



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

2020-2021

NHS Borders
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**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2020-2021**

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**BORDERS HEALTH BOARD ENDOWMENT FUNDS
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REPORT OF THE TRUSTEES**

Report of the Trustees for the year ended 31st March 2021

The Trustees present their annual report and accounts for the year ended 31st March 2021. 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) issued in October 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 Principle 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

Financial year 2020/21 has been unprecedented for NHS health and care services in Scotland and across the UK due to the impact of the COVID-19 global pandemic. The Endowment Fund Charity of NHS Borders has worked closely with the Health Board during this very challenging time to provide appropriate support to patients and staff. This report provides details of the charitable activities delivered during the last 12 months.

The Difference is the known as name of the NHS Borders official charity. The Difference is an affiliate member of the Association of NHS Charities and the Fundraising Manager is a member of the Institute of Fundraising.

Necessary steps and measures are in place to ensure that the Difference is compliant with the new General Data Protection Regulations (GDPR) as applicable to the UK.

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Fundraising

In 2020/21, much of the planned work of the Fundraising Team was paused in line with the suspension of all NHS Borders projects, and new priorities were created to support the greater need of the charity to address the COVID-19 pandemic. During this period the fundraising team assisted the NHS Board by providing additional resilience to its Communications department. In addition, it became clear that there was an important and valuable role the charity could play in supporting NHS colleagues who were facing this unprecedented challenge by facilitating the wealth of public support for NHS services both at a local and national level.

The financial support available to the NHS through charitable donations in the initial wave was significant, and the Fundraising Team focused its efforts on channelling that support to help meet the needs of patients and to address some of the challenges for staff which emerged from dealing with the pandemic locally. In April 2020, the COVID-19 Response Fund was established by the Trustees with seed funding of £10,000 from the General Unrestricted Endowment Fund; during 2020/21 this has achieved an income of over £155,000. NHS Charities Together contributed initial emergency grants totalling £59,500, a “Second Wave” grant of £50,000 in the second half of the year and a £2,100 donation from Starbucks solicited by the organisation. As a member charity, the Difference benefitted from the national fundraising work carried out on behalf of the collective NHS health boards throughout the country, including the late Captain Sir Tom Moore’s efforts.

Other donations and grants to the fund from around the Borders community exceeded £42,000. Due to the nature of the pandemic and necessary further public restrictions, many traditional fundraising methods did not occur with businesses closed and events cancelled. Despite this, the Borders community proved themselves to be innovative and creative with a number of lockdown-compliant activities taking place. On average, the amount raised per person/initiative was over £800, which was higher than expected and demonstrated the strength of feeling toward the NHS during this time and the willingness of the public to support the charity.

The support at both a local and national level in the first half of the year resulted in immediate financial donations as well as donations in-kind. The in-kind donations fell in line with the first wave of contributions and there has been on-going support through, for example, regular donations by ASDA in the form of emergency toiletry supplies for patients. In addition, small-scale ad hoc donations were also received including hand creams and similar well-being products which were distributed to teams for use by both patients and staff.

As a result of the disruption to normal fundraising activities noted above the overall financial support to the charity was reduced over the second half of the year and there was an overall decrease in income (excluding grants) for the year compared to previous years. This reflects the evolving nature of this pandemic and the shift that took place from the initial wave where the support was overwhelming, to the return of some normality, a second wave, a subsequent lockdown and a return to an “emergency response footing” for NHS services.

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Fundraising (continued)

The Fundraising Team have provided regular updates to the Trustees on the activities undertaken, primarily relating to the use of the COVID-19 Response Fund and further details of the support provided by this fund's resources are included in the Financial Review and Results section of this report (Page 4).

Charity Partners

The Endowment Fund has been supported in its work during 2020/21 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 29).

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 surplus in the year to funds held of £980,477 (2019/20: Net charge £594,518).

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 £410,547 during 2020/21. The level of income may fluctuate and there has been a decrease of 29% from the 2019/20 total of £575,135. 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 £236,921 for 2020/21 (2019/20: £248,107). A separate section on fundraising activities is included in this report.

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Fund Expenditure

The Endowment Fund spent £538,116 during 2020/21 (2019/20: £687,629) to further the charitable purpose.

The sources of income to the charity in 2020/21 and the nature of expenditure incurred during the year have significantly changed from that reported in previous years as the Charity and Health Board's in year activities have evolved in response to the various stages of the pandemic. Context to the operating environment for the charity during 2020/21 is provided earlier in this report within the Fundraising section (Page 3) and the following paragraphs are provided to detail the individual projects which the charity has committed to from the resources available to it.

COVID-19 Response Fund (Fund balance as at 31st March 2021 - £203,351)

The creation and on-going management of the COVID-19 Response Fund enabled meaningful contributions to NHS Borders staff and patients during the many months of the pandemic. A simple application process was introduced which was available to all staff to apply for funding for anything over and above core NHS provision which would assist the response to the COVID-19 pandemic. Over 30 projects were successfully funded and primarily focused on improving patient experience, enhancing staff welfare, enabling technology and other unique projects, including *Collecting Your Voices*. Noted below are details of the projects and activities delivered within each of these key areas.

Patient Experience

An electronic Cardio wall for East Brig (Mental Health Rehabilitation Inpatient Unit) - A light up wall was purchased to provide exercise for patients at East Brig as other forms of exercise are restricted or not suitable for this group.

Satellite Navigation Systems for Patient Transport vehicles – increased need for patient transport resulted in a number of additional drivers and vehicles being brought in; the purchase of Satellite Navigation devices supported the operational vehicle pool to deliver vital services in rural areas.

Entertainment devices for Huntlyburn Ward (Mental Health Acute Inpatient Facility) – Given the complex needs of this patient group requests were made for TVs, a gaming console and Bluetooth speakers for patient use during lockdown.

“Craft Packs” for Local Area Coordination Team (LAC) – To provide a positive, meaningful activity for adults with a learning or physical disability, older adults or those with mental ill health which was especially important for patients shielding during lockdown restrictions.

Staff Well-being

Rooms to Breathe – Due to the demands and stress of the pandemic, staff needed to have available some quiet spaces for reflection and unwinding. Kits were purchased to create spaces around NHS Borders sites to allow staff to go and use these quiet spaces to regroup.

Nutrition and Hydration – Access to vital refreshments throughout the day is critical for staff and for many such facilities were limited, boxes containing tea, coffee, fruit and snacks were distributed to Borders General Hospital wards, GP surgeries and community sites on a weekly basis. Similarly, complimentary teas and coffees were provided to staff and everyone received a metal water bottle.

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Fund Expenditure (continued)

COVID-19 Response Fund (continued)

Staff Well-being

Well-being Packs – Many staff have shown dedication and commitment throughout the pandemic, leading to working patterns outwith their normal contracted hours. Staff finding themselves within the hospital for longer periods than anticipated, were provided with basic toiletries and packs of general personal items were also made available.

Enabling Technology

Using equipment that was already available and procuring SIM cards and headsets as required, the fund supported a project to allow End of Life volunteers to establish their peer support service virtually to patients.

Collecting Your Voices

An ambitious piece of work was commissioned to capture the experiences of NHS Borders staff as they prepared for and entered the first phase of the COVID-19 pandemic in early 2020. This initiative was set out to then fundamentally change how NHS Borders did things and created an opportunity to understand the experience of NHS staff during the pandemic and to learn from their individual and personal experiences, both organisationally and in relation to wellbeing.

It was already known that people rose to this unprecedented challenge by demonstrating collective leadership and responsibility, so the questions were aimed at establishing how can the Health Board as an organization support people to meet the challenges faced in these circumstances; to ensure that staff are – and feel – supported in making the rapid decisions necessary to respond to immediate issues, and to build on the lessons learned throughout.

Over 2,000 responses were received, reflected the differing team and individual experiences across NHS Borders including from nursing and midwifery staff, from Mental Health services, primary and community services, from individual members of staff shielding at home, and from support staff including facilities, estates and other corporate functions. From this, ten themes emerged: Team Working and Relationships; Values and Purpose; Wellbeing; Leadership; Communication; Innovation, Learning Opportunities and New Ways of Working; Decision Making; Redeployment; availability and use of Personal Protective Equipment (PPE) and the Physical Environment; and Permanent Reminders.

Business Cycle approval process of funding applications – December 2020 approvals £272,935, (January 2020 approvals £647,656).

The Trustees approved funding to a number of projects proposed by the Health Board Clinical Teams during 2020/21. Due to the initial phase of the COVID-19 response during April – June 2020 and the continuing focus of services to the COVID-19 2nd wave response and service remobilisation, a number of these funding applications approved in both 2019/20 and in 2020/21 are reported as being only partially progressed, and for one or two of the projects have not yet started due to limited staffing capacity within the particular service. Funding has been held, in line with the project application details, and support given to the Project Lead to enable a start or restart to the project when the time is right.

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Fund Expenditure (continued)

Business Cycle (continued)

The table below details the individual projects which have been supported financially by the Charity in calendar year 2020.

Approval date	Project Title	Level of funding approved	Project Status
Jan 2020 phase 1 Dec 2020 phase 2	Automated Medicine Cabinets	Phase1 -£132,000 Phase2 -£198,974	Complete In progress
Jan 2020	Space to Grow	£6,000	In progress
Jan 2020	Advanced Nurse Practitioner Care Pathway development and training	£485,646	Initial planning complete but implementation date not yet set.
Jan 2020	Green Impact	£11,010	Paused
Jan 2020	Dementia Plates	£3,000	Complete
Jan 2020	Support Fund - COVID 19 Response	£10,000	Complete
Dec 2020	Equipment for District Nursing Teams	£37,566	In progress
Dec 2020	Medical equipment – Wards 17,4 & 14	£25,500	Complete
Dec 2020	Ward 14 TV's	£7,145	Complete
Dec 2020	Autism Communication Training	£3,750	In progress

Funding totalling £647,656 was transferred to specific projects in 2019/20, with a further £272,935 allocated to projects in 2020/21. Progress and reports on the achievement of the benefit realised by these projects will be presented to the Trustees in line with revised project timelines. The transfer of unrestricted funds as detailed in the above table for approvals in December 2020 is reported in the Statement of Financial Activities (Page 23) and in further detail within the supporting notes to the accounts.

Fundraising Function

As has been noted within this report the Fundraising Team have worked flexibly throughout 2020/21 to enable focus to be given to the many supporting activities to the Health Board during the challenging months of 2020 into 2021. A reduced annual charge levied for 2020/21 reflects the commitment given by the Team to the Board's Communications function during the initial phase of the pandemic in early 2020. A total of £47,748 in year (2019/20: £67,028) costs of fundraising have been reported in the SOFA (Page 23). The restricted fund 'Fundraising Costs' reported a deficit balance of £143,824 (Note 11, page 38) which was incurred as the cost of the time spent by the fundraising team on the fundraising feasibility study and to support the development of the business case for the BGH Children's Centre. This fund will be considered by the Trustees during 2021/22 as a result of the decision to release the funds previously designated to the project.

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Development of an Endowment Fund Strategy

One significant piece of work which was progressed by the Trustees during the later months of 2020/21 was the development of an Endowment Fund Strategy. An initial workshop took place with the Trustees in December 2020 with the aim of building an understanding of the issues faced by the Charity and to consider options for how these can be addressed. The workshop session prompted discussion on the vision for the Charity and the potential benefits of creating a set of specific objectives to be achieved through the use of resources available to the Charity. Consideration was given to a number of dimensions relevant to the operating environment of the Charity including how income is generated, how it is used, and how it is managed. The trustees supported the development of a new approach that provides increased clarity over how funds are committed by translating the broad vision of the charity into a set of clear aims and priorities for investment and review. The communication and supporting governance processes attached to the business of fundraising, application and approval of funds will be further refined in support of this approach.

Comments from the workshop discussions enabled a draft Endowment Fund Strategy document to be presented at the Trustees meeting in March 2021. The Strategy identified a number of aims for the Charity including identifying priority areas for investment, developing a financial plan which actively seeks to increase the utilisation of funds, and enhanced processes for the review of 'restricted' funds. These aims seek to provide assurance to trustees and other interested parties that the funds are used effectively, for the purpose intended, and in support of the wider objectives of the charity. The trustees also felt that it was important to remain open to consideration of any eligible proposal through the use of discretionary funds, in order to support the broader purpose of the charity.

Five priorities were identified within the draft strategy, these being:

- Patient Experience
- Staff Wellbeing
- Healthcare Innovation
- Staff Training & Development
- Reducing Inequalities

2021/22 will see the Endowment Fund Strategy further developed with a final document being presented for approval by the Trustees later in 2021.

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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.

The WIP was approved for use during 2020/21 by the Trustees in January 2020. At the March 2021 Endowment Board of Trustees meeting the WIP was noted as approved for use during 2021/22. .

The Endowment Fund Investment Portfolio is managed by an independent Investment Advisor, Investec Wealth and Investment Ltd. The Endowment Fund Board of Trustees direct, as per the WIP, the Investment Advisor to adopt a medium risk investment strategy based on balancing income, capital growth and reasonable risk.

As reported in the 2019/20 Annual Report of the Trustees the Investment Portfolio valuation as at March 2020 was significantly impacted by the uncertainty in the financial markets from the COVID-19 pandemic. An in year net loss on investments was recorded for 2019/20 at £643,309. To ensure awareness of the risks of any further impact to the portfolio the Trustees have been regularly updated on the financial markets in general on a weekly basis during 2020/21 through the circulation of the Investment Advisors weekly bulletin.

A significant factor which dictated the Investment Portfolio valuation during 2020/21 was the continuing impact of the COVID19 global pandemic on the financial markets. The reduction in value experienced in 2019/20 has recovered during 2020/21 with the current market value of the investment portfolio noted as £5,427,851 at 31st March 2021 (£4,127,140 at 31st March 2020) with a further £26,298 held in cash (£95,448 at 31st March 2020).

The Trustees continue to consider the Portfolio's performance and how this may impact on the Charity's activities going forward. The WIP will be updated and presented for approval, as appropriate, as part of the Endowment Strategy Implementation Plan.

During financial year 2020/21 Investment Income generated within the portfolio from Dividend Income and Bank Interest on the cash holding was £165,393 (2019/20: £161,285) which is equivalent to an overall income return on capital employed of 3.5% (2019/20: 3.9%). Investment Portfolio management fees reported at £18,649 cover a 15 month period in line with the contracted fee level of 0.3% (for the 12 month period of 2019/20 fees totalled £15,125). The Trustees receive a quarterly report from the Investment Advisor. The March 2021 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 to Markets of future political and economic changes. The report also noted the three year position on the portfolio growth at 25.32%, net of management fees, which compares to the adopted benchmark increase of 20.96%.

The Board of Trustees utilise the Investment Income generated by the portfolio to support NHS Borders in the delivery of specific projects which meet the Charity's purpose.

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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 have in place a Risk Management Policy and Risk Register for the NHS Borders Endowment Fund. The Board of Trustees approved the Risk Management Policy and Risk Register in March 2021. The Risk Management Policy and Risk Register will be updated, and presented for approval as appropriate during 2021/22, as part of the Endowment Strategy Implementation Plan.

Main Risks for the Charity

The table overleaf has been compiled to detail the main risks included in the Charity's Risk Register, against each risk is a summary of the mitigating actions in place and the target risk rating as agreed by the Trustees. The Charity currently records 3 Medium Risks and 4 Low 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 the establishment of a Project Group to review the governance of NHS Endowment Funds in Scotland. The appointed Chair of the Project Group wrote to Boards to invite involvement in the Reference Group which supported the work of the Project Group. NHS Borders attended a number of workshops supporting this group and the final report is yet to be issued from the Scottish Government.

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.

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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. Specific Internal Audit in 2018 - Donations</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. 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 Project Group - April 2019. Final report yet to be issued.</p>	MEDIUM

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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 Business Case process underway. 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 business case review.</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>

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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 £732,453 at 31st March 2021 (restated to £389,236 as at 31st March 2020). The increase in Unrestricted Funds is a combination of the transfer of funds from ‘designated unrestricted’ following a decision by the trustees to release the funds previously held for the Children’s Centre project and also to a prior year restatement of balances following the apportionment of investment portfolio gain/loss to Restricted funds over the period 2010/11 to 2019/20. The overall impact of the apportionment has reduced the total of unrestricted funds by £145,041 as at 31st March 2020, and to opening balances as at 1st April 2020. Unrestricted funds are held to cover costs and agreed routine patient/staff expenditure and can be utilised to support funding applications which are in line with the Charity’s purpose. The decision to release the funds previously held for the Children’s Centre project has been reported as a Post Balance Sheet Event, full details are provided on page 26, the Accounting Policies section, of this report.

A ‘Financial Risk’ Fund is included in the above total of Unrestricted Funds. The Risk Fund was created in 2019/20 to cover experienced or possible financial risks of the Charity and remains at the approved level of £371,344 as at 31st March 2021.

Reserves Policy – Restricted Funds

Restricted funds comprise funds received by the Charity where conditions on their use have been imposed 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-designated where appropriate. An analysis of the balances held as at 31st March 2021 for Restricted Funds is provided in Note 11 page 38 (Balances for the prior year, 2019/20 are detailed on page 39)

Designated Fund – Unrestricted Fund

The level of funding held in the Designated Fund – Children and Young Person’s Centre Project is maintained at a value of £0.5m as at 31st March 2021. A Post Balance Sheet Event has been actioned following a decision by the Trustees during September 2021 to release the designated funding and the £0.5m balance has been returned to, and is reported for these accounts as part of, the General (Unrestricted) Fund.

Designated Fund – Restricted Funds

3 Designated Restricted Funds are held by the Charity. These funds can provide, if required, an underwrite to the two specific employment contracts issued by NHS Borders for staff within Borders Cancer Services (£28,000 – 1 year underwrite) and Palliative Care (£117,000 – 3 years underwrite). A third designated fund can provide, if required, an underwrite to the 0.6wte Palliative Care Nurse Consultant post (£135,000 – 3 year underwrite).

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Plans for Future Periods

Financial year 2020/21 began in the grip of the COVID-19 global pandemic and saw the Charity align both its operational activity and its resources to support NHS colleagues as they responded to the health, care and wellbeing needs of patients and staff during the challenging months of the year.

The benefits which have been delivered by the COVID-19 Response Fund over recent months will continue into 2021/22 supported by the membership of the Association of NHS Charities and it's on going national work.

Specific focus on the *Collecting Your Voices* initiative will finalise agreed actions required to address the themes raised and to maintain the listening approach that the initiative embodied and to support the organisation to give staff the ability to lead on change in their areas.

As and when NHS Borders move forward to, and through, the remobilisation phase for health and care services the Charity will begin to progress on the previously approved projects, and update reports from the individual Project Leads will be presented as appropriate.

Considerable work took place during 2020/21 on the development of the Endowment Fund Strategy (Page 8) and as part of the approval process of the Strategy, an operational implementation plan will be created and taken forward with relevant stakeholders of the Charity during 2021/22. Update to the Governance Framework and supporting guidance documents in response to the Endowment Strategy will be completed as part of the implementation plan.

The Trustees will also consider any recommendations from the final report, when issued, from the Scottish Government's review of NHS Scotland Endowment Funds.

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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 2021 were as follows:-

Chair:	Mrs K Hamilton (Member-Endowment Advisory Group)
Vice Chair:	Mr M Dickson (Member-Endowment Advisory Group)
Trustees:	Mrs N Berry
	Mr Andrew Bone (from 14 th April 2020)
	Mr W Brackenridge (Elect from 2 nd July 2020, appointment 1 st April 2021 (Member-Endowment Advisory Group)
	Mrs C Gillie (to 13 th April 2020)
	Ms S Lam (Member-Endowment Advisory Group)
	Dr S Mather (to 31 st August 2020)
	Dr L McCallum (from 1 st September 2020)
	Mr J McLaren (Chair-Endowment Advisory Group)
	Mrs L O'Leary (from 30 th November 2020) (Member-Endowment Advisory Group)
	Cllr D Parker
	Dr T Patterson
	Mr R Roberts
	Mrs F Sandford
	Dr C Sharp (to 11 th September 2020)
	Mr T Taylor
	Mrs A Wilson

Auditors

The auditors for the year ended 31st March 2021 were:-

Geoghegans
Chartered Accountants
6 St. Colme Street, Edinburgh EH3 6AD

Bankers

The bankers for the year ended 31st March 2021 were:-

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

Investment Advisors

The Investment Advisors for the year ended 31st March 2021 were:-

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

BORDERS HEALTH BOARD ENDOWMENT FUNDS
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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 chairman, non-executive directors and executive directors of the fund 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. Remuneration and expenses incurred by the Trustees are not charged against the Charitable Funds. 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 2020/21 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 2021/22 by the Board of Trustees in March 2021.

Appropriate amendments to the Charter and the supporting guidance documents resulting from the implementation of the Endowment Fund Strategy will be presented for approval during 2021/22.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2020-2021
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Structure, Governance and Management (continued)

Board of Trustees 2020/21 meetings schedule

The Board of Trustees held 3 virtual meetings during 2020/21 on the following dates

- 10th September 2020
- 28th September 2020
- 31st March 2021

In addition to the above a separate workshop session was held by the Trustees on 9th December 2020 to take forward discussions on a proposal for an Endowment Fund Strategy.

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.

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 15. Mr J McLaren is the Chair of the EAG.

Main Elements of the Remit of the Endowment Advisory Group:

To prepare an annual budget for Unrestricted Funds based on recommendations of Director of Finance, for approval by the Board of Trustees;

To consider expenditure proposals for approval by the Board of Trustees;

To monitor income and expenditure against the budget approved by Board of Trustees and report thereon on an exception basis to the Board of Trustees;

Following each meeting of the EAG a Business Report is submitted to the next meeting of the Board of Trustees.

Endowment Advisory Group 2020/21

The Endowment Advisory Group met on the 20th May 2020 and on the 4th September 2020 to consider and make recommendation to the Board of Trustees on funding applications to the Unrestricted General Endowment Fund. The EAG reviewed 8 applications for funding during these meetings, and agreed to make recommendation to the Trustees to support 5 of the projects from Unrestricted Funds. The recommendations from the EAG to the Board of Trustees were approved by the Board of Trustees on the 28th September 2020. Updates on the approved projects are given within this report (Page 7).

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
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Structure, Governance and Management (continued)

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 2020-2021
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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 2019 (FRS 102);
- 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.

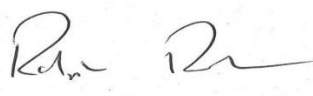
Statement as to disclosure of information to Auditors

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 16th December 2021



Ralph Roberts
Endowment Fund Trustee
Date 16th December 2021

Borders Health Board Endowment Funds

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

Opinion

We have audited the financial statements of Borders Health Board Endowment Funds (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cashflows 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 2021, 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.

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 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 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 report⁴, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report⁴. 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.

Borders Health Board Endowment Funds

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

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 (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 2005 and report in accordance with regulations made under 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 identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures to respond to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- The nature of the industry, control environment and business performance of the charity
- The results of our enquires with management and Trustees about their own identification and assessment of the risks of irregularities
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the charity for fraud. In common with all audits under ISAs (UK), we perform specific procedures to respond to the risk of management override and inappropriate income recognition.

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

We also obtain an understanding of the legal and regulatory environment in which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements and those which may be fundamental to the charity's ability to operate. The key laws and regulations we considered in this context included the Statement of Recommended Practice: Accounting for Charities FRS 102 (2019), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

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 Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

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 Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

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16 December 2021

Geoghegans
Chartered Accounts and Statutory Auditor
Geoghegans is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

6 St Colme Street
Edinburgh
EH3 6AD

BORDERS HEALTH BOARD ENDOWMENT FUNDS

ANNUAL ACCOUNTS 2020/21

STATEMENT OF FINANCIAL ACTIVITIES

for the period ending 31st March 2021

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2020/21 Total £	2019/20 Total £
Income from:						
Donations and Legacies	2	3,192	-	407,355	410,547	575,135
Investment income	4	25,539	-	139,854	165,393	161,285
Total Income		28,731	-	547,209	575,940	736,420
Expenditure on:						
Raising funds:						
Press, Publicity & Fundraising		22,739	-	22,136	44,875	67,028
Investment management costs		2,880	-	15,769	18,649	15,125
Charitable activities						
Grant funded expenditure	5a	23,711	-	442,071	465,782	593,885
Support costs	5b	3,368	-	-	3,368	6,194
Governance costs	5b	5,442	-	-	5,442	5,397
Total Expenditure		58,140	-	479,976	538,116	687,629
Net income/(expenditure) and net movement in funds before gains and losses on investments						
		(29,409)	-	67,233	37,824	48,791
Net gains/(losses) on investments	6	145,561	-	797,092	942,653	(643,309)
Net income/(expenditure)		116,152	-	864,325	980,477	(594,518)
Transfers between funds	9	227,065	(500,000)	272,935	-	-
Net movement in funds		343,217	(500,000)	1,137,260	980,477	(594,518)
Funds reconciliation						
Total Funds brought forward	9	389,236	500,000	3,871,620	4,760,856	5,355,374
Total Funds carried forward	9	732,453	-	5,008,880	5,741,333	4,760,856

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

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2020/21
BALANCE SHEET as at 31st March 2021

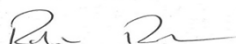
		31st Mar 2021		31st Mar 2020	
Note	£	£	£	£	
Fixed Assets					
Investments	6	5,427,851		4,127,140	
Total Fixed Assets		5,427,851		4,127,140	
Current Assets					
Debtors	7		35,096	49,794	
Investment Dealing Account		26,298		95,448	
Cash at Bank		550,384		678,198	
Sub total Cash & Investment Dealing			576,682	773,646	
Total Current Assets			611,778	823,440	
Liabilities					
Creditors: Amounts falling due within one year	8		(298,296)	(189,724)	
Net Current Assets			313,482	633,716	
Total net Assets			5,741,333	4,760,856	
 The Funds of NHS Borders Endowment Fund					
Restricted Income Funds					
Restricted	9,10	4,666,326		3,593,252	
Designated	9,10	342,554		278,368	
Sub total Restricted Funds			5,008,880	3,871,620	
Unrestricted Income Funds					
Unrestricted	9,10	732,453		389,236	
Designated	9,10	-		500,000	
Sub total Unrestricted Funds			732,453	889,236	
Total NHS Borders Endowment Funds			5,741,333	4,760,856	

Georgegans is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and has given approval of the consolidated 2020/21 Annual Report and Accounts of NHS Borders.

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 2020/21
CASH FLOW

	Note	Year End 31st March 2021 £	Year End 31st March 2020 £
Cash flow from operating activities:			
Net cash used in operating activities	16	<u>(4,299)</u>	<u>(180,547)</u>
Cash flows from investing activities:			
Dividends and interest		165,393	161,285
Proceeds on sale of investments		338,815	287,886
Purchases of investments		(696,873)	(812,585)
Net cash provided by investing activities		<u>(192,665)</u>	<u>(363,414)</u>
Change in cash and cash equivalents in the reporting period	17	(196,964)	(543,961)
Cash and cash equivalents at the beginning of the reporting period	17	773,646	1,317,607
Cash and cash equivalents at the end of the reporting period	17	<u>576,682</u>	<u>773,646</u>
Cash and cash equivalents comprise:			
Investment dealing account		26,298	95,448
Cash at bank		550,384	678,198
		<u>576,682</u>	<u>773,646</u>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2020/21
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 fair value.

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 Statement of Recommended Practice : Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued in October 2019, and the Financial Reporting Standard applicable in the United Kingdom 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, 2021/22, 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).

Prior year adjustment

A prior year adjustment has been made so as to allocate income, investment management fees and gains and losses arising on investments assets to restricted funds. The impact of this adjustment is to increase restricted funds and to decrease unrestricted funds. A reconciliation of fund balances is set out below:

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Fund £
At 31 March 2020				
Funds as previously stated	534,250	500,000	3,726,606	4,760,856
Investments adjustment	(145,014)	-	145,014	-
Funds as restated	<u>389,236</u>	<u>500,000</u>	<u>3,871,620</u>	<u>4,760,856</u>
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Fund £
At 1 April 2019				
Funds as previously stated	801,441	1,500,000	3,053,933	5,355,374
Investments adjustment	(514,361)	-	514,361	-
Funds as restated	<u>287,080</u>	<u>1,500,000</u>	<u>3,568,294</u>	<u>5,355,374</u>

Post Balance Sheet Event

At the Trustee meeting on 27th September 2021, before the date of signing of the accounts, the trustees agreed to return the monies held as designated against the proposed Children's Centre Project, £500,000, to the General (Unrestricted) Fund.

This decision followed the presentation of a report by NHS Borders to the Trustees which detailed that the intended Children's Centre Project was no longer being progressed as a standalone project. With this information the Trustees decided to release the funds which had been designated against this project.

The designated funds have been reported within the balance of General (Unrestricted) funds in the 2020/21 Annual Report and Accounts.

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.

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.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2020/21
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1. ACCOUNTING POLICIES (continued)

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 based on 1% of the average fund balances over the accounting period charged against each individual fund. The charge for 2020/21 was £26,948 (2019/20: £28,026).

Raising funds

The cost of raising funds comprise those direct costs associated with raising funds and include fundraising costs and Investment Management fees when applicable. 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 includes 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.

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.

Pensions

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

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. Dividends and investment income received from the Investment Portfolio are allocated to Unrestricted and Restricted funds based on average fund balances recorded over the reporting period. Note 10 reports the Analysis of Net Assets between Funds and details the Investments value of £5,427,851 prorate to the fund balances of Unrestricted (£732,45) and Restricted Funds (£5,008,880).

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 cost, unrealised gains and losses are calculated as the difference between market value at the year end and the book

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2020/21
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1. **ACCOUNTING POLICIES (continued)**

Debtors

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

Bank, cash and cash equivalents

Cash at bank and in hand is held to meet the day-to-day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, usually held in up to 90 day notice interest bearing savings accounts.

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.

Designated funds set aside by Trustees for specific future projects.

Restricted funds are those that can only be used for particular purposes, as specified by the donor.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2020/21
NOTES TO THE ACCOUNTS**

2. DONATIONS AND LEGACIES

2020/21		Unrestricted Funds	Restricted Funds	2020/21 Total
	Note	£	£	£
Legacies	3a	-	100,475	100,475
Donations and gifts		(3,377)	76,528	73,151
Fundraising		6,569	230,352	236,921
Total		3,192	407,355	410,547

2019/20		Unrestricted Funds	Restricted Funds	2019/20 Total
		£	£	£
Legacies		1,000	68,198	69,198
Donations and gifts		12,438	245,392	257,830
Fundraising		2,306	245,801	248,107
Total		15,744	559,391	575,135

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

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2020/21
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3a LEGACIES

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

		2020/21	2019/20
		Total	Total
		£	£
Sibson Trust	Palliative Fund	94,400	-
Wilding Legacy	Nursing Services General	500	-
E Simpson	Ward 9 Orthopaedic	1,788	-
E Simpson	Palliative Fund	1,787	-
C Waddell	Mental Health General	500	-
A Peat	Haylodge Hospital General	1,500	-
Mrs Humphrey Estate	Palliative Fund	-	(730)
Mr.G.Montgomerie	General - Unrestricted	-	1,000
Mr.W.Gill	Border Cancer Services	-	34,310
Mr.M.E.Little	Palliative Fund	-	34,618
		100,475	69,198

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

3b CONTINGENT ASSETS

The Endowment Fund is recording no contingent assets for 2020/21.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
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4. INVESTMENT INCOME

2020/21	Unrestricted Funds	Restricted Funds	2020/21 Total
	£	£	£
Bank interest	471	2,578	3,049
Investment dividends & interest	25,068	137,276	162,344
	25,539	139,854	165,393

2019/20	Restated Unrestricted Funds	Restated Restricted Funds	2019/20 Total
	£	£	£
Bank interest	985	2,737	3,722
Investment dividends & interest	41,684	115,879	157,563
	42,669	118,616	161,285

Bank interest has been allocated on a pro-rata basis across average fund balances on funds held during the year.

Investment gain/(loss) and income from fixed asset investments is allocated to Restricted and Unrestricted funds based on average fund balances over the reporting period. This is a change from the apportionment methodology adopted by the Endowment Fund historically.

As a result of this change the accounts for 2020/21 include a prior year adjustment which restates Restricted fund balances to include allocation of investment gain/(loss) and income. The restatement exercise was discussed and agreed following Independent Legal Advice provided to the Endowment Fund Board of Trustees, the restatement calculations have been audited by the External Auditor of the Endowment Fund.

The restatement exercise covered the period from 31st March 2015 to 31st March 2021.

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5a CHARITABLE ACTIVITIES	Unrestricted	Restricted	2020/21
2020/21	Funds	Funds	Total
	£	£	£
Equipment, furniture & fittings	925	207,661	208,586
Staff Welfare	288	1,464	1,752
Patient Welfare	20,227	128,985	149,212
Training	-	8,811	8,811
Ward Enhancement - Cancer Centre	-	1,950	1,950
Other	2,271	93,200	95,471
	23,711	442,071	465,782
2019/20	Unrestricted	Restricted	2019/20
	Funds	Funds	Total
	£	£	£
Equipment, furniture & fittings	42,934	105,568	148,502
Staff Welfare	267	3,837	4,104
Patient Welfare	25,184	366,039	391,223
Training	-	24,668	24,668
Ward Enhancement - Dementia	-	(615)	(615)
Other	19,101	6,902	26,003
	87,486	506,399	593,885

The charity did not undertake any direct charitable activities on its own account, its charitable expenditure being in the form 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 designate 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.

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5b ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

2020/21	Unrestricted Funds £	Restricted Funds £	2020/21 Total £
Support Costs			
Bank Charges	77	-	77
Just Giving Charges	418	-	418
Fundraising Database	2,873	-	2,873
	<u>3,368</u>	<u>-</u>	<u>3,368</u>
Governance Costs			
Auditors' Remuneration - Audit Fee	5,442	-	5,442
	<u>5,442</u>	<u>-</u>	<u>5,442</u>
2019/20	Unrestricted Funds £	Restricted Funds £	2019/20 Total £
Support Costs			
Bank Charges	138	-	138
Just Giving Charges	360	(50)	310
Fundraising Database	5,746	-	5,746
	<u>6,244</u>	<u>(50)</u>	<u>6,194</u>
Governance Costs			
Auditors' Remuneration - Audit Fee	5,397	-	5,397
	<u>5,397</u>	<u>-</u>	<u>5,397</u>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
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6. INVESTMENTS

	2020/21	2019/20
	Total	Total
	£	£
Market value as at 1 April	4,127,140	4,245,750
Additions at cost	696,873	812,585
Disposals at value	(338,815)	(287,886)
Investment Revaluation	942,653	(643,309)
Market value as at 31 March	5,427,851	4,127,140
Historic cost as at 31 March	4,164,390	3,834,723

All investments are carried at their fair value.

The investments at 31st March can be analysed as follows:

	Wider Range			
	Market Value		Book Cost	
	2020/21	2019/20	2020/21	2019/20
	£	£	£	£
UK - Fixed Interest	804,826	716,179	795,466	727,976
Overseas Fixed Interest	235,856	201,244	237,052	230,829
UK Equities	1,379,553	1,083,503	930,146	974,765
European Equities	315,702	230,887	169,849	169,849
North American Equities	519,985	386,920	259,646	262,438
Japanese Equities	54,750	43,117	34,293	34,293
Far East & Australasian Equities	152,014	152,225	78,424	137,753
International Equities	929,616	436,010	630,023	325,645
Emerging Economies	89,004	50,020	92,224	83,187
Property	231,231	224,175	249,784	249,784
Alternative Assets	715,314	602,860	687,483	638,204
	5,427,851	4,127,140	4,164,390	3,834,723

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 2021 (2020: 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.

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7. DEBTORS ANALYSIS

	2020/21	2019/20
	Total	Total
	£	£
Gift aid	1,720	8,893
Legacies & Donations	109	-
Investment income	30,344	23,848
Other debtors	2,923	17,053
Total Debtors	<u>35,096</u>	<u>49,794</u>

8. CREDITOR ANALYSIS

	2020/21	2019/20
	Total	Total
	£	£
Other accruals	298,296	189,724
Total Creditors	<u>298,296</u>	<u>189,724</u>

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9. ANALYSIS OF NET MOVEMENT IN FUNDS

Note	Restated Balance at 1st April 2020	Income	Expenditure	Transfers between funds	Unrealised gain/(loss) on Investments	Net movement in funds	Balance at 31st March 2021
	£	£	£	£	£	£	£
Restricted Income Funds							
11	3,593,252	537,635	(478,874)	272,935	741,378	1,073,074	4,666,326
	278,368	9,574	(1,102)	-	55,714	64,186	342,554
	3,871,620	547,209	(479,976)	272,935	797,092	1,137,260	5,008,880
Unrestricted Income Funds							
	389,236	28,731	(58,140)	227,065	145,561	343,217	732,453
	500,000	-	-	(500,000)	-	(500,000)	-
	889,236	28,731	(58,140)	(272,935)	145,561	156,783	732,453
Totals	4,760,856	575,940	(538,116)	-	942,653	980,477	5,741,333

	Restated Balance at 1st April 2019	Income	Expenditure	Transfers between funds	Unrealised gain/(loss) on Investments	Net movement in funds	Restated Balance at 31st March 2020
	£	£	£	£	£	£	£
Restricted Income Funds							
11	3,403,312	671,284	(548,568)	512,656	(445,432)	189,940	3,593,252
	164,982	6,723	(652)	135,000	(27,685)	113,386	278,368
	3,568,294	678,007	(549,220)	647,656	(473,117)	303,326	3,871,620
Unrestricted Income Funds							
	287,080	58,413	(138,409)	352,344	(170,192)	102,156	389,236
	1,500,000	-	-	(1,000,000)	-	(1,000,000)	500,000
	1,787,080	58,413	(138,409)	(647,656)	(170,192)	(897,844)	889,236
Totals	5,355,374	736,420	(687,629)	-	(643,309)	(594,518)	4,760,856

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 Restricted Designated Funds balance is held following approval by the Trustees and is in relation to an underwrite, if required, funding arrangements in place covering employment contracts issued by NHS Borders. Further details are provided in note 11 - Analysis of Specific Charitable Funds.

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

The Unrestricted Designated Funds balance has been transferred to General Unrestricted Funds following approval by the Trustees to remove the designation as the project is no longer being progressed as a standalone project by NHS Borders.

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10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Designated Funds	Restricted Funds	2020/21 Total
	£	£	£	£
Balance as at 31 March 2021	732,453	-	5,008,880	5,741,333
Investments	692,460	-	4,735,391	5,427,851
Net Current Assets	39,993	-	273,489	313,482
	732,453	-	5,008,880	5,741,333
	Restated Unrestricted Funds	Designated Funds	Restated Restricted Funds	2019/20 Total
	£	£	£	£
Balance as at 31 March 2020	389,236	500,000	3,871,620	4,760,856
Investments	334,824	-	3,792,316	4,127,140
Net Current Assets	54,412	500,000	79,304	633,716
	389,236	500,000	3,871,620	4,760,856

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11. Analysis of Specific Charitable Funds

Endowment Fund	Restated	Investment			Balance as at	
	Balance	Income	Expenditure	Portfolio	31.03.21	
	B/fwd			Gains/(Losses)	Transfers	
	£	£	£	£	£	
Specific Restricted Funds						
Palliative Fund	1,185,327	187,685	100,345	241,159	(11,497)	1,502,329
Advanced Nurse Practitioners	462,688	15,859	1,826	92,295	(3,103)	565,912
Borders Macmillan Extension Project	294,832	12,650	3,115	58,871	(1,966)	361,273
Border Cancer Services	312,766	39,702	16,666	63,647	(2,889)	396,560
Ward 9 Orthopaedic	238,400	10,284	4,416	47,374	(2,073)	289,568
Automated Drug Cabinets	122,454	4,830	172,601	27,102	197,809	179,593
Haemodialysis Fund	87,136	5,493	1,593	17,491	(735)	107,792
Covid-19	9,466	154,689	109,823	6,204	(857)	59,679
Bgh General	32,223	6,819	374	6,952	(361)	45,260
Stroke Fund	33,707	4,750	360	7,044	(343)	44,798
Special Care Baby Unit	30,725	9,335	4,799	6,475	(297)	41,439
Oncology Fund	30,694	1,078	285	6,104	(256)	37,336
Ward 11 Stroke Unit (Dme)	28,941	1,619	303	5,806	(294)	35,769
Endoscopy Fund	28,814	1,191	325	5,740	(267)	35,153
Ward 15/Schu Hd Development	25,578	900	251	5,083	(235)	31,076
Community DNT Equip	-	487	102	2,662	26,621	29,669
Medical Equipment	-	467	97	2,548	25,479	28,396
Nhs Borders Staff Lottery	21,569	1,959	220	4,403	(207)	27,503
Staff Rest Room Fund	21,396	753	208	4,253	(194)	25,999
Haylodge General	16,764	5,624	185	3,825	(167)	25,862
Cauldshields	21,120	837	1,071	4,121	(196)	24,812
Knoll General	19,230	1,534	196	3,905	(187)	24,285
Pharmacy Development General	18,259	642	176	3,630	(162)	22,193
Wards 4/5/6 (Acute Medical)	15,089	3,233	462	3,234	(145)	20,948
Ophthalmology	17,080	601	166	3,395	(155)	20,755
Lung Fund	17,407	603	682	3,409	(147)	20,590
Bgh Chaplaincy Centre	13,883	1,127	(2,584)	3,091	(118)	20,567
Ward 15 (Childrens Ward)	19,082	3,252	5,381	3,537	(151)	20,339
Heart Fund	14,409	653	(1,130)	3,004	(127)	19,068
Speech & Language Therapy Fund	15,818	556	151	3,145	(139)	19,229
Poynder View	14,610	513	207	2,897	(132)	17,681
Ecg Fund	13,197	1,100	225	2,675	(132)	16,614
Rheumatology General	13,215	466	130	2,626	(122)	16,056
Melburn Lodge	13,981	791	1,285	2,695	(126)	16,056
Mental Health General	11,710	3,120	1,993	2,408	(114)	15,131
Intensive Therapy Unit	9,315	1,795	199	2,002	(89)	12,824
Green Impact Project	10,490	370	111	2,083	(110)	12,721
Huntlyburn House MH In Patient	8,843	1,981	507	1,879	(94)	12,102
Surgical Unit - Wards 7 & 8	11,757	1,413	3,619	2,091	(94)	11,548
Finance and Governance	180,042	6,655	766	38,732	26,948	251,611
Fundraiser Costs	(116,254)	(3,997)	(460)	(23,268)	-	(143,058)
Other restricted funds	267,489	44,219	47,827	55,047	24,359	343,286
Designated Restricted Funds						
Palliative Care Qi Facilitator	128,618	4,423	509	25,742	-	158,274
Palliative Care Nurse Consultant	120,852	4,156	479	24,188	-	148,718
Duchess of Sutherland Legacy	28,898	994	114	5,784	-	35,562
Total Restricted Funds	3,871,620	547,209	479,976	797,092	272,935	5,008,880

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 Designated 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 £272,935 relates to a number of funding approvals given by the Board of Trustees during 2020/21. Information on the projects approved is given in the 2020/21 Annual Report from the Trustees.

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11. Analysis of Specific Charitable Funds 2019-20

<u>Endowment Fund</u>	<u>Restated Balance B/fwd</u>	<u>Income</u>	<u>Expenditure</u>	<u>Investment Portfolio Gain/(Loss)</u>	<u>Transfers</u>	<u>Restated Balance as at 31.03.20</u>
	£	£	£	£	£	£
Specific Restricted Funds						
Palliative Fund	1,510,791	300,522	310,074	(167,046)	(148,866)	1,185,327
Advanced Nurse Practitioners - Training	-	7,141	691	(29,408)	485,646	462,688
Border Cancer Services	268,957	125,983	43,188	(36,260)	(2,726)	312,766
Borders Macmillan Ext Project	325,283	15,974	4,972	(38,361)	(3,092)	294,832
Ward 9 Orthopaedic	266,434	7,990	2,705	(31,212)	(2,107)	238,400
Automated Drugs Cabinets	-	578	12,506	2,382	132,000	122,454
Haemodialysis Fund	115,627	5,976	21,143	(12,517)	(807)	87,136
Stroke Fund	21,395	16,918	910	(3,448)	(248)	33,707
Borders General Hospital General	35,985	1,261	472	(4,230)	(322)	32,222
Special Care Baby Unit	32,785	25,845	23,686	(3,932)	(287)	30,725
Oncology Fund	34,853	1,024	861	(4,060)	(262)	30,694
Ward 11 Stroke Unit	20,012	12,447	234	(3,056)	(228)	28,941
Endoscopy Fund	32,010	1,253	421	(3,764)	(267)	28,813
Ward 15/Special Care Baby Unit Development	28,685	851	357	(3,362)	(240)	25,577
Nhs Borders Staff Lottery	21,839	2,919	297	(2,695)	(197)	21,569
Staff Rest Room Fund	23,989	712	295	(2,812)	(198)	21,396
Cauldshields Ward	23,409	1,790	1,105	(2,770)	(204)	21,120
Knoll General	8,911	5,841	(6,364)	(1,754)	(132)	19,230
Ward 15 (Childrens Ward)	20,379	5,692	4,348	(2,439)	(202)	19,082
Pharmacy Development General	19,456	592	(706)	(2,337)	(158)	18,259
Lung Fund	19,629	1,198	966	(2,297)	(156)	17,408
Ophthalmology	19,925	1,765	2,159	(2,292)	(159)	17,080
Haylodge General	18,694	5,563	5,117	(2,206)	(170)	16,764
Speech & Language Therapy Fund	17,725	527	213	(2,079)	(141)	15,819
Wards 4/5/6 (Acute Medical)	13,351	4,317	684	(1,764)	(131)	15,089
Poynder View	16,573	508	405	(1,931)	(136)	14,609
Heart Fund	20,625	3,448	7,358	(2,164)	(143)	14,408
Melburn Lodge	14,549	5,351	4,019	(1,770)	(130)	13,981
Borders General Hospital Chaplaincy Centre	28,001	1,042	12,404	(2,578)	(178)	13,883
Rheumatology General	14,817	445	185	(1,737)	(125)	13,215
ECG Fund	12,677	2,768	515	(1,610)	(123)	13,197
Surgical Unit Staff -Wards 7 & 8	12,130	2,024	804	(1,480)	(112)	11,758
Mental Health General	15,704	450	2,663	(1,695)	(87)	11,709
Green Impact	-	163	16	(667)	11,010	10,490
Finance and Governance	168,969	5,274	511	(21,716)	28,026	180,042
Fundraiser Costs	(128,077)	(3,679)	(356)	15,146	-	(116,254)
Other restricted funds	327,221	98,809	89,711	(59,511)	18,308	295,116
Designated Restricted Funds						
Palliative Care Qi Facilitator	-	1,985	192	(8,175)	135,000	128,618
Palliative Care Nurse Consultant	133,144	3,824	370	(15,745)	-	120,852
Duchess of Sutherland Legacy	31,835	916	89	(3,764)	-	28,898
Total Restricted Funds	3,568,294	678,008	549,220	473,117	647,656	3,871,620

The specific fund balances as reported above detail closing balances of £10,000 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 Designated 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, Quality Improvement Facilitator and the Evelyn Sutherland 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 £647,656 relates to a number of funding approvals given by the Board of Trustees during 2019/20. Information on the projects approved is given in the 2019/20 Annual Report from the Trustees.

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12. Unrealised revaluation reserve

The balance held within the Endowment Fund unrealised revaluation reserve as at 31st March 2021 was £527,728 (Restated 2019/20: £353,776). The increase to the reserve balance relates to the increase in the overall market value of the Endowment Fund Investment Portfolio during 2020/21.

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 8 members of staff seconded to the Endowment Fund. Secondment charges actioned to 2020/21 are reduced from 2019/20 to reflect the time commitment to frontline healthcare duties in support of the Health Board's COVID-19 response.

	2020/21		2019/20	
	WTE	£	WTE	£
Fundraising Manager	0.5	17,443	1.0	27,626
Fundraising Support Officer	0.7	26,828	1.0	35,868
Evelyn Sutherland Nurse	0.6	28,505	0.6 (part year)	13,579
Palliative Care Nurse Consultant	0.6	26,351	0.9	37,644
Palliative Care Quality Improvement	0.1	4,688	1.0	50,713
Palliative Care End of Life Facilitator	-	-	0.92 (part year)	34,472
Palliative Care Project Officer	1.0	21,075	1.5	53,155
Palliative Care Healthcare Support	0.04	1,519	0.5	18,164
Volunteer Coordinator	0.8	17,141	0.8	22,855
Practice Development Nurse - RESPECT	0.2	5,851	0.4	19,504
Oncology Staff Nurse - Development	0.1	2,356	0.7	-
Dialysis Healthcare Support	-	-	0.7	9,047
Total Staff Recharge		151,757		322,627

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.

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

	2020/21	2019/20
	£	£
Net movement in funds	980,477	(594,518)
Investment income receivable	(165,393)	(161,285)
Decrease/(increase) in debtors	14,698	7,335
Increase/(Decrease) in creditors	108,572	(75,388)
Unrealised Losses/(Gains) on investments	(942,653)	643,309
Net cash used in operating activities	(4,299)	(180,547)

17. Analysis of changes in net funds

2020/21	1st April 2020	Cashflow	31st March 2021
	£	£	£
Cash and cash equivalents	773,646	(196,964)	576,682
Borrowings	-	-	-
Total new funds	773,646	(196,964)	576,682
2019/20	1st April 2019	Cashflow	31st March 2020
	£	£	£
Cash and cash equivalents	1,317,607	(543,961)	773,646
Borrowings	-	-	-
Total new funds	1,317,607	(543,961)	773,646