

# **FORTH VALLEY NHS BOARD**

## **NHS FORTH VALLEY ENDOWMENT FUNDS**

### **REPORT**

### **AND**

### **FINANCIAL STATEMENTS**

**31 MARCH 2024**

Carseview House  
Castle Business Park  
Stirling  
FK9 4SW

**NHS FORTH VALLEY ENDOWMENT FUNDS**

**Annual Accounts for year ended 31 March 2024**

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## NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024  
Trustees Report

### REFERENCE AND ADMINISTRATIVE DETAILS

#### **The Charity**

NHS Forth Valley Endowment Funds was registered with the Office of the Scottish Charities Regulator with effect from 1st April 2004 under charity number SC035953. The charity is constituted of 158 individual funds (2023: 181) as at 31st March 2024 and the notes to the financial statements distinguish the types of funds held. The Charity's operational name is Forth Valley Giving.

Lead Director:	Mr Scott Urquhart
Principal address:	Forth Valley NHS Board Carseview House Castle Business Park Stirling FK9 4SW

#### **Trustees**

Under the revised Standing Orders approved by Forth Valley NHS Board on 11th May 2004, an Endowments Committee was established to manage and direct the conduct of the NHS Forth Valley Endowment Funds. These Standing Orders further defined the membership of the Committee as all members of Forth Valley NHS Board and appointed all members of the Board as ex officio Trustees for the purpose of holding any property which is to be held in trust on behalf of the Board.

The Board members appointed as Trustees of the NHS Forth Valley Endowment Funds during the year ended 31st March 2024 in accordance with the above Orders were:

#### Executive Members

Mrs Cathie Cowan	Chief Executive (until 10 September 2023)
Ms Amanda Croft	Chief Executive (from 11 September 2023)
Mr Scott Urquhart	Director of Finance
Mr Andrew Murray	Medical Director
Prof Frances Dodd	Executive Nurse Director
Dr Graham Foster	Director of Public Health and Strategic Planning

#### Non Executive Members

Ms Janie McCusker	Chair (until 29 February 2024)
Dr Michele McClung	Non-Executive Director
Mr Allan Rennie	Non-Executive Director (also acting Chair 1 March 2024 to 31 March 2024)
Mr Stephen McAllister	Non-Executive Director
Mr Gordon Johnston	Non-Executive Director
Mr Martin Fairbairn	Non-Executive Director
Mr John Stuart MBE	Non-Executive Director

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Year ended 31<sup>st</sup> March 2024 Trustees Report

#### Trustees (Continued)

##### Local Authority Members –

Cllr Fiona Collie	Non-Executive Director – Falkirk Council
Cllr Wendy Hamilton	Non-Executive Director – Clackmannanshire Council
Cllr Danny Gibson	Non-Executive Director – Stirling Council (until 27 June 2023)
Cllr Gerry McGarvie	Non-Executive Director – Stirling Council (from 13 July 2023)

##### Advisory Committee Chairs / Employee Director

Mr Robert Clark	Non-Executive Director - Employee Director
Mrs Kirstin Cassells	Non-Executive Director – Chair of Area Clinical Forum

#### Principal Professional Advisors:

Investment advisers                      Rathbones Investment Management  
George House,  
50 George Square  
Glasgow, G2 1EH

Auditors:                                      Dickson Middleton  
Chartered Accountants and Statutory Auditors  
20 Barnton Street  
Stirling, FK8 1NE

Bankers:                                        The Royal Bank of Scotland plc  
2 Newmarket Centre  
Falkirk, FK1 1JX

#### Committee

In accordance with the Board's Standing Orders, Forth Valley NHS Board approved the establishment of an Endowments Committee with effect from 1st April 2004 in order to manage and direct the conduct of the Endowment Fund. Whilst all Directors of the Board were appointed as ex officio Trustees of the Committee, for operational purposes these Orders required that the Chief Executive, Director of Finance and three Non-Executive Members should attend meetings and that Committee meetings would require a minimum of three Members to be quorate. A review of the NHS Forth Valley Committee Structure was undertaken during 2022/23 in accordance with the Standing Orders, and as a result of changes/new appointments in the Non-Executive Board membership. Changes to the Committee Structure were approved by NHS Forth Valley Board 26<sup>th</sup> July 2022, resulting in the Endowment Committee quorum requirements changing to a minimum of three Non-Executive Committee Members.

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Year ended 31<sup>st</sup> March 2024 Trustees Report

During 2023/24 the Endowment Fund Committee met on four occasions in order to fulfil its remit and was composed of the following members:

Non-executive Members	Cllr Fiona Collie Mr Robert Clark (Employee Director) Mr John Stuart MBE Cllr Danny Gibson (until 27 <sup>th</sup> June 2023) Cllr Gerry McGarvie (from 13 July 2023)
Chief Executive	Mrs Cathie Cowan (until 10 <sup>th</sup> September 2023)
Chief Executive	Ms Amanda Croft (from 11 <sup>th</sup> September 2023)
Director of Finance	Mr. Scott Urquhart

A representative from the Endowment Funds Investment Advisors, Rathbones Investment Management attended the Committee meetings held on 26th January 2024. The activities of the Endowment Fund Committee are reported back to all Trustees at Forth Valley NHS Board meetings and all Trustees receive a copy of the minutes of the Endowment Fund Committee meetings.

Expenditure may be incurred for any purposes related to health services that would not ordinarily be provided from Health Board funding. In administering the fund, Trustees must observe, insofar as practicable, the wishes of donors. Income received for the benefit of particular wards or specific purposes is treated as restricted and applied for the use of that ward or project in accordance with the terms of the donor.

In respect of other income received, Trustees are responsible for ensuring that these monies are used for the benefit of patients and staff and for appropriate research purposes. This unrestricted income is allocated to hospitals and community health services with financial controls in place to ensure that the monies are spent within budget.

The Endowment Committee employs a robust system of budgetary control and financial reporting to ensure that all financial transactions are carried out in accordance with the objectives and priorities agreed by the Committee; that the criteria for spending charitable monies are fully met; that full accounting records are maintained; and that devolved decision making or delegated arrangements are carried out in accordance with the policies and procedures set out by the Committee.

The Committee is required to:

- a) Control, manage and monitor the use of the fund's resources.
- b) Provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income.
- c) Ensure that the approved policies are adhered to and that performance is continually reviewed.
- d) Keep the Board fully informed on the activity, performance and risks of the charity.

## NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024

Trustees Report

### OBJECTIVES AND ACTIVITIES

#### **Objectives**

The Charity's main objective is "the advancement of health," including the prevention or relief of sickness, disease or human suffering within Forth Valley. Endowment Funds may not however be utilised to substitute for a core provision within the NHS Board's financial plans. Nor should endowment funds be used to cover a responsibility of the NHS Board that is a direct requirement of health and safety or employment law or a ministerial policy direction.

An employee of the Board or the Trustees may only benefit from the charity, where such expenditure is incidental to (and necessary for) that public benefit to be realised.

The Charity furthers its charitable objective through the provision of patient welfare & amenities, the purchase of equipment and services, the development of medical research, the support of staff educational opportunities and a number of other social investments. The Charity also provides grants to other non-profit organisations in furtherance of the Charity's objectives.

#### **Grant making policy**

Trustees delegate the responsibility for the management of individual funds to named Fundholders who may incur expenditure, subject to the required authorisation process, provided that the expenditure is in accordance with the donor's wishes and the charitable purpose of the fund.

#### **Aims**

The key aims for the forthcoming year will be to further enhance facilities available to NHS patients that would not normally be available through NHS funding routes.

### ACHIEVEMENTS AND PERFORMANCE

#### **Charitable activities**

In furtherance of the Endowment Fund's Charitable Objectives the Trustees incurred costs of £433,715 (2023 - £448,062) during the year to enhance the care and amenities provided to patients and to offer additional educational opportunities to staff and to encourage and support medical research projects. Included within the total cost of charitable activities is the costs of administering grant making of £64,190 (2023 - £65,402). Further details on the cost of administering grants are provided in note 6 of the financial statements.

#### **Patient welfare and amenities**

Patients' welfare grants totalled £313,718 (2023 - £376,723), during the year that included £33,557 (2023 - £91,372) on patient equipment and furnishings; £14,156 (2023 - £14,327) on Christmas activities; £19,553 (2023 - £15,949) on recreational activities for patients in institutional care; £32,259 (2023 - £13,802) on garden improvements; £3,615 (2023 - £0) on bereavement counselling & support; and £1,000 (2023 - £1,992) on clothing for patients. Providing patients the opportunity to enjoy recreational activities and engage with other patients in a more relaxing atmosphere is considered an essential therapeutic component of each patient's programme of care.

#### **Robert Connal Trust**

During the year, two grants were awarded by the Robert Connal Trust endowment fund, which was set up using legacy monies, to benefit the residents of Thornhill. Included within patient's welfare and amenities is expenditure of £6,699 to cover the costs of outdoor kit to facilitate outdoor learning and play at Thornhill Primary School; and £1,200 was awarded to cover the annual costs of running a Brew & Blether Group for residents in Thornhill.

## NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024

### Trustees Report

#### NHS Charities Together Grant Funding

##### Stage 1 Urgent Response & Second Wave Grant Funding.

In response to the COVID-19 pandemic, Stage 1 Urgent Response Grant funding of £81,000 was awarded in May 2020 by NHS Charities Together to the endowment fund. The committee combined the grant with other donations totaling £25,550 to fund the COVID-19 Urgent Response Grants Programme. The total of £106,550 was used to provide funding to a variety of small projects to address the immediate and long-term needs of staff, volunteers and patients in response to the pandemic.

In December 2020, Second wave grant funding of £50,000 was also awarded by NHS Charities Together to enhance the wellbeing of NHS staff, patients and volunteers impacted by COVID-19. A further NHS Charities Together grant award of £2,100 was also made to the endowment fund following a generous Starbucks donation. This was intended to contribute towards physical and/or mental wellbeing of staff. The Endowment Committee used these grants (totalling £52,100), along with other donations (£8,074) to fund the COVID-19 Second Wave Grants Programme. The total of £60,174 was awarded to a number of projects.

As at 31<sup>st</sup> March 2023, all Stage 1 projects had completed and there was a total of £2,289 of unspent Stage 1 NHS Charities Together Funding. All Second Wave projects had also completed with a total of £938 unspent NHS Charities Together Funding.

During 2023/24, the total unspent NHS Charities Together funding of £3,227 was awarded to the Russell Park Garden Project. The monies were used to deliver a small sanctuary garden with seating and water fountain and a dedicated games space for use by patients and families of the Russell Park Mental Health Rehabilitation Ward at Bellsdyke Hospital. The expenditure is included within patient welfare & amenities. NHS Charities Together has confirmed that the Stage 1 and Second Wave grants programmes are now closed and no further reporting is required.

##### Stage 2 Community Partnership Grant Funding

In April 2022, Stage 2 grant funding of £131,002 was awarded by NHS Charities Together. The Stage 2 Community Partnership funding is intended to support the wider NHS and voluntary community in dealing with COVID-19. In September 2022, NHS Charities Together awarded an additional £15,000, resulting in a total of £146,002 funding. This includes a £13,366 Operational Support Grant. The Operational Support Grant is intended to be used to cover costs such as bid administration, project implementation, monitoring and evaluation and impact reporting. It can be used for staff resources to provide additional capacity or expertise.

Projects that have been awarded funding using the Stage 2 grant monies include:

- i) Stirling District Unpaid Carers Specialist Welfare Rights Project
- ii) Resilient Raploch – a project to assist the socially isolated and lonely.
- iii) Go Forth Mental Health and Addiction Recovery Counselling
- iv) Mental Health Matters at Forth Valley College. This new partnership initiative will proactively respond to the changing mental health needs of the learning community at Forth Valley College.
- v) Living with Less Stress project will offer coping mechanisms and strategies to understand, acknowledge and adjust to the challenges cancer brings, and to build resilience.

## NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024

### Trustees Report

All projects, with the exception of one, are now complete. The final project is expected to complete by 30<sup>th</sup> June 2024. The funding has been provided by NHS Charities Together in instalments following satisfactory progress reports. As at 31<sup>st</sup> March 2024, all of the £131,002 Stage 2 grant funding had been received. Included within patient welfare and amenities is expenditure of £25,669 (2023 - £103,303) on the Stage 2 Community Partnership Grants Programme. During the year 2023/24, £6,683 (2023 - £6,683) Operational Support Grant income was recognised. The final monitoring report is due to NHS Charities Together by 31<sup>st</sup> July 2024.

#### Stage 3.1 Recovery & Post Pandemic Grant Funding

In April 2022, Stage 3.1 grant funding of £78,311 was awarded by NHS Charities Together. The Stage 3 Recovery & Post Pandemic Grant funding is intended to support recovery plans within the NHS boards and wider community as appropriate.

Projects that have been awarded funding using the Stage 3 grant monies include:

- i) Reflection, Exploration & Rejuvenation. A project to create outdoor spaces within the Lochview site that provide the opportunity for patients and staff to use outdoor spaces for both reflection and for physical and mental health benefits.
- ii) Wellbeing Ambassador for Hospital at Home Service. Forth Valley Health Board, Falkirk, Stirling and Clackmannanshire Health and Social Care Partnerships (HSCP) are launching a Hospital at Home (H@H) Service to provide a 25 “virtual” bedded ward for acutely unwell adults living within Forth Valley to allow them to be cared for at home or in their homely setting, to the same standard of care that they would receive within an acute hospital ward setting.
- iii) Training kit for Child & Adolescent Mental Health Services (CAMHS) football group.

During the year, NHS Charities Together approved an alternative ‘Ebike use for Psychological Services Patients’ project with a different client group. All projects are now expected to complete by 30<sup>th</sup> June 2025. The funding has been provided by NHS Charities Together in instalments following satisfactory progress reports. As at 31<sup>st</sup> March 2024, all of the £78,311 Stage 3 grant funding had been received. Included within patients welfare and amenities is expenditure of £42,666 (2023 - £1,386) on the Stage 3 Grants Programme. Included within staff education, training and development is expenditure of £3,096 (2023 - £14,494).

#### Stage 3.2 Recovery & Post Pandemic Grant Funding

In December 2023, the second tranche of Stage 3 grant funding of £75,689 was awarded by NHS Charities Together. Two projects have been awarded funding as follows:

- i) Maggie’s Forth Valley Getting Started Sessions - These activities will help to improve the mental health and wellbeing of people who have cancer, their families & friends, and NHS staff and carers. The sessions are aimed at cancer patients starting chemotherapy and radiotherapy. Workshops bring together people who are starting treatment to better understand treatment and side effects, and to provide an opportunity to ask questions. The project duration is two years.
- ii) Staff Support & Wellbeing Fund. All NHS Forth Valley wards/departments will be able to submit applications to secure funding for various staff wellbeing initiatives. The project duration is one year.



## NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024

### Trustees Report

The funding is being provided in two instalments following satisfactory progress reports. As at 31<sup>st</sup> March 2024, £51,838 in respect of the first year of Stage 3.2 grant funding had been received. Included within patients welfare and amenities is expenditure of £24,777 (2023 - £0) in respect of the cost of delivering the first year of the Maggie's Forth Valley Getting Started sessions. Both projects are expected to complete by 31<sup>st</sup> December 2025.

#### Development Grant Funding

In May 2023, Development Grant Funding of £30,000 was awarded by NHS Charities Together. The grant is intended to fund an increase to the Fundraising Manager's time and recruit Social Media support. This in turn will lead to a more active fundraising approach with the aim of generating increased levels of donations. The project was initially due to commence during 2023/24, however it has been delayed to April 2024. The income has therefore been deferred and will be released as the project progresses. The project is scheduled to complete by 31<sup>st</sup> December 2024.

#### **Artlink**

A further £40,000 (2023 - £40,000), was provided to support "Artlink" who are an independent charity that provide therapeutic art projects intended to improve the patient experience and environment through creative collaborations with patients and staff. The patients attending the projects included those with learning disabilities, mental health issues, older people and children and young people. In response to the positive feedback received from patients and staff in respect of the projects delivered by Artlink the Trustees agreed to extend the current service level agreement between the Endowment Fund and Artlink until 31<sup>st</sup> March 2025.

#### **Staff education, training and development**

The Trustees contributed £77,164 (2023 - £66,196) of funding to provide additional learning opportunities for staff. The Trustees made this award in recognition of the benefits to staff and patients of a more highly trained and skilled workforce.

#### **Income from on-line donations**

During the year the Charity's Just Giving fundraising web site raised £11,001 (2023 - £13,509), from members of the public. The Trustees would wish to express their thanks to these individuals who have given so much of their time and effort to raise funds for the Charity.

#### **Fundraising Activities**

Following the decision of the Charity Trustees to prioritise securing the NHS Charities Together Grants Programme monies, the activities of the Fundraising Manager were restricted to the following core tasks:

- NHS Charities Together Stage 1 COVID-19 Urgent Response and Second Wave Grants Programmes.
- NHS Charities Together Stage 2 Community Partnership and Stage 3 Recovery & Post Pandemic Grants Programmes.
- Fundraising & Donation Enquiries
- Supporting Endowment Team colleagues
- NHS Forth Valley Art Strategy

#### **Legacy donations received during the year**

A legacy of £10,000 was donated to the Oncology Unit. A legacy of £1,000 was donated for the benefit of the MacMillan nurses. Two legacies totalling £4,650 were donated to general funds. The Trustees would wish to express their sincere gratitude for these generous donations.

## NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024

### Trustees Report

#### Utilisation of significant legacy

Two projects have been identified as appropriate projects to be funded from the significant legacy previously bequeathed to the Oncology department. The first project was completed during 2019/20. The second project is to extend the Oncology waiting area into the Atrium at Forth Valley Royal Hospital to provide a comfortable area for patients and relatives. This project is still ongoing as it has been delayed due to the COVID-19 restrictions and subsequent pressures on Forth Valley Royal Hospital.

#### Small Grants Programme

During the year, a grant of £4,685 (2023 - £5,000) was awarded to help NHS Forth Valley staff and patients mark the King's Coronation 8<sup>th</sup> May 2023, and also the 75<sup>th</sup> Anniversary of the NHS 5<sup>th</sup> July. Special coronation cupcakes were distributed to patients in all local hospitals. Small gift packs for staff (with commemorative items such as tea and biscuits) were also distributed to local wards and departments across the organisation.

#### Large Grants Programme

During the year, three grants totalling £28,744 (2023 - £0) were awarded internally to the following projects:

- i) Wellbeing Co-ordinator Greenspaces – Wellbeing Co-ordinator to work with and on behalf of NHS staff, patients and families/carers mapping and developing spaces which are safe and accessible to help recovery; physical and mental wellbeing.
- ii) Livilands Health Inequalities & Interventions - Two groups focussed on the health and wellbeing of patients who have an existing or new diagnosis of a severe and enduring mental health disorder.
- iii) Courtyard J for Staff Reflection - Commission for an artist to design and create an area for staff reflection in Courtyard J of Forth Valley Royal Hospital.

Included in patient's welfare & amenities is total expenditure of £11,444. The projects are expected to complete during 2024/25.

#### Performance indicators

The return on the investment portfolio for the year to 31 March 2024 was 9%, a significant improvement on the 4% decline suffered in the previous year. The income yield from the investments was broadly steady at 2.5% (2023: 2.4%). Last year initially saw an unusually narrow equity market with gains being focused on a handful of very large technology companies considered as likely beneficiaries from rapid growth in Artificial Intelligence. In the portfolio the holdings in Alphabet, Amazon and Microsoft saw significant gains, these three investments alone account for 2.6% of total portfolio returns. From October onwards, the rally in the equity markets broadened out with a greater number of share prices seeing gains.

The Trustees and Committee will continue to monitor the performance movement and will seek advice and support from the funds professional investment advisor where necessary.

# NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024

## Trustees Report

### FINANCIAL REVIEW

#### **Review of financial position**

The Trustees are pleased to record the level of income received in the year from individual donors and NHS Charities Together grants. It is reassuring that the investment income has increased by 8% since the prior year. The Trustees are grateful to staff, residents and organisations within Forth Valley who support the fund by making donations and taking part in fund-raising events.

#### **Income from Public Donations**

The Trustees are pleased to report that £164,596 (2023 - £174,909) of public donations and legacies were received from the local community and staff during 2023/2024 representing a decrease of 6% over 2022/2023. There was also £81,402 (2023 - £75,064) of investment income generated from the endowment funds invested in the stock market during the year, (see additional information in the “Investment Policy” and “Investment Performance” section below). The committee utilised the income received during the year together with other accumulated reserves in order to fund £433,715 (2023 - £448,062), of charitable activities and a further £75,362 (2023 - £52,688) on the cost of raising funds. The net decrease in funds during the year before gains and losses on investments was £92,792 (2023 - £18,615 decrease).

#### **Funding contribution toward Artlink**

The Endowment Fund also received £25,000, (2023 - £25,000) of funding from Forth Valley Health Board to support the cost of therapeutic art projects and creative collaborations provided to patients and staff by Artlink.

#### **Investment Policy**

The Endowment Committee has agreed a discretionary investment management agreement with its external investment advisors that allows them to carry out a mutually agreed level of investment transactions without the prior approval of the Endowment Committee. A copy of all transaction dealings is notified immediately to the Lead Executive Officer and the Committee receives a full report quarterly from the investment advisors that includes the transactions, valuation and performance of the portfolio.

The investment objective is “to maintain a balance between income and capital growth in the fund with a medium/high degree of risk that is compatible with other policy objectives”. The Fund will not invest in companies whose main activity is the sale of tobacco, alcohol, armaments or gambling. The Scottish Government Guidance ‘Stop Trading With Russia’ has also been implemented by the Investment Advisors. The Committee reviews the performance of the external investment advisors quarterly to ensure that the investment of funds is in accordance with its policy on social and ethical investment. Income funds not required in the coming year are invested in the portfolio.

The Trustees of the Endowment Fund are required to comply with the provisions of the Charities and Trustees Investment (Scotland) Act 2005 with regard to the fund’s investments. Any investments held by the Endowment Fund have been acquired in accordance with the powers available to the Trustees.

#### **Investment Performance**

The market value of the portfolio at 31<sup>st</sup> March 2024 was £3,133,560, (2023 - £3,030,420). This valuation included net gains of £463,505 (2023 - £461,888) on the initial purchase price of these investments. This cumulative gain is held as a separate reserve on the Balance Sheet and is not available for distribution. The anticipated reduction in interest rates over the coming twelve months will impact to a greater extent on companies where a larger proportion of future profits are forecast further into the future (typically technology and other ‘growth’ sectors). This is because the lowering of the interest rates reduces the discount rate used in calculating the current value of these future profits.

## NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024

### Trustees Report

At the end of the calendar year 2023, the UK, Germany and Japan were all suffering modest recessions. The investment advisors, Rathbones, continue to note the possibility of more widespread mild recessions. Their base case mid-term outlook is for a gradual improvement in global growth, although perhaps after a period of very modest growth over the majority of calendar year 2024. The total return from the portfolio of 9.05% in the 12 month period to the end of March 2024 was ahead of the 6.37% Consumer Price Index (CPI) +4% return. Rathbones risk level 5, which is the investment approach selected for the Endowment Fund portfolio targets a long term investment objective of CPI+4%. The Committee continues to monitor closely the performance of the portfolio and to receive regular advice and updates from the investment advisors.

#### Principle sources of funding

The fund receives donations and/or legacies from patients, their relatives, the general public and other organisations. The fund also receives grants, largely from NHS Charities Together, as well as various other organisations.

#### Reserves Policy

The Trustees have adopted a formal reserves policy in respect of the charities Unrestricted General Reserves. Unrestricted General Reserves are generated from investment income, legacies and donations whose purpose is not specified by the donor. The Restricted Funds, Permanent Funds and the Unrealised Revaluation Reserve balances are excluded from this Policy as they are required to be spent in accordance with the donor's wishes. Details of fund balances by category and their movement in the year can be found at note 15.

The Unrestricted General Reserves balance at 31.03.2024 that is subject to the Reserves policy is £1,268,189 (2023 - £1,130,933). General Reserves are utilised at the discretion of the Endowment Committee to fund patient's charitable activities. These activities are detailed in the Achievements and Performance section of the Trustees Report above.

The net utilisation (prior to realised investment gains) of the Unrestricted General Reserves balance in 2023/24 was £57,157 (2023 - £44,689). The key driver for the net utilisation is that income levels have declined relative to the various cost commitments provided annually by the endowment fund. The active fundraising strategy originally planned for 2023/24 using the proceeds of the NHS Charities Together Development Grant, has been delayed to 2024/25. The active fundraising strategy is expected to increase the level of donations received annually by the endowment fund. Moving into 2024/25, the Health Board will no longer cover any of the finance team salary costs. The endowment fund will be responsible for covering the full cost of the finance team salaries, resulting in an additional charge of c£40k (plus inflation) per year.

The trustees are continuing to strive to meet the objective of ensuring the annual cost of activities is met from the income received in the year. However, this is challenging with increasing costs and the cost of living crisis putting pressure on donations income. The trustees will approve the budget for 2024/25 at the June 2024 Endowment Committee Meeting.

Trustees may continue to utilise the accumulated reserves of the fund at their discretion whilst leaving sufficient reserves to sustain the charities activities thereafter. In determining the Reserves Policy the committee recognised the variability of unrestricted income, particularly legacies and other windfall receipts. The Reserves Policy will be subject to annual review as part of the budget setting exercise.

All funds are invested in accordance with the fund's Investment Policy and are held until required to meet future expenditure commitments as they arise.

## **NHS FORTH VALLEY ENDOWMENT FUNDS**

**Year ended 31<sup>st</sup> March 2024**

### **Trustees Report**

#### **PLANS FOR FUTURE PERIODS**

The Trustees are encouraged by the continuing contribution made by the Endowment Fund in providing support to hospital and community health services and intend to continue to utilise reserves where suitable projects or programmes can be identified. Facilities have been supplemented and enhanced in particular by the provision of medical and general equipment and furniture and furnishings. Support has also been given to the education and training of staff and to non-commercially sponsored research and development projects.

A key focus for 2024/25 will also be to implement an active fundraising strategy using the £30,000 NHS Development Grant funding. The funding will be used to increase the Fundraising Manager's time and recruit Social Media support. This will in turn lead to a more active fundraising approach with the aim of generating increased levels of donations.

The Stage 2 Community Partnership Grants Programme and the Stage 3 Recovery & Post Pandemic Grants Programme will also continue to be administered in 2024/25.

#### **STRUCTURE GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The National Health Service (Scotland) Act 1978 provides the legal framework within which the Trustees require to operate the Endowment Fund. Cognisance is also taken of the law governing Trusts and charities and appropriate NHS legislation applicable to NHS Boards.

Forth Valley NHS Board received by transfer on the 1st April 2004 all property (excluding heritable property), rights and liabilities from the Endowment Funds of Forth Valley Acute Hospitals NHS Trust and Forth Valley Primary Care NHS Trust. This transfer was carried out in accordance with the Transfer Orders dated 25<sup>th</sup> March 2004 issued under paragraph 26 of Schedule 7A to the National Health Service (Scotland) Act 1978 as amended by the National Health Services Reform (Scotland) Act 2004.

In 2019/2020 the Health Secretary established an expert group comprising representatives from the Office of the Scottish Charity Regulator, Scottish Government and Health Board Endowment Funds to consider and provide recommendations on changes that could be enacted to strengthen governance arrangements for NHS Endowment Funds. The National Review of NHS Endowment Funds was published 28<sup>th</sup> October 2021. The review has found that an inherent conflict of interest exists due to the current structure of funds, whereby the NHS Board is the sole corporate trustee of the related NHS charity. The report sets out a number of recommendations to address this conflict and to strengthen overall governance arrangements, the most significant of which is replacing the existing corporate trustee with a charitable board comprising of an independent chair and a majority of independent members. The report also recommends a number of other changes within the proposed model, including mandates for quora; publicly available and legally governing documents for each endowment fund; and the introduction of limited liability for trustees. Fully adopting the recommendations will require legislative change and this will involve consultation with stakeholders, including NHS Boards and OSCR.

The Charities (Regulation and Administration) (Scotland) Bill proposed legislative change to the Charities and Trustee Investment (Scotland) Act 2005. The bill was passed on 28<sup>th</sup> June 2023 and became an Act on 9<sup>th</sup> August 2023. The Act:

- Gives OSCR wider powers to investigate charities and charity trustees
- Amends the rules on who can be a charity trustee or a senior office-holder in a charity
- Increases the information that OSCR holds about charity trustees
- Updates the information which needs to be included on the Scottish Charity Register

## **NHS FORTH VALLEY ENDOWMENT FUNDS**

**Year ended 31<sup>st</sup> March 2024**

### **Trustees Report**

#### **Appointment of Trustees**

The Scottish Ministers appoint the Trustees by virtue of their appointment to the Board of NHS Forth Valley. Under the revised Standing Orders approved by Forth Valley NHS Board on 11th May 2004, all members of Forth Valley NHS Board are appointed as ex officio Trustees of the Endowment Fund for the purpose of holding any property which is to be held in trust on behalf of the Board.

#### **Trustee Induction and Training**

Following their appointment, Trustees are provided with an Induction & Training Pack to inform them of the structure and operation of the Endowment Fund and to advise them of their roles and responsibilities as Trustees of the Endowment Fund with regard to charities law, regulations and other guidance. Previous minutes and financial reports are also provided for information on current issues.

#### **Risk Management**

Each year the Trustees carry out a formal risk-management process, culminating in a corporate risk register that identifies the top risks, their likelihood of occurrence and impact, and the consequent actions necessary to manage them effectively.

One of the main risks the Charity is exposed to is a significant and sustained fall in the value of the investment portfolio giving rise to a fall in the level of investment income that is currently utilised to provide recurring funding for a number of the Charity's key activities. In order to mitigate this risk, the Trustees have discussed and agreed a Discretionary Portfolio Management Agreement with their Investment Advisors that adopts a medium/high degree of risk with regard to the management of the portfolio. The Investment Advisors provide regular advice and reports on the performance of the investment portfolio and attend at least one committee meeting per year to discuss the performance of the portfolio and review the investment objectives.

One further risk identified by the Trustees is the possibility that the Charity may become engaged in activities that fail to meet conditions of the "Charity Test" as set out in the Charities and Trustee Investment (Scotland) Act 2005. The "Charity Test" states that in order for an organisation to be recognised as charity its activities must be for charitable purposes only and must provide or intend to provide public benefit. In order to mitigate this risk, the Trustees have implemented a number of internal control procedures including scrutiny of transactions by the financial management team and the review of procedures and controls by Internal and External audit.

Individual Fund Managers also receive regular support and advice from the financial management team to ensure they understand their obligation to comply with the conditions of the Charity Test. The Trustees also receive regular reports of the Charity's activities to ensure they are being conducted in accordance with the terms of the Charity Test.

# NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024

## Trustees Report

### Connected bodies

In terms of the Charities Accounts (Scotland) Regulations 2006 (as amended), the NHS Forth Valley Endowment Fund and Forth Valley NHS Board are connected bodies. The Endowment Fund received £25,000 towards its Artlink Project. Forth Valley NHS Board also provided £41,820 towards the finance salaries, which are included within the 'administrative support' costs shown below.

The following services were purchased from Forth Valley NHS Board during the year:

	2024	2023
	£	£
Administrative support	<u>66,820</u>	<u>64,679</u>
Fundraising support	<u>39,867</u>	<u>22,983</u>
	<u>106,687</u>	<u>87,662</u>
The balances due to Forth Valley NHS Board at 31 <sup>st</sup> March are:	<u>101,345</u>	<u>164,377</u>
The balances due from Forth Valley NHS Board at 31 <sup>st</sup> March are:	<u>26,450</u>	<u>34,691</u>



**John Stuart MBE**  
**Trustee and Vice Chairperson of Endowment Committee**  
**Date: 18<sup>th</sup> June 2024**

## **NHS FORTH VALLEY ENDOWMENT FUNDS**

**Year ended 31<sup>st</sup> March 2024**

### **Statement of Trustees' Responsibilities**

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

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Endowment Fund and of the incoming resources and application of resources of the Endowment Fund for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Endowment Fund 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 appropriate NHS legislation. They are also responsible for safeguarding the assets of the Endowment Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Endowment Fund and financial information included on the Forth Valley NHS Health Board's web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024

### Independent Auditors' Report to the Trustees of NHS Forth Valley Endowment Funds

#### Opinion

We have audited the financial statements of NHS Forth Valley Endowment Funds (the 'charity') for the year ended 31<sup>st</sup> March 2024 which comprise Statement of Financial Activities, Balance Sheet, 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).

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<sup>st</sup> March 2024, 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.

During the course of our audit we did not identify any incidents where the following was not true for the year ended 31<sup>st</sup> March 2024:

- all funds allocated have been awarded and used appropriately in furtherance of the charitable purposes of the charity;
- that there were no retrospective awards.

#### 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 charitable company'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 the report.

## NHS FORTH VALLEY ENDOWMENT FUNDS

Year ended 31<sup>st</sup> March 2024

### Independent Auditor's Report to the Trustees of NHS Forth Valley Endowment Funds (continued)

#### 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.

#### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 14, 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.

## **NHS FORTH VALLEY ENDOWMENT FUNDS**

**Year ended 31<sup>st</sup> March 2024**

### **Independent Auditor's Report to the Trustees of NHS Forth Valley Endowment Funds (continued)**

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant unusual transactions and challenging judgements and estimates;
- Reviewing minutes of meetings held by management and those charged with governance to identify any matters including actual or attempted fraud, litigation and noncompliance with laws and regulations;
- Inspecting expenditure incurred in the year while making sure this has been appropriately categorised in the financial statements. This included agreeing a sample from the nominal ledger to purchase invoice while also reviewing post year end transactions and invoices to confirm the completeness of the expenditure was disclosed.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

## **NHS FORTH VALLEY ENDOWMENT FUNDS**

**Year ended 31<sup>st</sup> March 2024**

### **Independent Auditor's Report to the Trustees of NHS Forth Valley Endowment Funds (continued)**

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Robert Taylor (Senior Statutory Auditor)**

**For and on behalf of Dickson Middleton, Chartered Accountants, Statutory Auditors,  
20 Barnton Street, Stirling. FK8 1NE.**

**Date: 18<sup>th</sup> June 2024**

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Statement of Financial Activities

for the year ended 31st March 2024

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Funds £	2024 Total Funds £	2023 Total Funds £
<b>Income and Endowments from:</b>						
Donations and Legacies	4	75,428	114,168	0	189,596	199,910
Charitable activities		6,683	138,604	0	145,287	207,161
Investments	10	81,402	0	0	81,402	75,064
<b>Total</b>		<b>163,513</b>	<b>252,772</b>	<b>0</b>	<b>416,285</b>	<b>482,135</b>
<b>Expenditure on:</b>						
Raising Funds		(75,362)	0	0	(75,362)	(52,688)
Charitable activities	6	(155,518)	(278,197)	0	(433,715)	(448,062)
<b>Total</b>		<b>(230,880)</b>	<b>(278,197)</b>	<b>0</b>	<b>(509,077)</b>	<b>(500,750)</b>
<b>Net income/(expenditure) before gains/(losses) on investments</b>		<b>(67,367)</b>	<b>(25,425)</b>	<b>0</b>	<b>(92,792)</b>	<b>(18,615)</b>
Net gains/(losses) on disposal of investments		38,300	0	0	38,300	(45,270)
<b>Net income/(expenditure)</b>		<b>(29,067)</b>	<b>(25,425)</b>	<b>0</b>	<b>(54,492)</b>	<b>(63,885)</b>
<b>Transfers between funds</b>		<b>1,995</b>	<b>(3,433)</b>	<b>1,438</b>	<b>0</b>	<b>0</b>
<b>Other recognised gains/(losses)</b>						
Gains/(Losses) on revaluation of investments		157,731	0	0	157,731	(141,068)
<b>Net Movement in funds</b>		<b>130,659</b>	<b>(28,858)</b>	<b>1,438</b>	<b>103,239</b>	<b>(204,953)</b>
<b>Reconciliation of funds:</b>						
Total Funds brought forward		1,874,257	1,302,514	8,842	3,185,613	3,390,566
<b>Total Funds carried forward</b>		<b>2,004,916</b>	<b>1,273,656</b>	<b>10,280</b>	<b>3,288,852</b>	<b>3,185,613</b>

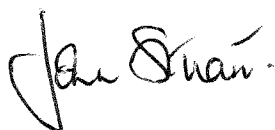
The notes on pages 22 to 30 form part of these financial statements

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
<b>Fixed Assets</b>			
Investments	9	3,133,560	3,030,420
<b>Current assets</b>			
Debtors	11	29,954	37,538
Cash at bank	12	276,761	326,461
		306,715	363,999
<b>Liabilities</b>			
Amounts falling due within one year	13	(151,423)	(208,806)
<b>Net current assets</b>		155,292	155,193
<b>Net Assets</b>		3,288,852	3,185,613
<b>Charitable Funds</b>	15		
Permanent funds		10,280	8,842
Restricted funds		1,273,656	1,302,514
Unrestricted Funds		1,541,411	1,412,370
Revaluation reserve		463,505	461,887
		3,288,852	3,185,613

Approved by the Board of Trustees on 18th June 2024 and signed on its behalf:



**John Stuart MBE**  
**Trustee and Vice Chairperson of Endowment Committee**  
**Date: 18th June 2024**

The notes on pages 22 to 30 form part of these financial statement

**NHS FORTH VALLEY ENDOWMENT FUNDS**

**Statement of Cash Flows**

**for the year ended 31st March 2024**

	<u>Note</u>	<u>2024</u> <u>£</u>	<u>2023</u> <u>£</u>
<b>Cash flows from Operating Activities</b>			
Net cash used in operating activities	17	<u>(223,993)</u>	<u>31,979</u>
<b>Cash flows from investing activities</b>			
Dividend income		81,402	75,064
Proceeds from the sale of investments		638,439	469,324
Purchase of investments		<u>(545,548)</u>	<u>(441,755)</u>
<b>Net cash provided by investing activities</b>		<u>174,293</u>	<u>102,633</u>
<b>Change in cash in year</b>		(49,700)	134,612
Cash brought forward		<u>326,461</u>	<u>191,849</u>
<b>Cash carried forward</b>		<u>276,761</u>	<u>326,461</u>

The notes on pages 22 to 30 form part of these financial statements

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Notes to the Financial Statements - 31 March 2024

#### 1. Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investments.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities SORP (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. With respect to the next reporting period, 2024/2025, the most significant area of uncertainty that will affect the carrying value of assets held by the Charity are the level of investment return and the performance of the investment markets (see the investment policy, investment performance and risk management sections of the Trustee's Annual Report for more information) and the risk of activities not being carried out in accordance with the Charity Test as set out in the Charities and Trustee Investment (Scotland) Act 2005.

(b) Funds structure

In accordance with recommended practice, the funds held are identified as restricted or unrestricted dependent on the wishes of the donors. The trustees may set aside designated sums forming part of the accumulated funds to be used for particular purposes in the future; these are classified as designated funds. The purpose of designation is to detail those parts of the accumulated funds that have been non-contractually committed. Permanent endowment funds are particular restricted funds where the capital content must be held permanently although its constituent assets may change from time to time. Where a balance remains in a fund whose purpose can no longer be fulfilled (e.g. due to hospital or ward closure) the Committee should contact the original donor to determine an alternate use for the fund. If the original donor cannot be contacted then the Committee may transfer the funds to an alternate project that is in keeping with the intent of the original donation.

(c) Incoming Resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Donations from the public are recorded on a receipts basis. Investment income is recognised on an accruals basis. Income received for specific purposes not applied at the year-end is carried forward within restricted fund balances and expended later as instructed by the donor.

Gifts in kind are goods and services which are provided to the charity as a donation that would normally be purchased from suppliers; this contribution is included in the financial statements at an estimate based on value of the contribution to the charity.



## NHS FORTH VALLEY ENDOWMENT FUNDS

### Notes to the Financial Statements - 31 March 2024 (Continued)

- (d) Incoming resources from legacies  
Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable; this will be following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.  
In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.
- (e) Incoming resources from endowment funds  
The Trustees treat the incoming resources receivable from the investment of endowment funds as accruing to the accumulated funds. These funds are then utilised as a central resource for allocating funds against bids for expenditure made to the Endowment Committee.
- (f) Incoming resources from grants  
Where entitlement to grants is not conditional on the delivery of a specific performance by the charity, they are recognised when the charity becomes unconditionally entitled to the grant. Where income from grants is related to performance and specific deliverables, they are accounted for as the charity earns the right to consideration by its performance.
- (g) Resources expended  
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure.
- (h) Irrecoverable VAT  
Irrecoverable VAT is charged against the category of resources expended for which it was incurred.
- (i) Allocation of overhead and support costs  
Overhead and support costs have been apportioned between the categories of charitable expenditure. The analysis of overhead and support costs and the bases of apportionment applied are shown in note 5.
- (j) Costs of raising funds  
The costs of generating funds are those costs attributable to generating incoming resources for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects including investment management fees.
- (k) Charitable activities  
Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure therefore include support costs and an apportionment of overheads, as shown in note 6.
- (l) Capital expenditure  
Capital expenditure is defined as expenditure on acquisitions of new tangible fixed assets and additions, extensions, improvements or replacements to such existing assets. There is no record of capital assets in the balance sheet, apart from those fixed assets disclosed, for any such assets purchased are immediately donated to Forth Valley NHS Board.

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Notes to the Financial Statements - 31 March 2024 (Continued)

- (m) Fixed Asset Investments  
Investments are stated at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.
- Quoted stocks and shares are included in the balance sheet at mid-market price, excluding dividends.
- (n) Realised gains and losses  
All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or purchase cost if later). Unrealised gains and losses are calculated as the difference between the carrying value at the year-end and opening market value (or purchase cost if later).
- (o) Continuation of funds  
In accordance with the reconfiguration of NHS Health Boards and Trusts in Scotland, Forth Valley Acute Hospital NHS Trust and Forth Valley Primary Care NHS Trust ceased to exist on 31st March 2004 and their endowment funds were transferred on 1st April 2004 to the successor organisation, Forth Valley NHS Board. In view of the terms of these transfers, NHS Forth Valley Endowment Funds has been treated for accounting purposes as a continuation of the predecessor FVAH and FVPC endowment funds.
- (p) Pensions  
The charity is a grant making charity and has no employees and any pension contribution liabilities that may arise are solely the responsibility of the grant recipient.

## 2. Funds structure

The nature and purpose of each fund is as follows: -

### Restricted

- (a) Permanent endowment funds
- Shennen Bequest  
The income of this fund is to be applied in providing an annual holiday prize draw for nursing staff of Lochview Houses 1 to 3.
- Bellsdyke Nurses Scholarship  
The income of this fund is to be applied for the professional development of nursing staff at Bellsdyke Hospital.
- (b) Ward Funds  
They comprise donations received by specific wards and spent in accordance with the wishes of donors and management subject to the discretion of trustees.
- (c) Specific funds  
These funds have been received and applied for specific projects and activities.

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Notes to the Financial Statements - 31 March 2024 (Continued)

#### Accumulated

(d) Accumulated funds

These funds are representative largely of:

- i) accumulated gains and losses on realisation and revaluation of investments made over the years including those made by the predecessor endowment funds.
- ii) investment income and bank interest offset by authorised expenditure.

This part of the funds must be used for the purposes specified in the National Health Services (Scotland) Act 1978, which is for any purpose for which Forth Valley NHS Board was established.

The trustees allocate annually the unrestricted income for the use of the hospitals and the community.

(e) D G Cochrane Fund

This fund is solely for the use of Falkirk Community Hospital and comprises a single legacy.

(f) Unrealised gains on investments fund

When FVAH NHS Trust Endowment Fund and FVPC NHS Trust Endowment Fund were dissolved and replaced by NHS Forth Valley Endowment Funds, the investments held were re-based to reflect the valuation at 1st April 2004 as historical cost.

These funds comprise the unrealised gains and losses, arising since that date. The unrealised gains/losses are transferred to accumulated funds when they have actually been realised.

### 3. Taxation

The Endowment Fund has charitable status and is exempt from taxation. Covenanted donations, gift aid and legacies attract taxation relief for the donor. The Endowment Fund is not registered for value added tax and accordingly any such irrecoverable tax is included in expenditure incurred.

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Notes to the Financial Statements - 31 March 2024 (Continued)

	2024	2023
	£	£
<b>4. Analysis of Income</b>		
<i>Donations &amp; Legacies</i>		
Donations	173,946	198,217
Legacies	15,650	1,693
	189,596	199,910
<i>Charitable Activities</i>		
NHS Charities Together C19 Grants Programme	81,033	195,118
R S MacDonald Charitable Trust	63,129	0
Tesco Community Grant	1,125	0
MacMillan Grant	0	2,845
Inspiring Scotland Grant	0	4,198
Medtronic Grant	0	5,000
	145,287	207,161
<b>5. Allocation of support costs and overheads</b>		
External audit	8,400	8,400
Financial management salaries	66,820	64,679
Bank charges	124	14
	75,344	73,093

The support costs have been allocated to charitable activities based on time spent. The subsequent apportionment across activity is disclosed in note 6.

#### 6. Analysis of charitable expenditure

The charity pursued its charitable activities by making grants and direct charitable activities. Support costs have been apportioned across the categories of charitable expenditure on the basis of the number of individual transactions and the associated transaction cost incurred by the charity.

	Grant Funded Activity	Support Costs	Total
	£	£	£
<b>Year ended 31<sup>st</sup> March 2024</b>			
Research & Development	36,493	6,340	42,833
Staff Education, Training & Development	65,744	11,420	77,164
Patient Welfare & Amenities	267,288	46,430	313,718
	369,525	64,190	433,715
<b>Year ended 31<sup>st</sup> March 2023</b>			
Research & Development	4,392	751	5,143
Staff Education, Training & Development	56,534	9,662	66,196
Patient Welfare & Amenities	321,734	54,989	376,723
	382,660	65,402	448,062

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Notes to the Financial Statements - 31 March 2024 (Continued)

#### 7. Analysis of Grants

The charity does not make grants to individuals and the total costs of making grants is disclosed on the Statement of Financial Activities, and the actual disbursement for each category of charitable activity is disclosed in note 6. Where earmarked funds are operated under a scheme of delegation approved by the trustees, individual grants are not made by the corporate trustee, instead the fund holder incurs expenses based on the approved purposes of that fund and therefore individual grants are not recorded.

The following NHS Charities Together Stage 2 Community Partnership Grants in excess of £5,000 were awarded to the projects and external recipients listed below:

	2024	2023
	£	£
Play Alloa	0	15,000
Stirling District Unpaid Carers	15,000	15,000
Raploch Community Partnership	0	14,885
Action in Mind	0	10,287
Denny Community Support Group	5,145	5,145
Addictions Support & Counselling Forth Valley	0	15,000
Maggie's Forth Valley	3,661	7,096
Mental Health Matters at Forth Valley College	0	10,290
	23,806	92,703
Other < £5,000	1,863	10,600
Total	25,669	103,303

Grants were made to Third Sector organisations and the expenditure is included within Patient Welfare & Amenities.

The following NHS Charities Together Stage 3.2 Community Partnership Grants in excess of £5,000 were awarded to the projects and external recipients listed below:

	2024	2023
	£	£
Maggie's Forth Valley	24,777	0

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Notes to the Financial Statements - 31 March 2024 (Continued)

#### 8. Auditors remuneration

	2024	2023
	£	£
Annual Audit	8,400	8,400
Additional work	0	0
	8,400	8,400

#### 9. Fixed Asset Investments

	2024	2023
	£	£
<b>Movement in Fixed Asset Investments</b>		
Market value of investments as at 1 <sup>st</sup> April	3,030,420	3,244,327
Acquisitions at cost	545,548	441,755
Disposals at opening book value	(600,139)	(514,594)
Net gain/(loss) on revaluation in year	157,731	(141,068)
Market value as at 31 <sup>st</sup> March	3,133,560	3,030,420

Historical cost as at 31 <sup>st</sup> March	2,670,055	2,568,533
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#### Analysis of Fixed Asset Investments (Market Value)

	£	£
Listed equity investments and unit trusts	2,570,384	2,646,926
Fixed interest bonds	563,176	383,494
	3,133,560	3,030,420

#### 10. Gross income from investments

	2024	2023
	£	£
Gross income earned from all types of investment		
Listed equity investments	57,110	63,006
Fixed interest bonds	20,528	10,758
Interest on Cash Deposits	3,764	1,300
	81,402	75,064

#### 11. Debtors

	2024	2023
	£	£
Prepayments & accrued income	3,504	2,847
Sums due by Forth Valley Health Board	26,450	34,691
Other Debtors	0	0
	29,954	37,538

**NHS FORTH VALLEY ENDOWMENT FUNDS**

**Notes to the Financial Statements - 31 March 2024**

**(Continued)**

**12. Cash at Bank**

	2024	2023
	£	£
Cash at Bank	168,622	289,967
Cash held by Investment Managers	108,139	36,494
	<u>276,761</u>	<u>326,461</u>

**13. Current Liabilities**

	2024	2023
	£	£
Creditors & Accruals	50,078	44,429
Sums due to Forth Valley Health Board	101,345	164,377
	<u>151,423</u>	<u>208,806</u>

**14. Provision for liabilities and charges**

There were no provisions made in the current or previous year.

**15. Analysis of charitable funds**

	Fund balances 31.03.23	Income	Expenditure	Fund Transfers	Realised Gain on sale of Investments	Unrealised Gains on revaluation of investments	Fund balances 31.03.24
	£	£	£	£	£	£	£
Unrestricted funds							
General Funds	1,130,933	163,513	(230,880)	166,323	38,300	0	1,268,189
Designated funds:							
D.G. Cochrane	194,287	0	0	0	0	0	194,287
Non-contractual commitments	87,150	0	0	(8,215)	0	0	78,935
	<u>1,412,370</u>	<u>163,513</u>	<u>(230,880)</u>	<u>158,108</u>	<u>38,300</u>	<u>0</u>	<u>1,541,411</u>
Unrealised revaluation reserve	461,887	0	0	(156,113)	0	157,731	463,505
	<u>1,874,257</u>	<u>163,513</u>	<u>(230,880)</u>	<u>1,995</u>	<u>38,300</u>	<u>157,731</u>	<u>2,004,916</u>
Permanent Funds	8,842	0	0	1,438	0	0	10,280
Restricted Funds	1,302,514	252,772	(278,197)	(3,433)	0	0	1,273,656
	<u>3,185,613</u>	<u>416,285</u>	<u>(509,077)</u>	<u>0</u>	<u>38,300</u>	<u>157,731</u>	<u>3,288,852</u>

## NHS FORTH VALLEY ENDOWMENT FUNDS

### Notes to the Financial Statements - 31 March 2024 (Continued)

#### 16. Analysis of fund balances over the net assets

Year ended 31st March 2024	Permanent £	Restricted £	Unrestricted £	Unrealised Gains on revaluation of investments £	Total £
Investments	0	1,208,047	1,462,008	463,505	3,133,560
Cash at bank	10,280	162,537	103,944	0	276,761
Debtors	0	4,712	25,242	0	29,954
Liabilities	0	(101,640)	(49,783)	0	(151,423)
	10,280	1,273,656	1,541,411	463,505	3,288,852

Year ended 31st March 2023	Permanent £	Restricted £	Unrestricted £	Unrealised Gains on revaluation of investments £	Total £
Investments	0	1,232,299	1,336,234	461,887	3,030,420
Cash at bank	8,842	203,435	114,184	0	326,461
Debtors	0	11,303	26,235	0	37,538
Liabilities	0	(144,523)	(64,283)	0	(208,806)
	8,842	1,302,514	1,412,370	461,887	3,185,613

#### 17. Reconciliation of net expenditure to net cash flow from operating activities

	2024 £	2023 £
Net movement in funds per Statement of Financial Activities	103,239	(204,953)
Adjustments for:		
Investment income	(81,402)	(75,064)
Gains on disposal of investments	(38,300)	45,270
Gains on revaluation of investments	(157,731)	141,068
Decrease/(Increase) in debtors	7,584	4,068
Increase/(Decrease) in creditors	(57,383)	121,590
Net cash used in operating activities	(223,993)	31,979

#### 18. Trustees remuneration and reimbursement of expenses

No trustee or person connected to a trustee has received any remuneration or reimbursement of expenses directly or indirectly from the endowment fund during the year.