

**ORKNEY HEALTH BOARD ENDOWMENT FUNDS  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Ian Kinniburgh Naomi Bremner Cathie Cowan David Drever Steven Heddle Rognvald Johnson Steven Johnston Fiona MacKellar Elaine Peace Jeremy Richardson Hazel Robertson Marthinus Roos Gillian Skuse Louise Wilson	(Appointed 1 January 2017) (Appointed 1 April 2016)
<b>Charity number</b>	SC016919	
<b>Principal address</b>	Orkney Health Board Garden House New Scapa Road Kirkwall Orkney KW15 1BQ	
<b>Auditor</b>	A J B Scholes Ltd 8 Albert Street Kirkwall Orkney KW15 1HP	
<b>Bankers</b>	The Royal Bank of Scotland PLC 1 Victoria Street Kirkwall Orkney KW15 1DP	
<b>Investment advisors</b>	Adam & Company Investment Management Limited 25 St Andrew Square Edinburgh EH2 1AF	

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# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

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# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2017**

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The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, 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 Republic of Ireland (FRS 102) (effective 1 January 2015)"

### **Objectives and activities**

The charity's purpose is the advancement of health, through:

- improvement in the physical and mental health of the Board's population
- the prevention, diagnosis and treatment of illness
- the provision of services and facilities in connection to the above
- the research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or into such other matters relating to the health service as the Trustees see fit
- the provision of education and development.

Donations and legacies bestowed upon the charity shall only be used for the purposes prescribed by the donor, so far as reasonably practicable, and so long as those purposes are consistent with the charity's purposes and the law. Donations, expenditure and activities must satisfy the public benefit test applicable for a charity.

### **Achievements and performance**

Expenditure in 2016/17 was £85,031. This included the usual patient comforts as well as purchase of equipment such as additional portering chairs, ECG machine, ECG event recorders, laparoscopic trainer and dining tables and chairs.

The charity continued to invest in staff training, both by funding modern apprenticeships and by supporting staff to shadow other areas and share learning with colleagues.

The charity continued to fundraise during the year for the new healthcare facility. This raised £7,913, bringing the total now raised to £13,298.

### **Financial review**

The fund closed the year with the balance of £1,150,248 which is an increase on 2015/16 of £145,405.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level that will secure an annual income stream to ensure the stability of the fund. In addition, it is planned that the fund will be able to enhance the major new hospital and healthcare facilities currently being planned for Orkney. The charity's main funding is from investment income, and donations and legacies.

The trustees employ a firm of investment advisors and managers. The investment of capital generates a significant part of the annual income. The fund is invested with the objective of ensuring that the total return of capital growth and income is maximised, with low to medium levels of risk.

In addition, the charity does not invest in companies whose principal business is, or who have an interest in, directly health damaging products, or whose principal business conflicts with the interests of the NHS business, including pharmaceutical production and distribution.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

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The volatility of the stock market remains one of the principle risks to the charity and its ability to continue to meet its objectives. The charter addresses this risk and sets out the following guidance in the investment strategy:

- Investments must not carry a high risk.
- Overseas equities should not exceed 50% of the total portfolio.
- No initial investment should exceed 10% of the total value of funds under management.
- The market value of managed funds shall not exceed 95% of the total fund's reserves.
- Both capital and income may be used at any time for the furtherance of the charity's aims.

The charity maintains high levels of cash deposit due to the uncertainty of the financial market. Investments are slightly down in value over the previous year's market valuation in line with the overall performance of the stock market.

#### **Structure, governance and management**

The charity was constituted by an act of parliament.

The trustees who served during the year were:

Ian Kinniburgh

Naomi Bremner

Cathie Cowan

David Drever

Steven Heddle

Rognvald Johnson

Steven Johnston

(Appointed 1 January 2017)

Fiona MacKellar

(Appointed 1 April 2016)

Elaine Peace

Jeremy Richardson

Hazel Robertson

Marthinus Roos

Gillian Skuse

Andy Trevett

(Resigned 31 December 2016)

Louise Wilson

The members of the Board of NHS Orkney are the trustees of the charity. Three of the non executive trustees are nominated via their roles in Orkney Islands Council, the Area Clinical Forum and Area Partnership Forum, respectively, with other non executives being appointed through a public appointments process by the Scottish Ministers. Positions on the board are advertised nationally, to ensure the board contains a balance of expertise, vision and direction at a strategic level.

All new trustees are inducted into the charity's processes having access to relevant documents such as the constitutional arrangement and policies and the most recent financial statements. An explanation is also provided of the obligations of the trustees, and the charity's administrative procedures and future plans and objectives.

The trustees meet not less than twice a year and are responsible for the strategic direction and policy of the charity. The board of trustees has fourteen members from a variety of professional backgrounds relevant to the work of the charity. In addition, a sub-committee meets up to four times per year to consider any funding requests and monitor the endowment fund activities. The sub-committee has five trustee members and invites up to nine representatives from NHS Orkney and the wider public.

The trustees work in partnership with NHS Orkney to achieve the charity's objective.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2017*

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The Trustees' report was approved by the Board of Trustees.

.....  
**Ian Kinniburgh**  
Trustee  
Dated: .....

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 MARCH 2017*

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

The law applicable to charities in Scotland requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charity (Accounts and Reports) Regulations 2006 (as amended) and the provisions of the trust deed. 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.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ORKNEY HEALTH BOARD ENDOWMENT FUNDS

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We have audited the financial statements of Orkney Health Board Endowment Funds for the year ended 31 March 2017 set out on pages 7 to 19. 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 Financial Reporting Standard 102.

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. 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 auditors' 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 auditor**

As explained more fully in the statement of Trustees' responsibilities set out on page 4, the trustees are responsible for the preparation of accounts which 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, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note 22 to the financial statements.

#### **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 accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the 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 Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently 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.

#### **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 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).



# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ORKNEY HEALTH BOARD ENDOWMENT FUNDS

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#### **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 Trustees' Report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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.

**Ivan Houston (Senior Statutory Auditor)**  
**A J B Scholes Ltd**

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**Chartered Accountants**  
**Statutory Auditor**

8 Albert Street  
Kirkwall  
Orkney  
KW15 1HP

A J B Scholes Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b><u>Income from:</u></b>					
Donations and legacies	2	5,007	45,997	51,004	50,266
Other trading activities: fundraising	3	-	9,962	9,962	12,733
Investments	4	30,607	-	30,607	28,657
<b>Total income</b>		<b>35,614</b>	<b>55,959</b>	<b>91,573</b>	<b>91,656</b>
<b><u>Expenditure on:</u></b>					
<b><u>Raising funds</u></b>					
Fundraising and publicity	5	-	2,049	2,049	334
Investment management	5	4,687	-	4,687	4,475
		4,687	2,049	6,736	4,809
Charitable activities	6	69,391	8,904	78,295	48,095
<b>Total resources expended</b>		<b>74,078</b>	<b>10,953</b>	<b>85,031</b>	<b>52,904</b>
Net gains on investments	10	138,863	-	138,863	(40,999)
<b>Net incoming/(outgoing) resources before transfers</b>		<b>100,399</b>	<b>45,006</b>	<b>145,405</b>	<b>(2,247)</b>
Gross transfers between funds		824	(824)	-	-
<b>Net movement in funds</b>		<b>101,223</b>	<b>44,182</b>	<b>145,405</b>	<b>(2,247)</b>
Fund balances at 1 April 2016		989,511	15,332	1,004,843	1,007,090
<b>Fund balances at 31 March 2017</b>		<b>1,090,734</b>	<b>59,514</b>	<b>1,150,248</b>	<b>1,004,843</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Investments	12		1,011,629		893,097
<b>Current assets</b>					
Debtors	14	651		36,743	
Cash at bank and in hand		139,768		76,743	
		<u>140,419</u>		<u>113,486</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,800)</u>		<u>(1,740)</u>	
Net current assets			138,619		111,746
<b>Total assets less current liabilities</b>			<u>1,150,248</u>		<u>1,004,843</u>
<b>Income funds</b>					
Restricted funds	16		59,514		15,332
<u>Unrestricted funds</u>					
Designated funds	17	9,861		9,861	
General unrestricted funds		1,080,873		979,650	
		<u>1,090,734</u>		<u>989,511</u>	
		<u>1,150,248</u>		<u>1,004,843</u>	

The accounts were approved by the Trustees on .....

.....  
Ian Kinniburgh  
Chair

.....  
Gillian Skuse  
Trustee

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

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	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	21		12,087		(25,668)
<b>Investing activities</b>					
Purchase of investments		(23,610)		(97,346)	
Proceeds on disposal of investments		43,941		100,531	
Interest received		30,607		28,657	
		<hr/>		<hr/>	
<b>Net cash generated from investing activities</b>			50,938		31,842
<b>Net cash used in financing activities</b>			-		-
			<hr/>		<hr/>
<b>Net increase in cash and cash equivalents</b>			63,025		6,174
Cash and cash equivalents at beginning of year			76,743		70,569
			<hr/>		<hr/>
<b>Cash and cash equivalents at end of year</b>			139,768		76,743
			<hr/> <hr/>		<hr/> <hr/>

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2017**

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### **1 Accounting policies**

#### **Charity information**

Orkney Health Board Endowment Funds is a charity constituted by an act of parliament.

#### **1.1 Accounting convention**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

#### **1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless there are performance conditions present which require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### **1.5 Resources expended**

Expenditure is included in resources expended on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs of generating funds comprise the costs associated with the generation of investment income.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

(Continued)

Charitable expenditure comprises those costs incurred in the delivery of the charity's activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them, such as governance costs. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity

#### 1.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

#### 1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	5,007	8,814	13,821	12,380
Legacies receivable	-	37,183	37,183	37,886
	<u>5,007</u>	<u>45,997</u>	<u>51,004</u>	<u>50,266</u>
<b>For the year ended 31 March 2016</b>	<u>50,216</u>	<u>50</u>		<u>50,266</u>

### 3 Other trading activities: fundraising

	2017	2016
	£	£
New healthcare facility	9,962	5,669
Bilirubinometer	-	5,499
Diabetes care	-	1,565
Other trading activities: fundraising	<u>9,962</u>	<u>12,733</u>

### 4 Investments

	2017	2016
	£	£
Income from listed investments	29,939	28,013
Income from treasury stock	668	633
Interest receivable	-	11
	<u>30,607</u>	<u>28,657</u>

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 5 Raising funds

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
<u>Fundraising and publicity</u>				
Other fundraising costs	-	2,049	2,049	334
<u>Investment management</u>	4,687	-	4,687	4,475
	4,687	2,049	6,736	4,809
<b>For the year ended 31 March 2016</b>				
Fundraising and publicity	-	334		334
Investment management	4,475	-		4,475
	4,475	334		4,809

### 6 Charitable activities

	2017	2016
	£	£
Patient welfare	5,059	9,894
Staff welfare	30,043	26,270
Equipment provided	38,701	9,431
	73,803	45,595
Grant funding of activities (see note 7)	4,492	2,500
	78,295	48,095

Charitable activities includes governance costs of £5,316 (2016: £5,338), which includes payments to the auditors of £1,860 (2016- £2,040) for audit fees.

### 7 Grants payable

	2017	2016
	£	£
Grants to institutions:		
Pickaquoy Centre Trust	-	2,500
Arthritis Care	2,492	-
Sea Cadets	2,000	-
	4,492	2,500



# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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### 7 Grants payable

(Continued)

The grants made to Orkney Sea Cadets and Arthritis Care represent a contribution towards the purchase of a minibus and costs of developing and delivering Tai Chi, respectively.

#### Commitments

A budget of £50,000 is available each year for requests which must be approved by the Trustees or subcommittee. At the balance sheet date, the charity has approved expenditure totalling £37,606, contingent on the satisfaction of certain conditions being met by the funding applicants. It is expected that these conditions will be satisfied in 2017/18 with the exception of £20,000, after which time the expenditure will be incurred. £20,000 has been approved in principle for the new healthcare facility which will be after 2017/18.

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 9 Employees

There were no employees during the year.

### 10 Net gains/(losses) on investments

	2017	2016
	£	£
Revaluation of investments	137,734	(29,408)
Gain/(loss) on sale of investments	1,129	(11,591)
	<u>138,863</u>	<u>(40,999)</u>

### 11 Taxation

The charity is exempt from tax as its income and gains are applied to its charitable objects.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 12 Fixed asset investments

	Listed investments £	Treasury stock £	Total £
<b>Cost or valuation</b>			
At 31 March 2017	829,653	63,444	893,097
Additions	23,610	-	23,610
Valuation changes	134,431	3,303	137,734
Disposals	(42,812)	-	(42,812)
	<u>944,882</u>	<u>66,747</u>	<u>1,011,629</u>
<b>Carrying amount</b>			
At 31 March 2017	<u>944,882</u>	<u>66,747</u>	<u>1,011,629</u>
At 31 March 2016	<u>829,653</u>	<u>63,444</u>	<u>893,097</u>

### 13 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	651	23,823
Equity instruments measured at fair value	1,011,629	893,097
	<u>1,012,280</u>	<u>916,920</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,800	1,740
	<u>1,800</u>	<u>1,740</u>

### 14 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Other debtors	651	23,823
Prepayments and accrued income	-	12,920
	<u>651</u>	<u>36,743</u>

### 15 Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	1,800	1,740
	<u>1,800</u>	<u>1,740</u>

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2017 £
	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	
Cardiac	3,403	-	(2,972)	-	431
Day hospital outreach service	1,000	-	-	(1,000)	-
Theatre equipment	3,142	-	-	(3,142)	-
CT scanner	805	-	-	(805)	-
Dounby comm nurses computer	32	-	-	(32)	-
New healthcare facility	5,385	9,962	(2,049)	-	13,298
Diabetes care	1,565	-	(342)	-	1,223
MacMillan garden	-	2,000	-	-	2,000
MacMillan	-	38,407	-	-	38,407
High Dependency Unit	-	5,590	(5,590)	-	-
Intermediate Care Team	-	-	-	1,000	1,000
Acute Ward	-	-	-	2,350	2,350
Radiology department	-	-	-	805	805
	<u>15,332</u>	<u>55,959</u>	<u>(10,953)</u>	<u>(824)</u>	<u>59,514</u>

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 16 Restricted funds

(Continued)

**Departmental funding** - represents donations and funding received over a number of years to be spent as the charity wishes within the department chosen by the donor. This includes the Cardiac and MacMillan departments.

In addition, certain historical restricted funds were held for departments which are no longer present within the remit of the charity. During the year, OSCR approved the transfer of these restricted funds from their original purposes to new purposes which the charity will be able to satisfy. This included transferring funds from the 'Day Hospital Outreach Service' to the 'Intermediate Care Team', and from 'Surgical Ward Medical Equipment', previously recognised as unrestricted funds, to the 'Acute Ward'.

**High Dependency Unit** - donation income which was received for the purchase of a specialist piece of equipment, which was spent in full during the year.

**Theatre equipment** - funding which was received a number of years ago for the purchase of theatre equipment. This equipment was subsequently purchased using unrestricted funds. The current year transfer was made to cover part of the expenditure made out of unrestricted funds.

**CT scanner/radiology department** - money was received towards the purchase of a new CT scanner. This was subsequently acquired directly by the charity's parent. During the year, the donor granted permission for their donation to be reallocated to be used within the radiology department.

**MacMillan garden** - a donation was received for the specific purpose of making improvements to the garden used by patients of the MacMillan unit.

**Diabetes Care** - funds generated by the charity via a fundraising event held, and will be used to raise awareness of diabetes.

**New Healthcare Facility** - also raised via fundraising events held by the charity, and will be used to provide an enhanced service to patients within the new hospital, over and above that which the charity's parent is able to provide within its budget.

### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 March 2017
	Balance at 1 April 2016	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Medical Ward, Balfour Hospital	1,988	-	-	(1,988)	-
Female Ward, Balfour Hospital	7,873	-	-	(7,873)	-
Balfour Hospital	-	-	-	9,861	9,861
	<u>9,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,861</u>

Funds previously designated for use in the Medical Ward and Female Ward, respectively, are no longer to be able to be used for the purposes of the original designation. Accordingly, during the year, the board re-designated these funds for more general application within Balfour Hospital.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Investments	1,011,629	-	1,011,629
Current assets/(liabilities)	79,105	59,514	138,619
	<u>1,090,734</u>	<u>59,514</u>	<u>1,150,248</u>

### 19 Control

The ultimate controlling party is the board of trustees of Orkney Health Board. It is solely for the Trustees to determine how the charity is to be administered, and what expenditure is permitted, providing that all decisions are consistent with the Endowment Fund Charter. The Trustees shall discharge their responsibilities free from any external direction.

### 20 Related party transactions

#### Transactions with related parties

During the year, NHS Orkney charged the charity an administration fee of £11,120 (2016: £10,502). NHS Orkney also incurred expenditure on behalf of the charity totalling £4,392 (2016: £7,266), which was recharged at cost. The charity paid NHS Orkney £15,512 (2016: £17,768) during the year, and at the balance sheet date there were no outstanding liabilities (2016: £nil). All transactions between the charity and NHS Orkney are at an arms length basis.

No guarantees have been given or received.

### 21 Cash generated from operations

	2017 £	2016 £
Surplus/(deficit) for the year	145,405	(2,247)
Adjustments for:		
Investment income recognised in profit or loss	(30,607)	(28,657)
(Gain)/loss on disposal of investments	(1,129)	11,591
Fair value gains and losses on investments	(137,734)	29,408
Movements in working capital:		
Decrease/(increase) in debtors	36,092	(36,063)
Increase in creditors	60	300
<b>Cash generated from/(absorbed by) operations</b>	<u>12,087</u>	<u>(25,668)</u>

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2017*

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### **22 Auditors' ethical standards**

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditor to assist with the preparation of the accounts.