

Charity Registration No. SC016919 (Scotland)

**ORKNEY HEALTH BOARD ENDOWMENT FUNDS  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Meghan McEwen David Campbell Michael Dickson Mark Doyle David Drever Caroline Evans Issy Grieve Steven Johnston Joanna Kenny Fiona MacKellar David McArthur James Stockan Jason Taylor Louise Wilson	(Appointed 1 July 2020) (Appointed 17 August 2020)       (Appointed 8 February 2021)
<b>Charity number</b>	SC016919	
<b>Principal address</b>	The Balfour Foreland Road Kirkwall Orkney KW15 1NZ	
<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 2021**

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The trustees present their report and financial statements for the year ended 31 March 2021.

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 2019)"

### **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 2020/21 was £65,983.

The charity received an exceptional donation of £94,100 from NHS Charities Together that was a proportion of the incredible fundraising efforts of Sir Cpt Tom Moore. This money was designated for staff wellbeing purposes, and a letter from OSCR was received providing guidance that this was in line with legislation. NHS Orkney spent £34,515 on staff wellbeing bags that included water bottles, pins, hand cream and other items and have been distributed to almost every person who was employed by NHS Orkney during the pandemic. There have also been applications approved for tea and coffee provisions for the Balfour staff areas as well as our 19 community facilities, providing our staff with some recognition for their incredible efforts during this extraordinary year.

The volatility of our Investment portfolio over the year provided the opportunity for Trustees to review our investments, and have asked the Director of Finance of NHS Orkney and Treasurer of the Fund to explore and present information on ethical investment opportunities for consideration.

The Endowment Fund Subcommittee reviewed and amended its terms of reference, and it is hoped that this work will simplify the work of that committee, as well as make the funds delegated there more accessible.

We have also had several individuals and community groups raising money for NHS Orkney staff and services, the charity would like to take this opportunity to extend our gratitude for those efforts.

### **Financial review**

The fund closed the year with the balance of £1,114,873, an increase on 2019/20 of £222,512.

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. The charity's main funding is from investment income, and donations and legacies.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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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.

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.

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.

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.

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

The charity was constituted by an act of parliament.

The trustees who served during the year and up to the date of signature of the financial statements were:

Meghan McEwen	
David Campbell	
Michael Dickson	(Appointed 1 July 2020)
Mark Doyle	(Appointed 17 August 2020)
David Drever	
Caroline Evans	
Issy Grieve	
Steven Johnston	
Joanna Kenny	(Appointed 8 February 2021)
Fiona MacKellar	
David McArthur	
Gerry O'Brien	(Resigned 30 June 2020)
Marthinus Roos	(Resigned 31 March 2021)
James Stockan	
Jason Taylor	
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.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2021*

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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 thirteen 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.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

**Meghan McEwen**

Trustee

Dated: 2 June 2021

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 MARCH 2021*

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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 TRUSTEES OF ORKNEY HEALTH BOARD ENDOWMENT FUNDS

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#### **Opinion**

We have audited the financial statements of Orkney Health Board Endowment Funds (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 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 2019).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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).

#### **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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 20 to the accounts, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES 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 in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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 cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The charity must comply with the terms of its charter, which stipulates that bids for expenditure must not be used as a substitute for core provision within any body's financial plans, nor should any bid for expenditure be awarded posthumously. Our audit procedures considered those restrictions on expenditure, which included obtaining minutes of board meetings where trustees considered those bids.

The charity regularly receives donations and grants, some of which may have restrictions placed on their use. This presents a risk of fraud associated with revenue recognition, and inappropriate use of the funds by not complying with the restrictions on their use. We obtained grant documentation and other correspondence for all grants and a sample of (including all material) donations, vouching receipts to bank statements and checking any conditions attached to those funds are appropriately recorded in the financial statements. We undertook sample testing of expenditure to assess whether funds were spent appropriately.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **ORKNEY HEALTH BOARD ENDOWMENT FUNDS**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF ORKNEY HEALTH BOARD ENDOWMENT FUNDS**

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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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**A J B Scholes Ltd**

2 June 2021

**Chartered Accountants  
Statutory Auditor**

8 Albert Street  
Kirkwall  
Orkney  
KW15 1HP

A J B Scholes Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under 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 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<b>Income from:</b>							
Donations and legacies	2	5,955	101,309	107,264	(48)	25,839	25,791
Investments	3	23,485	-	23,485	33,287	-	33,287
<b>Total income</b>		<b>29,440</b>	<b>101,309</b>	<b>130,749</b>	<b>33,239</b>	<b>25,839</b>	<b>59,078</b>
<b>Expenditure on:</b>							
<u>Raising funds</u>							
Investment management	4	4,502	-	4,502	4,878	-	4,878
Charitable activities	5	21,491	39,990	61,481	201,730	109,659	311,389
<b>Total resources expended</b>		<b>25,993</b>	<b>39,990</b>	<b>65,983</b>	<b>206,608</b>	<b>109,659</b>	<b>316,267</b>
Net gains/(losses) on investments	9	157,746	-	157,746	(126,616)	-	(126,616)
<b>Net incoming/ (outgoing) resources before transfers</b>		<b>161,193</b>	<b>61,319</b>	<b>222,512</b>	<b>(299,985)</b>	<b>(83,820)</b>	<b>(383,805)</b>
Gross transfers between funds		4,898	(4,898)	-	4,435	(4,435)	-
<b>Net movement in funds</b>		<b>166,091</b>	<b>56,421</b>	<b>222,512</b>	<b>(295,550)</b>	<b>(88,255)</b>	<b>(383,805)</b>
Fund balances at 1 April 2020		793,960	98,401	892,361	1,089,510	186,656	1,276,166
<b>Fund balances at 31 March 2021</b>		<b>960,051</b>	<b>154,822</b>	<b>1,114,873</b>	<b>793,960</b>	<b>98,401</b>	<b>892,361</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 2021

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	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	11		990,242		846,514
<b>Current assets</b>					
Debtors	13	2,687		1,046	
Cash at bank and in hand		125,339		129,462	
		<u>128,026</u>		<u>130,508</u>	
<b>Creditors: amounts falling due within one year</b>	14	(3,395)		(84,661)	
Net current assets			124,631		45,847
<b>Total assets less current liabilities</b>			<u>1,114,873</u>		<u>892,361</u>
<b>Income funds</b>					
Restricted funds	15	154,822		98,401	
Unrestricted funds		960,051		793,960	
		<u>1,114,873</u>		<u>892,361</u>	

The accounts were approved by the Trustees on 2 June 2021

Meghan McEwen  
Chair

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	19		(41,626)		(102,090)
<b>Investing activities</b>					
Purchase of investments		(38,073)		(28,413)	
Proceeds on disposal of investments		52,091		53,295	
Investment income received		23,485		33,287	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from investing activities</b>			37,503		58,169
<b>Net cash used in financing activities</b>			-		-
			<u>          </u>		<u>          </u>
<b>Net decrease in cash and cash equivalents</b>			(4,123)		(43,921)
Cash and cash equivalents at beginning of year			129,462		173,383
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>125,339</u>		<u>129,462</u>

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# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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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 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 financial statements, 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 financial statements.

#### **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. Donated services are recognised once the services have been performed at the estimated value to the charity.

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 2021

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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 2021

### 2 Donations and legacies

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £
Donations and gifts	5,955	6,059	12,014	(48)	25,839
Grants	-	95,250	95,250	-	-
	<u>5,955</u>	<u>101,309</u>	<u>107,264</u>	<u>(48)</u>	<u>25,839</u>
	<u><u>5,955</u></u>	<u><u>101,309</u></u>	<u><u>107,264</u></u>	<u><u>(48)</u></u>	<u><u>25,839</u></u>

Grant income includes £94,100 received from NHS Charities Together. For a further description, see note 15.

### 3 Investments

	2021 £	2020 £
Income from listed investments	22,427	32,094
Income from treasury stock	1,013	1,013
Interest receivable	45	180
	<u>23,485</u>	<u>33,287</u>
	<u><u>23,485</u></u>	<u><u>33,287</u></u>

### 4 Raising funds

	2021 £	2020 £
Investment management	4,502	4,878
	<u>4,502</u>	<u>4,878</u>
	<u><u>4,502</u></u>	<u><u>4,878</u></u>



# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 5 Charitable activities

	2021 £	2020 £
Patient welfare	3,328	6,903
Staff welfare	50,749	24,001
Equipment provided	7,404	270,485
	<u>61,481</u>	<u>301,389</u>
Grant funding of activities (see note 6)	-	10,000
	<u>61,481</u>	<u>311,389</u>
<b>Analysis by fund</b>		
Unrestricted funds	21,491	201,730
Restricted funds	39,990	109,659
	<u>61,481</u>	<u>311,389</u>

### 6 Grants payable

	2021 £	2020 £
Grants to institutions: Orkney Food Bank	-	10,000
	<u>-</u>	<u>10,000</u>

A grant of £10,000 was made to Orkney Food Bank in the prior year to support families in need during the coronavirus outbreak.

#### 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 £35,821, contingent on the satisfaction of certain conditions being met by the funding applicants. It is expected these conditions will be satisfied in 2021/22.

### 7 Trustees

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

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

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

	2021 £	2020 £
Revaluation of investments	144,889	(127,523)
Gain/(loss) on sale of investments	12,857	907
	<u>157,746</u>	<u>(126,616)</u>

### 10 Taxation

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

### 11 Fixed asset investments

	Listed investments £	Treasury stock £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	765,089	81,425	846,514
Additions	38,073	-	38,073
Valuation changes	145,797	(908)	144,889
Disposals	(39,234)	-	(39,234)
At 31 March 2021	<u>909,725</u>	<u>80,517</u>	<u>990,242</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>909,725</u>	<u>80,517</u>	<u>990,242</u>
At 31 March 2020	<u>765,089</u>	<u>81,425</u>	<u>846,514</u>

### 12 Financial instruments

	2021 £	2020 £
<b>Carrying amount of financial assets</b>		
Equity instruments measured at fair value through profit or loss	<u>909,725</u>	<u>765,089</u>

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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<b>13 Debtors</b>	<b>2021</b>	<b>2020</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Other debtors	1,187	1,046
Prepayments and accrued income	1,500	-
	<u>2,687</u>	<u>1,046</u>
	<u><u>2,687</u></u>	<u><u>1,046</u></u>

  

<b>14 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	155	81,481
Accruals and deferred income	3,240	3,180
	<u>3,395</u>	<u>84,661</u>
	<u><u>3,395</u></u>	<u><u>84,661</u></u>

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 15 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 (only those over £2,000 individually listed):

	Movement in funds				Movement in funds				
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Macmillan Services	68,923	3,424	(4,701)	-	67,646	50	-	-	67,696
Balfour Hospital	24,720	-	(24,543)	(177)	-	-	-	-	-
New Hospital	43,475	14,288	(54,763)	(3,000)	-	-	-	-	-
Assessment and Rehab	7,761	199	(3,654)	(4,306)	-	-	-	-	-
Acute Ward	6,060	1,519	(5,697)	(1,882)	-	-	-	-	-
Renal Services	2,964	1,271	(2,964)	-	1,271	500	-	-	1,771
Heilendi Family Practice	2,645	-	-	-	2,645	-	(2,150)	-	495
Balfour Hospital equipment	2,000	-	(2,000)	-	-	-	-	-	-
Motor Neurone Disease	1,753	541	-	-	2,294	-	-	-	2,294
Maternity	9,131	995	(7,037)	3,521	6,610	225	(308)	-	6,527
Acute - HDU	3,745	1,153	-	-	4,898	-	-	(4,898)	-
NHS Charities Together	-	-	-	-	-	94,100	(36,015)	-	58,085
NHSO Fundraising Group	-	-	-	-	-	2,473	-	-	2,473
Covid 19	-	-	-	-	-	2,461	-	-	2,461
Other	13,479	2,449	(4,300)	1,409	13,037	1,500	(1,517)	-	13,020
	<u>186,656</u>	<u>25,839</u>	<u>(109,659)</u>	<u>(4,435)</u>	<u>98,401</u>	<u>101,309</u>	<u>(39,990)</u>	<u>(4,898)</u>	<u>154,822</u>

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2021*

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### 15 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 MacMillan, Assessment and Rehab, Acute Ward, Renal Services, Heilendi Family Practice, Maternity, and Acute - HDU..

**Balfour Hospital** - represents donations and bequests for general use in the Balfour Hospital.

**New Hospital** - raised via fundraising events held by the charity and income from donations, this was 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.

**Balfour Hospital equipment** - represents a bequest used to purchase equipment for the Balfour Hospital.

**Motor Neurone Disease** - represents donations received over a period of years to be spent on Motor Neurone Disease.

**Staff, volunteer and patient wellbeing** - funding provided by NHS Charities Together in response to the coronavirus pandemic, which is to be used to enhance the wellbeing of staff, volunteers and patients impacted by coronavirus.

**NHSO Fundraising Group** - funds donated to support the NHSO Fundraising Group.

**Covid 19** - funds donated by various people to support staff impacted by the coronavirus pandemic.

Transfers during the year include £4,898 transferred from Acute - HDU to unrestricted funds after OSCR approved the transfer as the area funded no longer exists since the move to the new hospital.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:					
Investments	990,242	-	990,242	846,514	846,514
Current assets/ (liabilities)	(30,191)	154,822	124,631	(52,554)	45,847
	<u>960,051</u>	<u>154,822</u>	<u>1,114,873</u>	<u>98,401</u>	<u>892,361</u>

### 17 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.

### 18 Related party transactions

#### Transactions with related parties

During the year, NHS Orkney charged the charity an administration fee. The charge recognised in expenditure on charitable activities is £13,488 (2020: £12,920).

NHS Orkney also incurred expenditure on behalf of the charity totalling £17,079 (2020: £83,632), which was recharged to the charity at cost. The charity paid NHS Orkney £98,560 (2020: £3,382) during the year. Creditors falling due within one year include £nil (2020: £81,481) payable to NHS Orkney in respect of the foregoing transactions.

# ORKNEY HEALTH BOARD ENDOWMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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<b>19 Cash generated from operations</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Surplus/(deficit) for the year	222,512	(383,805)
Adjustments for:		
Investment income recognised in statement of financial activities	(23,485)	(33,287)
Gain on disposal of investments	(12,857)	(907)
Fair value gains and losses on investments	(144,889)	127,523
Movements in working capital:		
(Increase)/decrease in debtors	(1,641)	105,885
(Decrease)/increase in creditors	(81,266)	82,501
<b>Cash absorbed by operations</b>	<u>(41,626)</u>	<u>(102,090)</u>
<b>20 Auditors' ethical standards</b>		

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.