



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

2021-2022

NHS Borders
Newstead
MELROSE
Roxburghshire
TD6 9DA

Tel: (01896) 825555

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

Tel: (0131) 226 5000

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

Tel: (01383) 628800

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2021-2022**

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Report of the Trustees for the year ended 31st March 2022

The Trustees present their annual report and accounts for the year ended 31st March 2022. 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 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

NHS health and care services in Scotland and across the UK continued to be significantly impacted by the ongoing COVID-19 pandemic during 2021/22. Health Board core services have been regularly disrupted by the various waves of COVID-19 illness during the year and as such focus on the remobilisation and recovery of services has directly reduced the level of resources clinical and non clinical teams have had available to give 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.

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.

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Achievements and Performance (continued)

General (continued)

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

In 2021/22 the Fundraising function of the difference continued to play a valuable role in facilitating public support for NHS Borders.

Individual Donations, Community Fundraisers, and Gifts In-Kind

As restrictions lifted and the public adjusted to a 'new normal,' individual donations to the charity began shifting away from the COVID-19 response and back to services and departments. Additionally, online crowd-funding events outnumbered in-person community fundraising events. During the year, 18 fundraising pages on Just Giving were set up for the difference, raising over £14,000 in total. Donations from long-standing community partnerships continued, including Scotland's Gardens Scheme and charity buckets held by local shops and businesses. The closure of the Charity for Care shop in Kelso saw a final gift of £40,000, with over £350,000 donated to the Palliative Care (including the Margaret Kerr Unit) Fund since 2015.

The level of gifts in-kind returned to pre-pandemic levels with ongoing support of toys for children from Cash for Kids and individual toiletries for patients in hospital from ASDA.

Grant-Funded Income and Projects

Grant-funded income continues to focus on the pandemic response, and the Fundraising team worked with NHS Borders staff and partners to secure both the Stage 2 and Stage 3 grants from NHS Charities Together. Two new restricted funds were created for these grants.

Stage 2 Community Partnership Grant: Carers Respite & Well-being Partnership

In an effort to increase collaborative working between healthcare and the third sector, NHS Charities Together awarded a grant of £54,049 in May 2021 to the difference for an 18 month partnership between Borders Carers Centre, Alzheimer Scotland and the Royal Voluntary Service to provide support to unpaid carers through a variety of interventions including counselling, therapeutic activities, social activities and respite for carers and the people they care for in the community. Scottish Borders Council is providing management of the project delivery with the aim to reduce hospital admissions and improve carers stress and resilience.

Stage 3 Staff Recovery and Wellbeing: Outside Spaces

In recognition of the long-term effect of working through the pandemic, NHS Charities Together awarded a grant of £77,000 in September 2021 to support the mental health and recovery of NHS staff and volunteers and their families.

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Fundraising (continued)

The NHS Borders Staff Wellbeing Group, supported by the Fundraising Team developed a proposal identifying quality, meaningful and person-centred ways of supporting our staff's wellbeing. This two-year project will focus on providing rest areas in the natural environment for all staff across the main hospital, community sites and staff working from home to improve mental health and wellbeing while facilitating safe social interaction, inclusion and collaborative engagement.

The first staff-only outdoor seating space was created at the Borders General Hospital (BGH) and is widely used by staff when the weather permits. Following feedback received, this project looks to extend the seating areas to our community sites and to add coverings for use year-round.

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 2021/22 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 30).

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 £84,936 (2020/21: Net surplus £980,477).

The Statement of Financial Activities (Page 22) details the financial sums reported in the accounts with the following narrative providing further analysis of the income and expenditure reported:

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Financial Review and Results for the Year (continued)

Fund Balances (continued)

Donations and Legacies

The Endowment Fund has received legacies and donations totalling £522,845 during 2021/22. The level of income may fluctuate and there has been an increase of 19% from the 2020/21 total of £439,052. 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 £286,374 for 2021/22 (2020/21: £236,921). A separate section on fundraising activities is included in this report.

Fund Expenditure

The Endowment Fund has reported total grant funded expenditure of £797,461 (2020/21: £494,287) to further the charitable purpose. The Statement of Financial Activities, page 22, provides analysis of the total expenditure incurred for the year, £903,812 (2020/21: £566,621), across the various categories of expenditure including Support and Governance costs which are noted at £2,660 and £7,702 respectively (2020/21: £ 3,368 and £5,442).

The sources of income to the charity in 2021/22 and the nature of expenditure incurred during the year continue to be different to that reported in previous years as the Charity and Health Board's in year remobilisation activities have evolved during the various waves of the pandemic. Context to the operating environment for the charity during 2021/22 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 2022 - £12,986)

As public support shifted away from pandemic response and back to 'business as usual,' a significant drop in income to the COVID-19 Response Fund was noted with £5,180 across four donations in 2021/22. The remaining monies are to be used to support lasting memory projects.

The first such lasting memory project supported was the production of pin badges for all NHS Borders staff who worked during the pandemic. 6,000 badges were purchased from the restricted fund, and the Friends of the BGH supporting the cost. The Fundraising team continues to support COVID-19 response and will continue to identify areas where the funding can best support the organisation, its staff and patients.

Fundraising Function

As has been noted within this report the Fundraising Team have worked flexibly during 2021/22 to enable support to be given to a number of activities of the Health Board during the months of 2021 into 2022. A total of £84,216 in year (2020/21: £44,875) costs of fundraising have been reported in the SOFA (Page 22). A lower level of fundraising costs were incurred in 2020/21 as the fundraising team members were partially deployed to core health and care activities with NHS Borders during the initial stages of the COVID-19 pandemic and therefore were not charged to the Endowment Fund.

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Fund Expenditure (continued)

Fundraising Function

The restricted fund ‘Fundraising Costs’, which reported 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, was considered by the Trustees during 2021/22 with agreement reached to transfer the deficit balance of £106,243 against the Unrestricted (General) Fund.

Business Cycle approval process of funding applications

Over the last 2 financial years the trustees have approved funding to a number of projects proposed by the Health Board Clinical Teams. Due to the ongoing impact of the COVID-19 pandemic on the services of the Health Board, a number of these projects are reporting partial progress, and for one or two of the projects, these 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. Despite the challenging circumstances for services a limited level of new applications were received and those were supported by the Fundraising team for funding across both restricted and unrestricted funds.

During 2021/22, 18 enquiries were received via signposting, the table below details the projects which were approved:

Project	Proposed Outcome	Funding Source
Defibrillators for Medical Education	To increase the number of in-house ALS training courses	Fund 400 (General Endowment)
Information Boards for Obstetrics	To provide patient information regarding enhanced recovery from caesarean and what to expect in theatre	Fund 13 (Ward 17 Maternity)
Information Board for Special Care Baby Unit	To provide enhanced patient information	Fund 85 (SCBU)
Information Board for Paediatrics	To provide enhanced patient information	Fund 11 (Ward 15 Paediatrics)
Chickens for East Brig	To support the implementation of chickens at the ward as therapeutic activity for mental health patients	Fund 209 (East/West Brig)
Acute Oncology Advanced Nurse Practitioners (ANP’s)	To train and develop a registered general nurse to become an Acute Oncology ANP’s fulfilled through a secondment of an NHS Borders employee, to support staff development and improve patient outcomes.	Fund 30 (Border Cancer Services)

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Endowment Fund Strategy

It had been the intention of the Trustees to finalise on the initial development work for the Endowment Fund Strategy which took place in 2020/21. An agreed 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, work on the Strategy has been paused since early 2021 in anticipation of the final report. Focus to the Strategy will therefore recommence once the legislative, constitutional and governance changes as recommended by the Review Group are in place.

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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. In March 2021 the WIP was noted as approved for use during 2021/22 by the Trustees who also agreed that a further review, particularly relating to ethical aspects of the Policy, will be progressed during 2022/23

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 £4,791,179 as at 31st March 2022 (£5,427,851 at 31st March 2021) with a further £184,950 held in cash (£26,298 at 31st March 2021). Two requests were made during the year to the Investment Manager to release cash from the Investment Portfolio to the value of £600k to cover expenditure commitments in year. The requests resulted in a total disposal figure of £974,119 being reported for the year. Note 6, on page 34, provides details of the value of additions, disposals and revaluation for the Portfolio during 2021/22.

There continues to be a degree of uncertainty within the financial markets and the Trustees are regularly updated on the position in general on a weekly basis, through the circulation of the Investment Advisors weekly bulletin, this general information and the specific Investment Advisor quarterly reports together with attendance at Board of Trustees meetings by the Investment Advisor combine to enable the Trustees to have 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 2021/22 Investment Income generated within the portfolio from Dividend Income and Bank Interest on the cash holding was £155,697 (2020/21: £165,393) which is equivalent to an overall income return on capital employed of 3.0 % (2020/21: 3.5%). Investment Portfolio management fees reported £11,773 for the year at the contracted fee level of 0.3% (2020/21 reported fees totalled £18,649 which related to a 15 month period). The Trustees receive a quarterly report from the Investment Advisor. The March 2022 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 rise of +5.27% net, against the benchmark gross figure of +8.80%. 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 financial market volatility, most recently experienced as a result of the Russian invasion of Ukraine, the Trustees have agreed to hold Investment income and the portfolio gain reported for 2021/22 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.

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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 2022.

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 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 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.

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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. 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

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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 including future proofing requirements. 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 process.</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 £870,730 at 31st March 2022 (£862,890 restated at 31st March 2021). Included in unrestricted funds is an amount of £371,344 to cover experienced or possible financial risks of the Charity. This is the same amount as that held at 31st March 2021.

A prior year restatement of Unrestricted Fund totals resulted from a number of the investment income and investment portfolio gain apportionments which were transacted in 2020/21 and these together with actions from the Restricted Funds Review undertaken during 2021/22, have recategorised a small number of funds for reporting purposes. Transfer values between the recategorised funds have been detailed within Note 18 (Page 41) of these accounts.

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 2022 for Restricted Funds is provided in Note 11, page 38 (Balances for the prior year, 2020/21 are detailed on page 39)

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 and net portfolio gain from the investment portfolio during 2021/22. The total funds held in this fund are £283,335 as at 31st March 2022. This fund will be reviewed during 2022/23 when the Trustees will consider whether an apportionment of the balance should, in the context of the financial market position as it presents in 2022, be made across Restricted and Unrestricted Funds.

During 2021/22 the Trustees requested a review of the restrictions in place for the individual Restricted Funds held by the Endowment Fund. Charity sector specialists Turcan Connell LLP were contracted to provide oversight to the review. The contract with Turcan Connell was scoped to include the review of recent and historical restrictions, to enable the OSCR guided reorganisation process to provide assurance on the full nature of restrictions to be applied, and to maximise the flexibility, where appropriate, in the use of funds going forward. Dependent on findings of the review, a formal application will be made, if appropriate, to the Office of the Scottish Charity Regulator (OSCR) to complete the OSCR prescribed reorganisation of funds process.

Regular updates on the progress made and all findings from the review of restricted funds are provided to Trustee meetings. In addition the scope, process and intended outcomes of the reorganisation of funds exercise will be reported at a suitable point during 2022/23.

Ring fenced Funds

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

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Plans for Future Periods

Financial year 2022/23 begins set in the context of an ongoing impact from COVID19 on the operational environment for NHS Health and social care services across the Scottish Borders. The Health Board continues to face a number of challenges to deliver care to patients. The Trustees will be regularly updated on the situation by the Health Board and the Trustees remain committed to providing charitable activities where those can support NHS colleagues to meet the health, care and wellbeing needs of patients and staff in months to come.

Further progress to remobilise health and care services will be supported, where appropriate, by the Charity. Funding allocated from the Endowment Fund to projects which were paused due to the pandemic will be made available as soon as services can turn focus to delivery of the project. The Trustees will be guided by the individual Project Leads as to the timing of restart, with update reports being presented at key project milestone dates.

The benefits which have been delivered by the COVID-19 Response Fund (as noted on page 5 of this report) over recent months will continue into 2022/23 supported by the membership of NHS Charities Together and it's on going national work.

The Charity anticipates significant change over the next 2 years 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. The Trustees have considered the report with work already underway to draft an action plan to detail the various elements of work which are required both locally and which will be done initially at a national level, prior to local actions being taken forward. In addition the work the Trustees started to approve an Endowment Fund Strategy will be built upon and will be aligned with the National Review report findings and recommendations.

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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 2022 were as follows:-

Chair:	Mrs K Hamilton (Member-Endowment Advisory Group)
Vice Chair:	Mr M Dickson (to 31 st July 2021) (Member-Endowment Advisory Group)
Trustees:	Mr J Ayling (from 5 th April 2021) (Member-Endowment Advisory Group)
	Mrs N Berry (to 31 st May 2021)
	Mr A Bone
	Mr W Brackenridge (to 1 st April 2021)
	Mrs H Campbell (from 5 th April 2021)
	Mrs S Horan (from 1 st June 2021)
	Ms S Lam
	Dr L McCallum
	Mr J McLaren (Chair-Endowment Advisory Group)
	Mrs L O'Leary
	Cllr D Parker
	Dr T Patterson
	Mr R Roberts
	Mrs F Sandford
	Mr T Taylor
	Mrs A Wilson (Member – Endowment Advisory Group)

Auditors

The auditors for the year ended 31st March 2022 were:-

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

Bankers

The bankers for the year ended 31st March 2022 were:-

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

Investment Advisors

The Investment Advisors for the year ended 31st March 2022 were:-

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

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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 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 2021/22 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 2021-2022
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 and will be presented for approval during 2022/23.

Board of Trustees 2021/22 meetings schedule

The Board of Trustees held 6 meetings using Microsoft Teams technology during 2021/22 on the following dates

- 17th May 2021
- 7th June 2021
- 27th September 2021
- 16th December 2021 – Extraordinary, approval of the 2020/21 Annual Report and Accounts
- 31st January 2022
- 24th March 2022

In addition to the above a separate workshop session was held by the Trustees on 6th May 2021 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.

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.

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

Structure, Governance and Management (continued)

Endowment Advisory Group 2021/22 (continued)

The most recent meeting of the Endowment Advisory Group was the 4th September 2020, at that time three applications were held pending the agreement of criteria and approval of the Training and Development aspect of the wider Endowment Strategy. In June 2021 the Trustees approved the suspension of unrestricted spending due to the work required on the investment income apportionments to Restricted Funds and the resultant impact on Unrestricted Fund balances. An update on all applications which remain on hold (total £203,000) was provided to the Trustee meeting on 24th March 2022.

External Auditors

The appointment of an auditor for the Charity was market tested in the year as part of a governance review. Thomson Cooper submitted a suitable tender and have subsequently been appointed as auditor for 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 2021-2022
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 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.

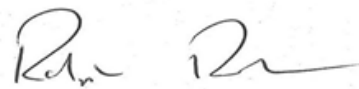
Statement as to disclosure of information to Auditors

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 6th June 2022



Ralph Roberts
Endowment Fund Trustee
Date 6th June 2022

Borders Health Board Endowment Funds

Independent Auditors Report to the Trustees of Borders Health Board Endowment Funds

Opinion

We have audited the financial statements of Borders Health Board Endowment Fund (the charity) for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 2022 and of its incoming resources and application of resources, including 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 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 report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained with the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Borders Health Board Endowment Funds

Independent Auditors Report to the Trustees of Borders Health Board Endowment Funds

Other information (continued)

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 statement of trustees' responsibilities, 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

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 capable of detecting irregularities, including fraud

We considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, 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 of 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 through discussion with the officers and other management (as required by the auditing standards).

We reviewed the laws and regulations in areas that directly affect the charities financial statements including applicable charity and company law 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 and potential fraud risks 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.

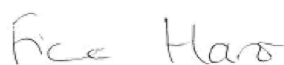
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing 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 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Fiona Haro CA (Senior Statutory Auditor)
for and on behalf of Thomson Cooper, Statutory Auditor
Dunfermline

Date: 9th September 2022

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2021/22
STATEMENT OF FINANCIAL ACTIVITIES
for the period ending 31st March 2022

	Note	Unrestricted Funds £	Ring Fenced Funds £	Restricted Funds £	2021/22 Total £	Restated 2020/21 Total £
Income from:						
Donations and Legacies	2	20,616	-	502,229	522,845	439,052
Investment income	4	-	154,774	923	155,697	165,393
Other Income	4	-	-	-	-	-
Total Income		20,616	154,774	503,152	678,542	604,445
Expenditure on:						
Raising funds:						
Press, Publicity & Fundraising		42,046	125	42,045	84,216	44,875
Investment management costs		-	11,773	-	11,773	18,649
Charitable activities						
Grant funded expenditure	5a	35,900	514,540	247,021	797,461	494,287
Support costs	5b	2,660	-	-	2,660	3,368
Governance costs	5b	7,702	-	-	7,702	5,442
Total Expenditure		88,308	526,438	289,066	903,812	566,621
Net income and net movement in funds before gains and losses on investments		(67,692)	(371,664)	214,086	(225,270)	37,824
Net (losses)/gains on investments	6		140,334	-	140,334	942,653
Net income/(expenditure)		(67,692)	(231,330)	214,086	(84,936)	980,477
Transfers between funds	9	75,532	(36,655)	(38,877)	-	-
Net movement in funds		7,840	(267,985)	175,209	(84,936)	980,477
Funds reconciliation						
Total Funds brought forward (restated)	18	862,890	1,110,411	3,768,032	5,741,333	4,760,856
Total Funds carried forward	9,10	870,730	842,426	3,943,241	5,656,397	5,741,333

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 2020/21
STATEMENT OF FINANCIAL ACTIVITIES (PRIOR YEAR)
for the period ending 31st March 2021

	Note	RESTATED			2020/21 Total £
		Unrestricted	Designated	Restricted & Ringfenced	
		Funds £	Funds £	Funds £	
Income from:					
Donations and Legacies	2	3,192	-	407,355	410,547
Investment income	4	25,539	-	139,854	165,393
Total Income		28,731	-	547,209	575,940
Expenditure on:					
Raising funds:					
Press, Publicity & Fundraising		22,739	-	22,136	44,875
Investment management costs		2,880	-	15,769	18,649
Charitable activities					
Grant funded expenditure	5a	23,711	-	442,071	465,782
Support costs	5b	3,368	-	-	3,368
Governance costs	5b	5,442	-	-	5,442
Total Expenditure		58,140	-	479,976	538,116
Net income/(expenditure) and net movement in funds before gains and losses on investments		(29,409)	-	67,233	37,824
Net gains/ (losses) on investments	6	145,561	-	797,092	942,653
Net income/(expenditure)		116,152	-	864,325	980,477
Transfers between funds	9	357,502	(500,000)	142,498	-
Net movement in funds		473,654	(500,000)	1,006,823	980,477
Funds reconciliation					
Total Funds brought forward	9	389,236	500,000	3,871,620	4,760,856
Total Funds carried forward (restated)	9	862,890	-	4,878,443	5,741,333

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 2021/22
BALANCE SHEET as at 31st March 2022

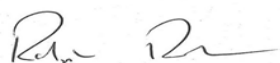
		31st Mar 2022		Restated 31st Mar 2021	
Note	£	£	£	£	£
Fixed Assets					
Investments	6	4,791,179		5,427,851	
Total Fixed Assets		4,791,179		5,427,851	
Current Assets					
Debtors	7	206,545		35,096	
Investment Dealing Account		184,950		26,298	
Cash at Bank		596,459		550,384	
Sub total Cash & Investment Dealing		781,409		576,682	
Total Current Assets		987,954		611,778	
Liabilities					
Creditors: Amounts falling due within one year	8	(122,736)		(298,296)	
Net Current Assets		865,218		313,482	
Total net Assets		5,656,397		5,741,333	
The Funds of NHS Borders Endowment Fund					
Restricted Income Funds					
Restricted	9,10	3,943,241		3,768,032	
Ring Fenced - Fundholder	9,10	314,586		314,586	
Ring Fenced - Trustee	9,10	527,840		795,825	
Sub total Restricted Funds		4,785,667		4,878,443	
Unrestricted Income Funds					
Unrestricted	9,10	870,730		862,890	
Sub total Unrestricted Funds		870,730		862,890	
Total NHS Borders Endowment Funds		5,656,397		5,741,333	

These accounts were approved by the Trustees on 6th June 2022 and authorised for issue on 1st September 2022.

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 2021/22
CASH FLOW

	Year End 31st March 2022 £	Year End 31st March 2021 £
Cash flow from operating activities:		
Net cash provided by operating activities note 16	<u>(727,976)</u>	<u>(4,299)</u>
Cash flows from investing activities:		
Dividends and interest	155,697	165,393
Proceeds on sale of investments	974,119	338,815
Purchases of investments	(197,113)	(696,873)
Net cash provided by investing activities	<u>932,703</u>	<u>(192,665)</u>
Change in cash and cash equivalents in the reporting period	204,727	(196,964)
Cash and cash equivalents at the beginning of the reporting period	576,682	773,646
Cash and cash equivalents at the end of the reporting period	<u>781,409</u>	<u>576,682</u>
Cash and cash equivalents comprise:		
Investment dealing account	184,950	26,298
Cash at bank	596,459	550,384
	<u>781,409</u>	<u>576,682</u>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2021-22
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, 2022/23, 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 is detailed within the Annual Report from the Trustees (Page 12), resulted in a number of funds being recategorised as Ring fenced with an intended specific purpose placed by a Fundholder or the Trustees. Reported balances for the prior year as at 31st March 2021 have been restated to detail the balances categorised as Ring Fenced Funds – Fundholder and Trustee. Note 18 on page 41 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 2021-22
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 2021/22 was £38,932 (2020/21: £26,948).

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 2021-22
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 2021/22
NOTES TO THE ACCOUNTS

2. DONATIONS AND LEGACIES

2021/22		Unrestricted Funds	Restricted Funds	2021/22 Total
	Note	£	£	£
Legacies	3a	6,283	175,134	181,417
Donations and gifts		14,333	327,095	341,428
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.

2020/21		Unrestricted Funds	Restricted Funds	Restated 2020/21 Total
		£	£	£
Legacies		-	128,980	128,980
Donations and gifts		3,192	306,880	310,072
Total		3,192	435,860	439,052

Donations and legacies stewarded by the Fundraising Team totalled £236,921 in 2020/21
The stewarded total was equivalent to 54% of total income received by the Charity in 2020/21.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2021/22
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:-

		2021/22	Restated 2020/21
		Total	Total
		£	£
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)	6,282	
Tulley	Border Cancer Services	500	
Sibson Trust	Palliative Fund		94,400
Duchess of Sutherland	Border Cancer Services (Specialist Nurse)		28,505 *
Wilding Legacy	Nursing Services General		500
E Simpson	Ward 9 Orthopaedic		1,787
E Simpson	Palliative Fund		1,788
C Waddell	Mental Health General		500
A Peat	Haylodge Hospital General		1,500
		181,416	128,980

* The Duchess of Sutherland income received in 2020/21 had not previously been included in this Legacies analysis, the total legacies figure for 2020/21 has therefore been restated.

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 2021/22.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2021/22
NOTES TO THE ACCOUNTS

4. INVESTMENT INCOME

2021/22	Unrestricted Funds	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

2020/21	Unrestricted Funds	Ring Fenced Funds	Restricted Funds	Restated 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

In 2020/21 the Trustees approved the apportionment of bank interest from commercial bank accounts and dividend income from the Investment Portfolio across restricted and unrestricted fund balances.

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5a	CHARITABLE ACTIVITIES	Unrestricted	Ring Fenced	Restricted	2021/22
	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 - Cancer Centre	-	-	(60,767)	(60,767)
	Other	2,131	-	35,409	37,540
		35,900	514,540	247,021	797,461
		Restated			
	2020/21	Unrestricted	Ring Fenced	Restricted	2020/21
		Funds	Funds	Funds	Total
		£	£	£	£
	Equipment, furniture & fittings	925	182,013	25,648	208,586
	Staff Welfare	288	-	1,464	1,752
	Patient Welfare	20,227	-	157,490	177,717
	Training	-	-	8,811	8,811
	Ward Enhancement - Dementia	-	-	1,950	1,950
	Other	2,271	-	93,200	95,471
		23,711	182,013	288,563	494,287

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 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.

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5b ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

2021/22	Unrestricted Funds £	Restricted Funds £	2021/22 Total £
Support Costs			
Bank Charges	63	-	63
Just Giving Charges	198	-	198
Fundraising Database	2,399	-	2,399
	<u>2,660</u>	<u>-</u>	<u>2,660</u>
Governance Costs			
External Auditors' Remuneration - Audit Fee	6,702	-	6,702
Internal Auditors' Remuneration - Audit Fee	1,000	-	1,000
	<u>7,702</u>	<u>-</u>	<u>7,702</u>
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>

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6. INVESTMENTS

	2021/22	2020/21
	Total	Total
	£	£
Market value as at 1 April	5,427,851	4,127,140
Additions at cost	197,113	696,873
Disposals at value	(974,119)	(338,815)
Investment Revaluation	140,334	942,653
Market value as at 31 March	4,791,179	5,427,851
Historic cost as at 31 March	3,538,823	4,164,390

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

	Wider Range			
	Market Value		Book Cost	
	2021/22	2020/21	2021/22	2020/21
	£	£	£	£
UK - Fixed Interest	680,923	804,826	691,159	795,466
Overseas Fixed Interest	51,865	235,856	53,048	237,052
UK Equities	1,092,779	1,379,553	758,026	930,146
European Equities	329,004	315,702	169,849	169,849
North American Equities	556,465	519,985	248,254	259,646
Japanese Equities	-	54,750	-	34,293
Far East & Australasian Equities	216,545	152,014	120,812	78,424
International Equities	780,927	929,616	506,187	630,023
Emerging Economies	43,019	89,004	51,479	92,224
Property	268,867	231,231	249,784	249,784
Alternative Assets	770,785	715,314	690,225	687,483
	4,791,179	5,427,851	3,538,823	4,164,390

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 2022 (2021: 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

	2021/22	2020/21
	Total	Total
	£	£
Gift aid	9,845	1,720
Legacies & Donations	2,846	109
Investment income	28,716	30,344
Other debtors	165,138 *	2,923
Total Debtors	<u>206,545</u>	<u>35,096</u>

* This balance relates to an anticipated credit note from an external contractor for Digital Drugs Cabinets for the Pharmacy Department which have been returned. Replacement items have been invoiced and paid.

8. CREDITOR ANALYSIS

	2021/22	2020/21
	Total	Total
	£	£
Other accruals	122,736	298,296
Total Creditors	<u>122,736</u>	<u>298,296</u>

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9. ANALYSIS OF NET MOVEMENT IN FUNDS

	Note	Restated						
		Balance at 1st April 2021	Income	Expenditure	Transfers between funds	Unrealised gain/(loss) on Investments	Net movement in funds	Balance at 31st March 2022
		£	£	£	£	£	£	£
Restricted Income Funds								
Restricted		3,768,032	503,152	(289,066)	(38,877)	-	175,209	3,943,241
Ring Fenced - Fund Managers		314,586	-	-	-	-	0	314,586
Ring Fenced - Trustee		795,825	154,774	(526,438)	(36,655)	140,334	(267,985)	527,840
Sub total Restricted Income Funds	11	4,878,443	657,926	(815,504)	(75,532)	140,334	(92,776)	4,785,667
Unrestricted Income Funds								
Unrestricted		862,890	20,616	(88,308)	75,532	-	7,840	870,730
Sub total Unrestricted Income Funds		862,890	20,616	(88,308)	75,532	-	7,840	870,730
Totals		5,741,333	678,542	(903,812)	-	140,334	(84,936)	5,656,397

	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								
Restricted		3,593,252	537,635	(478,874)	272,935	741,378	1,073,074	4,666,326
Designated		278,368	38,079	(29,607)	-	55,714	64,186	342,554
Sub total Restricted Income Funds	11	3,871,620	575,714	(508,481)	272,935	797,092	1,137,260	5,008,880
Unrestricted Income Funds								
Unrestricted		389,236	28,731	(58,140)	227,065	145,561	343,217	732,453
Designated		500,000	-	-	(500,000)	-	(500,000)	-
Sub total Unrestricted Income Funds		889,236	28,731	(58,140)	(272,935)	145,561	(156,783)	732,453
Totals		4,760,856	604,445	(566,621)	-	942,653	980,477	5,741,333

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
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10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Ring Fenced Funds £	Restricted Funds £	2021/22 Total £
Balance as at 31 March 2022	870,730	842,426	3,943,241	5,656,397
Investments	737,541	713,566	3,340,072	4,791,179
Net Current Assets	133,189	128,860	603,169	865,218
	870,730	842,426	3,943,241	5,656,397
				Restated 2020/21
	Unrestricted Funds £	Ring Fenced Funds £	Restricted Funds £	Total £
Balance as at 31 March 2021	732,453	342,554	4,666,326	5,741,333
Investments	692,460	323,850	4,411,540	5,427,851
Net Current Assets	39,993	18,704	254,786	313,482
	732,453	342,554	4,666,326	5,741,333

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 in the above tables by applying a pro rate calculation using the fund balances held in Restricted, Ring Fenced and Unrestricted Funds at year end,

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11. Analysis of Specific Charitable Funds

<u>Endowment Fund</u>	<u>Restated Balance</u>		<u>Investment Portfolio</u>		<u>Transfers</u>	
	<u>B/fwd</u>	<u>Income</u>	<u>Expenditure</u>	<u>Gains/(Losses)</u>	<u>Balance as at 31.03.22</u>	
	£	£	£	£	£	£
<u>Specific Restricted Funds</u>						
Palliative Fund	1,530,298	255,609	114,409		(89,906)	1,581,592
Borders Macmillan Extension Project	361,273	1,270	(60,767)		(8,471)	414,839
Border Cancer Services	396,560	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
Margaret Kerr Unit Appeal Fund		15	0		57,830	57,845
Ward 11 Stroke Unit (Dme)	35,769	14,677	0		(992)	49,454
Bgh General	45,260	2,152	0		(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	0		(882)	37,634
Endoscopy Fund	35,153	2,109	0		(757)	36,505
Ward 15/Special Care Development	31,075	118	0		(637)	30,556
Nhs Borders Staff Lottery	27,503	1,228	0		(582)	28,149
Knoll General	24,285	2,160	0		(536)	25,908
Carers Resilience		54,008	28,559		(67)	25,382
Haylodge General	25,862	403	1,240		(510)	24,515
Cauldshields	24,812	6	0		(508)	24,311
Heart Fund	19,068	867	(3,316)		(457)	22,794
Wards 4/5/6 (Acute Medical)	20,949	1,863	0		(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	20,755	240	0		(428)	20,568
Lung Fund	20,590	1,335	1,043		(427)	20,455
BGH Chaplaincy Centre	20,567	5	0		(421)	20,151
Ward 15 (Childrens Ward)	20,340	344	717		(410)	19,556
Speech & Language Therapy Fund	19,230	5	0		(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)	12,672
Surgical Unit Staff -Wrds 7 & 8	11,546	987	0		(250)	12,284
Huntlyburn House	12,102	15	340		(243)	11,534
Other restricted funds	356,824	21,168	21,165		(8,688)	348,139
<u>Ring Fenced Funds - Fund Manager</u>						
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
<u>Ring Fenced Funds - Trustee</u>						
Finance and Governance	203,387				38,932	242,319
Automated Drug Cabinets	150,487		372,010		(182,000)	(403,523)
RQI Programme	(9,554)					(9,554)
Healthcare Support Worker Role Development	(4,209)		(1,853)			(2,356)
Advanced Nurse Practitioners	482,543		116,834			365,709
Green Impact Project	12,721					12,721
Dementia Plates	725					725
Community Distict Nursing Teams Equipment	29,669					29,669
Medical Equipment	28,396		27,549			847
Ward 14 TV's	7,947					7,947
In Year Investment movement		154,774	11,773	140,334		283,335
Fundraiser Costs	(106,287)		42,046		148,333	-
Total Restricted Funds	4,878,443	657,926	815,504	140,334	(75,532)	4,785,667

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

There are at present 197 individual Specific (Restricted) Funds where title of each fund is generally indicative of the particular speciality where the donor has placed a restriction 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.

Opening Balances as at 1st April 2021 have been restated to reflect the funds which were recategorised as Ring Fenced Restricted Funds. Note 18 (Page 41) provides further detail of the balances on the funds which were recategorised.

Funds with a negative balances are reviewed on an ongoing basis with the Fundholder/Trustees to ensure costs incurred will be covered by anticipated income.

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11. Analysis of Specific Charitable Funds

<u>Endowment Fund</u>	<u>Restated Balance</u>	<u>Income</u>	<u>Expenditure</u>	<u>Investment Portfolio</u>	<u>Transfers</u>	<u>Balance as at 31.03.21</u>
	<u>B/fwd</u>			<u>Gains/(Losses)</u>		
	£	£	£	£	£	£
Specific Restricted Funds						
Palliative Fund	1,185,327	187,685	100,345	241,159	(11,497)	1,502,329
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
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/Scbu Hd Development	25,578	900	251	5,083	(235)	31,076
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
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
Other restricted funds	267,489	44,219	47,827	55,047	24,359	343,286
Ring Fenced Funds - Fund Manager						
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
Ring Fenced Funds - Trustee						
Fundraiser Costs	(116,254)	(3,997)	(460)	(23,268)	-	(143,058)
Finance and Governance	180,042	6,655	766	38,732	26,948	251,611
Green Impact Project	10,490	370	111	2,083	(110)	12,721
Automated Drug Cabinets	122,454	4,830	172,601	27,102	197,809	179,593
Advanced Nurse Practitioners	462,688	15,859	1,826	92,295	(3,103)	565,912
Community DNT Equip	-	487	102	2,662	26,621	29,669
Medical Equipment	-	467	97	2,548	25,479	28,396
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 placed a restriction 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.

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12. Unrealised revaluation reserve

The balance held within the Endowment Fund unrealised revaluation reserve as at 31st March 2022 was £202,945 (2020/21: £202,753). The balance on this reserve from 2020/21 has been restated as a result of the transfers actioned as detailed in Note 18 (Page 41). The value of the reserve balance has remained static as all 2021/22 Investment Portfolio movements have been transferred to the Ring Fenced Fund 'In Year Investment Movement' for apportionment across Restricted and Unrestricted Funds during 2022/23.

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.

	2021/22		2020/21	
	WTE	£	WTE	£
Fundraising Manager (Including Maternity Leave cover)	1.0 (Part year)	59,717	0.5	17,443
Fundraising Support Officer	1.0 (Part year)	24,374	0.7	26,828
Evelyn Sutherland Nurse	0.6 (Part year)	22,258	0.6	28,505
Palliative Care Nurse Consultant	0.6	43,513	0.6	26,351
Palliative Care Quality Improvement (currently vacant)	1.0 (Part year)	34,171	0.1	4,688
Palliative Care Project Officer	-	-	1.0	21,075
Palliative Care Healthcare Support	-	-	0.04	1,519
Volunteer Coordinator	-	-	0.8	17,141
Practice Development Nurse - RESPECT	-	-	0.2	5,851
Oncology Staff Nurse - Development	0.6 (Part year)	14,406	0.1	2,356
Advanced Nurse Practitioners	3.0 (Part year)	105,626	-	-
Total Staff Recharge		304,065		151,757

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 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 (£920,308) and Income (£662,713) Debtors (£206,545) and Creditors (£122,737) relate to transactions which have been processed by the Health Board, and which will be subsequently recharged to the Charity in 2022/23.

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

	2021/22	2020/21
	£	£
Net movement in funds	(84,937)	980,477
Investment income receivable	(155,697)	(165,393)
Decrease/(increase) in debtors	(171,449)	14,698
Increase/(Decrease) in creditors	(175,559)	108,572
Unrealised Losses/(Gains) on investments	(140,334)	(942,653)
Net cash used in operating activities	(727,976)	(4,299)

17. Analysis of changes in net funds

2021/22	1st April 2021	Cashflow	31st March 2022
	£	£	£
Cash and cash equivalents	576,682	204,727	781,409
Borrowings			
Total new funds	576,682	204,727	781,409
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

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18. Recategorisation of Ring Fenced Funds - Opening fund balances as at 1st April 2021.

The table below provides information on the recategorisation of Ring Fenced Funds for opening balances as at 1st April 2021. The impact of the restatement of closing and opening fund balances relevant in the following areas of these accounts;

- the 2021/22 and 2020/21 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 2020/21 Analysis of Specific Charitable Funds on page 39.

	Restricted Funds	Designated Funds	Ring Fenced - Fundholder	Ring Fenced - Trustee	Unrestricted Funds	Total
	£	£	£	£	£	£
Reported balances on Endowment Funds as at 31st March 2021	4,666,326	342,554			732,453	5,741,333
Unrestricted General Fund reconciliation	(6,509)				6,509	-
Categorise as Ring Fenced Funds - Fundholder		(342,554)	342,554			-
Palliative Care Nurse Consultant	16,694		(16,694)			-
Palliative Care Quality Improvement Facilitator	11,274		(11,274)			-
Categorise as Ring Fenced Funds - Trustees						
Finance & Governance	(251,611)			203,387	48,224	-
Automated Drug Cabinets	(179,593)			150,487	29,106	-
RQI Programme	9,554			(9,554)		-
Healthcare Support Worker Role Development	4,209			(4,209)		-
Advanced Nurse Practitioners	(565,912)			482,543	83,369	-
Green Impact Project	(12,721)			12,721		-
Dementia Plates	(725)			725		-
Community District Nursing Teams	(29,669)			29,669		-
Medical Equipment	(28,396)			28,396		-
Ward 14 TV's	(7,947)			7,947		-
Fundraiser Costs	143,059			(106,287)	(36,772)	-
Restated Endowment Fund balances as at 1st April 2021	3,768,032	-	314,586	795,825	862,890	5,741,333

Information is provided below to detail the transfer values of the funds which have been recategorised as Ring Fenced Funds

	Reported balance at 31st March 2021	Transfer of Investment Income to original fund	Increase in Underwrite from original fund	Revised fund balance as at 1st April 2022
	£	£	£	£
1. Palliative Care Nurse Consultant	148,718	(31,694)	15,000	132,024 *7
2. Palliative Care Quality Improvement Facilitator	158,274	(23,274)	12,000	147,000 *7
3. Finance & Governance	251,611	(48,224)		203,387 *8
4. Automated Drug Cabinets	179,593	(29,106)		150,487 *8
5. Advanced Nurse Practitioners	565,912	(83,369)		482,543 *8
6. Fundraiser Costs	143,059	(36,772)		106,287 *8

7. The original Fund was Palliative Care Services (including Margaret Kerr Unit).

8. The original Fund was the Unrestricted (General) Fund.