributions to NHS Pension Scheme	60	7	67	61
	519	62	581	544
Average headcount	37.1	8.3	45.4	48.8
Average whole-time equivalent	20.3	1.4	21.7	22.0

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

There are no employees who received employee benefits excluding employer pension costs of more than £60,000 (2019/20: none).

13. Investments

13.1 Fixed asset investments by class

	Total value held in the UK 31/03/2021 £'000	Total value held in the UK 31/03/2020 £'000
Listed investments - at fair value	1,644	1,653
Cash or cash equivalents	45	8
Total	1,689	1,661

13.2 Movement in fixed asset investments - listed investments

	2020/21 £'000	2019/20 £'000
Market value brought forward at 1st April	1,653	1,767
Purchases at cost	507	296
Disposals at carrying value	(680)	(273)
Unrealised gain/(loss) on revaluation	164	(137)
Market valuation as at 31st March	1,644	1,653

Notes to the Accounts

13. Investments (continued)

13.3 Movement in fixed asset investments - cash or cash equivalents

	2020/21 £'000	2019/20 £'000
Brought forward at 1st April	8	54
Proceeds on disposal of listed investments	745	250
Purchases of listed investments	(507)	(296)
Purchased interest	(1)	0
Cash withdrawn from the investment portfolio	(200)	0
Value as at 31st March	45	8

During 2020/21 the charity made withdrawals from the investment portfolio totalling £200k (2019/20: £0k). These withdrawals were made in order to fund planned reductions in reserves (as described in the Annual Report).

13.4 (Losses)/gains on investments

	2020/21 £'000	2019/20 £'000
Realised gains/(losses)	65	(23)
Unrealised gains/(losses)	164	(137)
Total	229	(160)

14. Debtors

	Total 31/03/2021 £'000	Total 31/03/2020 £'000
Trade debtors	65	234
Prepayments and accrued income	12	12
Total	77	246

15. Cash at bank and in hand

	Total 31/03/2021 £'000	Total 31/03/2020 £'000
Current account	300	43
Deposit accounts	4	4
Total	304	47

16. Creditors: amounts falling due within one year

	Total 31/03/2021 £'000	Total 31/03/2020 £'000
Accruals	(72)	(33)
Deferred Income	0	(15)
Torbay and South Devon NHS Foundation Trust	(76)	(795)
Total	(148)	(843)

Creditors are unsecured, repayable on demand and not subject to interest. Creditors have reduced significantly during the year. The most significant cause is grants written back (see note 21).

Analysis of movement in deferred income:

	2019/20 £'000	2019/20 £'000
Deferred income brought forward at 1 April	(15)	(4)
Release in year of deferred income brought forward	15	4
Recognition in year of new deferred income	0	(15)
Deferred income carried forward at 31 March	0	(15)

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

17. Contingent assets - legacies

As at 31 March 2021 there was one (31/03/2020: none) legacy where probate had been granted but where income had not been recognised because the value could not be measured with sufficient reliability. This relates to the kind bequest of a collection of musical equipment, the value of which will not be estimable until the executor of the will has been able to arrange a valuation by an appropriate auction house.

Notes to the Accounts

18. Analysis of funds

	Balance 31/03/2020 £'000	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Transfers £'000	Balance 31/03/2021 £'000
Endowment funds (see also note 18.1)						
Torbay Hospital PGMC Fund	56	0	(1)	12	0	67
Ashburton Hospital Easterbrook Bequest	16	0	0	3	0	19
Newton Abbot Hospital Easterbrook Bequest	16	0	0	3	0	19
Newton Abbot Hospital Blake Bequest	193	0	(3)	40	0	230
Newton Abbot Hospital Gribble Bequest	15	0	0	3	0	18
Total Endowment funds	296	0	(4)	61	0	353
Restricted income funds (see also note 18.2)						
Torbay Hospital Patients	82	27	50	18	0	177
Torbay Hospital Cancer Services	16	47	(6)	4	0	61
Torbay Hospital Heart & Lung Unit	44	6	13	8	0	71
Torbay Hospital Staff	40	595	(567)	8	0	76
Torbay Hospital General	81	478	(254)	33	0	338
Paignton Hospital General	65	3	(3)	13	0	78
Torbay Hospital General Surgery & Urology	32	10	9	10	0	61
Torbay Hospital Gastroenterology	11	0	14	2	0	27
Torbay Hospital Radiology	24	13	(4)	5	0	38
Torbay Hospital Radiotherapy	28	5	6	5	0	44
Torbay Hospital Laboratory Medicine	32	4	11	7	0	54
Torbay Hospital Maternity	12	4	(1)	2	0	17
Torbay Hospital Ophthalmology	20	2	7	4	0	33
Torbay Hospital Endocrinology	28	1	0	6	0	35
Others (6)	20	14	6	4	0	44
Total Restricted funds	535	1,209	(719)	129	0	1,154
Unrestricted income funds (see also note 18.3)						
Community Hospitals	34	88	(57)	7	0	72
Other	246	37	28	32	0	343
Total Unrestricted funds	280	125	(29)	39	0	415
Total funds	1,111	1,334	(752)	229	0	1,922

Some expenditure values above show as positive values, due to the impact of the Foundation Trust's waiver during the year of a £400k grant balance owing to it.

Notes to the Accounts

18. Analysis of funds (continued)

18.1 Details of material Endowment funds

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

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

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

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

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

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

18.2 Details of material restricted funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Accounts

18. Analysis of funds (continued)

18.3 Details of material unrestricted funds

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

19. Ultimate holding organisation

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

Copies of the 2020/21 Annual Report and Financial Statements of Torbay and South Devon NHS Foundation Trust can be obtained by writing to: Chief Finance Officer, Torbay and South Devon NHS Foundation Trust, Torbay Hospital, Lowes Bridge,

20. Mergers

The charity has not undertaken any mergers with other charities.

21. Grants written back

During the year, the Trust waived its right to receive the outstanding balance of £400,000 on the £1,000,000 grant awarded to it by the charity in March 2018 (see section 6 of the Trustee's Report for further details). This has had the following material impacts upon the financial statements:

- The charity has duly recorded a grant write back of £400,000 to its Statement of Financial Activities. This is shown within the category for 'Other Expenditure'.
- The charity has disclosed this transaction in note 3 (Related Party Transactions).
- The consequent reduction in the grant liability has contributed to a significant reduction in creditors on the balance sheet (as described further in section 10 of the Trustee's Report) and a corresponding movement on the Cash Flow Statement.