



Endowment Fund Accounts

For the year ended 31 March 2020

Scottish Charity Number: SC011988

**FIFE HEALTH BOARD
ENDOWMENT FUND**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 20

<u>Contents</u>	<u>Page</u>
Report of the Trustees	1-8
Independent Auditors Report	9-11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes Forming Part of the Accounts	15-26

FIFE HEALTH BOARD ENDOWMENT FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their Report, together with the accounts for the year ended 31 March 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Memorandum and Articles of Association, 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 Republic of Ireland (FRS 102) published on 16 July 2014.

Objectives and Activities

The Endowment Fund exists for the benefit of the patients in Fife, the staff of NHS Fife and the staff and students of the former Fife College of Nursing, now Dundee University School of Nursing and Midwifery. There are numerous funds within the overall Fund, some are for specific purposes and certain funds are held for individual wards and departments. There are no specific restrictions on the General Funds held by the Board other than the principle of providing for the benefit of patients and staff. All Executive and Non Executive Directors of the NHS Board are Trustees of the Endowment Fund, which is a charitable fund administered separately from NHS funding from the Scottish Government and Commercial income and used for improvements in patient care, research, and improvements in patient and staff welfare. There have been no changes in objectives since the last annual report.

Achievements and Performance

Business Review and Plans for the Future

The overall purpose of the Board's Endowment Fund is the enhancement of healthcare and patient welfare in Fife. The Trustees adopt the NHS Fife Code of Corporate Governance including Standing Financial Instructions and Scheme of Delegation as the framework for financial governance of the charity. In addition the NHS Fife Financial Operating Procedures provide information on the overall management of the Endowment Funds and includes how they can be used. In line with the Constitution, expenditure on projects over £10 000 is considered by the Board of Trustees. Trustees actively encourage Fund Managers to utilise the Endowment Funds that they manage for the benefit of patients and staff appropriately. This was enhanced in 2019-20 with the introduction of the Small Grants 2020 programme, which will continue to be administered throughout 2020-21. The Board of Trustees is supported by an Endowment Sub Committee, with a range of delegated functions including the monitoring of income, expenditure and investment performance.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

In 2019 a Charity Manager was employed to develop the business model and support Trustees in the governing of the Fund as well as to improve procedures and processes. During the year the Manager and Trustees have worked together to raise the profile of the charity, develop a monitoring process, create a risk register and improve processes as well as to launch and administer the Small Grants Programme 2020. Areas of further development include creating a disbursement strategy, rebranding the charity and creating a communications strategy as well as developing a business plan. Links have been established with other Scottish NHS charities which will help develop Fife's charity.

The Endowment Fund is subject to consolidation with NHS Fife Exchequer.

FIFE HEALTH BOARD ENDOWMENT FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Financial Review

Income:

During the year the value of donations, gifts and legacies totalled £564,000. Income from donations was £306,000 and income from legacies was £258,000. Investment income was £421,000 to provide a total income figure of £985,000.

Expenditure

A great many initiatives have benefitted from contributions from the Fife Health Board Endowment Fund in the last year.

A number of multiyear projects funded through the 2018 grant programme have been ongoing. These include: the Electra project which has developed an information technology and management structure based on the analysis of GP patients data which will provide datasets; the Going Beyond Gold initiative set up to develop a culture of kindness, the creation of a Therapeutic Environment within Theatre Recovery and the Mindfulness Practises based at GP's in the Levenmouth area.

New initiatives which Trustees have supported in 2019 – 20 include the Palliative Care within Respiratory Wards initiative, Shelters for the Queen Margaret Hospice garden and a Weight Management project to prevent or reverse Type 2 Diabetes levels within staff.

Some other funded projects to highlight are:

Noise reduction in Intensive Care

The Intensive Care Unit benefitted from the purchase of new technology totalling £11 400 known as Sound Ears which help to reduce noise in a room. The Ears work by visualising the level of noise in the ward so that staff are aware of how much noise is being created and potentially how much patients are being disturbed.

Evidence has shown that increased noise is related to poorer patient experience and is thought to be related to an increase in delirium. The purchase of the 10 sound ears has enabled staff to be more alert to the level of noise in the ward giving genuine reason for clinical awareness and adjustments to be made where possible.

Going beyond Gold

The overall aim of the Going for Gold project was to create a kinder, more mindful organisation where staff, patients and carers feel looked after and valued, thus improving the health and wellbeing within NHS Fife and the Fife community. Funding enabled the project to grow and reach across the whole organisation, extending out to patients and localities. It included the delivery of mindfulness training courses as well as Good Conversation training. It also supported the development of Good Conversation Champions.

The evaluation of the project concluded that the initiative had nurtured the growth of a very positive shift in the health and social care culture with responses to the training being extremely positive with participants feeling kinder, calmer and more resilient. The courses for many were transformative for their working practice and for their personal wellbeing. The wide range of staff groups involved felt valued, supported and provided with a wealth of practical strategies. These strategies helped them to be more mindful of their own wellbeing and they learnt to support each other and their patients more effectively with good conversations about the things that really matter to them as human beings.

Art Catalogue

In 2020 the NHS Fife Art Catalogue that details all the owned art across NHS Fife properties was finally completed. The collection includes some 2000 pieces of art and ranges from sculptures to stained glass windows to pieces painted by local artists. The collection is situated over 12 venues and can now be viewed in the online catalogue at <https://nhsfifeart.com/>. The cataloguing work was carried out by Art in Healthcare over the past couple of years. Recent acquisitions include a donated print by Flanet and commissioned pieces for ward 42 by Alison Cage which was purchased through donations from the family of a patient. This artwork has significantly brightened up sparse walls within the Victoria Hospital.

Playlist for life

The use of personalised music, using the approach of Playlist for Life, is a non-pharmacological strategy that is used to support the management of stress and distressed behaviour in patients with dementia in ward settings. Using music that is personal and full of meaning to a patient can stimulate fond memories and positive emotional reactions, and in turn reduces agitation.

The Alzheimer Scotland Dementia Nurse Consultant undertook a research study exploring the use of personalised music playlists to reduce agitation in people with moderate to severe dementia. This took place in wards at Stratheden Hospital. As a result of the positive effect of using personalised music as demonstrated in these research studies, NHS Fife has invested in accredited training for wards from the Playlist for Life charity.

Currently nine wards in NHS Fife have completed the Playlist for Life accredited training and are supporting the delivery of Playlist for Life to patients with dementia in community hospital wards and specialist mental health wards. Endowment funds are used to purchase music devices and headphones for patients. Feedback from one family carer as to the impact of Playlist for Life was:

“Those final weeks were filled with fun and laughter. Many a sing song was had in the ward, often with the rest of the ward joining in. Dementia is a harrowing condition for anyone to experience, so to have the power of music to influence my father's mood in such a positive manner was of great solace at his time of need.”

Palliative and End of Life Care Staff Development programme

A staff development programme led by the Specialist Palliative Care service was awarded £88 000 to provide 8 nurses with opportunities to improve skills in palliative and end of life care across the health and care system in Fife. Following the application and interview process eight participants were appointed onto the programme, 4 from the acute sector, 3 from the community sector and 1 from the community hospital sector. The programme started in August 2018 and completed a year later.

Staff who participated in the programme reported that afterwards they felt confident in communicating with parents and families, were able to have conversations about end of life needs and were also able to recognise when someone was dying. A number of improvements were implemented within services as a result of the training including improved signposting, introduction of palliative care meetings and offering complementary therapies for patients at the end of life. All trainees became Palliative Care Champions within their own services. All Supervisors agreed that they would send another member of staff on the training were it to be offered again.

Small Grants Programme

The Small Grants Programme 2020 was launched near the end of the financial year to enable NHS Fife staff to apply for up to £5000 for projects that would benefit patients, their family and friends. Successful projects will be named in the following year.

Investments

Investments are included in the financial statements at market value. The value of the portfolio has decreased in the year. The fund had unrealised losses on the portfolio which amounted to £922,000 and realised gains on investments sold of £216,000.

The Trustees confirm that the assets are available and adequate to fulfil the objectives of the charity.

Principal Funding Sources

The principal funding sources continued to be a combination of charitable donations received and dividends and interest received from the investment portfolio.

Reserves Policy

The Trustees are conscious of the need to hold reserves in order to be able to generate sufficient investment income to meet grant commitments each year. The Trustees believe that the current level of reserves is sufficient for this purpose but not excessive.

Structure, Governance and Management

Governing Document

The Inland Revenue recognised the Endowment Fund as a “charity” for the purpose of Section 505, Income and Corporation Taxes Act 1988. The Endowment Funds are held on trust under Section 82 of the National Health Service (Scotland) Act 1978. In accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 the Fund is entitled to describe itself as a “Scottish Charity”. The Scottish Charity number is SC011988.

FIFE HEALTH BOARD ENDOWMENT FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Recruitment and Appointment of Trustees

All appointed Board Members are automatically appointed as the Trustees for the Endowment Fund. The Trustees exercise power over investment decisions and ensure the appropriate use of Endowment Funds through the Board of Trustees. The Board of Trustees is chaired by the Fife Health Board Chair and comprises all Fife Health Board Members. The Trustees express their grateful acknowledgement for the donations made by many individuals and organisations who, by gift, bequest or fundraising have contributed to these Funds.

Trustee Induction and Training

A Trustee Induction pack is issued to every new Trustee which includes information on the roles and responsibilities of a Trustee and others involved in the charity, the structures in place to distribute and manage funds as well as an introduction to charity governance. New Trustees meet with the Charity Manager and spend time learning about the Endowment Fund as well as receiving the pack.

Risk Management

A risk register has been created for the charity which includes potential risks and mitigating actions. It is regularly updated to ensure it remains current and is regularly highlighted to the Board of Trustees.

Significant external risks to funding have led to the appointment of professional advisers to oversee the management of the investments. Internal risks have been minimised by the introduction of financial controls on authorising of expenditure and strict budgetary control. All Trustees signed a mandate which states that they can act in an official capacity. In addition the Trustees have signed a "fit and proper persons" declaration to ensure that charity funds and tax reliefs are used only for charitable purposes.

Investment Policy

During 2019/20, the investment portfolio was transferred from Investec Ltd to Aberdeen Standard Capital. They provide regular reports to members of the Sub Committee providing professional advice and informing Trustees of current and future trends in the market. In managing the investments, Aberdeen Standard Capital reflected the Trustees' long-standing policy to exclude investment in companies directly involved in the tobacco industry and to consider the appropriateness of investment in industries whose products have the potential to be detrimental to health, and the broader principle of Ethical Investment.

Trustees require an investment approach which seeks to achieve an optimal total return of capital growth and income over a period of time, based on a medium-high risk profile of investment across equities, bonds and cash. In respect of economic, social and governance factors, Trustees require investments to be limited to those acceptable under the Charities and Trustee Investment (Scotland) Act 2005.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Trustees accept the need for environmental, social and governance (ESG) issues to be taken seriously and reflected in where the Charity's assets may be invested.

The following investment restrictions have been agreed by Trustees, as they feel these would be in direct conflict with the Charity's objectives:

- **Tobacco:** No direct investment in tobacco production (i.e. exclude the tobacco sector)
- **Alcohol:** No direct investment in a company that manufactures alcoholic products
- **Armaments:** No direct investment in armaments (i.e. exclude the aerospace & defence sector)
- **Predatory Lending:** No direct investment in a company providing any pay day loan services.
- **Exploitative Practices:** No direct investment in companies that have severe or very severe controversies related to child labour within its own operations or within the supply chain. No direct investment in companies that have moderate, severe or very severe controversies related to the impact of a firm's operations on human rights.

It will therefore be reasonable for Trustees to exclude investments:

- that are obviously directly contrary to the Board's objectives;
- where failing to exclude would mean a financial loss, e.g. through a fall in the level of legacies and donations; and
- as long as the remaining portfolio is sufficiently diverse and robust to achieve satisfactory performance.

Trustees must at all times act in the best interests of the Fund, and not pursue their own ethical beliefs.

The Trustees agreed to the establishment of a sub-committee to give detailed consideration of investment policy and performance.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Reference and Administrative Information

The Trustees who served during the year were as follows: -

Chair	Mrs T Marwick
Trustees:	Mrs C Potter Mrs W Brown Mr P Hawkins Ms M McGurk Ms J Owens Dr L Bissett Ms R Laing Ms K Miller Mr M Black Mrs C Cooper Mr A Morris Mrs H Buchanan Mr E Clarke Mrs M Wells Cllr D Graham Ms S Braiden Dr C McKenna Ms D Milne
	Until 27 January 2020 From 3 February 2020
	From 1 February 2020
Auditors	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline Fife, KY11 8PB
Bankers	Bank of Scotland 9 Falkland Gate Glenrothes Fife, KY7 5LW
Investment Managers	Aberdeen Standard Capital 1 George Street Edinburgh EH2 2LL
Registered Office	Hayfield House Hayfield Road Kirkcaldy Fife, KY2 5AH
Charity Registration Number	SC011988
Tax Reference	CR41403

**FIFE HEALTH BOARD
ENDOWMENT FUND**

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

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 charity and of the incoming resources and application of resources for that year. 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 2015 (FRS 102)
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to the Auditor

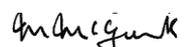
In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditors 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 and signed on its behalf by:



Tricia Marwick
Chair



Margo McGurk
Trustee

**FIFE HEALTH BOARD
ENDOWMENT FUND**

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
OF FIFE HEALTH BOARD ENDOWMENT FUND**

Opinion

We have audited the financial statements of Fife Health Board Endowment Fund (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements of 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

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

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

FIFE HEALTH BOARD ENDOWMENT FUND

Independent Auditors' Report to the Trustees of Fife Health Board Endowment Fund

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Board's Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Board's Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

FIFE HEALTH BOARD ENDOWMENT FUND

Independent Auditors' Report to the Trustees of Fife Health Board Endowment Fund

Auditor's responsibilities for the audit of the financial statements

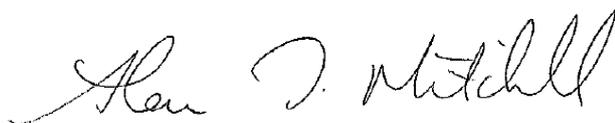
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act and report in accordance with those Acts and relevant regulations made or having effect there under. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alan Mitchell (Senior Statutory Auditor)
for and on behalf of Thomson Cooper, Statutory Auditor
Accountants
Dunfermline
28th October 2020

Thomson Cooper is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**FIFE HEALTH BOARD
ENDOWMENT FUND**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Income and endowments from:					
Donations and legacies	4	66	498	564	947
Investment income	5	117	304	421	478
Total income		<u>183</u>	<u>802</u>	<u>985</u>	<u>1,425</u>
Expenditure on:					
Raising funds	7	9	23	32	37
Charitable activities	8	275	667	942	1,219
Total expenditure		<u>284</u>	<u>690</u>	<u>974</u>	<u>1,256</u>
Net income/(expenditure) and net movement in funds before gains and losses on investments					
		<u>(101)</u>	<u>112</u>	<u>11</u>	<u>169</u>
Net gains/(losses) on investments	12	60	156	216	580
Net income		<u>(41)</u>	<u>268</u>	<u>227</u>	<u>749</u>
Other recognised gains/(losses):					
Gains/(losses) on revaluation of fixed assets	11/12	(235)	(579)	(814)	2
Net movement of funds		<u>(276)</u>	<u>(311)</u>	<u>(587)</u>	<u>751</u>
Reconciliation of Funds					
Total funds brought forward		3,743	9,505	13,248	12,497
Total funds carried forward		<u>3,467</u>	<u>9,194</u>	<u>12,661</u>	<u>13,248</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing operations.

The notes on pages 15 to 26 form part of these financial statements

**FIFE HEALTH BOARD
ENDOWMENT FUND**

BALANCE SHEET AS AT 31 MARCH 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Fixed Assets:					
Tangible fixed assets	11	62	163	225	117
Investments	12	2,996	7,839	10,835	12,423
<i>Total fixed assets</i>		<u>3,058</u>	<u>8,002</u>	<u>11,060</u>	<u>12,540</u>
Current Assets:					
Debtors	13	128	455	583	532
Cash at bank and in hand		304	796	1,100	263
<i>Total current assets</i>		<u>432</u>	<u>1,251</u>	<u>1,683</u>	<u>795</u>
Liabilities:					
Creditors falling due within one year	14	<u>(23)</u>	<u>(59)</u>	<u>(82)</u>	<u>(87)</u>
Net Current Assets		409	1,192	1,601	708
Total Net Assets		<u>3,467</u>	<u>9,194</u>	<u>12,661</u>	<u>13,248</u>
The Funds of the Charity:					
Unrestricted Funds	15	3,467	-	3,467	3,743
Restricted Funds	16	-	9,194	9,194	9,505
Total Charity Funds		<u>3,467</u>	<u>9,194</u>	<u>12,661</u>	<u>13,248</u>

The financial statements were approved by the Trustees on 28 October 2020 and signed on their behalf by:

Tricia Marwick

Tricia Marwick
Chair

Margo McGurk

Margo McGurk
Director of Finance

The notes on pages 15 to 26 form part of these accounts

**FIFE HEALTH BOARD
ENDOWMENT FUND**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £'000	2019 £'000
Net cash used in operating activities	21	<u>(466)</u>	<u>(794)</u>
Cash flows from investing activities:			
Dividends and interest from investments		421	478
Proceeds from sale of investments		13,752	500
Purchase of investments		<u>(12,870)</u>	<u>(256)</u>
Cash provided by (used in) investing activities		<u>1,303</u>	<u>722</u>
Increase/(decrease) in cash and cash equivalents in the year		<u>837</u>	<u>(72)</u>
Cash and cash equivalents at the beginning of the year		263	335
Total cash and cash equivalents at the end of the year		<u><u>1,100</u></u>	<u><u>263</u></u>

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) Basis of Preparation

The financial statements have been prepared in accordance with 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 Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

(b) Funds Structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income Recognition

All incoming resources are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (cont'd)

(d) Income Recognition (cont'd)

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Board's Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares, and includes dividends and interest. Investment management costs incurred are shown separately as they can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

(d) Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the investment management costs.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, including the improvement of staff and patient welfare, and their associated support costs.
- Other expenditure (where relevant) comprises costs not falling into any other heading.

Where possible, expenses are attributed directly to the Fund to which they relate. Where this is not possible, they are apportioned on the basis of Fund size.

(e) Allocation of Support and Governance Costs

Support and governance costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, payroll and audit fees and are incurred directly in support of expenditure on the objects of the charity. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support and governance costs have been allocated are on a direct basis or as a proportion of time spent.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (cont'd)

(f) VAT

Government departments including the NHS can recover VAT on contracted-out services provided the conditions on the refund schemes are met.

(g) Operating Leases

The total cost of assets held under operating leases is charged to the profit and loss account as they fall due.

(h) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life.

The NHS Fife Endowment Art Collection is valued as per the details contained within the Board's Art Catalogue. Purchased or donated items in the art collection are not depreciated.

(i) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments, where applicable, are measured at cost less impairment.

Investments are apportioned to Funds based on the value of the Fund at the year end.

(j) 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 their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(k) Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due

(l) Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and all amounts held within bank current and deposit accounts.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (cont'd)

(m) Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

(n) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Investments in shares which can be publicly traded and be measured at fair value (market value).

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

2. Taxation

As Fife Health Board Endowment Fund is recognised by HMRC as a charity, there is no liability to taxation.

3. Auditor's remuneration

	2020 £'000	2019 £'000
Audit fees	9	9

4. Income from donations and legacies

	2020 £'000	2019 £'000
Donations and gifts	306	345
Legacies	258	602
	564	947

Income from donations and legacies was £564,000 (2019: £947,000) of which £498,000 (2019: £836,000) was attributable to restricted and £66,000 (2019: £111,000) was attributable to unrestricted funds.

5. Investment income

	2020 £'000	2019 £'000
Dividends received	411	427
Interest received	10	51
	421	478

Income from investments was £421,000 (2019: £478,000) of which £304,000 (2019: £412,000) was attributable to restricted and £117,000 (2019: £66,000) was attributable to unrestricted funds.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

6. Donated goods, facilities or services

The charity benefits greatly from the involvement and support of its volunteers, details of which are given in the annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

7. Analysis of expenditure on raising funds

	Patient Welfare £'000	Staff Welfare £'000	College of Nursing £'000	Total 2020 £'000	Total 2019 £'000
Investment management costs	30	-	2	32	37
	<u>30</u>	<u>-</u>	<u>2</u>	<u>32</u>	<u>37</u>

Expenditure on raising funds was £32,000 (2019: £37,000) of which 23,000 (2019: £32,000) was attributable to restricted and £9,000 (2019: £5,000) was attributable to unrestricted funds.

8. Analysis of expenditure on charitable activities

	Patient Welfare £'000	Staff Welfare £'000	College of Nursing £'000	Total 2020 £'000	Total 2019 £'000
Salaries & Professional Fees	296	-	-	296	283
Administration Charges & Supplies	21	-	-	21	17
Property Development & Maintenance	48	-	-	48	110
Christmas Expenditure	27	21	-	48	39
Equipment	236	-	-	236	540
Functions & Conferences	96	-	-	96	86
Patient Activity	87	-	-	87	75
Governance costs (Note 9)	94	-	7	101	60
Support costs (Note 9)	9	-	-	9	9
	<u>914</u>	<u>21</u>	<u>7</u>	<u>942</u>	<u>1,219</u>

Expenditure on charitable activities was £942,000 (2019: £1,219,000) of which £667,000 (2019: £721,000) was attributable to restricted and £275,000 (2019: £498,000) was attributable to unrestricted funds.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

9. Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between its key charitable activities undertaken (see Note 8) in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	Basis of Apportionment	Support Costs £'000	Governance Costs £'000	Total 2020 £'000	Total 2019 £'000
Recharge Of Relevant Salaries	Time spent	-	101	101	60
Audit Services	Direct cost	9	-	9	9
		<u>9</u>	<u>101</u>	<u>110</u>	<u>69</u>

10. Analysis of staff costs and trustee and key management remuneration and expenses

The Endowment Fund has no employees, therefore no employee received emoluments in excess of £60,000 during the year (2019 – nil).

The salaries and professional fees (Note 8) represent fees paid for professional services from companies and individuals external to NHS Fife.

The recharge of relevant salaries included within Governance costs (Note 9) relate to the cost of NHS staff time spent administering the Endowment Fund. The cost relates to staff time recharged to the Endowment Fund, as the Endowment Fund itself has no employees.

The charity considers its key management personnel comprise the Trustees. None of the Trustees have been paid any remuneration or received any other benefits from employment with the charity.

No Trustee expenses have been incurred in the current and previous year,

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

11. Tangible fixed assets

	Art Collection £'000
<i>Cost or valuation</i>	
At 1st April 2019	117
Revaluation	108
At 31st March 2020	225
 <i>Depreciation</i>	
At 1st April 2019 and 31st March 2020	-
 <i>Net Book Value</i>	
At 31st March 2019	117
At 31st March 2020	225

12. Investments

	2020 £'000	2019 £'000
Market value brought forward at 1st April 2019	12,423	12,087
Additions to investments at cost	12,870	256
Disposals at carrying value	(13,752)	(500)
Realised gains/(losses)	216	54
Unrealised gains/(losses)	(922)	526
Market value at 31st March 2020	10,835	12,423
 Investments at fair value comprised:		
Equities	9,283	11,429
Fixed interest securities	1,552	994
Total	10,835	12,423

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). Cash held within the investment portfolio is shown within "Cash at bank and in hand" and is therefore not included within the value of investments.

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees Annual Report.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

13. Debtors and prepayments

	2020 £'000	2019 £'000
Tax Recoverable	1	1
Legacy Receivable	571	513
Fife Health Board	-	-
Other Debtors	11	18
	583	532

14. Creditors falling due within one year

	2020 £'000	2019 £'000
Trade Creditors	15	20
Audit Fee	9	9
Portfolio Management Fee	-	9
IR35	9	10
Fife Health Board	49	39
	82	87

15. Unrestricted Funds

	Balance at 01/04/19 £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains and Losses £'000	Balance at 31/03/20 £'000
General Fund	3,743	183	(284)	(175)	3,467

16. Restricted Funds

The charity has 310 individual restricted funds, which for the purposes of the accounts are grouped together into five main categories, and further subcategorised by either location or type of care.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

16. Restricted Funds (continued)

	Balance at 31/03/19 £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains and Losses £'000	Balance at 31/03/20 £'000
<u>Acute Services Division</u>					
Victoria Hospital	2,698	284	(162)	(98)	2,722
Queen Margaret Hospital	1,342	81	(89)	(54)	1,280
Diabetic	607	37	(41)	(25)	578
Cardiology	670	41	(37)	(23)	651
Glaucoma	41	2	(4)	(2)	37
Other	72	105	-	-	177
	<u>5,430</u>	<u>550</u>	<u>(333)</u>	<u>(202)</u>	<u>5,445</u>
<u>Community Services Division – Fife Wide</u>					
Stratheden Hospital	93	6	-	-	99
Whyteman's Brae Hospital	15	1	(1)	-	15
Queen Margaret Hospital	61	4	-	-	65
Lynebank Hospital	25	2	(3)	(2)	22
Fife Rheumatic Disease Unit	59	4	(16)	(10)	37
Nutrition & Dietetic	81	5	(5)	(3)	78
Other	100	10	(7)	(4)	99
	<u>434</u>	<u>32</u>	<u>(32)</u>	<u>(19)</u>	<u>415</u>
<u>Community Services Division – East Fife</u>					
Adamson Hospital	211	13	(12)	(7)	205
Cameron Hospital	192	12	(7)	(4)	193
Glenrothes Hospital	64	4	(9)	(5)	54
Randolph Wemyss Hospital	12	1	(1)	(1)	11
St Andrews Community Hospital	136	8	(13)	(8)	123
Other	43	3	(2)	(1)	43
	<u>658</u>	<u>41</u>	<u>(44)</u>	<u>(26)</u>	<u>629</u>
<u>Community Services Division – West Fife</u>					
Fife Specialist Palliative Care	111	7	(30)	(18)	70
Palliative Care Other	260	16	(22)	(14)	240
Queen Margaret Hospice	433	26	(32)	(19)	408
Victoria Hospice	1,424	86	(151)	(92)	1,267
Other	102	6	(9)	(6)	93
	<u>2,330</u>	<u>141</u>	<u>(244)</u>	<u>(149)</u>	<u>2,078</u>
<u>Corporate Division</u>					
College Of Nursing	541	33	(37)	(22)	515
Other	112	5	-	(5)	112
	<u>653</u>	<u>38</u>	<u>(37)</u>	<u>(27)</u>	<u>627</u>
Total restricted funds	<u><u>9,505</u></u>	<u><u>802</u></u>	<u><u>(690)</u></u>	<u><u>(423)</u></u>	<u><u>9,194</u></u>

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

17. Analysis of assets between funds

	Unrestricted General Funds £'000	Restricted Funds £'000	Total Funds £'000
Tangible fixed assets	62	163	225
Investments	2,996	7,839	10,835
Debtors	128	455	583
Bank and cash	304	796	1,100
Creditors	(23)	(59)	(82)
	3,467	9,194	12,661

18. Operating leases

The Endowment Fund has no annual commitments under non-cancellable operating leases expiring.

19. Potential Legacies

William Ramsay Executry

A payment of £30,833 was received in April 2020 and has been accounted for as a debtor.

Watt Executry

An payment of £165,165 was received in June 2020 and has been accounted for as a debtor.

Peter MacNaughton Executry

An interim payment of £375,000 has been proposed which has been accounted for as a debtor.

20. Related party transactions

There are no related party transactions during the current or prior accounting period.

**FIFE HEALTH BOARD
ENDOWMENT FUND**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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

	2020 £'000	2019 £'000
Net movement in funds	(695)	749
Adjustments for:		
(Gains)/losses on investments	706	(580)
Dividends and interest from investments	(421)	(478)
(Increase)/Decrease in debtors	(51)	(517)
Increase/(Decrease) in creditors	(5)	32
	<u>(466)</u>	<u>(794)</u>

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Fife Health Board Endowment Fund

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