



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

2019-2020

NHS Borders
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Roxburghshire
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**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020**

CONTENTS

	Page No.
Report of the Trustees	2 – 19
Objectives and Principle Activities	
Achievements and Performance	
Financial Review and Results for the Year	
Investment Policy and Performance	
Risk Management	
Reserves Policies	
Plans for Future Periods	
Structure, Governance & Management	
Trustees' Responsibilities Statement	
Independent Auditors' Report	20 – 22
Statement of Financial Activities	23
Balance Sheet	24
Statement of Cashflows	25
Notes to the Accounts	26 - 39

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

Report of the Trustees for the year ended 31st March 2020

The Trustees present their annual report and accounts for the year ended 31st March 2020. 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. No property assets are held by the Charity.

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

The Endowment fund has delivered a range of benefits from charitable activities during 2019/20; these have been noted within this report across pages 3 - 8.

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.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

Fundraising

2019/20 has been a year focussed on the continued support and progression of existing projects as well as identifying opportunities for service improvement.

An exercise to scope out the potential re-organisation of the Restricted Funds was undertaken and this highlighted a number of historic, duplicate or under-utilised funds. The next phase of the re-organisation work will involve applications to the Scottish Charity Regulator (OSCR) where appropriate, to allow the funds in question to be re-structured more appropriately. This is expected to deliver increased benefit in the delivery of the charitable purpose by operating a simpler fund structure for donors and fund managers.

The designs for the extension and refurbishment of the Borders Macmillan Centre have been under review following some developments in cancer treatment. Fundraising have supported the Project Team to take this forward and will be communicating with donors to the appeal as appropriate.

Our partnership with Cash for Kids continues to grow with the value of the toys that have been gifted to Radiology, Accident & Emergency, Ward 15 and Outpatient Services now at over £10,000. These toys are given to children who are visiting the hospital either as patients or visiting family members.

Service improvement work has also been progressed with re-designed donation books being rolled out which better capture gift aid declarations and General Data Protection Regulation (GDPR) consent. The overall donation process has been reviewed to improve the sharing of information with relevant internal groups such as the administration, finance and fundraising departments as well as with fund managers.

The year ended with the outbreak of the Covid-19 pandemic, which has put the NHS under unprecedented pressure since the beginning of March 2020.

Charity Partners

The Endowment Fund has been supported in its work during 2019/20 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) .

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

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 £594,518 (2018/19: Net income £86,483).

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 £327,028 during 2019/20. The level of income may fluctuate and there has been a decrease of 32% from the 2018/19 total of £482,578. The stewarded fundraised income is noted below and reflects the extent to which the Fundraising team supports donors across the Endowment Fund portfolio.

Fundraising Income

The level of funds stewarded by the Fundraising Team has been noted within the accounts as totalling £248,107 in 2019/20 (2018/19: £322,694). A separate section on fundraising activities is included in this report.

Fund Expenditure

The Endowment Fund spent £687,629 during 2019/20 (2018/19: £993,352) to further the charitable purpose.

A description of a number of the individual funds and projects taken forward in year is provided in this section of the report.

Borders Cancer Services (2019/20 expenditure £42,335)

The Borders Cancer Services fund includes the costs incurred by the Evelyn Sutherland Clinical Nurse Specialist (£13,579 part year 6 months due to vacancy and recruitment process), to support patients who have a gynaecological cancer. The post is funded through a living legacy agreement with the Evelyn Sutherland Trust. Costs of transport provided to patients receiving treatment at the Cancer Centre totalled £29,283 and were charged to the fund during 2019/20.

Border Macmillan Cancer Centre Extension Project (2019/20 expenditure £4,070)

The Borders Macmillan Cancer Centre was first opened in 2003 and provides a focus for specialist cancer services in the Scottish Borders. During 2017/18 NHS Borders approved a project to extend, reconfigure and refurbish the Cancer Centre which the Endowment Fund Trustees agreed to support entirely through Charitable Funds, including as part of the Fundraising Strategy a public appeal for the project. Macmillan Cancer Support very generously agreed a significant financial contribution totalling £415k towards the project.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

Fund Balances (continued)

Border Macmillan Cancer Centre Extension Project (2019/20 expenditure £4,070)

During 2018 the project was paused due to the insolvency of the appointed contractor. Since then work has been taken forward to repeat the market tender exercise and appoint a second contractor to deliver the project. As part of the re-tender exercise the Project Team reviewed the scope of the proposed scheme to recognise that changes in the way Cancer Services are being/will be provided in future, and that required services can be delivered from the refurbished/reconfigured accommodation at the Cancer Centre. This project was placed on hold in February 2020 due to the Covid-19 pandemic. It is intended to recommence services as part of the Clinical Team remobilisation plan and, at a suitable point, the work of the Project Team can also be restarted. The Trustees will receive regular updates from the Project Team.

Staff Welfare/Training and Development expenditure (2019/20 expenditure £28,772)

To reflect the continued commitment towards achieving one of NHS Borders 2016/19 corporate objectives - 'promote excellence in organisational behaviour' - the Trustees approved funding for the 6th Celebrating Excellence Awards event on 21st September 2019. The event invites staff and members of the public to vote and 'celebrate excellence' in their local health service. The awards give recognition and appreciation for the hard-work, dedication and commitment of staff and volunteers who provide excellent NHS services. Award categories reflect the NHS Borders corporate objectives and values. The Trustees of the Endowment Fund received an impact report from the event, including lessons learned for improvement to future events, at its meeting in January 2020. Of the 28% of attendees who completed an evaluation questionnaire 83% of the respondents rated the event as 'excellent' or very good'. The event was co funded by the Endowment Fund, corporate sponsorship and fundraising. The Trustees considered the proposals for the 2020 event at their meeting in January 2020.

Fundraising Function

The Board of Trustees approve the annual Fundraising Plan committing the Fundraising Team resources against key objectives. The in year costs of £63,494 of the Fundraising Team were charged 50% across the individual restricted fund balances and 50% to the Trustees unrestricted fund. This agreement by the Trustees enables the full costs of the Fundraising Team to be covered on an annual basis. The accumulated costs totalling £106,243 arising from fundraising preparatory work on the Children and Young Peoples Centre will be considered following a decision on the future direction of the project. The accumulated costs are reported as a specific fund within the portfolio and are identified separately within Note 11 (Page 37) of these accounts.

Palliative Fund (including the Margaret Kerr Unit) (2019/20 expenditure £306,147)

The Palliative Fund holds a significant balance of £1,123,336 as at 31st March 2020. The fund received donations and legacies in year totalling £256,478 (2018/19: £399,351).

Work continued during 2019/20 on the future service model for Palliative Care within Borders, which is intended to encompass the Margaret Kerr Unit, more extensive hospital outreach and hands on community outreach nursing services to complement current primary care provision and palliative care Clinical Nurse Specialist advisory services. NHS Borders has continued to review aspects of the service model for Palliative Care as detailed in the Clinical Strategy.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES**

Fund Balances (continued)

Palliative Fund (including the Margaret Kerr Unit) (2019/20 expenditure £306,147)

The Palliative Fund continues to support a number of posts linked to the redesign work and the on-going work of the Recommended Summary Plan for Emergency Care and Treatment (ReSPECT) process. Details of these individual posts are given in Note 13 (Page 39) of this report, a total of £176,008 was incurred in respect of these posts.

In addition the Nurse Consultant for the service continues to be supported, in part, by the Palliative Care Endowment Fund, at a cost of £37,644 in 2019/20. This post provides Patient Support and Information, Coordination of Care, Public Health and Health Promotion advice, and nursing Leadership. This role will also, along with medical input, support the development of the Borders Palliative Care Services Strategy in line with national drivers including, the Strategic Framework for Action on Palliative and End of Life Care, NHS Scotland Clinical Strategy and Realistic Medicine.

Business Cycle process to approve funding applications (2019/20 applications approved totalling £647,656).

The Trustees approved funding to a number of projects proposed by the Health Board Clinical Teams during 2019/20. The project applications were initially reviewed and subsequently recommended, where appropriate, by the Endowment Advisory Group to the Board of Trustees. Details of the approvals given in January 2020 are noted in the table below, supporting narrative in relation to the projects is also provided over the following pages of this section of the Annual Report. Progress and reports on the achievement of the benefit realised by these projects will be presented to the Trustees in line with individual project timelines.

Project Title	Level of funding approved
Automated Medicine Cabinets (Accident and Emergency and General Medical Wards)	£132,000
Space to Grow	£6,000
Advanced Nurse Practitioner Care Pathway development and training	£485,646
Green Impact	£11,010
Dementia Plates	£3,000
Support Fund - COVID 19 Response	£10,000
Total amount of transfer from Unrestricted Funds	£647,656

The transfer of unrestricted funds as detailed in the above table is reported in the Statement of Financial Activities (Page 23) and in further detail within the supporting notes to the accounts.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

Fund Balances (continued)

Automated Medicine Cabinets Further Rollout (Approved - £132,000)

Introduction of Automated Medicine cabinets within the Accident and Emergency and General Medical wards of Borders General Hospital was recommended to the Trustees by the Director of Nursing and Midwifery and the Director of Pharmacy of the Health Board. Benefits were identified in the proposal as medicines governance, security and efficiency. The project was supported for implementation by the Trustees. Infrastructure works were subsequently progressed by the clinical area and pharmacy teams as part of the phased implementation programme.

The automated drug cabinets are in place and good feedback has been received including benefits such as time being saved on the issuing of drugs for both the nursing and pharmacy teams which has been redirected to patient care, in addition the Health Board has reported fewer drug/administration errors and a reduction in spend on stock medicines. The potential to expand the use of these cabinets, such as for dressings, fluids and continence products can be explored. Purchase of cabinets for remaining services throughout NHS Borders will be proposed during 2020/21.

Space to Grow – Final Phase (Approved - £6,000)

The ‘Space to Grow’ garden/allotment project at Huntlyburn is an innovative concept that allows patients the opportunity to leave the boundaries of the ward to spend time in the natural environment. The project provides an opportunity to utilize a sustainable resource which impacts positively on mental and physical wellbeing contributing to the patients’ recovery and return to independent living. The ‘Space to Grow’ project allows patients and staff to participate in Social Therapeutic Horticultural (STH), be active outdoors and engage/explore/absorb the natural environment. A growing body of evidence suggests that the natural environment boosts psychological and physical well-being, enhances mood and reduces arousal. Specific studies show that STH can reduce depression and increase concentration, some claim that older adults who engage in activity in the natural environment can benefit from a reduction in stress related disorders and an increase in cognitions and alertness.

3 Advanced Nurse Practitioner (ANP) Posts (Approved - £485,646)

The ANP project aims to fully test new service development models across acute, emergency and primary care through implementation of a longer-term workforce training and educational opportunity, which will develop autonomous, flexible ANPs by having them access training across both acute and rehabilitation settings, with experience of the whole pathway rather than service specific development. By testing new models of enhanced nurse-led care delivery the potential to enhance service resilience through the release of medical staff resource, reduce reliance on medical trainees and support proactive shifting the balance of care to meet the 2020 workforce vision aligned to patients’ pyramid of need can be achieved.

Green Impact Project (Approved - £11,010)

Green Impact is a change and engagement programme – it helps people understand sustainability and social responsibility, shows them what they can do to make a difference, and supports them in achieving these actions. Green Impact will assist NHS Borders to move towards a more sustainable way of working by developing a bespoke toolkit of actions, enabling staff to see opportunities and tackle issues through a step by step project.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

Fund Balances (continued)

Dementia Plates (Approved - £3,000)

This project enables purchase of contrasting crockery for use by patients with dementia. The crockery includes a clearly visible and easily identifiable plate that contrasts to the table/tray it is served on. Evidence suggests that people with dementia experience difficulties with their sight and perception, therefore by providing a contrast improves the food, fluid and nutritional needs of frail patients with cognitive or vision impairment.

Support Fund COVID 19 Response (Approved - £10,000)

Preparation for, and providing healthcare, during the COVID 19 Response and Recovery periods was unprecedented across all NHS organisations. In recognition of the effort and commitment demonstrated by NHS Borders staff during this time the Endowment Fund Trustees approved an initial allocation of Unrestricted Funds totalling £10,000 to be utilised to support staff health and wellbeing activities being introduced by NHS Borders. The Trustees have, and will continue to receive updates on the use of the fund.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

Investment Management and Performance

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

The WIP is reviewed by the Trustees on an annual basis and during 2019/20 the review was completed in January 2020.

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.

The current market value of the investment portfolio is noted as £4,127,140 at 31st March 2020 (£4,245,750 at 31st March 2019) with a further £95,448 held in cash (£635,703 at 31st March 2019).

During financial year 2019/20 Investment Income generated within the portfolio from Dividend Income and Bank Interest on the cash holding was £161,285 (2018/19: £131,257) which is equivalent to an overall income return on capital employed of 3.9% (2018/19: 3.4%). Investment Portfolio management fees for 2019/20 were £15,125 (2018/19: £10,750) in line with the contracted fee level of 0.3%. The Trustees receive a quarterly report from the Investment Advisor. The March 2020 report noted that the current positioning of the Endowment Fund portfolio is 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 27.48%, net of management fees, which compares to the adopted benchmark increase of 29.84%.

A significant factor which dictated the end of year Investment Portfolio valuation was the impact of the COVID19 global pandemic on the financial markets. Additional information was shared with the Trustees on a virtual basis during the early months of the pandemic and the effect this had on global financial markets and specifically the Charity's Investment Portfolio. A reduction to the value of the portfolio from the 31st December 2019 valuation to the 31st March valuation was recorded as £981,120. The Trustees continued to receive weekly updates from the Investment Advisor on the portfolio performance during the period from March 2020 to date. The latest update provided details a significantly improved valuation of £4,754,240 as at 30th June 2020, an increase of £627,100 against the 31st March 2020 valuation. The Trustees continue to consider the Portfolio's performance and how this may impact on the Charity's activities going forward.

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.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

Risk Management

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

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

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

The Board of Trustees have in place a Risk Management Policy and Risk Register for the NHS Borders Endowment Fund. The Board of Trustees review the Risk Management Policy and Risk Register on an annual basis, during 2019/20 the review was completed in January 2020.

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 High Risks.

The Trustees recorded a new risk on the Fund Risk Register in 2018/19, entitled Use of NHS Scotland Endowment Funds, with a target risk rating of Medium. This risk is 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.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES**

Main Risks for the Charity (continued)

Risk Heading	Mitigating actions in place	Target Risk Rating
<p>Management and performance of the Investment Portfolio Including poor performance, loss of income and loss in value of investments linked to volatility in the Financial Markets</p>	<p>Approved Investment Policy Professional Investment Advisor appointed. Regular reporting and information to the Trustees relating to the Investment Portfolio performance and trading activities. Investment Portfolio benchmark review.</p>	MEDIUM
<p>Financial Governance Including inaccurate or erroneous reporting of the financial position of the Charity, inappropriate use of funds and over commitment of resources.</p>	<p>Endowment Fund Governance Framework in place and reviewed annually. Business Cycle to review and prioritise applications for funding including a review of available resources. External and Internal Audit review of Governance and Internal Control Frameworks. 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

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES**

Main Risks for the Charity (continued)

Risk Heading	Mitigating actions in place	Target Risk Rating
<p>Fundraising Appeal – Borders MacMillan Centre Including the potential impact on general donations due to the appeal. Ensuring management and coordination of the appeal. Achievement of successful partnership working with MacMillan Cancer Support. Delivery of project to achieve identified benefits.</p>	<p>Robust Business Case process. Fundraising Manager has been a member of the Project Team from the inception. Capital Planning Project Management support to coordinate the input to and requirements from key stakeholders. Formal Funding Agreement approved and in place with MacMillan Cancer Support.</p>	<p>LOW</p>
<p>Financial System Failure The Endowment Funds are transacted to and reported from the NHS in Scotland's National Finance System.</p>	<p>Detailed National Business Continuity Plan. Detailed National Disaster Recovery Plan.</p>	<p>LOW</p>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

Reserves Policies

Reserves Policy - Unrestricted Funds

Funds which are not for a specific purpose are held as unrestricted. The Board of Trustees report a balance of unrestricted funds of £534,250 at 31st March 2020 (£801,441 at 31st March 2019). These 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.

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.

Designated Fund – Unrestricted Fund

During 2015/16 the Board of Trustees agreed to designate £1,500,000 of unrestricted funds to provide support to the Children and Young Person's Centre Project. The Trustees agreed the sum of £500,000 be held as a designated fund to contribute to the overall costs of the Project, the sum would be released to the Project following approval of a Full Business Case by the Board of Trustees and by NHS Borders Board. The £1m balance of this Designated Fund was held to provide a potential underwrite to the Fundraising Strategy for the Project. The planned Business Case for this project has not yet been finalised.

In May 2020 the Trustees considered a report which detailed the impact of the COVID19 pandemic on the financial markets and specifically the Charity's Investment Portfolio valuation. To ensure good financial governance the Trustees reviewed the designated fund balance held and agreed to transfer the underwrite amount of the Fund, totalling £1,000,000, to a 'Financial Risk' Fund to address any financial risks of the Charity. This ensures approved charitable activities, such as the projects approved in January 2020 can continue to be fully funded.

As a result of the May 2020 agreement the level of funding held in the Designated Fund – Children and Young Person's Centre Project was subsequently reduced to £0.5m, which is reported within these accounts.

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, created in 2019/20, can provide, if required, an underwrite to the 0.6wte Palliative Care Nurse Consultant post (£135,000 – 3 year underwrite).

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES**

Plans for Future Periods

During March 2020, NHS Borders saw its first cases of COVID19 in the Scottish Borders region with the country introducing lockdown measures. As a result, all of the projects that were in progress were put on hold indefinitely so the organisation could focus on the immediate response to pandemic. The Trustees were fully informed of this action.

As and when NHS Borders move into a recovery phase of the pandemic the Charity will look to review these projects and resume them as appropriate. Any funds raised or grants received related to the pandemic will need to be managed and administered appropriately and the charity will play a key role in this by working with the Health Board's Senior Clinical and Managerial Teams to identify ways in which the Charity can support staff and patients during this time, with reports provided to the Trustees. The use of the restricted fund created by the Trustees during March 2020, the COVID19 Fund, can be utilised to support this area of work.

The Endowment Advisory Group, on behalf of the Trustees shall continue to work with senior staff to identify opportunities to deliver the Charity's aims by using available funds.

The Trustees will continue to develop and agree the Charity's annual fundraising plan including measurable objectives to ensure the fundraising team is directed to support the Charity to achieve the most significant benefit.

The Charity will continue to build on the work carried out this past year to build relationships with key partner charities and other organisations as well as to steward and support our donors and community fundraisers.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES**

Structure, Governance and Management

Membership and Administrative Details:

Trustees

NHS Borders is the common name of Borders Health Board. The Chair, Non-Executive Directors 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 2020 were as follows:-

Chair:	Mrs K Hamilton (Member-Endowment Advisory Group)
Trustees	Mr M Dickson (Member-Endowment Advisory Group) Ms S Lam (from 1 st February 2020),(Member-Endowment Advisory Group) Dr S Mather Mr J McLaren (Chair-Endowment Advisory Group) Cllr D Parker Mrs F Sandford Mr T Taylor Mrs A Wilson
	Mrs J Davidson, Chief Executive (to 5th April 2019) Mr R Roberts, Chief Executive (from 22 nd April 2019) Mrs C Gillie, Director of Finance, Estates and Procurement Dr T Patterson, Joint Director of Public Health Mrs N Berry, Director of Nursing & Midwifery Dr C Sharp, Medical Director

Auditors

The auditors for the year ended 31st March 2020 were:-

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

Bankers

The bankers for the year ended 31st March 2020 were:-

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

Investment Advisors

The Investment Advisors for the year ended 31st March 2020 were:-

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

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

Structure, Governance and Management (continued)

Charitable Status

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

Trustees

Under the National Health Service Trusts (Appointment of Trustees) (Scotland) (No. 2) order 1994, the 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 (Financial Accounting) for NHS Borders.

During the financial year 2019/20 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 reviewed and approved for use by the Board of Trustees in January 2020.

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES**

Structure, Governance and Management (continued)

Board of Trustees 2019/20 meetings schedule

The Board of Trustees met 4 times during 2019/20 on the following dates

- 15th May 2019
- 6th June 2019
- 25th September 2019
- 20th January 2020

A further meeting which discussed business relating to 2019/20 particularly the COVID19 pandemic impact to the Investment Portfolio, the approval to allocate to a COVID19 restricted fund and the consideration on on-going financial risk, the matters and decisions taken at the meeting, as relevant to the 2019/20 Annual Report and Accounts, have been included within the relevant sections of this report.

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.

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.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
REPORT OF THE TRUSTEES

Structure, Governance and Management (continued)

Endowment Advisory Group 2019/20

The Endowment Advisory Group met on the 20th December 2019 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, and agreed to make recommendation to the Trustees to support 5 of the projects from Unrestricted Funds, one of the applications had further support from restricted monies from Ward 9 and Palliative Care. The recommendations from the EAG to the Board of Trustees were approved on 20th December 2019 for consideration by the Board of Trustees at its meeting on the 20th January 2020. Updates on the approved projects are given within this report.

Mr J McLaren is the Chair of the EAG.

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. No transactions were recorded during 2019/20.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019-2020
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.

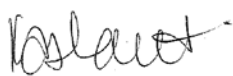
The Trustees are required to act in accordance with the National Health Service (Scotland) Act 1978, within the framework of Trust law. The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable 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.

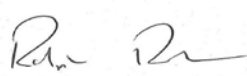
Statement as to disclosure of information to Auditors

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 28th September 2020



Ralph Roberts
Endowment Fund Trustee
Date 28th September 2020

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

Opinion

We have audited the financial statements of Borders Health Board Endowment Funds for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities 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.

Borders Health Board Endowment Funds Independent Auditor's Report to the Trustees (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the 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.

Borders Health Board Endowment Funds
Independent Auditor's Report to the Trustees (continued)
Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

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.

Geoghegans
Chartered Accounts and Statutory Auditor

28 September 2020

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 2019/20
STATEMENT OF FINANCIAL ACTIVITIES
for the period ending 31st March 2020

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019/20 Total £	2018/19 Total £
Income from:					
Donations and Legacies	15,744	-	559,391	575,135	805,272
Investment income	157,563	-	3,722	161,285	131,257
Other Income	-	-	-	-	-
Total Income	173,307	-	563,113	736,420	936,529
Expenditure on:					
Raising funds:					
Press, Publicity & Fundraising	3,534	-	-	3,534	50,727
Investment management costs	15,125	-	-	15,125	10,750
Charitable activities					
Grant funded expenditure	119,233	-	538,146	657,379	921,694
Support costs	6,244	-	(50)	6,194	3,656
Governance costs	5,397	-	-	5,397	6,525
Total Expenditure	149,533	-	538,096	687,629	993,352
Net income/(expenditure) and net movement in funds before gains and losses on investments	23,774	-	25,017	48,791	(56,823)
Net (losses)/gains on investments	(643,309)	-	-	(643,309)	143,306
Net income/(expenditure)	(619,535)	-	25,017	(594,518)	86,483
Transfers between funds	352,344	(1,000,000)	647,656	-	-
Net movement in funds	(267,191)	(1,000,000)	672,673	(594,518)	86,483
Funds reconciliation					
Total Funds brought forward	801,441	1,500,000	3,053,933	5,355,374	5,268,891
Total Funds carried forward	534,250	500,000	3,726,606	4,760,856	5,355,374

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 2019/20
BALANCE SHEET as at 31st March 2020

	31st March 2020		31st March 2019	
	£	£	£	£
Fixed Assets				
Investments		4,127,140		4,245,750
Total Fixed Assets		<u>4,127,140</u>		<u>4,245,750</u>
Current Assets				
Debtors		49,794		57,129
Investment Dealing Account	95,448		635,703	
Cash at Bank	<u>678,198</u>		<u>681,904</u>	
Sub total Cash & Investment Dealing		<u>773,646</u>		<u>1,317,607</u>
Total Current Assets		<u>823,440</u>		<u>1,374,736</u>
Liabilities				
Creditors: Amounts falling due within one year		(189,724)		(265,112)
Net Current Assets		<u>633,716</u>		<u>1,109,624</u>
Total net Assets		<u>4,760,856</u>		<u>5,355,374</u>
The Funds of NHS Borders Endowment Fund				
Restricted Income Funds				
Restricted	3,446,606		2,908,933	
Designated	<u>280,000</u>		<u>145,000</u>	
Sub total Restricted Funds		3,726,606		3,053,933
Unrestricted Income Funds				
Unrestricted	534,250		801,441	
Designated	<u>500,000</u>		<u>1,500,000</u>	
Sub total Unrestricted Funds		1,034,250		2,301,441
Total NHS Borders Endowment Funds		<u>4,760,856</u>		<u>5,355,374</u>

These accounts were approved by the Trustees on 28th September 2020 and authorised for issue on 22nd October 2020.

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 2019/20
CASH FLOW

	Year End	Year End
	31st March	31st March
	2020	2019
	£	£
Cash flow from operating activities:		
Net cash provided by operating activities note 16	(180,547)	(159,260)
Cash flows from investing activities:		
Dividends and interest	161,285	131,257
Proceeds on sale of investments	287,886	267,621
Purchases of investments	(812,585)	(916,251)
Net cash provided by investing activities	(363,414)	(517,373)
Change in cash and cash equivalents in the reporting period	(543,961)	(676,633)
Cash and cash equivalents at the beginning of the reporting period	1,317,607	1,994,240
Cash and cash equivalents at the end of the reporting period	773,646	1,317,607
Cash and cash equivalents comprise:		
Investment dealing account	95,448	635,703
Cash at bank	678,198	681,904
	773,646	1,317,607

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
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 are presented in sterling which is the functional currency of the charity and 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 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.

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, 2020/21, 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).

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.

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 2019/20 was £28,026 (2018/19: £26,933).

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.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

1. **ACCOUNTING POLICIES (continued)**

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. All dividends and investment income received from the Investment Portfolio are held by the Trustees to enable the projects receiving Trustee approval to be funded.

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, 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.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

2 DONATIONS AND LEGACIES

2019/20	Unrestricted	Restricted	2019/20
	Funds	Funds	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

2018/19	Unrestricted	Restricted	2018/19
	Funds	Funds	Total
	£	£	£
Legacies	31,600	228,125	259,725
Donations and gifts	8,220	214,633	222,853
Fundraising	2,624	320,070	322,694
Total	42,444	762,828	805,272

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

3a LEGACIES

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

		2019/20	2018/19
		Total	Total
		£	£
Mrs Humphrey Estate	Palliative Fund	(730)	198,592
Mr.G.Montgomerie	General - Unrestricted	1,000	-
Mr.W.Gill	Border Cancer Services	34,310	-
Mr.M.E.Little	Palliative Fund	34,618	-
Late J&A Gilchrist	General - Unrestricted	-	31,600
Evelyn Sutherland Trust	Specialist Nurse - Cancer	-	29,533
		69,198	259,725

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

3b CONTINGENT ASSETS

The Endowment Fund is recording no contingent assets for 2019/20.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

4. INVESTMENT INCOME

2019/20	Unrestricted Funds £	Restricted Funds £	2019/20 Total £
Bank interest	-	3,722	3,722
Investment dividends & interest	157,563	-	157,563
	157,563	3,722	161,285

2018/19	Unrestricted Funds £	Restricted Funds £	2018/19 Total £
Bank interest	-	3,864	3,864
Investment dividends & interest	127,393	-	127,393
	127,393	3,864	131,257

Bank interest has been allocated on a pro-rata basis across average fund balances on funds held during the year. Fixed asset investments have historically been classified as unrestricted in nature.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

5a	CHARITABLE ACTIVITIES	Unrestricted	Restricted	2019/20
	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	397,786	422,970
	Training	-	24,668	24,668
	Ward Enhancement - Cancer Centre	-	(615)	(615)
	Other	50,848	6,902	57,750
		119,233	538,146	657,379
	2018/19	Unrestricted	Restricted	2018/19
		Funds	Funds	Total
		£	£	£
	Equipment, furniture & fittings	17,145	326,196	343,341
	Staff Welfare	12,532	5,843	18,375
	Patient Welfare	25,826	354,854	380,680
	Training	306	36,939	37,245
	Ward Enhancement - Dementia	-	120,123	120,123
	Other	190	21,740	21,930
		55,999	865,695	921,694

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.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

5b ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

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>
2018/19	Unrestricted Funds £	Restricted Funds £	2018/19 Total £
Support Costs			
Bank Charges	172	-	172
Just Giving Charges	561	50	611
Fundraising Database	2,873	-	2,873
	<u>3,606</u>	<u>50</u>	<u>3,656</u>
Governance Costs			
Auditors' Remuneration - Audit Fee	6,525	-	6,525
	<u>6,525</u>	<u>-</u>	<u>6,525</u>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

6. INVESTMENTS

	2019/20	2018/19
	Total	Total
	£	£
Market value as at 1 April	4,245,750	3,453,814
Additions at cost	812,585	916,251
Disposals at value	(287,886)	(267,621)
Investment Revaluation	(643,309)	143,306
Market value as at 31 March	4,127,140	4,245,750
Historic cost as at 31 March	3,834,723	3,268,893

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

	Wider Range			
	Market Value		Book Cost	
	2019/20	2018/19	2019/20	2018/19
	£	£	£	£
UK - Fixed Interest	716,179	722,939	727,976	687,279
Overseas Fixed Interest	201,244	90,409	230,829	93,358
UK Equities	1,083,503	1,310,039	974,765	847,613
European Equities	230,887	243,081	169,849	169,849
North American Equities	386,920	356,328	262,438	194,759
Japanese Equities	43,117	23,885	34,293	14,199
Far East & Australasian Equities	152,225	184,172	137,753	137,003
International Equities	436,010	462,462	325,645	304,798
Emerging Economies	50,020	135,947	83,187	137,209
Property	224,175	187,943	249,784	189,930
Alternative Assets	602,860	528,545	638,204	493,857
	4,127,140	4,245,750	3,834,723	3,269,854

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 2020 (2019: None).

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

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

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

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

7. DEBTORS ANALYSIS

	2019/20	2018/19
	Total	Total
	£	£
Gift aid	8,893	4,678
Legacies & Donations	-	24,641
Investment income	23,848	27,810
Other debtors	17,053	-
Total Debtors	<u>49,794</u>	<u>57,129</u>

8. CREDITOR ANALYSIS

	2019/20	2018/19
	Total	Total
	£	£
Other accruals	189,724	265,112
Total Creditors	<u>189,724</u>	<u>265,112</u>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

9. ANALYSIS OF NET MOVEMENT IN FUNDS

Note	Balance at 1st April 2019	Income	Expenditure	Transfers between funds	Unrealised gain/(loss) on Investments	Net movement in funds	Balance at 31st March 2020
	£	£	£	£	£	£	£
Restricted Income Funds							
Restricted	2,908,933	563,113	(538,096)	512,656	-	537,673	3,446,606
Designated	145,000	-	-	135,000	-	135,000	280,000
Sub total Restricted Income Funds	3,053,933	563,113	(538,096)	647,656	-	672,673	3,726,606
Unrestricted Income Funds							
Unrestricted	801,441	173,307	(149,533)	352,344	(643,309)	(267,191)	534,250
Designated	1,500,000	-	-	(1,000,000)	-	(1,000,000)	500,000
Sub total Unrestricted Income Funds	2,301,441	173,307	(149,533)	(647,656)	(643,309)	(1,267,191)	1,034,250
Totals	5,355,374	736,420	(687,629)	-	(643,309)	(594,518)	4,760,856

	Balance at 1st April 2018	Income	Expenditure	Transfers between funds	Unrealised gain/(loss) on Investments	Net movement in funds	Balance at 31st March 2019
	£	£	£	£	£	£	£
Restricted Income Funds							
Restricted	2,851,063	766,692	(889,943)	181,121	-	57,870	2,908,933
Designated	145,000	-	-	-	-	-	145,000
Sub total Restricted Income Funds	2,996,063	766,692	(889,943)	181,121	-	57,870	3,053,933
Unrestricted Income Funds							
Unrestricted	772,828	169,837	(103,409)	(181,121)	143,306	28,613	801,441
Designated	1,500,000	-	-	-	-	-	1,500,000
Sub total Unrestricted Income Funds	2,272,828	169,837	(103,409)	(181,121)	143,306	28,613	2,301,441
Totals	5,268,891	936,529	(993,352)	0	143,306	86,483	5,355,374

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 is held following approval by the Trustees to make contribution of £500,000 to the proposed Children & Young Peoples Centre. A further balance of up to £1,000,000 of designated funds is held as an underwrite to the Children & Young Persons Centre project should these funds be required.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019/20 Total £
Balance as at 31 March 2020	534,250	500,000	3,726,606	4,760,856
Investments	4,127,140	-	-	4,127,140
Net Current Assets	(3,592,890)	500,000	3,726,606	633,716
	534,250	500,000	3,726,606	4,760,856
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2018/19 Total £
Balance as at 31 March 2019	801,441	1,500,000	3,053,933	5,355,374
Investments	2,745,750	1,500,000	-	4,245,750
Net Current Assets	(1,944,309)	-	3,053,933	1,109,624
	801,441	1,500,000	3,053,933	5,355,374

BORDERS HEALTH BOARD ENDOWMENT FUND
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

11. Analysis of Specific Charitable Funds

<u>Endowment Fund</u>	<u>Balance</u> B/fwd	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>Balance as at</u> 31.03.20
	£	£	£	£	£
<u>Specific Restricted Funds</u>					
Palliative Fund	1,318,776	259,573	306,147	(148,866)	1,123,336
Advanced Nurse Practitioners - Training	-	-	-	485,646	485,646
Borders Macmillan Ext Project	306,889	6,649	4,070	(3,092)	306,377
Border Cancer Services	220,633	117,178	42,335	(2,726)	292,750
Ward 9 Orthopaedic	210,720	410	1,971	(2,107)	207,052
Automated Drugs Cabinets	-	-	7,430	132,000	124,570
Haemodialysis Fund	91,466	2,936	20,848	(807)	72,747
Stroke Fund	17,270	16,080	829	(248)	32,273
Borders General Hospital General	32,143	234	373	(322)	31,682
Ward 11 Stroke Unit	17,637	11,705	162	(228)	28,952
Special Care Baby Unit	26,874	24,890	23,594	(287)	27,883
Endoscopy Fund	26,940	340	332	(267)	26,681
Oncology Fund	26,643	38	766	(262)	25,653
Ward 15/Special Care Baby Unit Development	24,036	35	278	(240)	23,553
NHS Borders Staff Lottery	19,203	1,679	234	(197)	20,451
Cauldshields Ward	20,465	1,117	1,040	(204)	20,338
Staff Rest Room Fund	19,837	29	229	(198)	19,439
Knoll General	6,588	5,416	(6,405)	(132)	18,277
Ward 15 (Childrens Ward)	17,351	5,100	4,291	(202)	17,958
Pharmacy Development General	15,637	24	(761)	(158)	16,264
Haylodge General	15,720	5,028	5,065	(170)	15,513
Ophthalmology	16,552	1,208	2,105	(159)	15,496
Lung Fund	15,634	640	912	(156)	15,206
Wards 4/5/6 (Acute Medical)	11,095	3,889	643	(131)	14,209
Speech & Language Therapy Fund	14,163	21	164	(141)	13,879
Poynder View	13,717	40	360	(136)	13,261
Melburn Lodge	12,198	4,920	3,977	(130)	13,011
ECG Fund	11,140	2,377	477	(123)	12,916
Heart Fund	17,067	2,922	7,307	(143)	12,540
Rheumatology General	12,483	23	144	(125)	12,237
Surgical Unit Staff -Wards 7 & 8	10,435	1,665	769	(112)	11,219
Green Impact	-	-	-	11,010	11,010
Borders General Hospital Chaplaincy Centre	22,991	416	12,343	(178)	10,886
Mental Health General	12,923	39	2,624	(87)	10,251
COVID-19	-	-	-	10,000	10,000
Finance and Governance	148,377	-	-	28,026	176,403
Fundraiser Costs	(106,243)	-	-	0	(106,243)
Other restricted funds	261,573	86,492	93,444	8,308	262,929
<u>Designated Restricted Funds</u>					
Palliative Care Nurse Consultant	117,000	-	-	-	117,000
Duchess of Sutherland Legacy	28,000	-	-	-	28,000
Palliative Care Quality Improvement Facilitator	-	-	-	135,000	135,000
Total Restricted Funds	3,053,933	563,113	538,096	647,656	3,726,606

The specific fund balances as reported above detail closing balances of £10,000 above or below.

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 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.

BORDERS HEALTH BOARD ENDOWMENT FUND
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

11. Analysis of Specific Charitable Funds

<u>Endowment Fund</u>	<u>Balance B/fwd</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>Balance as at</u> <u>31.03.19</u>
	£	£	£	£	£
<u>Specific Restricted Funds</u>					
Palliative Fund	1,178,062	399,351	246,632	(12,005)	1,318,776
Borders Macmillan Ext Project	357,597	64,787	112,976	(2,519)	306,889
Border Cancer Services	159,463	127,597	64,930	(1,497)	220,633
Ward 9 Orthopaedic	262,001	1,942	50,901	(2,322)	210,720
Haemodialysis Fund	107,775	6,920	22,241	(988)	91,466
Borders General Hospital General	30,506	2,314	320	(357)	32,143
Endoscopy Fund	31,035	318	4,128	(285)	26,940
Special Care Baby Unit	31,566	4,198	8,605	(285)	26,874
Oncology Fund	28,173	84	1,336	(278)	26,643
Ward 15/Special Care Baby Unit Development	24,488	35	243	(244)	24,036
Borders General Hospital Chaplaincy Centre	23,132	324	232	(233)	22,991
Cauldshields Ward	14,092	7,384	849	(162)	20,465
Staff Rest Room Fund	20,210	29	200	(202)	19,837
NHS Borders Staff Lottery	17,453	2,121	188	(183)	19,203
Ward 11 Stroke Unit	14,572	3,381	160	(156)	17,637
Ward 15 (Childrens Ward)	22,640	2,039	7,136	(192)	17,351
Stroke Fund	10,806	7,148	534	(150)	17,270
Heart Fund	17,822	2,949	3,533	(171)	17,067
Ophthalmology	16,864	25	169	(168)	16,552
Haylodge General	10,025	5,358	7,518	7,855	15,720
Pharmacy Development General	17,438	23	1,658	(166)	15,637
Lung Fund	14,273	2,125	610	(154)	15,634
Speech & Language Therapy Fund	14,433	21	147	(144)	14,163
Poynder View	14,919	45	1,104	(143)	13,717
Mental Health General	13,131	133	210	(131)	12,923
Rheumatology General	12,718	18	126	(127)	12,483
Melburn Lodge	12,308	1,002	998	(114)	12,198
Wards 4/5/6 (Acute Medical)	13,732	3,328	5,833	(132)	11,095
Surgical Unit Staff -Wards 7 & 8	11,404	2,053	2,921	(101)	10,435
Finance and Governance	121,444	-	-	26,933	148,377
Fundraiser Costs	(106,243)	-	-	-	(106,243)
Other restricted funds	333,224	119,640	343,505	169,942	279,301
<u>Designated Restricted Funds</u>					
Palliative Care Nurse Consultant	117,000	-	-	-	117,000
Duchess of Sutherland Legacy	28,000	-	-	-	28,000
Total Restricted Funds	2,996,063	766,690	889,943	181,122	3,053,931

The specific fund balances as reported above detail closing balances of £10,000 above or below.

There are at present 195 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 2 Designated Restricted Funds within the Endowment Portfolio which were created in 2016/17 following approval by the Board of Trustees, the funds are listed above. Both Designated Funds 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 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.

BORDERS HEALTH BOARD ENDOWMENT FUND
ANNUAL ACCOUNTS 2019/20
NOTES TO THE ACCOUNTS

12. Unrealised revaluation reserve

The balance held within the Endowment Fund unrealised revaluation reserve as at 31st March 2020 was £292,417 (2018/19: £976,857). The decrease to the reserve balance relates to the decrease in the overall market value of the Endowment Fund Investment Portfolio during 2019/20.

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. The project timelines, with planned end dates, are incorporated into the staff secondment agreements.

	2019/20		2018/19	
	WTE	£	WTE	£
Fundraising Manager	1.0	27,626	1.0 (part year)	17,958
Fundraising Support Officer	1.0	35,868	1.0	30,439
Evelyn Sutherland Nurse	0.6 (part year)	13,579	0.6	29,533
Palliative Care Medical Consultant		-	Sessional	5,280
Palliative Care Nurse Consultant	0.92	37,644	0.6	34,177
Palliative Care Quality Improvement	1.0	50,713	1.0	42,186
Palliative Care End of Life Facilitator	0.92 (part year)	34,472	0.9	42,674
Palliative Care Project Officer	1.5	53,155	1.5 (part year)	27,614
Palliative Care Healthcare Support	0.5	18,164	0.7 (part year)	12,355
Volunteer Coordinator	0.8	22,855	0.8	22,680
Practice Development Nurse - RESPECT	0.4	19,504	-	-
Dialysis Healthcare Support	0.7	9,047	-	-
Total Staff Recharge		322,627		264,896

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. During 2019/20, two Trustees gave fundraising income to the Endowment Fund of £136 each, total of £272 (2018/19: £22). 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

	2019/20	2018/19
	£	£
Net movement in funds	(594,518)	86,483
Investment income receivable	(161,285)	(131,257)
Decrease/(increase) in debtors	7,335	(31,578)
Increase/(Decrease) in creditors	(75,388)	60,398
Unrealised Losses/(Gains) on investments	643,309	(143,306)
Net cash used in operating activities	(180,547)	(159,260)

17. Analysis of changes in net funds

2019/20	1st April 2019	Cashflow	31st March 2020
	£	£	£
Cash and cash equivalents	1,317,607	(543,961)	773,646
Borrowings	-	-	-
Total net funds	1,317,607	(543,961)	773,646
2018/19	1st April 2018	Cashflow	31st March 2019
	£	£	£
Cash and cash equivalents	1,994,240	(676,633)	1,317,607
Borrowings	-	-	-
Total net funds	1,994,240	(676,633)	1,317,607