



Borders Health Board
Endowment Funds
(Known as "the difference")
Annual Report and Accounts

2022-2023

NHS Borders
Newstead
MELROSE
Roxburghshire
TD6 9DA

Investment Advisors:
Investec Wealth & Investment Ltd
Quartermile One 3rd Floor
15 Lauriston Place
Edinburgh
EH3 9EN

Auditors:
Thomson Cooper
Accountants
3 Castle Court,
Carnegie Campus
Dunfermline
KY11 8PB

Tel: (01896) 825555

Tel: (0131) 226 5000

Tel: (01383) 628800

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023**

CONTENTS

	Page No.
Report of the Trustees	2 – 17
Objectives and Principal Activities	
Achievements and Performance	
Financial Review and Results for the Year	
Endowment Fund Strategy	
Investment Policy and Performance	
Risk Management	
Reserves Policies	
Plans for Future Periods	
Structure, Governance & Management	
Trustees' Responsibilities Statement	
Independent Auditors' Report	18 – 22
Statement of Financial Activities	23 - 24
Balance Sheet	25
Statement of Cashflows	26
Notes to the Accounts	27 - 42

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES

Report of the Trustees for the year ended 31st March 2023

The Trustees present their annual report and accounts for the year ended 31st March 2023. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charities constitution, the Charities and Trust Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the United Kingdom and Republic of Ireland (FRS 102) amended for accounting periods commencing 1 January 2019.

Acknowledgements

The Trustees wish to express their gratitude to the individuals and organisations who have generously donated monies to the Endowment Fund.

Objectives and Principal Activities

Purpose

Endowment Funds are held for purposes relating to health services or research within the Scottish Borders region, in line with NHS Borders Endowment Fund Charter subject to any specified directions prohibiting such expenditure which may have been issued by Scottish Ministers. The Charity does not hold title to any property, plant or equipment. Assets provided through the funds of the Charity are, at the point of operational use, immediately transferred to the ownership of the Health Board and are added to the Board's Asset Register, noted as Donated Assets.

The Endowment Funds in the main comprise of donations and legacies received from patients, their relatives and the general public. Income and expenditure is monitored in total by the Trustees. However, expenditure can only be incurred once an appropriate and agreed fund balance has been identified. Income generated through specific fundraising appeals and fundraising activities is coordinated by the Fundraising Manager.

The Trustees have continued to work closely with the corporate trustee, NHS Borders Board, whose staff has given time and assistance in kind to support the purpose of the endowment funds.

Achievements and Performance

General

During 2022/23 the COVID-19 pandemic continued to have a significant impact on how healthcare services are delivered both globally and locally, in Scotland and within the Scottish Borders.

A level of activity was maintained to ensure emergency, cancer and patients deemed as clinically urgent were seen and treated. However, there was system wide impact on elective care, with services only operational as pressures and workforce allowed. Focus to the ongoing delivery of health and care services whilst the challenges to the operating environment continue has directly impacted across the organisation and, clinical and non clinical teams, have had a significantly reduced level of resources available to progress charitable activities. The Endowment Fund Charity of NHS Borders has, despite the difficult operating environment, worked closely with the Health Board to continue to provide support to patients and staff. This report provides details of the charitable activities delivered during the last 12 months.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES

Achievements and Performance (continued)

General (continued)

The Difference is the known as name of the NHS Borders official charity. The Difference is a member of NHS Charities Together (formerly the Association of NHS Charities) and the Fundraising Manager is a member of the Institute of Fundraising.

The Charity has operated, for a number of years, in line with the Health Board policies and procedures for compliance to the General Data Protection Regulations (GDPR) as applicable to the UK. The Charity continues to review where action may be required to introduce Charity specific policy or process for this legislated area. The recent publication of a Privacy Policy for the Difference is an example of the Charity adopting, where appropriate, a Charity specific policy.

Fundraising

Fundraising for 2022-23 has been focussed on observing the grant requirements for the funding awarded from NHS Charities Together as well as taking advantage of their latest grant offering, improving our stewardship of donations and building on our existing Christmas campaign Tree of Light.

Since 2020 the charity has been the beneficiary of four grants from NHS Charities Together and this financial year has seen the conclusion of two of those projects with final reports submitted to NHS Charities Together as the funder. Those reports referred to the Covid Response grants gifted in 2020-21 and the Community Partnership Grant gifted in 2021. The third grant relating to Staff Wellbeing which is being used to create outdoor staff rest spaces is on-going and the project is progressing well with the first staff space created at the Knoll Community Hospital.

The further grant from NHS Charities Together was secured this financial year with a £30,000 Development Grant successfully applied for to fund the Charity Development Manager post for 12 months adding valuable resource to the charity team.

A grant of £400 was secured courtesy of ASDA and their Green Token Scheme. This is being put to developing a provision of emergency toiletries for patients.

The fundraising team has also focussed on improving the service to donors to ensure a more consistent stewardship service regardless of their donation route into the charity. This cooperation with other departments has resulted in the fundraising team stewarding over 90% of donations since its implementation.

Community fundraising is returning close to pre-pandemic levels with 18 community fundraisers registered with us during this year with full support to them provided by the fundraising team.

Tree of Light has become a staple in the fundraising calendar but 2022 saw a refreshed approach to this campaign as well as the welcome return of an in-person lighting ceremony. A new online virtual tree enabled donors to post their messages and photos at the point of donation, making the campaign more personal and the addition of a handmade decoration being sent to all donors provided a tangible, meaningful way to convey our thanks. The tree itself, erected at the BGH, was gifted to the charity allowing the 2022 campaign to generate its highest figure since 2017.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES

Charity Partners

The Endowment Fund has been supported in its work during 2022/23 by a number of partner charities. The delivery of many projects detailed within this report has been made possible by these partner charity relationships, many of which have been developed over a number of years.

Financial Review and Results for the Year

Legacies and Donations

The charity received legacies and donations throughout the year and ensures all monies received are allocated to the appropriate fund as requested. At each quarterly meeting, the Endowment Fund Board of Trustees is advised of any donations and legacies over £5,000 in value which has been received by the charity.

Details of legacies received are noted separately within the Annual Accounts in Note 3a (Page 31).

Endowment Funds Expenditure

Endowment Funds expenditure relates to items relevant to the purpose of the Charity, predominantly patient welfare, staff training and development, and the promotion of healthcare. Outgoings are consistent with NHS Borders Guidance to Officers in the use of Endowment Funds.

Approval of expenditure must adhere to regulations contained within Borders Health Board Code of Corporate Governance specifically to the Endowment Funds Financial Scheme of Delegation.

Fund Balances

The Endowment Funds record a net charge in the year to funds held of £377,153 (2021/22: Net charge £84,936).

The Statement of Financial Activities (Page 23) details the financial sums reported in the accounts with the following narrative providing further analysis of the income and expenditure reported:

Donations and Legacies

The Endowment Fund has received legacies and donations totalling £551,998 during 2022/23. The level of income may fluctuate and there has been an increase of 5.6% from the 2021/22 total of £522,845. The stewarded fundraised income is noted below and reflects the extent to which the Fundraising team has supported donors across the Endowment Fund portfolio.

The level of funds stewarded by the Fundraising Team is included in the above total but has been separately noted within the accounts at £320,927 for 2022/23 (2021/22: £286,374). A separate section on fundraising activities is included in this report.

Fund Expenditure

The Endowment Fund has reported total grant funded expenditure of £504,426 (2021/22: £797,461) to further the charitable purpose. The Statement of Financial Activities, page 23, provides analysis of the total expenditure incurred for the year, £687,566 (2021/22: £903,812), across the various categories of expenditure including Support and Governance costs which are noted at £3,624 and £84,763 respectively (2021/22: £ 2,660 and £7,702). Support and Governance costs are analysed in Note 5b on page 34 of these accounts.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES

Financial Review and Results for the Year (continued)

Fund Balances (continued)

Delivery of Charitably funded projects and Funding applications

Endowment Fund Trustees and individual Fund Holders have agreed a number of projects for delivery in 2022/23 and on into 2023/24.

The Funding Application process ensures the applications received from clinical services across NHS Borders are registered and initially presented for review to the Endowment Advisory Group (EAG). EAG members make recommendation, where appropriate, of applications to the Trustees for approval. The update presented to the EAG for discussion in January 2023 noted that one application was awaiting decision by the Mental Health Senior Management Team (£11,323), ten applications were approved for funding from the General (Unrestricted) Endowment Fund (£225,367 in total), two applications , totalling £11,690 have been approved and fulfilled from Restricted Funds and one application for £800 has been referred to the independent charity ‘Friends of the Borders General Hospital’ who agreed to fulfil the request.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES**

Endowment Fund Strategy

The Endowment Fund Strategy will provide a framework to guide, and provide rationale to support, investment decisions by the Trustees which can be communicated to the various stakeholders of the Charity.

To ensure full alignment of the Strategy to the findings and recommendations from the National Review of NHS Scotland Endowment Funds, further development of the Strategy will only be progressed once the legislative, constitutional and governance recommendations from the NHS Scotland Endowment Funds National Review Group are in place.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2021-2022
REPORT OF THE TRUSTEES

Investment Management and Performance

In accordance with the NHS Borders Endowment Funds Written Investment Policy (WIP) the Trustees have the power to invest in such stocks, shares, investments and property in the UK as they see fit, after taking into account any ethical considerations. Investment of funds within the Endowment Portfolio are made on a socially responsible basis and the Endowment Funds specifically does not hold investments in organisations whose main activity is the manufacture or promotion of alcohol, gambling, tobacco or armaments. The Investment Policy also includes direction to the Investment Manager to seek investments which promote health and wellbeing activities where it is appropriate to do so. In March 2022 the WIP was noted as approved for use during 2022/23 by the Trustees.

The Endowment Fund Investment Portfolio is managed by an independent Investment Advisor, Investec Wealth and Investment Ltd. The Investment Advisor adheres to the WIP and adopts a medium risk investment strategy based on balancing income, capital growth and reasonable risk.

The reported valuation of the Investment Portfolio is £4,718,630 as at 31st March 2023 (£4,791,179 at 31st March 2022) with a further £44,135 held in cash (£184,950 at 31st March 2022). Note 6, on page 35, provides details of the value of additions, disposals and revaluation for the Portfolio during 2022/23.

There continues to be a degree of uncertainty within the financial markets and the Trustees are regularly updated by quarterly reports from the Investment Advisor together with the opportunity to discuss the portfolio and investments in more detail with the Advisor during Board of Trustees meetings, enable the Trustees to maintain good awareness of issues and to give ongoing consideration of the Portfolio's performance and how this may impact on the Charity's activities going forward.

During financial year 2022/23 Investment Income generated within the portfolio from Dividend Income and Bank Interest on the cash holding was £155,476 (2021/22: £155,697) which is equivalent to an overall income return on capital employed of 3.2 % (2021/22: 3.0%). Investment Portfolio management fees reported £14,409 for the year at the contracted fee level of 0.3% (2021/22: £11,773). In addition to the fee charged it is noted that there are costs associated with investing in collective funds, such costs are deducted internally within the relevant fund and are reflected in the fund's price. No element of these charges are paid to Investec Wealth & Investment.

The Trustees receive a quarterly report from the Investment Advisor. The March 2023 report noted that the current positioning of the Endowment Fund portfolio remains highly diversified across countries, asset classes and sectors in order to help mitigate against the risk from the Markets from future political and economic changes. The report also noted the portfolio performance over the previous 12 months, a reduction of -4.96% net, against the benchmark gross figure of -2.80%. The Board of Trustees has agreed that performance will be reported using the benchmark of the Investec bespoke Strategic Asset Allocation (SAA), in addition performance is compared against inflation data and the Asset Risk Consultants (ARC) benchmarks.

Due to on-going financial market volatility which has resulted in the decrease to the portfolio value in year the Trustees have agreed to hold Investment income and the portfolio gain reported for 2022/23 in a Ring Fenced Restricted Fund at the year end. The Trustees will continue to review the performance of the Investment Portfolio with the intention of reinstating the agreed financial procedure of apportionment of income and gains across Restricted and Unrestricted Funds at an appropriate point.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES

Risk Management

The Endowment Fund operates within a governance framework which consists of three documents:

- Borders Health Board Endowment Fund Charter
- Borders Health Board Guidance for Officers in the use of Endowment Funds
- Borders Health Board Financial Operating Procedure for Endowment Funds

Adherence to the governance framework ensures the Endowment Fund complies with Charities legislation and guidance from the Office of the Scottish Charity Regulator (OSCR). These three key documents, in conjunction with NHS Borders Code of Corporate Governance, detail how decisions and approval is given regarding appropriate expenditure of the Endowment Fund.

The Board of Trustees has in place a Risk Management Policy and Risk Register for the NHS Borders Endowment Fund which is reviewed, updated where appropriate, and approved on an annual basis. The Board of Trustees approved the Risk Management Policy and Risk Register in March 2023.

Main Risks for the Charity

The table overleaf has been compiled to detail the main risks which have been assessed by the Trustees and which are included in the Charity's Risk Register. Against each risk is a summary of the mitigating actions in place and the assessed or 'target' risk rating as agreed by the Trustees. The Charity currently records 3 Medium and 4 Low 'target' rated risks on its Risk Register. The Charity does not hold any Very High or High Risks.

The Trustees continue to include a risk on the Fund Risk Register entitled Use of NHS Scotland Endowment Funds, with a target risk rating of Medium. This risk was originally detailed in response to the adverse publicity and subsequent report issued from OSCR on the use of NHS Endowment Funds by NHS Tayside. The Trustees have taken a number of mitigating actions in relation to this risk. In April 2019 correspondence, from the Scottish Government Health Cabinet Secretary's office noted that a review of the governance of NHS Endowment Funds in Scotland had been commissioned. The report from the Chair of the Review was issued by Scottish Government in September 2021. The Trustees have initiated work to consider the recommendations made in the report and are working to agree an action plan which will ensure appropriate implementation of the recommendations for the Borders Endowment Fund.

The Charity utilises the NHS in Scotland (NHSiS) Risk Matrix to provide risk rating for identified risks. The Risk Matrix calculates an overall risk rating based on a level of likelihood of occurrence of risk and the scale of impact of that risk if it occurs.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES**

Main Risks for the Charity (continued)

Risk Heading	Mitigating actions in place	Target Risk Rating
<p>Management and performance of the Investment Portfolio Including poor performance, loss of income and loss in value of investments linked to volatility in the Financial Markets</p>	<p>Approved Investment Policy Professional Investment Advisor appointed. Regular reporting and information to the Trustees relating to the Investment Portfolio performance and trading activities. Investment Portfolio benchmark review.</p>	MEDIUM
<p>Financial Governance Including inaccurate or erroneous reporting of the financial position of the Charity, inappropriate use of funds and over commitment of resources.</p>	<p>Endowment Fund Governance Framework in place and reviewed annually. Business Cycle to review and prioritise applications for funding including a review of available resources. External and Internal Audit review of Governance and Internal Control Frameworks. Internal Audit (2018) - Donations Internal Audit (2021) - Endowment Fund controls</p>	MEDIUM
<p>Fundraising Including not maximising fundraising opportunities to support the charitable activities, non coordination of fundraising activities, and possibility of reputation damaging charitable activities.</p>	<p>Use of Fundraising database software to ensure satisfactory stewardship of funds and fundraising activities. Annual Fundraising Plan. Approved Fundraising Framework including partnership working and code of conduct for fundraisers. Support to the Board of Trustees to progress and approve funding applications from NHS Borders clinical services. Business Case process for approval of Fundraising Appeals.</p>	LOW
<p>Compliance to Charities Legislation and Office of Scottish Charities Regulator Guidance</p>	<p>Endowment Fund Governance Framework in place and reviewed annually. External Auditor Annual Review and recommendations on compliance against Legislation and Recommended Practice.</p>	LOW
<p>Use of NHS Scotland Endowment Funds</p>	<p>Internal Review by Borders Health Board Endowment Fund Trustees - June 2018 OSCR Review initial findings - September 2018 Health Cabinet Secretary, Scottish Government initiated a Review of Governance of NHSS Endowment Funds - April 2019. Final report issued in September 2021. Initial work to draft an action plan for use by the Trustees to manage the implementation of the recommendations from the National Review</p>	MEDIUM

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES**

Main Risks for the Charity (continued)

Risk Heading	Mitigating actions in place	Target Risk Rating
<p>Fundraising Appeal – Borders MacMillan Centre Including the potential impact on general donations due to the appeal. Ensuring management and coordination of the appeal. Achievement of successful partnership working with MacMillan Cancer Support. Delivery of project to achieve identified benefits.</p>	<p>Revised scope and project delivery timescales. Fundraising Manager is a member of the Project Team. Project Management support to coordinate the input to and requirements from key stakeholders. Agreed communication strategy with Macmillan Cancer Support regarding revised scope and project delivery timelines.</p>	<p>LOW</p>
<p>Financial System Failure The Endowment Funds are transacted to and reported from the NHS in Scotland's National Finance System.</p>	<p>Detailed National Business Continuity Plan. Detailed National Disaster Recovery Plan.</p>	<p>LOW</p>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES

Reserves Policies

Reserves Policy - Unrestricted Funds

Funds which are not for a specific purpose are held as unrestricted. The Board of Trustees report a balance of unrestricted funds of £853,157 at 31st March 2023 (£870,730 at 31st March 2022). Included in unrestricted funds is an amount of £371,344 to cover experienced or possible financial risks of the Charity, the Financial Risk Fund balance remains unchanged from the balance reported at 31st March 2022.

Reserves Policy – Restricted Funds

Restricted funds comprise funds received by the Charity where conditions on their use have been placed by the donor. Restricted funds transferred from the funds previously held by the Borders NHS Board under paragraph 26, Schedule 7A of the National Health Service (Scotland) Act 1978 are subject to the caveat set out in section 82(2B) of the Act. Similar principles apply to funds held by the Board under the 1972 NHS Act (Section 82(1) of the 1978 Act) however the intent of the original donation is followed as far as possible and as such these funds are treated as specific in nature. Where clinical or support services have been redesigned or are no longer provided any related funds are reviewed and re-categorised where appropriate. An analysis of the balances held as at 31st March 2023 for Restricted Funds is provided in Note 11, page 39 (Balances for the prior year, 2021/22 are detailed on page 40)

As noted in the Investment section of this report, a ring fenced fund has been created, named as the ‘In year Investment movement’ to hold the funds received as investment income offset by the net portfolio loss from the investment portfolio during 2022/23. The total funds held in this fund are £26,990 as at 31st March 2023 (£283,336 at 31st March 2022). This fund will be reviewed during 2023/24 when the Trustees will consider the balance on this fund and if it should, in the context of the financial market position as it presents in 2023, be apportioned across Restricted and Unrestricted Funds.

The Trustee commissioned Review of Restricted Funds continued to be progressed during 2022/23. Regular updates on the progress made and all findings from the review of restricted funds are provided to Trustee meetings. Adjustments for re-categorisation of funds as a result of the review have been included in the 2022/23 Annual Accounts. Transfer values between the re-categorised funds have been detailed within Note 18 (Page 42) of these accounts.

Ring fenced Funds

A number of funds are held by the Charity as ‘Ring fenced Funds’. Ring fenced Funds – Restricted and Unrestricted, are funds held by an individual Fund Manager or the Trustees for a particular purpose.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES

Plans for Future Periods

A meeting of the Endowment Advisory Group during April discussed and agreed to recommend to the Trustees a 2023/24 Charity Plan. The Plan confirms the Vision of the Charity;

- To build a sustainable and well performing charity, one which is the charity of choice for the people of the Scottish Borders.
- To enhance the care and experience for NHS Borders patients and to demonstrate this impact

The Plan provides details of where the Charity will focus its attention during 2023/24 including Fundraising, Operations and Finance & Governance. The aim of the plan is to move the charity to a strong position of operational efficiency, underpinned by robust governance and effectively delivering the charity's purpose, whilst being in the best position possible to implement the recommendations of the National Review when required.

The Charity continues to anticipate significant change as a result of the recommendations for legislative, constitutional and governance changes which have been made by the National Review of NHS Scotland Endowment Funds which published its final report in September 2021. Timescales for the implementation of the recommended changes remain uncertain and will be communicated to the Charity by Scottish Government. The Trustees have considered the National Report and work has been already progressed to draft an action plan which details the various elements of work which are required firstly at a national level, prior to local actions being taken forward. In addition the work the Trustees started on to develop an Endowment Fund Strategy will be built upon and will be aligned with the National Review report findings and recommendations.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES**

Structure, Governance and Management

Membership and Administrative Details:

Trustees

NHS Borders is the common name of Borders Health Board. The Chair, Non-Executive Members and Executive Directors of NHS Borders were appointed as Trustees ex officio of the Endowment Fund, under the terms of relevant National Health Service Regulations.

The Trustees for the year ended 31st March 2023 were as follows:-

Chair:	Mrs K Hamilton (Member-Endowment Advisory Group)
Vice Chair:	Mrs F Sandford (Member-Endowment Advisory Group)
Trustees:	Mr J Ayling (Member-Endowment Advisory Group)
	Mr A Bone
	Dr K Buchan (from 1 st August 2022) (Member – Endowment Advisory Group)
	Mrs H Campbell
	Mrs S Horan
	Ms S Lam
	Dr L McCallum
	Mr J McLaren (Chair-Endowment Advisory Group)
	Mrs L O’Leary
	Cllr D Parker
	Dr T Patterson (to 31 st August 2022)
	Dr S Bhatti (from 26 th September 2022)
	Mr R Roberts
	Mr T Taylor
	Mrs A Wilson (to 31 st July 2022) (Member – Endowment Advisory Group)

Auditors

The auditors for the year ended 31st March 2023 were:-

Thomson Cooper Accountants
3 Castle Court, Carnegie Campus, Dunfermline KY11 8PB

Bankers

The bankers for the year ended 31st March 2023 were:-

The Royal Bank of Scotland
35 Bank Street, Galashiels, TD1 1EP

United Trust Bank
One Ropemaker Street, London, EC2Y 9AW

Investment Advisors

The Investment Advisors for the year ended 31st March 2023 were:-

Investec Wealth & Investment Ltd
Quartermile One 3rd Floor, 15 Lauriston Place, Edinburgh EH3 9EN

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES

Structure, Governance and Management (continued)

Charitable Status

HM Revenue and Customs has recognised the Borders Health Board Endowment Funds as a “charity” for the purposes of Section 521 to 536 Income Tax Act 2007. Under the Charities and Investment (Scotland) Act 2005, the entity is entitled to describe itself as a “Scottish Charity”. The Scottish Charity Number is SC008225.

Trustees

Under the National Health Service Trusts (Appointment of Trustees) (Scotland) (No. 2) order 1994, the Chair, Non-executive board members and Executive Directors of the NHS Board are appointed Trustees *ex officio* for the purpose of holding any property which is to be held in trust on behalf of the fund under section 12G National Health Service (Scotland) Act 1978. Non-executive board members and Executive Directors of the Health Board are remunerated for their roles with the Borders Health Board and are not remunerated specifically for their appointment as Charitable Trustees. The Endowment Fund is not charged with any remuneration or expenses paid to the Non-executive or Executive Directors of NHS Borders Board. The appointed Trustees work in an independent role governing the Charity.

Induction and Training of New Trustees

New Trustees are given a copy of all relevant policy documents listed below:-

- Borders Health Board Endowment Fund Charter
- Borders Health Board Guidance for Officers in the use of Endowment Funds
- Borders Health Board Financial Operating Procedure for Endowment Funds
- NHS Borders Code of Corporate Governance

In conjunction with the issue of the above documentation, Trustees are supported and advised by their colleagues and given advice by the Board’s Investment Advisors and Auditors on the management and accounting requirements of Endowment Funds.

Operational Administration of Funds

Day to day operational administration of the Endowment Funds has been delegated to the Deputy Director of Finance (Head of Finance) for NHS Borders.

During the financial year 2022/23 the following framework was used for the overall administration of the Endowment Funds:-

- NHS Borders Endowment Fund Charter – details the structure and context within which NHS Borders is empowered to accept and manage charitable funds.
- NHS Borders Guidance to Officers in the use of Endowment Funds – exists to provide assistance to fund managers on appropriate use of charitable funds in accordance with charity legislation and within delegated limits in conjunction with NHS Borders Code of Corporate Governance.
- NHS Borders Financial Operating Procedure – this document details day to day procedure required by the organisation for staff operating within the charitable funds function.

The Endowment Fund Charter and supporting guidance documents were approved for use during 2022/23 by the Board of Trustees in March 2022.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES**

Structure, Governance and Management (continued)

Operational Administration of Funds (continued)

Appropriate amendments to the Charter and the supporting guidance documents resulting from the implementation of recommendations of the National Review of NHS Scotland Endowment Funds will be managed as part of the agreed Governance Action Plan, the plan remains in draft until confirmation of new legislation is received from Scottish Government.

Board of Trustees 2022/23 meetings schedule

The Board of Trustees held 5 meetings using Microsoft Teams technology during 2022/23 on the following dates

- 16th May 2022
- 6th June 2022
- 3rd October 2022
- 6th February 2023
- 13th March 2023 – (Extraordinary meeting to review, amend and approve the Governance Framework for use during 2023/24).

Delegated Sub Committee

The Endowment Fund Board of Trustees is supported in its governance of the Endowment Fund by a delegated subcommittee entitled the Endowment Advisory Group (EAG).

- **Endowment Advisory Group**

The purpose of the EAG is to assist the Board of Trustees to meet its responsibilities under charity law in respect of the stewardship of the charitable funds under its control. The EAG has an approved Terms of Reference. The EAG does not approve funding applications, it makes recommendation on funding applications to the Board of Trustees.

Membership of the Endowment Advisory Group

The EAG has the following membership

Chair	Director of Finance
Two Non Executive Members	Employee Director
Chief Executive	Deputy Director of Finance

The Investment Advisor is asked to attend meetings of the EAG as appropriate. The appointed Non Executive Members to the EAG have been noted on page 13. Mr J McLaren is the Chair of the EAG.

On an annual basis the EAG is remitted to provide support to the Board of Trustees by considering, and making recommendation on, expenditure applications for approval. Following each meeting of the EAG a Business Report is submitted to the next meeting of the Board of Trustees. The EAG has a designated membership however all Trustees can attend EAG meetings.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES**

Structure, Governance and Management (continued)

Endowment Advisory Group 2022/23 (continued)

The EAG met in January 2023 where the members discussed a number of items of Policy, including proposals for spending charitable funds on Staff, Vulnerable Persons Policy, Oakleaf Centre Policy on Fundraising and Donations and Guidance for Staff and Grant Terms and Conditions. Recommendations from this EAG meeting were made to the Board of Trustees meeting on 6th February 2023. An update on Funding Applications was presented by the Fundraising Manager and Trustees noted the update and also considered an application from the Director of Public Health entitled 'Welfare and Social Needs of Staff & Patients in NHS Borders'. The EAG members made a number of comments on the application and further discussion is taking place and it is intended an amended application will be presented to the Board of Trustees for review prior to a recommendation for approval.

External Auditors

Thomson Cooper continue to deliver the contract for External Audit Services to the Charity.

Related Parties

Borders NHS Board is the corporate trustee of Borders Health Board Endowment Funds.

Related Party Transactions

A register of Related Party Transactions is maintained for the Endowment Fund Trustees.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-2023
REPORT OF THE TRUSTEES**

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees to prepare accounts 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 accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and the requirements of the National Health Service (Scotland) Act 1978 have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

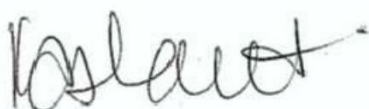
The Trustees are required to act in accordance with the National Health Service (Scotland) Act 1978, within the framework of Trust law. The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

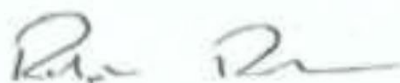
Statement as to disclosure of information to Auditors

In so far as the Trustees are aware, there is no relevant audit information of which the Charity's auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the Trustees



Karen Hamilton
Chair, Endowment Fund Board of Trustees
Date 7th August 2023



Ralph Roberts
Endowment Fund Trustee
Date 7th August 2023

Independent Auditor's Report to the Trustees of Borders Health Board Endowment Fund

Opinion

We have audited the financial statements of Borders Health Board Endowment 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 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 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 and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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'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 of 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 Trustees' 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 Trustees 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 Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 8, the Trustees are 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 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 Trustees are 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 Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act and report in accordance with those Acts and relevant regulations made or having effect there under. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income and posting of unusual journals along with complex transactions and non-compliance with laws and regulations. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue, tested a sample of journals to confirm they were appropriate and inspected minutes from meetings held by management and trustees for any reference to breaches in laws and regulations. In addition, we reviewed areas of judgement for indicators of management bias to address these risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the officers and other management (as required by the auditing standards). We focused

on specific laws and regulations which may have a direct material effect on the financial statements or operations of the charity, including the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We assessed the extent of compliance of the laws and regulations identified above by inspecting any legal correspondence and any correspondence from regulators and making enquiries of management.

We reviewed the laws and regulations in areas that directly affect the financial statements including financial and taxation legislation and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the charity.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit. However, the primary responsibility for the prevention and detection of fraud rests with the trustees. To address the risk of fraud we identified internal controls established to identify risk, performed analytical procedures to identify unusual movements, assessed any judgements and assumptions made in determining accounting estimates, reviewed journal entries for unusual transactions and identified related parties.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted

by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Haro

Fiona Haro CA (Senior Statutory Auditor)

for and on behalf of Thomson Cooper, Statutory Auditor

Accountants

Dunfermline

Date: 25 September 2023

Thomson Cooper is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor under section 1212 of the Companies Act 2006.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
STATEMENT OF FINANCIAL ACTIVITIES
for the 12month period ending 31st March 2023

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2022/23 Total £	2021/22 Total £
Income from:						
Donations and Legacies	2	86,185		465,813	551,998	522,845
Investment income	4		155,227	249	155,476	155,697
Total Income		86,185	155,227	466,062	707,474	678,542
Expenditure on:						
Raising funds:						
Press, Publicity & Fundraising		40,172		40,172	80,344	84,216
Investment management costs			14,409		14,409	11,773
Charitable activities						
Grant funded expenditure	5a	49,117	124,439	330,870	504,426	797,461
Support costs	5b	3,521	103		3,624	2,660
Governance costs	5b	10,506	74,257		84,763	7,702
Total Expenditure		103,316	213,208	371,042	687,566	903,812
Net income and net movement in funds before gains and losses on investments		(17,131)	(57,981)	95,020	19,908	(225,270)
Net (losses)/gains on investments	6	-	(397,061)	-	(397,061)	140,334
Net income/(expenditure)		(17,131)	(455,042)	95,020	(377,153)	(84,936)
Transfers between funds	9	(442)	34,965	(34,523)	-	-
Net movement in funds		(17,573)	(420,077)	60,497	(377,153)	(84,936)
Funds reconciliation						
Total Funds brought forward (Restated)		870,730	1,000,524	3,785,143	5,656,397	5,741,333
Total Funds carried forward	9,10	853,157	580,447	3,845,640	5,279,244	5,656,397

The Statement of Financial Activities includes all gains and losses recognised in the year and relate to continuing operations.

In line with the Charities Statement of Reporting Practice (SORP) the Charity has reported Designated Funds totalling £580,447, in the supporting notes to the accounts Designated Funds are referred to as Ring Fenced Funds as this is the operational title for these funds when reported to the Trustees and the Fund Managers.

The 2021/22 Restricted Fund balances for the Macmillan Extension Project and the Margaret Kerr Appeal Fund have been reclassified to Designated Funds as part of the Restricted Funds Review exercise which was progressed during 2022/23. Note 18 of these accounts provides details of the Restricted Fund balances.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
STATEMENT OF FINANCIAL ACTIVITIES
for the 12 month period ending 31st March 2022

	Note	RESTATED			2021/22 Total £
		Unrestricted Funds £	Designated Funds £	Restricted Funds £	
Income from:					
Donations and Legacies	2	20,616	-	502,229	522,845
Investment income	4	-	154,774	923	155,697
Total Income		20,616	154,774	503,152	678,542
Expenditure on:					
Raising funds:					
Press, Publicity & Fundraising		42,046	125	42,045	84,216
Investment management costs		-	11,773	-	11,773
Charitable activities					
Grant funded expenditure	5a	35,900	514,540	247,021	797,461
Support costs	5b	2,660	-	-	2,660
Governance costs	5b	7,702	-	-	7,702
Total Expenditure		88,308	526,438	289,066	903,812
Net income and net movement					
in funds before gains and losses on investments		(67,692)	(371,664)	214,086	(225,270)
Net (losses)/gain on investments	6	-	140,334	-	140,334
Net income/(expenditure)		(67,692)	(231,330)	214,086	(84,936)
Transfers between funds	9	75,532	(36,655)	(38,877)	-
Net movement in funds		7,840	(267,985)	175,209	(84,936)
Funds reconciliation					
Total Funds brought forward (Restated)		862,890	1,268,509	3,609,934	5,741,333
Total Funds carried forward	9,10	870,730	1,000,524	3,785,143	5,656,397

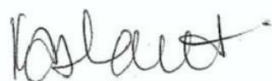
The Statement of Financial Activities includes all gains and losses recognised in the year and relate to continuing operations. Total Funds brought forward have been restated as part of the Review of Restricted Funds Exercise progressed during 2021/22, see note 18 for details of the individual funds which have been recategorised.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
BALANCE SHEET AS AT 31st MARCH 2023

		31st March 2023		Restated 31st March 2022	
Note	£	£	£	£	£
Fixed Assets					
Investments	6	4,718,630		4,791,179	
Total Fixed Assets		4,718,630		4,791,179	
Current Assets					
Debtors	7	499,943		206,545	
Investment Dealing Account		44,135		184,950	
Cash at Bank		133,358		596,459	
Sub total Cash & Investment Dealing		177,493		781,409	
Total Current Assets		677,436		987,954	
Liabilities					
Creditors: Amounts falling due within one year	8	(116,822)		(122,736)	
Net Current Assets		560,614		865,218	
Total net Assets		5,279,244		5,656,397	
 The Funds of NHS Borders Endowment Fund					
Restricted Income Funds					
Restricted	9,10	3,531,054		3,470,557	
Ring Fenced Funds	9,10	314,586		314,586	
Sub total Restricted Funds		3,845,640		3,785,143	
Unrestricted Income Funds					
Unrestricted	9,10	853,157		870,730	
Designated	9,10	580,447		1,000,524	
Sub total Unrestricted Funds		1,433,604		1,871,254	
Total NHS Borders Endowment Funds		5,279,244		5,656,397	

These accounts were approved by the Trustees on 7th August 2023 and authorised for issue on 17th August 2023.

These accounts are signed on behalf of the Trustees by:



Mrs Karen Hamilton
Chair of the Board of Trustees for the NHS Borders Endowment Fund



Mr Ralph Roberts
Trustee of the NHS Borders Endowment Fund

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
CASH FLOW**

	Year End 31st March 2023 £	Year End 31st March 2022 £
Cash flow from operating activities:		
Net cash provided by operating activities note 16	<u>(434,879)</u>	<u>(727,976)</u>
Cash flows from investing activities:		
Dividends and interest	155,476	155,697
Proceedson sale of investments	7,873	974,119
Purchasesof investments	(332,385)	(197,113)
Net cash provided by investing activities	<u>(169,036)</u>	<u>932,703</u>
Change in cash and cashequivalents in the reporting period	(603,916)	204,727
Cash and cashequivalents at the beginning of the reporting period	781,409	576,682
Cash and cashequivalents at the end of the reporting period	<u>177,493</u>	<u>781,409</u>
Cash and cashequivalents comprise:		
Investment dealing account	44,135	184,950
Cash at bank	133,358	596,459
	<u>177,493</u>	<u>781,409</u>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-23
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Endowment Fund accounts.

Basis of Preparation and Assessment of Going Concern

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

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared in compliance with the National Health Service Scotland Act 1978, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as Amended), the 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 United Kingdom and Republic of Ireland (FRS 102) as amended for accounting periods commencing from 1st January 2019 – Charities SORP (FRS 102), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, 2023/24, the most significant areas of uncertainty that affect the carrying value of investment assets held by the Trust are the level of investment return and performance of the investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

Categorisation of Restricted Funds as Ring Fenced Funds

The Review of Restricted Funds exercise which commenced during 2021/22 and progressed during 2022/23 is detailed within the Annual Report from the Trustees, to date the work has resulted in 2 funds being recategorised as Ring fenced during the year. Reported balances for the prior year as at 31st March 2022 have been restated to detail the balances categorised as Ring Fenced Funds – Restricted and Unrestricted Trustee. Note 18 on page 42 provides analysis of the Funds which have been recategorised.

Income

All incoming resources are recognised once the charity has entitlement to the resources and it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. All income received is credited to a specific fund following instructions given by the individual donating to, or fundraising for, the Charity.

Incoming resources are included gross of any tax recoverable amounts.

Income which has no restrictions attached by the donor is included in the General (Unrestricted) Fund.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-23
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is to all intents and purposes probable; this will be once confirmation has been received from the representatives of the estate(s) that the payment of the legacy will be made once all conditions attached to the legacy have been satisfied and the Charity is assured that the amount of incoming resource is known.

Material legacies which have been notified, but which are not recognised in the Statement of Financial Activities due to uncertainty, are disclosed in the Contingent Assets Note 2c.

Expenditure

Resources expended are accounted for on an accruals basis, and in accordance with restrictions of funds. Transfers between funds are actioned following appropriate authorisation from the Fund Manager initiating the transfer.

Resources are expended through NHS Borders exchequer funds with reimbursement being transacted to the Charity on a monthly basis.

Administration costs are charged by the Health Board to the Fund to partially cover the costs of the staffing resource deployed to support the governance and financial requirements of the Charity. Admin costs are charged to each Restricted Fund to the equivalent of 1% of the fund's average balance over the accounting period. The charge for 2022/23 was £34,965 (2021/22: £38,932). A year end debtor for the 2022/23 charge being paid to NHS Borders has been included in the Charity's Annual Accounts.

Raising Funds

The cost of raising funds comprise those direct costs associated with raising funds. Fundraising costs are those incurred in seeking voluntary income and include direct costs such as publicity, marketing and consumables.

Charitable Activities

Costs of charitable activities comprise all costs identified as wholly or mainly incurred in the pursuit of the charitable objectives. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to direct costs. The total costs of each category of charitable expenditure therefore include support costs and the apportionment of overheads.

Governance and Administration

Governance costs comprise all costs identifiable as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation and good practice. This would include costs related to statutory audit requirements.

Administration costs have been separately noted and apportioned to the relevant category.

Pensions

NHS Borders Endowment Funds has no directly paid employees and therefore has no pension contribution liability.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022-23
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

VAT

Any irrecoverable VAT is charged to the statement of financial activities. Goods purchased that are to be used solely in medical research, diagnosis, training or treatment may be zero rated for VAT purposes when purchased wholly from charitable funds.

The charity is not separately registered for VAT. As permitted by HM Revenue & Customs (HMRC) under the NHS Contracted Out Services Regulations, VAT on relevant invoices paid from Endowment Funds is reclaimed using Borders Health Board's own VAT registration reference. Amounts reclaimed relevant to Endowment Funds are always credited back to the Charity.

Taxation

NHS Borders Endowment Funds has been recognised as a charity by HMRC and accordingly is exempt from tax on surplus or gains arising in the year to the extent that they are applied to the charitable objects. No tax charge has arisen in the charity in the year.

Investments

The Investment Portfolio is managed by Investec Wealth & Investment Ltd in line with the agreed Investment Policy. Investments are stated at market value at the balance sheet date.

Realised and Unrealised Gains and Losses

Investments are revalued on a quarterly basis and all gains and losses are taken to the Statement of Financial Activities as they arise. Any realised gains and losses on revaluation or disposal are combined in the Statement of Financial Activities. Realised gains and losses on investments are calculated as the difference between sales proceeds and the book cost, unrealised gains and losses are calculated as the difference between market value at the year end and the book cost.

Debtors

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

Bank and Cash

Cash at bank and in hand is held to meet the day-to-day running costs of the charity as they fall due.

Creditors

Creditors are amounts owed by the charity and are measured on the basis of the expected amount required to settle the related obligation.

Funds

Unrestricted funds are those that may be used in accordance with the objectives of the charity. Ring fenced funds are set aside by Fund Managers and/or Trustees for specific future projects.

Restricted funds are those that can only be used for particular purposes, through a restriction placed by the donor.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS

2. DONATIONS AND LEGACIES

2022/23		Unrestricted Funds	Ring Fenced Funds	Restricted Funds	2022/23 Total
	Note	£	£	£	£
Legacies	3a	69,200	-	221,157	290,357
Donations and gifts		16,985	-	238,856	255,841
Grants		-	-	5,800	5,800
Total		86,185	-	465,813	551,998

Donations and legacies stewarded by the Fundraising Team totalled £320,927 in 2022/23
The stewarded total was equivalent to 58% of total income received by the Charity in 2022/23

2021/22		Unrestricted Funds	Ring Fenced Funds	Restricted Funds	2021/22 Total
		£	£	£	£
Legacies		6,283	-	175,134	181,417
Donations and gifts		14,333	-	234,587	248,920
Grants		-	-	92,508	92,508
Total		20,616	-	502,229	522,845

Donations and legacies stewarded by the Fundraising Team totalled £286,374 in 2021/22
The Stewarded total was equivalent to 55% of total income received by the Charity in 2021/22

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS

3a LEGACIES

The Board of Trustees gratefully acknowledges the generosity of the people who have bequeathed funds to benefit patients and staff in the Borders:-

		2022/23	2021/22
		Total	Total
		£	£
E Macmillan	Palliative Fund	110,446	
E Walshe	General (Unrestricted)	75,000	
Sutherland Legacy	Evelyn Sutherland Cancer Nurse	67,992	
R G Watt	Borders Cancer Services	25,627	
M J H Cadzow	Ophthalmology	5,000	
M J H Cadzow	Oncology	5,000	
R McCrirrick	Borders Cancer Services	1,000	
M Oliver	Intensive Therapy Unit	292	
E.Thomson	Palliative Fund		129,619
Duchess of Sutherland	Border Cancer Services (Specialist Nurse)		22,258
I Kennedy	Ward 11 Stroke Unit (Dme)		13,061
M Oliver	Intensive Therapy Unit		9,696
E Bansall-Allen	General (Unrestricted)		6,283
Tulley	Border Cancer Services		500
		290,357	181,417

Legacies in both the current and prior year related to bequests to Restricted Funds and the General (Unrestricted) Fund.

3b CONTINGENT ASSETS

The Charity does not hold any Contingent Assets.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS**

4. INVESTMENT INCOME

2022/23	Ring Fenced Funds	Restricted Funds	2022/23 Total
	£	£	£
Bank interest	-	249	249
Investment dividends & interest	155,227	-	155,227
	155,227	249	155,476

Investment Income earned from the Investment Portfolio during 2022/23 is held as ring fenced restricted funds until such times as agreement is given by the Trustees to apportion across restricted and unrestricted fund balances

2021/22	Ring Fenced Funds	Restricted Funds	2021/22 Total
	£	£	£
Bank interest	-	923	923
Investment dividends & interest	154,774	-	154,774
	154,774	923	155,697

Investment Income earned from the Investment Portfolio during 2021/22 is held as ring fenced restricted funds until such times as agreement is given by the Trustees to apportion across restricted and unrestricted fund balances.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS

5a. CHARITABLE ACTIVITIES	Unrestricted	Ring Fenced	Restricted	2022/23
2022/23	Funds	Funds	Funds	Total
	£	£	£	£
Equipment, furniture & fittings	12,587	(2,265)	22,971	33,293
Staff Welfare	20,936	590	13,448	34,974
Patient Welfare	5,155	126,906	242,788	374,849
Training	10,454	(792)	23,388	33,050
Other	(15)	-	28,275	28,260
	49,117	124,439	330,870	504,426
2021/22	Unrestricted	Ring Fenced	Restricted	2021/22
	Funds	Funds	Funds	Total
	£	£	£	£
Equipment, furniture & fittings	28,977	399,559	49,590	478,126
Staff Welfare	198	-	52,102	52,300
Patient Welfare	4,393	105,626	151,873	261,892
Training	201	9,355	18,814	28,370
Ward Enhancement - Dementia	-	-	(60,767)	(60,767)
Other	2,131	-	35,409	37,540
	35,900	514,540	247,021	797,461

The charity did not undertake any direct charitable activities on its own account, its charitable expenditure being in the of the provision of grant funding.

The charity does not make grants to individuals, all grants made to Borders Health Board are to provide care for NHS patients in furtherance of the charitable objectives.

A scheme of delegation is in place for charitable funds under which the individual designated fund managers operate in accordance with the charity's standing orders and financial instructions.

Accordingly it is not possible to segment activities into discrete individual awards.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS

5b. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

2022/23	Unrestricted Funds £	Ring Fenced Funds £	Restricted Funds £	2022/23 Total £
Support Costs				
Bank Charges	-	103	-	103
Just Giving Charges	216	-	-	216
Fundraising Database	3,305	-	-	3,305
	3,521	103	-	3,624
Governance Costs				
Health Board Finance Team	-	34,965	-	34,965
Charity Development	-	39,292	-	39,292
External Auditors' Remuneration - Audit Fee	6,906	-	-	6,906
Review of Restricted Funds - Legal costs	3,600	-	-	3,600
	10,506	74,257	-	84,763
2021/22				
	Unrestricted Funds £	Ring Fenced Funds £	Restricted Funds £	2021/22 Total £
Support Costs				
Bank Charges	63	-	-	63
Just Giving Charges	198	-	-	198
Fundraising Database	2,399	-	-	2,399
	2,660	-	-	2,660
Governance Costs				
External Auditors' Remuneration - Audit Fee	6,702	-	-	6,702
Internal Auditors' Remuneration - Audit Fee	1,000	-	-	1,000
	7,702	-	-	7,702

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS

6. INVESTMENTS

	2022/23	2021/22
	Total	Total
	£	£
Market value as at 1 April	4,791,179	5,427,851
Additions at cost	332,385	197,113
Disposals at value	(7,873)	(974,119)
Investment Revaluation	(397,061)	140,334
Market value as at 31 March	4,718,630	4,791,179
Historic cost as at 31 March	3,870,656	3,538,823

All investments are carried at their fair value.
The investments at 31st March can be analysed as follows:

	Wider Range			
	Market Value		Book Cost	
	2022/23	2021/22	2022/23	2021/22
	£	£	£	£
UK - Fixed Interest	571,528	680,923	691,159	691,159
Overseas Fixed Interest	244,846	51,865	252,679	53,048
UK Equities	1,106,449	1,092,779	848,567	758,026
European Equities	351,296	329,004	169,849	169,849
North American Equities	525,689	556,465	248,254	248,254
Far East & Australasian Equities	145,731	216,545	78,915	120,812
International Equities	824,824	780,927	589,743	506,187
Emerging Economies	39,516	43,019	51,481	51,479
Property	199,887	268,867	249,784	249,784
Alternative Assets	708,864	770,785	690,225	690,225
	4,718,630	4,791,179	3,870,656	3,538,823

The charity does not hold any material concentration of investments in respect of the portfolio held (i.e. over 5% of the portfolio valuation) at 31st March 2023(2022:None).

The main form of financial risk facing the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities within particular sectors or subsectors.

The charity manages investment risks by retaining expert advisors and operating an investment policy which provides for a high degree of diversification of holdings within investment asset classes.

The charity does not make use of derivatives or similar complex financial instruments.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS**

7. DEBTORS ANALYSIS

	2022/23	2021/22
	Total	Total
	£	£
Gift aid	5,535	9,845
Legacies & Donations	110,739	2,846
Investment income	26,208	28,716
Other debtors	357,461	165,138
Total Debtors	<u>499,943</u>	<u>206,545</u>

8. CREDITOR ANALYSIS

	2022/23	2021/22
	Total	Total
	£	£
Deferred Income	30,000	-
Other accruals	86,822	122,736
Total Creditors	<u>116,822</u>	<u>122,736</u>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS

9. ANALYSIS OF NET MOVEMENT IN FUNDS

Note	Restated Balance	Income	Expenditure	Transfers between	Unrealised	Balance at 31st
	at 1st April 2022			funds	gain/(loss) on	March 2023
	£	£	£	£	£	£
Restricted Income Funds						
Restricted	3,470,557	466,062	(371,042)	(34,523)	-	3,531,054
Ring Fenced	314,586	-	-	-	-	314,586
Sub total Restricted Income Funds	3,785,143	466,062	(371,042)	(34,523)	-	3,845,640
Unrestricted Income Funds						
Unrestricted	870,730	86,185	(103,316)	(442)	-	853,157
Ring Fenced	1,000,524	135,227	(213,208)	34,965	(397,061)	580,447
Sub total Unrestricted Income Funds	1,871,254	241,412	(316,524)	34,523	(397,061)	1,433,604
Totals	5,656,397	707,474	(687,566)	-	(397,061)	5,279,244

	Restated					
	Balance at 1st	Income	Expenditure	Transfers between	Unrealised	Balance at 31st
	April 2021			funds	gain/(loss) on	March 2022
	£	£	£	£	£	£
Restricted Income Funds						
Restricted	3,295,348	503,152	(289,066)	(38,877)	-	3,470,557
Ring Fenced - Restricted	314,586	-	-	-	-	314,586
Sub total Restricted Income Funds	3,609,934	503,152	(289,066)	(38,877)	0	3,785,143
Unrestricted Income Funds						
Unrestricted	862,890	20,616	(88,308)	75,532	-	870,730
Ring Fenced	1,268,509	154,774	(526,438)	(36,655)	140,334	1,000,524
Sub total Unrestricted Income Funds	2,131,399	175,390	(614,746)	38,877	140,334	1,871,254
Totals	5,741,333	678,542	(903,812)	-	140,334	5,656,397

The Fund balances at 1st April 2022 have been restated to reflect the Review of Restricted Funds recategorisation completed during 2022/23 as detailed in Note 18 (page 42) of these accounts.

The Restricted Funds include amounts set aside for use across clinical and non clinical services in the Scottish Borders region as specified by the donors.

The Ring Fenced - Restricted Fund balances are held following approval by individual Fund Managers and are in relation to funding underwrites which cover employment contracts issued by NHS Borders. Further details are provided in note 11 - Analysis of Specific Charitable Funds. The restriction(s) applied to these funds can be removed by the Fund Manager if they are no longer required, any balance held at that point would be returned to the original Restricted Fund from where the initial underwrite was created.

The Ring Fenced - Unrestricted Fund balances are held following approval by the Trustees and are in relation to the funding of specific projects being progressed by the Clinical and Non Clinical Service Teams within NHS Borders. The restrictions applied to these funds can be removed by the Trustees if they are no longer required, any balance held at that point would be returned to the Unrestricted (General) Fund.

The Unrestricted Funds represent amounts held to cover the continuing revenue operations and activities of the NHS Borders Endowment Fund, and have not been specified by donors.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Ring Fenced Funds	Restricted Funds	2022/23 Total
	£	£	£	£
Balance as at 31 March 2023	853,157	580,447	3,845,640	5,279,244
Investments	762,549	518,808	3,437,273	4,718,630
Net Current Assets	90,608	61,639	408,367	560,614
	853,157	580,447	3,845,640	5,279,244
		Restated		Restated
	Unrestricted Funds	Ring Fenced Funds	Restricted Funds	2021/22 Total
	£	£	£	£
Balance as at 31 March 2022	870,730	1,000,524	3,785,143	5,656,397
Investments	737,541	847,481	3,206,157	4,791,179
Net Current Assets	133,189	153,043	578,986	865,218
	870,730	1,000,524	3,785,143	5,656,397

The Review of Restricted Funds exercise which commenced in 2021/22 resulted in a number of funds being identified as 'ring fenced', this was where specific restrictions have been applied linked to projects and initiatives as agreed by the Trustees and individual Fund Managers.

The prior year reported balances have been restated to include the Review of Restricted Funds recategorisation as detailed in Note 18.

One Investment Portfolio is managed for the Charity investing all available funds from the Endowment Fund regardless of fund category.

The Investment Portfolio balance held as at 31st March each year is notionally shown against Restricted, Ring Fenced and Unrestricted Funds in the above table by applying a pro rate calculation to reflect the amount of funds held within the Restricted and Unrestricted Funds at year end.

BORDERS HEALTH BOARD ENDOWMENT FUND
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS

11. Analysis of Specific Charitable Funds

Endowment Fund	Restated Balance B/fwd	Income	Expenditure	Investment Portfolio Gains/(Losses)	Transfers	Balance as at 31.03.23
	£	£	£	£	£	£
Specific Restricted Funds						
Palliative Fund	1,581,596	241,027	76,949	-	(16,150)	1,729,524
Border Cancer Services	407,097	148,795	161,180	-	(3,944)	390,768
Ward 9 Orthopaedic	279,084	277	2,739	-	(2,810)	273,812
Haemodialysis Fund	103,899	5,094	2,589	-	(1,066)	105,338
Staff Wellbeing Grant	37,634	5	768	-	(401)	36,470
Ward 11 Stroke Unit (Dme)	49,454	1,845	567	-	(499)	50,233
Bgh General	46,458	742	581	-	(466)	46,153
Stroke Fund	45,926	1,006	1,251	-	(463)	45,218
Oncology Fund	38,298	5,003	570	-	(415)	42,316
Special Care Baby Unit	40,940	2,438	1,972	-	(410)	40,996
Heart Fund	22,794	15,764	439	-	(335)	37,784
Endoscopy Fund	36,505	3	(1,211)	-	(376)	37,343
Ward 15/Special Care Development	30,556	327	351	-	(306)	30,226
Nhs Borders Staff Lottery	28,149	2	(1,821)	-	(289)	29,683
Cauldshields	24,311	9	276	-	(243)	23,801
Knoll General	25,908	2	2,252	-	(249)	23,409
Haylodge General	24,515	2	1,504	-	(243)	22,770
Lung Fund	20,455	1,540	(506)	-	(222)	22,279
Ophthalmology	20,568	5,267	3,941	-	(234)	21,660
Pharmacy Development General	21,720	2	(64)	-	(219)	21,567
BGH Chaplaincy Centre	20,151	532	235	-	(203)	20,245
Wards 4/5/6 (Acute Medical)	22,359	4,041	6,858	-	(234)	19,308
Speech & Language Therapy Fund	18,841	1	601	-	(189)	18,052
Intensive Therapy Unit	20,671	2,726	5,411	-	(202)	17,784
Poynder View	16,837	25	696	-	(166)	16,000
Staff Rest Room Fund	14,004	1,092	(966)	-	(157)	15,905
Rheumatology General	15,500	1	571	-	(152)	14,778
Ward 15 (Childrens Ward)	19,556	877	6,291	-	(179)	13,963
Surgical Unit Staff - Wrds 7 & 8	12,284	995	151	-	(125)	13,004
Other restricted funds	424,487	26,622	96,867	-	(3,576)	350,666
Restricted Funds	3,470,556	466,062	371,042	-	(34,523)	3,531,054
Palliative Care Quality Improvement Facilitator	147,000	-	-	-	-	147,000
Palliative Care Nurse Consultant	132,024	-	-	-	-	132,024
Duchess of Sutherland Legacy	35,562	-	-	-	-	35,562
Ring Fenced Funds	314,586	-	-	-	-	314,586
Restricted Funds	3,785,142	466,062	371,042	-	(34,523)	3,845,640
Ring Fenced Funds (Designated)						
Borders Macmillan Extension Project	414,839	-	-	-	-	414,839
Advanced Nurse Practitioners	365,709	-	126,113	-	-	239,596
In Year Investment movement	283,336	155,227	14,512	(397,061)	-	26,990
Finance and Governance	242,319	-	74,256	-	34,965	203,028
Margaret Kerr Unit Appeal Fund	57,845	-	-	-	-	57,845
Community District Nursing Teams Equipment	29,669	-	-	-	-	29,669
Green Impact Project	12,721	-	-	-	-	12,721
Other ring fenced fund	(405,913)	-	(1,673)	-	-	(404,240)
Ring Fenced Funds (Designated)	1,000,524	155,227	213,208	(397,061)	34,965	580,447
Total Restricted and Ring Fenced Funds	4,785,667	621,289	584,250	(397,061)	442	4,426,087

The specific fund balances as reported above detail closing balances of £11,000 or above.

There are at present 174 individual Specific (Restricted) Funds where title of each fund is generally indicative of the particular speciality where the donor has expressed a wish as to how the donation should be used.

Typical uses relate to patient amenities/activities, equipment, training and research in line with the NHS Borders Endowment Policy.

Restricted Funds within the Endowment Portfolio include funds which have been created to retain funds to underwrite, if required, funding arrangements in place covering the employment contracts issued by NHS Borders for the Palliative Care Nurse Consultant, Palliative Care Quality Improvement Facilitator and the Evelyn Sutherland Cancer Nurse.

Ring Fenced Funds are held to cover the costs associated with specific projects and initiatives approved by the Trustees or by individual Fund Managers.

The 1% administration charge made across individual Restricted Funds as agreed by the Board of Trustees is held within a Ring Fenced Fund entitled - Finance and Governance. During 2022/23 the fund covered costs of Health Board Finance Team support to the Charity (£34,965) and the costs of the Charity Development Post (£39,292).

The transfer balance of £40,172 relates to the re-charge to restricted funds of 50% of the 2022/23 costs of the Fundraising Team.

The other ring fenced funds balance includes the negative balance of £401,257 on the Automated Drug Fund which requires further review to confirm endowment fund income/expenditure commitments and will be addressed early in 2023/24.

BORDERS HEALTH BOARD ENDOWMENT FUND
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS

11. Analysis of Specific Charitable Funds

Endowment Fund	Restated	Investment			Transfers	Balance as at
	Balance	Income	Expenditure	Portfolio		
	B/fwd			Gains/(Losses)		31.03.22
	£	£	£	£	£	£
Specific Restricted Funds						
Palliative Fund	1,530,298	255,609	114,409	-	(89,906)	1,581,592
Border Cancer Services	396,561	76,041	57,241	-	(8,263)	407,098
Ward 9 Orthopaedic	289,567	558	5,181	-	(5,860)	279,084
Haemodialysis Fund	107,792	916	2,626	-	(2,184)	103,899
Ward 11 Stroke Unit (Dme)	35,769	14,677	-	-	(992)	49,454
Bgh General	45,260	2,152	-	-	(953)	46,458
Stroke Fund	44,798	1,416	(659)	-	(948)	45,926
Special Care Baby Unit	41,439	731	377	-	(853)	40,940
Oncology Fund	37,336	110	(1,643)	-	(791)	38,298
Staff Wellbeing Grant	-	38,516	-	-	(882)	37,634
Endoscopy Fund	35,153	2,109	-	-	(757)	36,505
Ward 15/Special Care Development	31,075	118	-	-	(637)	30,556
Nhs Borders Staff Lottery	27,503	1,228	-	-	(582)	28,149
Knoll General	24,284	2,160	-	-	(536)	25,908
Carers Resilience	-	54,008	28,559	-	(67)	25,382
Haylodge General	25,862	403	1,240	-	(510)	24,515
Cauldshields	24,813	6	-	-	(508)	24,311
Heart Fund	19,068	867	(3,316)	-	(457)	22,794
Wards 4/5/6 (Acute Medical)	20,949	1,863	-	-	(453)	22,359
Pharmacy Development General	22,193	6	25	-	(454)	21,720
Intensive Therapy Unit	13,003	16,159	8,135	-	(356)	20,671
Ophthalmology	20,756	240	-	-	(428)	20,568
Lung Fund	20,590	1,335	1,043	-	(427)	20,455
BGH Chaplaincy Centre	20,567	5	-	-	(421)	20,151
Ward 15 (Childrens Ward)	20,340	344	717	-	(410)	19,556
Speech & Language Therapy Fund	19,230	5	-	-	(394)	18,841
Poynder View	17,681	4	494	-	(354)	16,837
Rheumatology General	16,056	4	234	-	(325)	15,500
Staff Rest Room Fund	25,999	1,504	13,150	-	(348)	14,004
ECG Fund	16,614	1,028	3,565	-	(301)	13,776
COVID -19	59,679	5,228	51,579	-	(341)	12,987
Melburn Lodge	16,055	348	3,451	-	(279)	12,673
Surgical Unit Staff -Wrds 7 & 8	11,547	987	-	-	(250)	12,284
Huntyburn House	12,102	15	340	-	(243)	11,534
Other restricted funds	<u>356,823</u>	<u>21,168</u>	<u>21,165</u>	<u>-</u>	<u>(8,688)</u>	<u>348,138</u>
Restricted Funds	<u>3,406,759</u>	<u>501,868</u>	<u>307,913</u>	<u>-</u>	<u>(130,158)</u>	<u>3,470,557</u>
Palliative Care Quality Improvement Facilitator	147,000	-	-	-	-	147,000
Palliative Care Nurse Consultant	132,024	-	-	-	-	132,024
Duchess of Sutherland Legacy	<u>35,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,562</u>
Ring Fenced Funds	314,586	-	-	-	-	314,586
Restricted Funds	<u>3,721,345</u>	<u>501,868</u>	<u>307,913</u>	<u>-</u>	<u>(130,158)</u>	<u>3,785,143</u>
Ring Fenced Funds						
Borders Macmillan Extension Project	361,273	1,270	(60,767)	-	(8,471)	414,839
Advanced Nurse Practitioners	482,543	-	116,834	-	-	365,709
In Year Investment movement	-	154,774	11,773	140,334	-	283,335
Finance and Governance	203,387	-	-	-	38,932	242,319
Margaret Kerr Unit Appeal Fund	-	15	-	-	57,830	57,845
Community Distict Nursing Teams Equipment	29,669	-	-	-	-	29,669
Green Impact Project	12,721	-	-	-	-	12,721
Ward 14 TV's	7,947	-	-	-	-	7,947
Other ring fenced - unrestricted	59,557	-	439,751	-	(33,665)	(413,859)
Ring Fenced Funds (Designated)	<u>1,157,097</u>	<u>156,058</u>	<u>507,591</u>	<u>140,334</u>	<u>54,626</u>	<u>1,000,524</u>
Total Restricted and Ring Fenced Funds	<u>4,878,442</u>	<u>657,926</u>	<u>815,504</u>	<u>140,334</u>	<u>(75,532)</u>	<u>4,785,667</u>

The specific fund balances as reported above detail closing balances of £11,000 or above.

There are at present 202 individual Specific (Restricted) Funds where title of each fund is generally indicative of the particular speciality where the donor has expressed a wish as to how the donation should be used. Typical uses relate to patient amenities/activities, equipment, training and research in line with the NHS Borders Endowment Policy.

There are 3 Ring Fenced Restricted Funds within the Endowment Portfolio which have been created to retain funds to underwrite, if required, funding arrangements in place covering the employment contracts issued by NHS Borders for the Palliative Care Nurse Consultant, Palliative Care Quality Improvement Facilitator and the Evelyn Sutherland Cancer Nurse.

The NHS Borders General Endowments Fund (Unrestricted) exists for the Charity as a whole to hold donations where the donor has made the donation for the benefit of NHS Borders but has not specified how the funds are to be expended. The Trustees use advice given by the Endowment Advisory Group and Trustees' discussion in deciding collectively how to utilise the resources available.

The 1% administration charge made across individual Restricted Funds as agreed by the Board of Trustees is held within a Restricted Fund entitled - Finance and Governance.

The transfer balance of £126,158 relates to a number of funding approvals given by the Board of Trustees during 2021/22. Information on the projects approved was given in the 2021/22 Annual Report from the Trustees.

BORDERS HEALTH BOARD ENDOWMENT FUND
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS

12. Unrealised revaluation reserve

The balance held within the Endowment Fund unrealised revaluation reserves at 31st March 2023 remains at the amount of £202,945 as all 2022/23 Investment Portfolio movements have been transacted to the Ring Fenced Restricted Fund. In Year Investment Movement for apportionment across Restricted and Unrestricted Funds during 2023/24.

13. Staff Recharges

The following staff, all of whom are employed by Borders Health Board, were recharged to the charity. The staff noted are the Charity's Fundraising Team and 7 members of staff seconded to the Endowment Fund. Secondment charges actioned in 2021/22 have been apportioned to the Charity and also against core operational activities of NHS Borders where the seconded staff have partially supported frontline services during the ongoing COVID-19 pandemic.

	SOFA Ref	2022/23		2021/22	
		WTE	£	WTE	£
Fundraising Manager	Press, Publicity	0.8	43,648	1.0 (Part year)	59,717
Fundraising Support Officer	Press, Publicity	1.0	36,696	1.0 (Part year)	24,374
Charity Development Manager	Governance Costs	0.9	39,292		
Evelyn Sutherland Nurse	Grant Funded 5a	1.0	67,992	0.6 (Part year)	22,258
Palliative Care Nurse Consultant	Grant Funded 5a	0.6	43,513	0.6	43,513
Palliative Care Quality Improvement	Grant Funded 5a	1.0 (Part Year)	51,744	1.0 (Part year)	34,171
Oncology Staff Nurse - Development	Grant Funded 5a	-	-	0.6 (Part year)	14,406
Advanced Nurse Practitioners	Grant Funded 5a	3.0	126,905	3.0 (Part year)	105,626
Total Staff Recharge			409,790		304,065

14. Employee emoluments

As noted above NHS Borders Endowment Fund has no employees. Consequently no employee had emoluments in excess of £60,000 in either the current or prior years. However the Trustees may accept seconded staff to fulfil the Charities' requirements with respective reimbursement being made to NHS Borders for the related seconded staff's expense. Secondment charges made during the current and prior year are disclosed in Note 13 above.

15. Controlling Party & Related Party Transactions

Borders NHS Board are the corporate trustee of the NHS Borders Endowment Fund and by virtue of appointment to the Board the members are Trustees of the Endowment Fund. There are no transactions with the Trustees or their related organisations during the year other than NHS Borders Board. All of the Charity's transactions are related to Borders Health Board. Financial Transactions for the Endowment Fund are processed through Health Board Systems in compliance to Health Board policies and procedures, reimbursement to the Health Board by the Charity is actioned on a monthly basis. Total expenditure (£687,565) and income (£707,474), Debtors (£499,943) and Creditors (£116,822) relate to transactions which have been processed by the Health Board and which will be subsequently recharged to the Charity in 2023/24.

16. Reconciliation of net movement in funds to net cashflow from operating activities

	2022/23 £	2021/22 £
Net movement in funds	(377,153)	(84,937)
Investment income receivable	(155,476)	(155,697)
Decrease/ (increase) in debtors	(293,398)	(171,449)
Increase/ (Decrease) in creditors	(5,913)	(175,559)
Unrealised Losses/ (Gains) on investments	397,061	(140,334)
Net cash used in operating activities	(434,879)	(727,976)

17. Analysis of changes in net funds

2022/23	1st April 2022 £	Cashflow £	31st March 2023 £
Cash and cash equivalents	781,408	(603,915)	177,493
Borrowings			
Total new funds	781,408	(603,915)	177,493
2021/22	1st April 2021 £	Cashflow £	31st March 2022 £
Cash and cash equivalents	576,682	204,726	781,408
Borrowings			
Total new funds	576,682	204,726	781,408

**BORDERS HEALTH BOARD ENDOWMENT FUND
ANNUAL ACCOUNTS 2022/23
NOTES TO THE ACCOUNTS**

18. Recategorisation of Ring Fenced Funds - Opening fund balances as at 1st April 2022.

The table below provides information on the recategorisation of Ring Fenced Funds for opening balances as at 1st April 2022. The impact of the restatement of closing The recategorisation has been actioned following a further phase of the Review of Restricted Funds. The Review will be ongoing during 2023/24.

The impact of the restatement of closing and opening fund balances are relevant in the following areas of these accounts;

- the 2022/23 and 2021/22 Statement of Financial Activities (SOFA) on pages 22 and 23,
- Note 9 Analysis of Net movement in Funds on page 36.
- Note 10 Analysis of Net assets between Funds on page 37.
- Note 11 2021/22 Analysis of Specific Charitable Funds on page 39.

	Unrestricted Funds	Ring Fenced Funds	Restricted Funds	Total
	£	£	£	£
Reported balances on Endowment Funds as at 31st March 2022	870,730	527,840	4,257,827	5,656,397
Categorise as Ring Fenced Funds - Unrestricted				
Macmillan Extension Project (Fund 102)		414,839	(414,839)	-
Margaret Kerr Unit (MKU) (Fund 407)		57,845	(57,845)	-
Restated Endowment Fund balances as at 1st April 2022	870,730	1,000,524	3,785,143	5,656,397