



**Borders Health Board
Endowment Funds
(known as "the difference")
Annual Report and Accounts
2015-2016**

NHS Borders
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Roxburghshire
TD6 9DA

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BORDERS HEALTH BOARD
ENDOWMENT FUNDS
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**BORDERS HEALTH BOARD ENDOWMENT FUNDS
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Report of the Trustees for the year ended 31st March 2016

The Trustees present their annual report and accounts for the year ended 31st March 2016. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charities constitution, the Charities and Trust Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and RoI published 16th July 2014.

Acknowledgements

The Trustees wish to express their gratitude to the individuals and organisations who have generously donated monies to the Endowment Fund.

Objectives and Principle Activities

Purpose

Endowment funds are held for purposes relating to health services or research within the Scottish Borders region, in line with NHS Borders Endowment Fund Charter subject to any specified directions prohibiting such expenditure which may have been issued by Scottish Ministers. No property assets are held by the Charity.

The Endowment Funds in the main comprise of donations and legacies received from patients, their relatives and the general public. Income and expenditure is monitored in total by the trustees. However, expenditure can only be incurred once an appropriate and agreed fund balance has been identified. Income generated through specific Fundraising Appeals and fundraising activities is coordinated by the Fundraising Manager. It is not NHS Borders Endowment Fund Policy to make general grant of funds to other organisations.

Achievements and Performance

Fundraising

The primary focus during 2015/16 for the fundraising function was to support the production of a business case for a new Children and Young People's Centre. The Fundraising Team identified a number of influential local individuals to form a Leadership Group to secure major gifts for the project by using their business and personal contacts. The requirement to produce a business case in line with the Scottish Capital Investment Manual (SCIM) which has recently been refreshed, has impacted on the timescales for this project. Work will continue during 2016/17 and the Leadership Group and other supporters will be engaged as and when appropriate.

Legacy Marketing is a key objective for the Fundraising Team and in 2015/16 the Fundraising Officer undertook significant research and training to inform this strategy. A print and digital campaign is planned subject to Trustees approval to be launched in 2016/17.

The Fundraising Team has developed processes to provide a consistent and high quality service to the organisation as well as members of the public. The development of the Fundraising database has facilitated the introduction of a donor stewardship programme and the provision of an online giving facility. In addition the Team have strengthened the process for internal payroll giving, which will potentially increase donations from NHS Borders staff.

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Fundraising (continued)

Other areas of work progressed in year include the introduction of a code of conduct to support the coordination and management of the "charities table" in the Borders General Hospital. The Fundraising Team also regularly attend the Board's Medical Equipment Committee to identify medical equipment which may be eligible for charitable funding.

Specific mention is made to Fund 21 (Margaret Kerr and Palliative Care) within the Fundraising activities for the Charity as the fund continues to benefit from significant support from the Scottish Borders public, following the major public appeal to build the facility. During 2015/16 the fund had a further boost from an independently run charity shop created solely to benefit it. The Charity Shop opened in February 2015 under the name Charity For Care (Reg.No. SC045274) and although it was initially expected to raise £15,000 in its first year, the significant contribution of over £60,000 was made to the The Margaret Kerr and Palliative Care fund in 2015/16. Charity for Care is expected to provide a significant and consistent income for the fund in the years to come.

Continuous professional development for the Fundraising team is provided through membership of the Association of NHS Charities and the Institute of Fundraising.

Financial Review and Results for the Year

Legacies and Donations

The charity receives numerous generous legacies and donations throughout the year and ensures all monies received are allocated to an appropriate fund as requested. At each quarterly meeting, the Endowment Fund Board of Trustees is advised of any donations and legacies over £5,000 in value which have been received by the charity.

Details of legacies received are noted separately within the Annual Accounts.

Endowment Funds Expenditure

Endowment Funds expenditure relates to items relevant to the purpose of the Charity, predominantly patient welfare, staff training and development, and the promotion of healthcare. Outgoings are consistent with NHS Borders Guidance to Officers in the use of Endowment Funds.

Approval of expenditure must adhere to regulations contained within Borders Health Board Code of Corporate Governance specifically to the Endowment Funds Financial Scheme of Delegation.

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Fund Balances

The Endowment Funds record an in-year surplus of £164,742 (surplus figure of £473,276 in 2014/15).

Main transactions for analysis are provided as follows:

Donations and Legacies

Endowment Funds have been in receipt of legacies and donations totalling £439,842 during 2015/16. The level of this income may often fluctuate and there has been a decrease of 35% from the 2014/15 total of £678,875. The decrease relates in part to the level of legacies received which are detailed within the financial disclosures of the 2015/16 Endowment Fund Annual Accounts.

Fundraising Income

The level of funds stewarded by the Fundraising Team has been noted within the accounts as totalling £183,826 in 2015/16 (£55,496 in 2014/15). A separate section on fundraising activities is included in this report.

Other Income

The Charity has recorded £105,509 in other unclassified income during 2015/16, further work is being progressed to source details of these income transactions to enable, where possible, the intended restricted funds to be credited.

Fund Expenditure

The Endowment Fund incurred expenditure during 2015/16 totalling £532,174. The following specific items have been highlighted for information to demonstrate the many funds and healthcare areas the charity has supported:

- Specialist Beds & Mattresses - £65,560
- Simulation Training Equipment - £40,567
- Fundraising costs - £66,867
- Renal Dialysis Therapist - £13,492
- ECG Machine (Renal Dialysis) - £4,500
- Staff Training - £38,639
- Zambia Twinning, St Francis Hospital, Water Project - £18,500
- Patient Transport (Cancer Services) - £16,805
- Aromatherapy Services (Cancer Services) - £40,253
- Volunteer Coordinator - £28,362
- Breast Feeding Peer Support Coordinator - £16,381

Staff Welfare expenditure (approved funding £11,000)

To reflect the continued commitment towards achieving NHS Borders 2013-16 corporate objectives to 'promote excellence in organisational behaviour' the Trustees approved funding of £11,000 in 2015/16 for the Celebrating Excellence Awards event. The second of such an event invites staff and members of the public to vote and 'celebrate excellence' in their local health service. The awards give recognition and appreciation for the hard-work, dedication and commitment of staff and volunteers who provide excellent NHS services. Award categories reflect the NHS Borders corporate objectives and values.

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Fund Balances (continued)

Patient Welfare project expenditure

The Board of Trustees agreed to retain Investment Income generated by the Investment Portfolio to support a number of projects specifically to enhance patient welfare. As part of the agreed approval process for funding applications, mid-term (where applicable) and end of project reports are submitted to the Board of Trustees establishing the benefits achieved by the use of Endowment Funds.

A brief description of the approved projects (extracted from funding application paperwork) is noted below:-

Volunteer Coordinator (approved funding £30,000 per year for 2 years concluding 2015/16)

Project Aim

To support NHS Borders commitment to involving volunteers in enhancing patient experience.

The Volunteer Coordinator role continued to develop the number of volunteers across NHS Borders, in particular in the Margaret Kerr Unit, Fundraising Function and in Primary and Community Services.

The Trustees reviewed the end of project report in January 2016 which demonstrated the increase in volunteer activity and specific initiatives which have been supported by the Coordinator role.

Breast Feeding Peer Support (approved funding £35,000 concluding 2015/16)

Project Aim

To create capacity to develop and sustain a breast feeding peer support programme as an integral part of modern effective maternity provision.

2015/16 was the second year of this project. The Endowment Advisory Group reviewed the end of project report in November 2015 and noted the work progressed by the Peer Support role. The project reported its contribution through the dedicated role to the recruitment, training and network for peer supporters to maintain effective liaison with maternity, health visiting and other early years services. Promotion of breastfeeding combined with the peer support network was noted as improving infant and maternal health and promoting healthy child development.

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Fund Balances (continued)

Small Changes Big Difference (approved funding £24,000 concluding 2015/16)

Project Aim

To create an innovative marketing plan to deliver on 4 broad health promoting initiatives.

This project concluded during 2015/16 and the Trustees reviewed a closure report from the Project Lead in January 2016. The report detailed achievement of the objectives set and provided key performance indicator information to support the performance achieved against the various elements of the project. The 4 broad health promoting initiatives delivered by the programme were:-

- Promote and raise awareness of the Health Promoting Health Service (HPHS) programme;
- Speed up delivery of the programme, e.g. achieve 'GOLD' status
- Engage front line staff in delivering a positive health promoting experience for patients / visitors;
- Enhance NHS Borders' reputation as a health promoting organisation supporting staff, patients and visitors to improve their health.

The campaign utilised social marketing techniques, dedicated Face book and Twitter sites to create behavioural change through information specifically targeting patients, visitors, staff and the public. Key performance measures reported by the project to evidence achievement of the objectives were visits to the website, followers on Face book and Twitter and the number of interactions recorded via social media.

Investment Management and Performance

In accordance with the NHS Borders Endowment Funds Policy the Trustees have the power to invest in such stocks, shares, investments and property in the UK as they see fit, after taking in to account any ethical considerations. Investment of funds within the Endowment Portfolio are made on a socially responsible basis and the Endowment Fund specifically does not hold investments in organisations whose main activity is the manufacture or promotion of alcohol, gambling, tobacco or armaments.

The Investment Policy is reviewed by the Trustees on an annual basis, during 2015/16 the Investment Policy review was completed in January 2016.

During financial year 2015/16 Investec Wealth & Investment Ltd continued under the current contract as investment advisors and operated within the agreed Investment Policy. NHS Borders Endowment Fund Board of Trustees directed as per the Investment Policy that the Investment Advisor adopts a medium risk investment strategy based on balancing income, capital growth and reasonable risk.

The current market value of the investment portfolio is noted as £3,026,780 at 31st March 2016 with a further £78,913 representing cash. During financial year 2015/16 Investment Income generated within the portfolio from Dividend Income and Bank Interest on the cash holding was £100,002 which is equivalent to an overall income return on capital employed of 3.16%. Investment Portfolio management fees for 2015/16 were £9,408 (2014/15: £9,210) in line with the contracted fee level of 0.30%.

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Investment Management and Performance (continued)

During 2015/16 the Board of Trustees agreed that Investment Income generated by the portfolio will be made available for use to support a number of approved projects.

The Board of Trustees continue to measure performance of the Investment Portfolio against the WMA (Wealth Managers Association) benchmark, formerly known as APCIMS, on a quarterly basis. In addition, the Board of Trustees received information on the Asset Risk Consultants (ARC) Investment Manager indices which, based on performance submissions from 40 investment management companies, enable like for like comparisons to be made. The NHS Borders Investment Portfolio achieved a 1.91% increase against an ARC Balanced Index of 1.9% increase during 2015.

The Investment Policy is reviewed by the Trustees on an annual basis, during 2015/16 the Investment Policy review was completed in January 2016.

Risk Management

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

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

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

The Board of Trustees have in place a Risk Management Policy and Risk Register for the NHS Borders Endowment Fund. The Board of Trustees review the Risk Management Policy and Risk Register on an annual basis, during 2015/16 the review was completed in January 2016.

Main Risks for the Charity

The table on page 8 of this report has been compiled to detail the main risks included in the Charities Risk Register, against each risk is a summary of the mitigating actions in place and the target risk rating as agreed by the Trustees at the Risk Review in January 2016. The Charity currently records 3 Medium Risks and 2 Low risks on its Risk Register. The Charity does not hold any High Risks.

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Main Risks-for the Charity (continued)

Risk Heading	Mitigating actions in place	Target Risk Rating
Management and performance of the Investment Portfolio Including poor performance, loss of income and loss in value of investments linked to volatility in the Financial Markets	Approved Investment Policy Professional Investment Advisor appointed. Regular reporting and information to the Trustees relating to the Investment Portfolio performance and trading activities.	MEDIUM
Fundraising Including not maximising fundraising opportunities to support the charitable activities, non coordination of fundraising activities, and possibility of reputation damaging charitable activities.	Use of Fundraising database software to ensure satisfactory stewardship of funds and fundraising activities. Annual Fundraising Plan. Strategic Fundraising Advisor Consultancy Support. Approved Fundraising Framework including partnership working and code of conduct for fundraisers.	MEDIUM
Financial Governance Including inaccurate or erroneous reporting of the financial position of the Charity, inappropriate use of funds and over commitment of resources.	Endowment Fund Governance Framework in place and reviewed annually. Business Cycle to review and prioritise applications for funding including a review of available resources. External and Internal Audit review of Governance and Internal Control Frameworks.	MEDIUM
Financial System Failure The Endowment Funds are transacted to and reported from the NHS in Scotland's National Finance System	Detailed National Business Continuity Plan. Detailed National Disaster Recovery Plan.	LOW
Compliance to Charities Legislation and Office of Scottish Charities Regulator Guidance	Endowment Fund Governance Framework in place and reviewed annually. External Auditor Annual Review and recommendations to compliance against Legislation and Recommended Practice.	LOW

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Reserves Policies

Reserves Policy – Restricted Funds

Restricted funds comprise funds received by the Charity where conditions on their use have been imposed by the donor. Restricted funds transferred from the funds previously held by the Borders NHS Board under paragraph 26, Schedule 7A of the National Health Service (Scotland) Act 1978 are subject to the caveat set out in section 82(2B) of the Act. Similar principles apply to funds held by the Board under the 1972 NHS Act (Section 82(1) of the 1978 Act) however the intent of the original donation is followed as far as possible and as such these funds are treated as specific in nature. Where clinical or support services have been redesigned or are no longer provided any related funds are reviewed and re-designated where appropriate

Reserves Policy - Unrestricted Funds

Funds which are not for a specific purpose are held as unrestricted. The Board of Trustees report a balance of unrestricted funds of £217,371 as at 31st March 2016. These funds are held to cover costs and routine patient/staff expenditure and can be utilised to support funding applications which are in line with the Charity's purpose.

Designated Fund

During 2015/16 the Board of Trustees agreed to designate £500,000 of unrestricted funds as a contribution to the Children and Young Person's Centre Project. In addition the Trustees agreed further funds totalling up to £1,000,000 be designated as an underwrite to the project should those funds be required. The Trustees agreed the designated funding would be released to the Project following approval of the Full Business Case for the Project by the Board of Trustees and by NHS Borders Board. The timeline for approval of the Business Case is late 2016/17 with payment of the contribution required during 2017/18 and 2018/19 in line with the indicative construction programme. Payment of the contribution will be funded from an agreed planned phased release of investments from the investment portfolio.

Plans for Future Periods

The Fundraising Advisory Committee continues to support the development of the Business Case for Children and Young Peoples Services within NHS Borders. The Leadership Group to secure major gifts for the project will work in line with the business case timeline and ongoing project development.

The Charity will continue to work to maximise opportunity for fundraised income and as a charity supporting a public sector body there is recognition that there will always be local and national influences which will impact on the way aims and objectives are achieved. The charity's main campaign timelines for the Children's Centre project has been delayed and planning is ongoing to consider how our supporters can remain engaged with progress.

Development of a core fundraising infrastructure for the Charity will be ongoing in 2016/17 and future years with this area being particularly supported in 2015/16 when a local Sainsbury's store chose our Special Care Baby Unit (Fund 85) as their nominated charity of the year. As well as collection tins at their till points throughout the year the staff held fundraisers and also gave the charity the opportunity to fundraise in-store on pre-determined weekends. The charity was chosen having first been shortlisted by store staff, and then by a public vote in-store and online. The work of our Special Care Baby Unit is well known within the community and this gave the charity a very public forum to demonstrate their charitable purpose to support NHS Borders services.

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Plans for Future Periods (continued)

The challenge the charity faced with this opportunity was the recruitment of volunteers to support the in-store fundraising. The charity itself does not have a bank of volunteers to draw upon but it does have a good relationship with the NHS Borders Volunteer Co-ordinator who was able to assist with developing job descriptions and promoting the volunteering opportunities through local channels. This had limited success. Volunteer recruitment is something the charity will continue to work on in the future in order to be able to maximise relevant fundraising opportunities.

The Business Cycle process which aims to enable prioritisation of funding applications made to the Endowment Fund will continue to embed and will be reviewed by the Trustees on a regular basis. This process ensures the Board of Trustees have the required level of information to prioritise and agree the projects to be taken forward in line with the Charities purpose.

Structure, Governance and Management

Membership and Administrative Details:

Trustees

NHS Borders is the common name of Borders Health Board. The Chair, Non-Executive Directors and Executive Directors of NHS Borders were appointed as Trustees ex officio of the Endowment Fund, under the terms of relevant National Health Service Regulations.

The Trustees for the year ended 31st March 2016 were as follows:-

Chair:	Mr J Raine
Trustees	Mrs P Alexander Cllr C Bhatia Mr D Davidson Mrs K Hamilton Dr S Mather Mr J McLaren Mrs K McNicoll Dr D Steele

Dr E Baijal, Joint Director of Public Health (to 30th April 2015)
Mrs J Davidson, Chief Executive
Mrs C Gillie, Director of Finance
Dr S MacDonald, Medical Director (to 31st December 2015)
Mrs E Rodger, Director of Nursing, Midwifery & Acute Services

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Structure, Governance and Management (continued)

Auditors

The auditors for the year ended 31st March 2016 were:-

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

Bankers

The bankers for the year ended 31st March 2016 were:-

The Royal Bank of Scotland
High Street, Melrose, Roxburghshire, TD6 9PF

Investment Advisors

The Investment Advisors for the year ended 31st March 2016 were:-

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

Charitable Status

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

Trustees

Under the National Health Service Trusts (Appointment of Trustees) (Scotland) (No. 2) order 1994, the chairman, non-executive directors and executive directors of the fund are appointed trustees *ex officio* for the purpose of holding any property which is to be held in trust on behalf of the fund under section 12G National Health Service (Scotland) Act 1978. Remuneration and expenses incurred by the Trustees are not charged against the Charitable Funds. The appointed Trustees work in an independent role governing the Charity.

Induction and Training of New Trustees

New Trustees are given a copy of all relevant policy documents listed below:-

- NHS Borders Endowment Fund Charter
- NHS Borders Guidance for Officers in the use of Endowment Funds
- NHS Borders Financial Operating Procedure
- NHS Borders Code of Corporate Governance

In conjunction with the issue of the above documentation, Trustees are supported and advised by their colleagues and given advice by the Board's Investment Advisors and Auditors on the management and accounting requirements of Endowment Funds.

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Structure, Governance and Management (continued)

Operational Administration of Funds

Day to day operational administration of the Endowment Funds has been delegated to the Deputy Director of Finance (Financial Accounting) for NHS Borders.

During the financial year 2015/16 the following framework was used for the overall administration of the Endowment Funds:-

- NHS Borders Endowment Fund Charter – details the structure and context within which NHS Borders is empowered to accept and manage charitable funds.
- NHS Borders Guidance to Officers in the use of Endowment Funds – exists to provide assistance to fund managers on appropriate use of charitable funds in accordance with charity legislation and within delegated limits in conjunction with NHS Borders Code of Corporate Governance.
- NHS Borders Financial Operating Procedure – this document details day to day procedure required by the organisation for staff operating within the charitable funds function.

The Endowment Fund Charter and supporting guidance documents were reviewed and approved for use by the Board of Trustees in January 2016.

Board of Trustees 2015/16 meetings schedule

The Board of Trustees met 5 times during 2015/16 on the following dates

- 6th May 2015
- 3rd June 2015
- 1st October 2015
- 18th January 2016
- 3rd March 2016

Delegated Sub Committees

The Endowment Fund Board of Trustees are supported in their governance of the Endowment Fund by delegated sub committees entitled the Endowment Advisory Group (EAG) and the Fundraising Advisory Committee (FAC).

- **Endowment Advisory Group**

The purpose of the EAG is to assist the Board of Trustees to meet its responsibilities under charity law in respect of the stewardship of the charitable funds under its control. The EAG has an approved Terms of Reference.

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Structure, Governance and Management (continued)

Membership of the Endowment Advisory Group

The EAG has the following membership

Chair	Director of Finance
Two Non Executive Members	Employee Director
Chief Executive	Deputy Director of Finance

The Investment Advisor is asked to attend meetings of the EAG as appropriate.

Main Elements of the Remit of the Endowment Advisory Group:

To prepare an annual budget for Unrestricted Funds taking account of recommendations from the Director of Finance, for approval by the Board of Trustees;

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

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

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

Endowment Advisory Group 2015/16 meetings schedule

The Endowment Advisory Group met once during 2015/16 on the 25th November 2015 to consider and make recommendation to the Board of Trustees on funding applications to the Unrestricted General Endowment Fund.

The EAG is chaired by Mr John Raine, Chair of the Endowment Fund Board of Trustees.

Fundraising Advisory Committee

The FAC is in place to support the Trustees in all areas of fundraising. The FAC has an approved Terms of Reference.

Membership of the Fundraising Advisory Committee

The FAC has the following membership

Chief Executive
3 Non Executive Directors
Employee Director
Director of Finance
1 representative from the Clinical Boards Operational Management
1 representative from Clinical Board Chairs (or clinical rep) or deputy
Deputy Director of Finance

Other members may be co-opted or invited to attend as agreed by the Committee.

The Committee is serviced by the Fundraising Manager who is required to attend each meeting.

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Structure, Governance and Management (continued)

Main elements of the remit of the Fundraising Advisory Committee

To act as an advisory committee to the NHS Borders Endowment Board of Trustees providing assurance that the strategic framework of fundraising principles for NHS Borders are being applied
To advise the Board of Trustees on the wider use of Endowment Funds across NHS Borders linked to fundraising

To provide a strategic oversight of the development of the annual fundraising plan,

To engage with the Clinical Boards to identify appropriate fundraising opportunities,

To provide an annual report on fundraising activities to the Endowment Fund Board of Trustees,

Fundraising Advisory Committee 2015/16 meetings schedule

The FAC met 4 times during 2015/16 on the following dates:-

- 18th May 2015
- 29th September 2015
- 3rd February 2016
- 3rd March 2016

The Fundraising Advisory Committee was chaired by Mrs Pat Alexander, a Trustee of the Endowment Fund.

Related Parties

Borders NHS Board is the corporate trustee of Borders Health Board Endowment Funds.

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Trustees' Responsibilities Statement

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

The law applicable to charities in Scotland requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and the requirements of the National Health Service (Scotland) Act 1978 have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are required to act in accordance with the National Health Service (Scotland) Act 1978, within the framework of Trust law. The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charities website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from the legislation in other jurisdictions.


Statement as to disclosure of information to Auditors

In so far as the Trustees are aware, there is no relevant audit information of which the Charity's auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the Trustees



John Raine
Chair, Endowment Fund Board of Trustees
Date



Carol Gillie
Endowment Fund Trustee
Date

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BORDERS HEALTH BOARD ENDOWMENT FUNDS

We have audited the accounts of the Borders Health Board Endowment Funds for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the National Health Service (Scotland) Act 1978. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

We have been appointed as auditors 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 responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the annual report and accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited accounts and to identify any information that is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BORDERS HEALTH BOARD ENDOWMENT FUNDS (CONTINUED)

Opinion on accounts

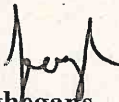
In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 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, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the National Health Service (Scotland) Act 1978.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the accounts; or
- proper accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.


Geoghegan's
Chartered Accountants and Statutory Auditors

6 June 2016

6 St Colme Street
Edinburgh
EH3 6AD

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

BORDERS HEALTH BOARD ENDOWMENT FUNDS

ANNUAL ACCOUNTS 2015/16

STATEMENT OF FINANCIAL ACTIVITIES

for the year ending 31st March 2016

	Note	Unrestricted £	Designated £	Restricted £	2015/16 £	2014/15 £
Income from:						
Legacies	2b	-	-	111,741	111,741	207,212
Donations and Gifts		2,092	-	326,009	328,101	471,663
Fundraising		1,775	-	182,051	183,826	55,496
Investment income		100,417	-	708	101,125	107,273
Other Income		105,509	-	-	105,509	-
Total Income	3,4	209,792	-	620,510	830,302	841,644
Expenditure on:						
Raising funds:						
Press, Publicity & Fundraising		4,649	-	63,834	68,482	51,465
Investment management costs		11,270	-	-	11,270	9,210
Charitable activities						
Grant funded expenditure	2a	62,915	-	357,195	420,111	459,544
Support costs	5	5,930	-	21,596	27,526	45,051
Governance costs	5	4,784	-	-	4,784	4,371
Total Expenditure		89,549	-	442,625	532,174	569,641
Net income/(expenditure) and net movement in funds before gains and losses on investments		120,243	-	177,885	298,128	272,003
Net (losses)/ gains on investments	8	(133,386)	-	-	(133,386)	201,273
Net income/(expenditure)		(13,143)	-	177,885	164,742	473,276
Transfers between funds		(1,500,000)	1,500,000	-	-	-
Net movement in funds		(1,513,143)	1,500,000	177,885	164,742	473,276
Funds reconciliation						
Total Funds brought forward		1,730,514	-	1,989,506	3,720,020	3,246,744
Total Funds carried forward	6,7	217,371	1,500,000	2,167,391	3,884,762	3,720,020

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

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
BALANCE SHEET as at 31st March 2016

		31st March 2016		31st March 2015	
	Note	£	£	£	£
Fixed Assets					
Investments	8		3,026,780		3,187,680
Total Fixed Assets			<u>3,026,780</u>		<u>3,187,680</u>
Current Assets					
Debtors	9		16,041		37,287
Investment Dealing Account		78,913		57,271	
Cash at Bank		<u>950,666</u>		<u>630,901</u>	
Sub total Cash & Investment Dealing			<u>1,029,579</u>		<u>688,172</u>
Total Current Assets			<u>1,045,620</u>		<u>725,459</u>
Liabilities					
Creditors: Amounts falling due within one year	10		(187,638)		(193,119)
Net Current Assets			<u>857,982</u>		<u>532,340</u>
Total net Assets			<u>3,884,762</u>		<u>3,720,020</u>
The Funds of NHS Borders Endowment Fund					
Restricted Income Funds	6		2,167,391		1,989,506
Unrestricted Income Funds					
Unrestricted	6	217,371		1,730,514	
Designated	6	<u>1,500,000</u>			
Sub total Unrestricted Funds			<u>1,717,371</u>		<u>1,730,514</u>
Total NHS Borders Endowment Funds			<u>3,884,762</u>		<u>3,720,020</u>

These accounts were approved by the Trustees on 6th June 2016 and authorised for issue on 23rd June 2016.

These accounts are signed on behalf of the Trustees by:

John Raine
Mr John Raine
Chair of the Board of Trustees for the NHS Borders Endowment Fund

C.A. Gillie
Mrs Carol Gillie
Trustee of the NHS Borders Endowment Fund

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
CASH FLOW

	Year End 31st March 2016 £	Year End 31st March 2015 £
Cash flow from operating activities:		
Net cash provided by operating activities 16	<u>221,780</u>	<u>156,757</u>
Cash flows from investing activities:		
Dividends and interest	99,263	107,273
Proceeds on sale of investments	226,231	325,321
Purchases of investments	(205,867)	(387,322)
Net cash provided by investing activities	<u>119,627</u>	<u>45,272</u>
Change in cash and cash equivalents in the reporting period	341,407	202,029
Cash and cash equivalents at the beginning of the reporting period	688,172	486,143
Cash and cash equivalents at the end of the reporting period	<u>1,029,579</u>	<u>688,172</u>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Endowment Fund accounts.

Basis of preparation and assessment of going concern

The accounts have been prepared under the historic cost convention, with the exception of investments which are included at fair value.

The accounts have been prepared in compliance with the National Health Service Scotland Act 1978, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice : Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16th July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, 2016/17, the most significant areas of uncertainty that affect the carrying value of investment assets held by the Trust are the level of investment return and performance of the investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information)

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying policies required by FRS 102 and the Charities SORP 2015 (FRS 102) a restatement of comparative items was needed. No restatements were required. In accordance with the requirement of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income	2015	2014
	£	£
Net income/(expenditure) as previously stated	298,128	272,003
Adjustment for gains/(losses) on investments now treated as a component of net income	(133,386)	201,273
Net income as restated	<u>164,742</u>	<u>473,276</u>

Income

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

All income received is credited to a specific fund following instructions given by the individual donating to, or fundraising for, the Charity.

Incoming resources are included gross of any tax recoverable amounts.

Income which has no restrictions attached by the donor is included in the General (Unrestricted) Fund.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is to all intents and purposes probable; this will be once confirmation has been received from the representatives of the estate(s) that the payment of the legacy will be made once all conditions attached to the legacy have been satisfied and NHS Borders is assured that the amount of incoming resource is known.

Material legacies which have been notified, but which are not recognised in the Statement of Financial Activities due to uncertainty, are disclosed in the notes to the Accounts.

Expenditure

Resources expended are accounted for on an accruals basis, and in accordance with restrictions of funds. Transfers between funds are actioned following appropriate authorisation from the Fund Manager initiating the transfer.

Resources are expended through NHS Borders exchequer funds with reimbursement being transacted to the Charity on a monthly basis.

Administration costs are based on 1% of the average fund balances over the accounting period charged against each individual fund. The charge for 2015/16 was £22,994 (2014/15: £18,284)

**BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
NOTES TO THE ACCOUNTS**

1. ACCOUNTING POLICIES (continued)

Investments

The Investment Portfolio is managed by Investec Wealth & Investment Ltd in line with the agreed Investment Policy. All dividends and investment income received from the Investment Portfolio are held by the Trustees to enable the projects receiving Trustee approval to be funded.

Investments are stated at market value at the balance sheet date.

Raising funds

The cost of raising funds comprise those direct costs associated with raising funds and include fundraising costs and Investment Management fees when applicable. Fundraising costs are those incurred in seeking voluntary income and include direct costs such as publicity, marketing and consumables.

VAT

Any irrecoverable VAT is charged to the statement of financial activities. Goods purchased that are to be used solely in medical research, diagnosis, training or treatment may be zero rated for VAT purposes when purchased wholly from charitable funds.

The charity is not separately registered for VAT. As permitted by HM Revenue & Customs (HMRC) under the NHS Contracted Out Services Regulations, VAT on relevant invoices paid from Endowment Funds is reclaimed using Borders Health Board's own VAT registration reference. Amounts reclaimed relevant to Endowment Funds are always credited back to the Charity.

Governance and administration

Governance costs comprise all costs identifiable as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation and good practice. This would include costs related to statutory audit requirements.

Administration costs have been separately noted and apportioned to the relevant category.

Realised and unrealised gains and losses

Investments are revalued on a quarterly basis and all gains and losses are taken to the Statement of Financial Activities as they arise. Any realised gains and losses on revaluation or disposal are combined in the Statement of Financial Activities. Realised gains and losses on investments are calculated as the difference between sales proceeds and the book cost, unrealised gains and losses are calculated as the difference between the market value at the year end and the book cost.

Pensions

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

Taxation

NHS Borders Endowment Funds has been recognised as a charity by HMRC and accordingly is exempt from tax on surplus or gains arising in the year to the extent that they are applied to the charitable objects. No tax charge has arisen in the charity in the year.

Charitable activities

Costs of charitable activities comprise all costs identified as wholly or mainly incurred in the pursuit of the charitable objectives. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to direct costs. The total costs of each category of charitable expenditure therefore includes support costs and the apportionment of overheads.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
NOTES TO THE ACCOUNTS

2a	CHARITABLE ACTIVITIES 2015-16	General	Specific	2015/16
		(Unrestricted)	(Restricted)	Total
		Funds	Funds	
		£	£	£
	Equipment, furniture & fittings	729	195,680	196,409
	Staff Welfare	7,415	11,691	19,106
	Patient Welfare	50,920	108,288	159,208
	Training	3,851	34,788	38,639
	Other	-	6,749	6,749
		62,915	357,195	420,111
	2014-15	General	Specific	2014/15
		(Unrestricted)	(Restricted)	Total
		Funds	Funds	
		£	£	£
	Equipment, furniture & fittings	6,768	160,628	167,397
	Margaret Kerr Unit Appeal	-	(54,033)	(54,033)
	Staff Welfare	15,291	17,357	32,648
	Patient Welfare	4,231	150,451	154,682
	Training	7,288	39,918	47,206
	Other	34,264	77,380	111,644
		67,842	391,701	459,544

The charity did not undertake any direct charitable activities on its own account, its charitable expenditure been in the form of the provision of grant funding.
The charity does not make grants to individuals, all grants made to Borders Health Board and to provide care for NHS patients in furtherance of the charitable objectives.
A scheme of delegation is in place for charitable funds under which the individual designate fund managers operate in accordance with the charity's standing orders and financial instructions.
Accordingly it is not possible to segment activities into discrete individual awards.

2b LEGACIES

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

		2015/16	2014/15
		Total	Total
		£	£
Late Mr. Brotherstone	Poynder View	5,000	-
Late Mr. W.B. Dickson	Ward 9 Orthopaedic	102,241	-
Late Mr. Aitchison	Bgh General	4,500	-
Late Mr. W.B. Dickson	Ward 9 Orthopaedics	-	180,000
Late Mrs. M. Hall	Heart Fund	-	5,000
Late Mrs. M. Hall	Stroke Fund	-	5,000
Late Mrs. M. Hall	Cancer Info. & Support Svcs.	-	10,000
Late Mrs. C. Lyall	Haylodge Special Fund	-	1,000
Late Mrs. J. Maxwell	Ward 15 (Childrens Ward)	-	300
Late Mrs. J. Riddell	Border Cancer Services	-	5,412
Late Miss. D. Taylor	Ophthalmology	-	500
		111,741	207,212

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

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
NOTES TO THE ACCOUNTS

3. Analysis of voluntary income
2015/16

	General (Unrestricted) Funds £	Specific (Restricted) Funds £	2015/16 Total £
Legacies receivable	-	111,741	111,741
Donations and fundraising	3,866	508,061	511,927
Total	3,866	619,802	623,668

2014/15

	General (Unrestricted) Funds £	Specific (Restricted) Funds £	2015/16 Total £
Legacies	-	207,212	207,212
Donations and fundraising	1,913	525,246	527,159
Total	1,913	732,458	734,371

4. Analysis of investment income
2015/16

	General (Unrestricted) Funds £	Specific (Restricted) Funds £	2015/16 Total £
Bank interest	414	708	1,122
Investment dividends & interest	100,002	-	100,002
	100,417	708	101,125

2014/15

	General (Unrestricted) Funds £	Specific (Restricted) Funds £	2015/16 Total £
Bank interest	7	584	591
Investment dividends & interest	106,682	-	106,682
	106,689	584	107,273

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

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
NOTES TO THE ACCOUNTS

5. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

2015/16	Unrestricted £	Restricted £	2015/16 £
Support Costs			
Storage of Archive Files	1,000	-	1,000
BHB Administration Charge (1%)	1,398	21,596	22,994
Bank Charges	128	-	128
Just Giving Charges	216	-	216
Promoting Health - Website	688	-	688
Fundraising Database	2,500	-	2,500
Fundraising Supplies	-	-	-
	<u>5,930</u>	<u>21,596</u>	<u>27,526</u>
Governance Costs			
Auditors' Remuneration - Fee	4,784	-	4,784
	<u>4,784</u>	<u>21,596</u>	<u>32,310</u>

2014/15	Unrestricted £	Restricted £	2014/15 £
Support Costs			
Storage of Archive Files	1,000	-	1,000
BHB Administration Charge (1%)	270	18,014	18,284
Bank Charges	159	-	159
Just Giving Charges	216	-	216
Promoting Health - Website	23,398	-	23,398
Fundraising Database	1,994	-	1,994
Fundraising Supplies	-	-	-
	<u>27,037</u>	<u>18,014</u>	<u>45,051</u>
Governance Costs			
Auditors' Remuneration - Audit Fee	4,371	-	4,371
	<u>4,371</u>	<u>18,014</u>	<u>49,422</u>

The Administration Charge is an allocation of overhead and related support costs charged yearly and is payable to Borders Health Board. The charge is set at 1% based on the average fund balance under management throughout the year.

Auditors' Remuneration

Auditors Remuneration for the audit for the year ended March 2016 was £4,475 net of vat.
(2015: £3,320 net of vat)

Business Travel costs relating to the 2015/16 & 2014/15 audits are also included.

The charges incurred relate solely to the provision of external audit services.

Trustee Remuneration & Expenses

No remuneration nor expenses incurred by the Trustees or any persons connected with them are incurred by the charity. The appointed members of the Board work in an independent role governing the Charity.

Key Management Personnel

The key management personnel of the charity are deemed to be the Board of the corporate trustee.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
NOTES TO THE ACCOUNTS

6. ANALYSIS OF NET MOVEMENT IN FUNDS

	Balance at 1st April 2015	Income	Expenditure	Transfers between funds	Unrealised gain/(loss) on Investments	Net movement in funds	Balance at 31st March 2016
Restricted Income Funds	£ 1,989,506	£ 620,510	£ (442,625)	£ -	£ -	£ 177,885	£ 2,167,391
Unrestricted Income Funds							
Unrestricted	1,730,514	209,792	(89,549)	(1,500,000)	(133,386)	(1,513,143)	217,371
Designated	-	-	0	1,500,000	-	1,500,000	1,500,000
Sub total Unrestricted Income Funds	1,730,514	209,792	(89,549)	-	(133,386)	(13,143)	1,717,371
Totals	3,720,020	830,302	(532,174)	-	(133,386)	164,742	3,884,762

	Balance at 1st April 2014	Income	Expenditure	Transfers between funds	Unrealised gain/(loss) on Investments	Net movement in funds	Balance at 31st March 2015
Restricted Income Funds	£ 1,717,319	£ 733,042	£ (460,855)	£ -	£ -	£ 272,187	£ 1,989,506
Unrestricted Income Funds							
Unrestricted	1,529,425	108,602	(108,786)	-	201,273	201,089	1,730,514
Designated	-	-	0	-	-	-	-
Sub total Unrestricted Income Funds	1,529,425	108,602	(108,786)	-	201,273	201,089	1,730,514
Totals	3,246,744	841,644	(569,641)	-	201,273	473,276	3,720,020

The Restricted Funds include amounts set aside for use across clinical and non clinical services in the Scottish Borders region as specified by the donors.

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

The Designated Funds balance is held following approval by the Trustees to make contribution of £500,000 to the planned Children & Young Peoples Centre. A further balance of up to £1,000,000 of designated funds is held as an underwrite to the Children & Young Persons Centre project should these funds be required. There were no Designated Funds held in 2014/15.

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
NOTES TO THE ACCOUNTS

7. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2015/16 Total £
Balance as at 31 March 2016	217,371	1,500,000	2,167,391	3,884,762
Investments	1,526,780	1,500,000	-	3,026,780
Net Current Assets	(1,309,409)	0	2,167,391	857,982
	<u>217,371</u>	<u>1,500,000</u>	<u>2,167,391</u>	<u>3,884,762</u>

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2014/15 Total £
Balance as at 31 March 2015	1,730,514	-	1,989,506	3,720,020
Investments	3,187,680	-	-	3,187,680
Net Current Assets	(1,457,166)	-	1,989,506	532,340
	<u>1,730,514</u>	<u>-</u>	<u>1,989,506</u>	<u>3,720,020</u>

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
NOTES TO THE ACCOUNTS

8. INVESTMENTS

	2015/16 Total £	2014/15 Total £
Market value as at 1 April	3,187,680	2,918,302
Additions at cost	205,867	387,322
Disposals at carrying value	(233,381)	(319,217)
Investment Net Revaluation	(133,386)	201,273
Market value as at 31 March	<u>3,026,780</u>	<u>3,187,680</u>
 Historic cost as at 31 March	 <u>2,477,729</u>	 <u>2,481,603</u>

All investments are carried at their fair value.

The investments at 31 March can be analysed as follows:

	Market Value		Wider Range Book Cost	
	2015/16 £	2014/15	2015/16 £	2014/15
UK - Fixed Interest	456,375	455,322	432,798	418,932
Overseas Fixed Interest	193,348	205,665	206,128	206,128
UK Equities	816,438	976,802	529,145	627,013
European Equities	194,085	167,365	167,977	134,017
North American Equities	297,729	321,988	171,498	192,820
Japanese Equities	18,040	18,440	14,199	14,199
Far East & Australasian Equities	141,460	158,786	115,156	114,791
International Equities	297,253	331,467	254,593	262,483
Emerging Economies	72,258	77,183	93,841	93,423
Property	209,783	215,466	184,494	184,494
Alternative Assets	330,011	259,196	307,900	233,303
	<u>3,026,780</u>	<u>3,187,680</u>	<u>2,477,729</u>	<u>2,481,603</u>

The charity does not hold any material concentration of investments in respect of the portfolio held (i.e. over 5% of the portfolio valuation) at 31 March 2016 (2015: None).

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

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

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

BORDERS HEALTH BOARD ENDOWMENT FUNDS
ANNUAL ACCOUNTS 2015/16
NOTES TO THE ACCOUNTS

9. DEBTORS ANALYSIS

	2015/16 Total £	2014/15 Total £
Gift aid	1,368	973
Donations	25	26,852
Investment income	14,486	7,362
Other debtors	162	2,100
Total Debtors	<u>16,041</u>	<u>37,287</u>

10. CREDITOR ANALYSIS

	2015/16 Total £	2014/15 Total £
Creditors	91,960	138,144
Other accruals	91,250	(2,965)
Deferred Income	4,428	57,941
Total Creditors	<u>187,638</u>	<u>193,119</u>

BORDERS HEALTH BOARD ENDOWMENT FUND
ANNUAL ACCOUNTS 2015/16
NOTES TO THE ACCOUNTS

11. Analysis of Specific Charitable Funds

<u>Endowment Fund</u>	<u>Balance</u> <u>B/fwd</u>	<u>Payments</u>	<u>Receipts</u>	<u>Transfers</u>	<u>Balance as at</u> <u>31.03.16</u>
	£	£	£	£	£
<u>Specific Restricted Funds</u>					
Palliative Fund	608,833	(15,622)	205,546		830,001
Ward 9 Orthopaedic	188,992	2,147	102,782		289,627
Border Cancer Services	179,350	37,246	94,964		237,069
Haemodialysis Fund	166,458	37,318	11,839		140,979
Oncology	58,825	11,091	6,993		54,727
Gamma Camera	29,276	293	10		28,993
BGH Chaplaincy Centre	29,619	871	10		28,757
Zambia Training & Development	22,994	22,255	23,559		24,297
Special Care Baby Unit	22,743	6,051	5,577		22,269
Pharmacy Development	22,256	733	7		21,530
Staff Rest Room	21,287	213	7		21,081
Lung Fund	20,597	2,789	2,747		20,555
Ward 15 Paediatrics/SCBU Development	29,874	9,393	7		20,489
Stroke Fund	18,773	1,188	2,541		20,126
Speech & Language Therapy	21,038	1,213	7		19,832
Heart Fund	18,099	2,937	1,716		16,878
Ophthalmology	11,487	144	5,105		16,447
Endoscopy Fund	0	(5,117)	11,141		16,258
Haylodge Community Hospital	14,841	2,750	3,005		15,095
NHS Borders Staff Lottery	10,799	(3,327)	4		14,130
Cauldshiels Ward	16,904	3,305	105		13,704
Mental Health General	147	(13,068)	323		13,538
Poynder View, Kelso Hospital	8,234	125	5,119		13,228
Hawick Community Hospital	5,759	(5,235)	722		11,716
Knoll Community Hospital	11,035	127	734		11,642
Ward 15 Childrens Ward	6,161	6,168	11,132		11,125
Melburn Lodge	9,403	3,553	5,172		11,022
Rheumatology	9,995	146	882		10,731
Ward 4/5/6 Acute Medical	8,461	97	1,857		10,221
Intensive Therapy Unit	2,733	(653)	6,813		10,199
Fundraising Appeal	(45,788)	60,633	0		(106,421)
Other restricted funds	460,321	923,140	760,367		297,548
	1,989,506	1,092,905	1,270,791	0	2,167,391

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

There are at present 189 individual Specific (Restricted) Funds where title of each fund is generally indicative of the particular speciality, where the donor has expressed a wish as to how the donation should be used. Typical uses relate to patient amenities/activities, equipment, training and research in line with the NHS Borders Endowment Policy.

The NHS Borders General Endowments Fund (Unrestricted) exists for the Charity as a whole to hold donations where the donor has made the donation for the benefit of NHS Borders but has not specified how the funds are to be expended. The Trustees use advice given by the Endowment Advisory Group and Trustees' discussion in deciding collectively how to utilise the resources available.

**** Borders Health Board Endowment Fund acts as the custodian of monies held relating to the NHS Borders and St Francis Hospital, Zambia Twinning Agreement.**

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13. Staff Recharges

The following staff, whom are employed by Borders Health Board, were recharged to the charity. The staff noted are the Charity's Fundraising Team and 2 members of staff seconded to deliver the objectives of the Breast Feeding Peer Support and Volunteer projects funded by Unrestricted Funds.

	2015/16		2014/15	
	WTE	£	WTE	£
Fundraising Manager	1.0	32,838	1.0 (part year)	18,903
Fundraising Support Officer	1.0	27,756	1.0	26,885
Breast Feeding Peer Support	0.6	16,322	0.6 (part year)	7,993
Volunteer Coordinator	1.0	28,362	1.0	26,271
Total Staff Recharge		<u>105,277</u>		<u>80,052</u>

14. Employee emoluments

As noted above NHS Borders Endowment Fund has no employees.

However the Trustees may accept seconded staff to fulfil the Charities' requirements with respective reimbursement being made to NHS Borders for the related seconded staff's expense. Secondment charges made during the current and prior year are disclosed in Note 13 above.

Consequently no employee had emoluments in excess of £60,000 in either the current or prior years.

15. Controlling Party & Related Party Transactions

Borders NHS Board are the corporate trustee of the NHS Borders Endowment Fund and by virtue of appointment to the Board the members are Trustees of the Endowment Fund.

There are no transactions with the Trustees or their related organisations during the year other than NHS Borders Board. All of the charity's transactions are related to Borders Health Board.

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

	2015/16	2014/15
	£	£
Net movement in funds	164,742	473,276
Investment income receivable	(99,263)	(107,273)
Decrease/(increase) in debtors	21,246	(22,629)
(Decrease)/Increase in creditors	(5,482)	20,760
Unrealised Losses/(Gains) on investments	140,536	(207,377)
Net cash used in operating activities	<u>221,780</u>	<u>156,757</u>