

NHS Forth Valley Endowment Fund

Annual Report & Financial Statements 2024-25

Charity registration number SC035953

NHS Forth Valley Endowment Fund

Annual Report & Financial Statements 2024/25

Contents

1.	Foreword	2
2.	Legal and Administrative Information	3
3.	Trustees Report.....	4
3.1.	Operational performance	4
3.2.	Financial performance	5
3.2.1.	Income.....	5
3.2.2.	Expenditure	6
3.2.3.	Investment Policy & Performance	6
3.2.4.	Reserves	8
3.3.	Governance matters	8
3.3.1.	Review of Governance arrangements	8
3.3.2.	Risk Management.....	9
3.4.	Forward look.....	9
3.5.	Disclosure of Information to the Auditor	10
4.	Statement of Trustees Responsibilities	11
5.	Independent Auditors' Report	12
6.	Statement of Financial Activities	17
7.	Balance Sheet.....	18
8.	Statement of Cash Flows.....	19
9.	Notes to the financial statements.....	20

1. Foreword

This document presents the annual report and financial statements of the NHS Forth Valley Endowment Fund for the year ended 31 March 2025. The financial statements have been prepared in line with the accounting policies outlined in note 1 and comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) for charities preparing their accounts in accordance with the Financial Reporting Standards (FRS 102) applicable in the UK and Republic of Ireland.

The NHS Forth Valley Endowment Fund is a registered charity which administers voluntary donations received from individuals, organisations, and other sources to support a wide range of enhanced services and activities designed to benefit the local population beyond what is routinely delivered through core NHS service provision. The charity is commonly referred to as [Forth Valley Giving](#).

As outlined in the NHS Forth Valley Endowment Fund Charter, the key purpose of the charity is the “advancement of health” through:

- The improvement in the physical and mental health of Forth Valley NHS Board’s local population;
- the prevention, diagnosis and treatment of illness;
- the provision of services and facilities in connection to the above; and
- research into any matters relating to the causation, prevention, diagnosis or treatment of illness.

In accordance with sections 82, 83 and 84A of the National Health Service (Scotland) Act 1978, Forth Valley NHS Board holds all funds and property of the charity on Trust, and acts as a Corporate Trustee. As such, all members of Forth Valley NHS Board are appointed as Trustees of the NHS Forth Valley Endowment Fund by virtue of their appointment to the NHS Board. The Trustees who served in the reporting period and up to the date of approval of the financial statements are listed on page 3.

In administering the fund, Trustees must observe, insofar as practicable, the wishes of donors. All funds and property of the charity are held and managed separately from Forth Valley NHS Board’s core NHS exchequer funds.

2. Legal and Administrative Information

Trustees	<u>Executive Members</u> Ms Amanda Croft, Chief Executive (until 26th September 2024) Mr Ross McGuffie, Chief Executive (from 1st October 2024) 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 <u>Non-Executive Members</u> Ms Neena Mahal, Chair (from 1st April 2024) Dr Michele McClung, Non-Executive Director (until 31st March 2025) Mr Allan Rennie, Non-Executive Director 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 Cllr Fiona Collie, Non-Executive Director Cllr Wendy Hamilton, Non-Executive Director (until 7th March 2025) Cllr Gerry McGarvey, Non-Executive Director (until 16th September 2024) Cllr Fiona Law, Non-Executive Director (from 24th March 2025) Cllr David Wilson, Non-Executive Director (from 23rd September 2024) Mr Robert Clark, Non-Executive Director and Employee Director Mrs Kirstin Cassells, Non-Executive Director
Registered Charity Number	SC035953
Principal address	Carseview House Castle Business Park Stirling FK9 4SW
External Auditor	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
Investment Advisors	Rathbones Investment Management George House 50 George Square Glasgow G2 1EH

3. Trustees Report

3.1. Operational performance

The Trustees wish to express their gratitude to the many individuals and organisations who generously donated monies to support a wide range of services, projects and activities to enhance patient care and staff well-being during 2024/25. The following key projects were funded during the year:

Led Rides and Walks Patient Project: this project encouraged and enabled physically inactive people to begin walking and cycling in a supportive environment through facilitated walks and cycle rides led by staff from Falkirk Environment Link. The project aimed to increase patient confidence to commute between home and hospitals by using safe routes, improve mental health and wellbeing, increase physical fitness and reduce long term health issues. By providing the skills, confidence and a social aspect to the rides and walks, the project intended to change attitudes and behaviour towards greater physical activity and active travel. The project also provided an opportunity for suitable participants to become cycle ride leaders and health walk leaders.

Maggie's Forth Valley Getting Started Sessions: these activities were designed to help to improve the mental health and wellbeing of people who have cancer, their families, friends, NHS staff and carers. The sessions took the form of a workshop bringing together people who are starting chemotherapy and radiotherapy to improve their understanding of what the treatment entails, including potential side effects. The workshop also provides an opportunity to ask the specialist medical team questions in an informal setting.

Staff Support and Wellbeing Fund: this fund enables all NHS Forth Valley wards and/or departments to submit applications to secure funding for various staff wellbeing initiatives. The majority of the applications approved during the year were for the redevelopment of garden areas across the estate to create dedicated outdoor therapeutic spaces for patients and staff.

Therapeutic arts: working in conjunction with Artlink Central, an independent charity and leading participatory art organisation, funding was used to support a range of local 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.

During the year the Trustees also awarded a range of large and small grants as part of the *Investing in Health* programme as summarised below:

Area for Staff Reflection: working in conjunction with Bespoke Atelier design studio, this project was for the design and creation of a dedicated area for staff reflection in courtyard J at Forth Valley Royal Hospital.

Health Inequalities Early Intervention project: this project funded a range of items and amenities to reduce health inequalities and support prevention and early intervention for clients of Livilands Resource Centre who have an existing or new diagnosis of a severe and enduring Mental Health disorder. This included the creation of a gym/exercise area together with outdoor therapeutic space in the gardens. The project also funded various group activities focussed on health and wellbeing such as physical activity/exercise classes, mindfulness/meditation, art and music therapy, crafts and healthy cookery classes.

Research and Development: the charity funded the cost of publishing work in appropriate peer reviewed publications relating to local academic research in palliative care and creating healthcare capacity.

3.2. Financial performance

3.2.1. Income

The charity's total income for the year was £409,466 which represents a reduction of £6,819 or 2% compared to the previous year. The vast majority of the income received (66%) was obtained through voluntary donations and legacies (see note 4) with the remaining balance coming from charitable activities and investments as summarised in the table below.

Income	2024/25	2023/24	Difference Better/(Worse)	% change
Donations	£223,316	£173,946	£49,370	28%
Legacies	£45,478	£15,650	£29,828	191%
Charitable activities	£63,920	£145,287	(£81,367)	(56%)
Investments	£74,223	£78,408	(£4,185)	(5%)
Interest on cash deposits	£2,529	£2,994	(£465)	(16%)
Total	£409,466	£416,285	(£6,819)	(2%)

The overall 2% decrease in income levels was largely driven by the reduction in income generated through charitable activities, mainly as a number of projects that were funded from grants awarded by NHS Charities Together have now completed and as a result the grant funded has ended.

Despite the overall 2% decrease in income levels, it is encouraging to note that the overall value of voluntary donations and legacies increased during the year. This was primarily due to a large donation of £82,465 following the dissolution of the former Friends of Forth Valley charity during 2024/25. The constitution of the Friends of Forth Valley states that on dissolution *"any assets remaining after satisfaction of the debts and liabilities of the association shall be transferred to some other charity or charities having objects similar to those of the association; the identity of the body or bodies to which such assets are transferred shall be determined by the members of the association at, or prior to, the time of dissolution"*. The Friends of Forth chose the NHS Forth Valley Endowment Fund as the appropriate body to receive the residual cash balance

3.2.2. Expenditure

Total expenditure incurred during 2024/25 amounted to £454,937 which represents a decrease of £54,140 or 11% compared to the previous year. The vast majority (76%) of the expenditure incurred funded the projects referred to in section 3.1 together with a small number of other charitable activities including Christmas gifts for the Children's Ward at Forth Valley Royal Hospital and a contribution toward the running costs of Radio Royal, the local hospital radio broadcasting service.

Whilst overall expenditure was lower than the previous year, costs relating to raising funds and administering the charity increased by £34,865 (equivalent to 46%) which reflects withdrawal of the previous subsidy provided by Forth Valley NHS Board in relation to the cost of the Endowments Finance Manager. This reflects guidance issued by the Healthcare Financial Management Association regarding NHS charity recharges which states that it is best practice for NHS bodies to fully recharge associated NHS charities for any staff or services that they provide. This is considered to represent the best interests of the charity by ensuring that value for money in transaction processing and the true costs of generating charitable funds are transparent and understood by the Trustees.

3.2.3. Investment Policy & Performance

The primary objective of the charity's investment policy is to strike an appropriate balance between (a) capital security and (b) scope for long term growth in capital and income returns. The Endowment Fund's investment portfolio is managed by Rathbones Investment Management. With the Trustees agreement, Rathbones has adopted its risk level 5 mandate, indicating a long-term investment objective of CPI+4%. Rathbones operates risk levels from risk 1 (lowest) to risk level 6 (highest). The risk levels indicate asset allocations of the portfolio and thereby portfolio volatility.

Rathbones divide asset classes into three building blocks: liquidity, equity type risk and diversifiers (also known as the Rathbones LED framework). Investments are allocated to each base building block depending on typical performance during normal market conditions and in times of financial crisis. The three blocks will behave differently, therefore the allocation sizes between blocks spreads the risk to achieve specific overall goals.

The allocation to equities is designed to drive growth in the portfolio and monies are invested into individual company equity holdings and other securities which behave in a similar way to equities. The remaining monies are invested into liquidity and diversifying investments. Liquidity investments are assets that can be sold easily under normal market conditions and during periods of uncertainty, potentially performing positively if market participants are more nervous on the economic outlook. While diversifying holdings have lower correlations with other assets, aiming to perform 'differently' to global equity markets as they are exposed to different risk factors. Within the direct equity investments, Rathbones seeks to establish a balance between leading UK and international shares covering longer term growth areas.

As part of the investment policy, the charity will not invest in companies whose main activity is the sale of tobacco, alcohol, armaments or gambling. Economic sanctions to cease trade and investment activity with Russia also remain in place as advised by the Scottish Government. The Trustees routinely review the investment portfolio performance and the types of investment to ensure they are consistent with the approved investment policy in terms of social and ethical considerations.

Asset allocation

As of 31st March 2025, 87.2% of the portfolio was allocated to equity type risk (79.6% as at end March 2024). The allocation being 5.5% in fixed interest (5.9% in 2023/24) and 81.7% in equities (73.6% in 2023/24). 66.9% in direct equities (59.7% in 2023/24) and 14.8% (13.9% in 2023/24) in collective funds. These holdings provide exposure to UK and overseas markets. 5.3% was invested in diversifiers (7.4% in 2023/24) and 7.6% in liquidity (13.0% in 2023/24). The fixed income investments are allocated to both UK and overseas holdings spread across index linked, conventional government bonds and high-quality corporate bond funds.

Investment Performance

The portfolio suffered a decline of 1.3% on a total return basis after all charges were accounted for over the twelve months period ending 31st March 2025. The income yield from the investments was broadly steady at 2.5% (consistent with 2023/24 which was also 2.5%). The dip in portfolio value followed weakness in global equities markets from the end of calendar year 2024 as initial optimism on the re-election of President Trump for a second term on anticipation of tax cuts and deregulation, was overwhelmed by market fears on planned tariff announcements and general concern over the unpredictability of policy announcements.

As with the preceding year, the market began the period being unusually 'narrow' with a handful of very large technology companies dominating. However, this trend was disturbed by the arrival of Deepseek as a legitimate challenger to US dominance in the generative AI space, questioning investment plans in this area. Over the twelve-month period the strongest performing investments were Visa, CME Group, Siemens, JP Morgan and Booking with a combined gain of 1.6%.

The market value of the portfolio as at 31st March 2025 was £2,928,901 (£3,133,560 in 2023/24). This valuation includes net unrealised gains of £397,506 (£463,505 in 2023/24) on the initial purchase price of these investments. Unrealised gains or losses are a technical accounting adjustment that reflect movements in value of the Investment Portfolio over time. As an unrealised gain, this does not generate funds that can be utilised by the charity.

Rathbones have advised that the indicated income yield of 2.54%, suggesting annual income over the coming year of roughly £75,000, is a fair estimate. However, there is greater uncertainty on the direction of equity markets and therefore on the capital value of the portfolio. President Trump's announcements of hikes in US tariffs look set to reduce US GDP growth by 1.5% to around 0.5% with inflation moving higher. The Federal Reserve will need to balance higher, potentially temporary inflation, with a slowing economy when considering changes to interest rates. Elsewhere leading central banks are expected to reduce interest rates. Short term market movements have become very difficult to forecast being set by President Trump's daily actions. Longer term Rathbones continue to believe that investing into high quality companies with strong returns on invested capital with diversification by industry sector and geographical region will result in pleasing longer term returns.

3.2.4. Reserves

The Trustees have adopted a formal reserves policy in respect of the charity's unrestricted general reserves. Unrestricted general reserves are generated from investment income, legacies and donations whose purpose is not specified by the donor. In determining the reserves policy, the Trustees acknowledged the variability of unrestricted income, particularly legacies and other windfall receipts. As such, the reserves policy is subject to annual review. Note that Restricted Funds and Permanent Funds are excluded from this Policy as they are required to be spent in accordance with the donor's wishes. Unrealised Revaluation Reserve balances are also excluded. Further information on fund balances by category and their movement in year is provided at note 15.

As at 31st March 2025, the Unrestricted General Reserve balance amounted to £1,150,334 (2023/24 £1,268,189). Unrestricted General Reserves are utilised at the discretion of the Trustees and cover a wide range of patient and staff activities and amenities as well as the management costs of administering the charity.

3.3. Governance matters

3.3.1. Review of Governance arrangements

An in-depth review of the governance framework was undertaken during the 2024/25 financial year which resulted in a number of changes to the Fund Charter, including the Standing Orders and the Terms of Reference of the Endowments sub-committee.

The key changes made to the Fund Charter, which were approved by the Trustees in January 2025, are summarised below:

- A series of revisions and improvements to reflect national best practice;
- Clarifying the role of meetings of the Trustees and of any sub-committee established through a clear reservation of decisions to Trustees in the Standing Orders;
- Updates to the Standing Orders for meetings of the Trustees, removal of formatting inconsistencies and incorporating consequential changes to the Endowments sub-committee Terms of Reference arising from the reservations to Trustees.

In addition, changes to membership of the Endowments sub-committee were also agreed by the Trustees in January 2025 as part of a wider review of Forth Valley NHS Board's committee structure and the portfolio holding of all Non-Executive Directors. As a result, the membership of the Endowments sub-committee is now comprised of 4 Non-Executive Directors and 2 Executive Directors as summarised below:

- Kirstin Cassells, Non-Executive Director
- John Stuart, Non-Executive Director
- Andrew Murray, Medical Director
- Fiona Collie, Non-Executive Director
- Allan Rennie, Non-Executive Director
- Scott Urquhart, Director of Finance

The Endowments sub-committee reports directly to the Trustees and provides operational oversight of the use of endowments in line with the agreed charitable purpose. The Endowment sub-committee is chaired by Cllr Fiona Collie.

3.3.2. Risk Management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. A risk register is maintained and regularly reviewed and the Trustees remain satisfied that effective systems are in place to mitigate exposure to major risk and provide reasonable assurance against fraud and error.

The Trustees deem that the most significant risk relates to the investment of funds and the potential for a significant and sustained fall in the value of the investment portfolio which would result in a material decrease in the level of investment income that is currently used to provide recurring funding for a number of the charity's key activities.

The Trustees have approved an investment policy and appointed Investment Advisors to mitigate this risk as far as possible (including approval of a Discretionary Portfolio Management Agreement with the Investment Advisors which 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 Endowments sub-committee meeting per year to discuss the performance of the portfolio and review investment objectives.

3.4. Forward look

The NHS Forth Valley Endowment Fund will continue to support a range of initiatives in 2025/26 and beyond in pursuit of its charitable purpose and will ensure that expenditure is contained within the anticipated level of donations and investment returns whilst maintaining a baseline capital sum for ongoing income generation.

The following immediate priorities will be taken forward during 2025/26:

- Wider promotion and commissioning of large and small grant opportunities;
- A review of the fundraising action plan (including formal evaluation of the outcomes from the Active Fundraising Development Grant received from NHS Charities Together);

- Development of a formal policy setting out the appropriate length of time for monies to remain in funds to ensure slow moving and dormant funds are identified and funds are spent in a timely manner to benefit patients.

To date, no progress has been made nationally to implement the recommendations of the independent [Review of Governance of NHS Endowment Funds](#) which was published in 2021. However a [public consultation](#) exercise to inform the development of a wider review of charity regulation in Scotland was conducted during 2024/25. The Trustees await further advice from the Scottish Government on the scope of any forthcoming review and will continue to monitor the situation and update future plans accordingly.

3.5. Disclosure of Information to the Auditor

So far as the Trustees are aware at the time the report was approved:

- 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.

Approved by the Board of Trustees on 17th June 2025 and signed on its behalf:

Neena Mahal
Neena Mahal (Jun 19, 2025 16:27 GMT+1)

Neena Mahal
Trustee and Chairperson of the NHS Forth Valley Endowment Fund
Date: 17th June 2025

4. 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 the provisions of the Endowment Fund's constitution.

The Trustees 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 charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Annual report and financial statements for the year ended 31st March 2025 were adopted and approved by the full meeting of the Trustees on 17th June 2025.

5. 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 31st March 2025 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 31st March 2025, 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 31st March 2025:

- 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.

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 11, 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.

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.
- 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: 17 June 2025

6. Statement of Financial Activities

NHS FORTH VALLEY ENDOWMENT FUNDS						
Statement of Financial Activities						
for the year ended 31st March 2025						
	Note	Unrestricted Funds £	Restricted Funds £	Permanent Funds £	2025 Total Funds £	2024 Total Funds £
Income and Endowments from:						
Donations and Legacies	4	32,284	236,510	0	268,794	189,596
Charitable activities	4	0	63,920	0	63,920	145,287
Investments	10	76,752	0	0	76,752	81,402
Total		109,036	300,430	0	409,466	416,285
Expenditure on:						
Raising Funds		(81,207)	(29,020)	0	(110,227)	(75,362)
Charitable activities	6	(142,023)	(202,687)	0	(344,710)	(433,715)
Total		(223,230)	(231,707)	0	(454,937)	(509,077)
Net income/(expenditure) before gains/(losses) on investments		(114,194)	68,723	0	(45,471)	(92,792)
Net gains/(losses) on disposal of investments		(28,963)			(28,963)	38,300
Net income/(expenditure)		(143,157)	68,723	0	(74,434)	(54,492)
Transfers between funds		(1,010)	1,010		0	0
Other recognised gains/(losses)						
Gains/(Losses) on revaluation of investments		(62,746)			(62,746)	157,731
Net Movement in funds		(206,913)	69,733	0	(137,180)	103,239
Reconciliation of funds:						
Total Funds brought forward		2,004,916	1,273,656	10,280	3,288,852	3,185,613
Total Funds carried forward		1,798,003	1,343,389	10,280	3,151,672	3,288,852

The notes on page 20 – 29 form part of the financial statements.

7. Balance Sheet

NHS FORTH VALLEY ENDOWMENT FUNDS			
Balance Sheet as at 31 March 2025			
	Note	2025 £	2024 £
Fixed Assets			
Investments	9	2,928,901	3,133,560
Current assets			
Debtors	11	57,252	29,954
Cash at bank	12	265,044	276,761
		322,296	306,715
Liabilities			
Amounts falling due within one year	13	(99,525)	(151,423)
Net current assets/(liabilities)		222,771	155,292
Net Assets		3,151,672	3,288,852
Charitable Funds	15		
Permanent funds		10,280	10,280
Restricted funds		1,343,389	1,273,656
Unrestricted Funds		1,400,497	1,541,411
Revaluation reserve		397,506	463,505
		3,151,672	3,288,852

Approved by the Board of Trustees on 17th June 2025 and signed on its behalf:

Neena Mahal
Neena Mahal (Jun 19, 2025 16:27 GMT+1)

Neena Mahal
Trustee and Chairperson of the NHS Forth Valley Endowment Fund
Date: 17th June 2025

The notes on page 20 – 29 form part of the financial statements.

8. Statement of Cash Flows

NHS FORTH VALLEY ENDOWMENT FUNDS			
Statement of Cash Flows			
for the year ended 31st March 2025			
	<u>Note</u>	<u>2025</u> £	<u>2024</u> £
Cash flows from Operating Activities			
Net cash used in operating activities	17	<u>(201,419)</u>	<u>(223,993)</u>
Cash flows from investing activities			
Dividend income		75,608	81,402
Proceeds from the sale of investments		846,764	638,439
Purchase of investments		<u>(732,670)</u>	<u>(545,548)</u>
Net cash provided by investing activities		<u>189,702</u>	<u>174,293</u>
Change in cash in year		(11,717)	(49,700)
Cash brought forward		<u>276,761</u>	<u>326,461</u>
Cash carried forward		<u>265,044</u>	<u>276,761</u>

9. Notes to the financial statements

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 and reflect the appropriate Accounting and Financial Reporting Standards, i.e. Financial Reporting Standard 102 (FRS 102) together with all applicable legislation including the Charities Statement of Recommended Practice (SORP), 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 and the financial statements have been prepared on a going concern basis. The Trustees are content that the rationale for the going concern basis remains appropriate given the clear expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

(b) *Funds structure*

In accordance with recommended practice, the funds held are identified as restricted or unrestricted. As the title suggests, restricted funds are subject to specific conditions as outlined by the donor. Unrestricted funds are available for use at the discretion of the Trustees to further the endowment fund's charitable objectives. The Trustees may ring fence sums forming part of total unrestricted funds for a particular purpose 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 refer to restricted funds where the capital sum 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 is legally entitled to it after any conditions have been met, it is probable that the resources will be received and the monetary value can be measured with sufficient reliability.

Cash donations from the public are recognised on receipt. Other donations are recognised once the charity has been notified of the donation (unless specified conditions require deferral of the amount). Income tax recoverable in respect of Gift Aid or deeds of covenant is recognised at the time of donation. 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 in future years 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.

(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.

(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 the NHS in Scotland, NHS Trusts were abolished from 1st April 2004. As such endowment funds held by the former Forth Valley Acute Hospital NHS Trust (FVAH) and Forth Valley Primary Care NHS Trust (FVPC) as at 31 March 2004 were transferred to the single successor organisation, namely Forth Valley NHS Board on 1st April 2004. In view of the terms of these transfers, NHS Forth Valley Endowment Fund 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 - 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 - this fund is to be applied for the professional development of nursing staff at Bellsdyke Hospital.

(b) Ward Funds

Ward funds are comprised of 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 are funds that have been received and applied for specific projects and activities.

Accumulated

(d) Accumulated funds

These funds are representative largely of:

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

These 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 the unrestricted accumulated income for the use of hospitals and the community on an annual basis.

(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 the former FVAH NHS Trust Endowment Fund and FVPC NHS Trust Endowment Fund were dissolved and replaced by the NHS Forth Valley Endowment Fund, 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.

4. Analysis of income

	2025	2024
	£	£
Donations	223,316	173,946
Legacies	45,478	15,650
	<u>268,794</u>	<u>189,596</u>
	£	£
Charitable Activities		
NHS Charities Together Grants		
Programmes	54,851	81,033
R S McDonald Charitable Trust		
Grant	0	63,129
Tesco Community Grant	375	1,125
MacMillan Grant	8,694	0
	<u>63,920</u>	<u>145,287</u>

5. Allocation of support costs and overheads

	2025	2024
	£	£
Financial Management Salaries	58,058	66,820
Bank charges	129	124
External audit	8,820	8,400
	<u>67,007</u>	<u>75,344</u>

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.

Activity	2025		
	SOFA section totals £	Total Support Costs £	Revised SOFA Totals £
Raising Funds	93,992	16,235	110,227
Medical research	33,434	5,775	39,209
Staff Education & Training	70,387	12,158	82,545
Patient's Welfare & Amenities	190,117	32,839	222,956
	293,938	50,772	344,710
Total support costs to be split	387,930	67,007	454,937

Activity	2024		
	SOFA section totals £	Total Support Costs £	Revised SOFA Totals £
Raising Funds	64,208	11,154	75,362
Medical research	36,493	6,340	42,833
Staff Education & Training	65,744	11,420	77,164
Patient's Welfare & Amenities	267,288	46,430	313,718
	369,525	64,190	433,715
Total support costs to be split	433,733	75,344	509,077

7. Grant Awarded

	2025 £	2024 £
Grant Awarded	30,000	22,000

8. Auditors Remuneration

	2025	2024
	£	£
Annual Audit	8,820	8,400
Additional work	0	0
	<u>8,820</u>	<u>8,400</u>

9. Fixed Asset Investments

	2025	2024
	£	£
Movement in Fixed Asset Investments		
Market value of investments as at 01.04.24	3,133,560	3,030,420
Acquisitions at cost	733,814	545,548
Disposals at opening book value	(875,727)	(600,139)
Net gain/(loss) on revaluation in year	(62,746)	157,731
Market value as at 31.03.25	<u>2,928,901</u>	<u>3,133,560</u>
 Historical cost as at 31.03.25	 <u>2,531,399</u>	 <u>2,670,055</u>
 Analysis of Fixed Asset Investments (Market Value)	 £	 £
Listed equity investments and unit trusts	2,574,304	2,570,384
Fixed interest bonds	354,597	563,176
	<u>2,928,901</u>	<u>3,133,560</u>

10. Gross Income from Investments

	2025	2024
	£	£
Gross income earned from all types of investment		
Listed equity investments	57,862	57,110
Fixed interest bonds	15,579	20,528
Interest on Cash Deposits	3,311	3,764
	<u>76,752</u>	<u>81,402</u>

11. Debtors

	2025	2024
	£	£
Prepayments & accrued income	4,500	3,504
Sums due by Forth Valley Health Board	52,752	26,450
	<u>57,252</u>	<u>29,954</u>

12. Cash at bank

	2025	2024
	£	£
Cash at Bank	218,223	168,622
Cash held by Investment Managers	46,821	108,139
	<u>265,044</u>	<u>276,761</u>

13. Current Liabilities

	2025	2024
	£	£
Creditors & Accruals	40,562	50,078
Sums due to Forth Valley Health Board	58,963	101,345
	<u>99,525</u>	<u>151,423</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 31.03.24 £	Income £	Expenditure £	Fund Transfers £	Realised Gain on sale of Investment s £	Unrealised Gains on revaluation of investments £	Fund balances 31.03.25 £
Unrestricted funds							
General Funds	1,268,189	109,036	(223,230)	25,302	(28,963)	0	1,150,334
Designated funds:							
D.G. Cochrane	194,287	0	0	0	0	0	194,287
Non-contractual commitments	78,935	0	0	(23,059)	0	0	55,876
	1,541,411	109,036	(223,230)	2,243	(28,963)	0	1,400,497
Unrealised revaluation reserve	463,505	0	0	(3,253)	0	(62,746)	397,506
	2,004,916	109,036	(223,230)	(1,010)	(28,963)	(62,746)	1,798,003
Permanent Funds	10,280	0	0	0	0	0	10,280
Restricted Funds	1,273,656	300,430	(231,707)	1,010	0	0	1,343,389
	3,288,852	409,466	(454,937)	0	(28,963)	(62,746)	3,151,672

16. Analysis of fund balances over the net assets

Year ended 31st March 2025	Permanent £	Restricted £	Unrestricted £	Unrealised Gains on revaluation of investments £	Total £
Investments	0	1,239,355	1,292,040	397,506	2,928,901
Cash at bank	10,280	129,973	124,791	0	265,044
Debtors	0	31,936	25,316	0	57,252
Liabilities	0	(57,875)	(41,650)	0	(99,525)
	10,280	1,343,389	1,400,497	397,506	3,151,672

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

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

	2025 £	2024 £
Net movement in funds per Statement of Financial Activities	(137,180)	103,239
Adjustments for:		
Investment income	(76,752)	(81,402)
Losses/(Gains) on disposal of investments	28,963	(38,300)
Losses/(Gains) on revaluation of investments	62,746	(157,731)
(Decrease)/Increase in debtors	(27,298)	7,584
(Decrease)/Increase in creditors	(51,898)	(57,383)
Net cash used in operating activities	<u>(201,419)</u>	<u>(223,993)</u>

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.

19. Connected Bodies/Related Party Transactions

In terms of the Charities Accounts (Scotland) Regulations 2006 (as amended), the NHS Forth Valley Endowment Fund and Forth Valley NHS Board are deemed to be connected bodies. The related party transactions are summarised below:

	2025 £	2024 £
Administrative support	58,058	66,820
Fundraising support	65,034	39,867
	<u>123,092</u>	<u>106,687</u>
The balances due to Forth Valley NHS Board at 31 st March are		
	<u>58,963</u>	<u>101,345</u>
The balances due from Forth Valley NHS Board at 31 st March are		
	<u>52,752</u>	<u>26,450</u>

20. Consolidation

The financial results of the charity have been consolidated into the accounts of Forth Valley NHS Board on the basis that they are related parties and effectively operate under common control for accounting purposes.

Annual Report & Financial Statements

Final Audit Report

2025-06-20

Created:	2025-06-19
By:	Robert Taylor (robert.taylor@dicksonmiddleton.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAEA66slFadUVbfFvsc4A5yDnu2FjTMUmj

"Annual Report & Financial Statements" History

-  Document created by Robert Taylor (robert.taylor@dicksonmiddleton.co.uk)
2025-06-19 - 8:59:04 AM GMT
-  Document emailed to Neena Mahal (neena.mahal@nhs.scot) for signature
2025-06-19 - 8:59:10 AM GMT
-  Email viewed by Neena Mahal (neena.mahal@nhs.scot)
2025-06-19 - 3:26:47 PM GMT
-  Document e-signed by Neena Mahal (neena.mahal@nhs.scot)
Signature Date: 2025-06-19 - 3:27:40 PM GMT - Time Source: server
-  Document emailed to Robert Taylor (robert.taylor@dicksonmiddleton.co.uk) for signature
2025-06-19 - 3:27:41 PM GMT
-  Email viewed by Robert Taylor (robert.taylor@dicksonmiddleton.co.uk)
2025-06-20 - 8:14:10 AM GMT
-  Document e-signed by Robert Taylor (robert.taylor@dicksonmiddleton.co.uk)
Signature Date: 2025-06-20 - 8:14:58 AM GMT - Time Source: server
-  Agreement completed.
2025-06-20 - 8:14:58 AM GMT