

Charity registration number SC016919 (Scotland)

**ORKNEY HEALTH BOARD ENDOWMENT FUNDS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Meghan McEwen David Campbell Kirsty Cole Rona Gold Isobel Grieve Joanna Kenny Anna Lamont Ryan McLaughlin Laura Skaife-Knight Jean Stevenson Jason Taylor Samantha Thomas Louise Wilson	(Appointed 1 April 2024)
Charity number	SC016919	
Principal address	The Balfour Foreland Road Kirkwall Orkney KW15 1NZ	
Auditor	A.J.B. Scholes Ltd 8 Albert Street Kirkwall Orkney KW15 1HP	
Bankers	The Royal Bank of Scotland PLC 1 Victoria Street Kirkwall Orkney KW15 1DP	
Investment advisors	Adam & Company Investment Management Limited 25 St Andrew Square Edinburgh EH2 1AF	

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

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ORKNEY HEALTH BOARD ENDOWMENT FUNDS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

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

Over the past year, the charity has continued to build on its commitment to enhancing the wellbeing of staff, supporting patients and service improvements, and strengthening our governance and investment infrastructure. The following key achievements highlight our progress and performance:

Staff Wellbeing and Recognition

The charity recognises that the wellbeing of staff is fundamental to delivering high-quality patient care. This year we have continued to support the ongoing 2 year staff wellbeing project approved in 2023/24, which included:

- Employee Assistance Programme: continued promotion and utilisation of the Employee Assistance Programme (EAP) has provided staff with confidential support for personal and professional issues, contributing to overall workplace and wellbeing resilience.
- Team Orkney Staff Awards: the second annual staff awards were held in the year, acknowledging the outstanding contributions of individuals and staff across the organisation.
- Long Service Awards: staff loyalty and commitment through the Long Service Awards Programme, celebrating key milestones and thanking colleagues for their dedication over the years.

A further bid was received in the year and approved to support staff attendance at the Scottish Health Awards for three finalists, offering an opportunity to celebrate and share excellence in practice while highlighting the efforts of the teams on a larger stage.

Patient Comfort and Environment Enhancements

A further significant bid in the year was approved for improvement works to the MacMillan Inpatient area, focusing on enhancements that will improve patient comfort and the overall care environment. This included upgrades to furnishings, improved facilities, and thoughtful design changes to support dignity, comfort, and wellbeing for patients and their families.

A number of lower value bids were approved in the year which also supported this including upgraded door signage, headphones for dialysis patients and Christmas gifts for patients.

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Community Support Funding

As in previous years, funding was allocated to support local community groups of £20,000 for the year. No eligible bids were received during this cycle.

Investment Management Tender

To ensure the long-term sustainability and performance of the charity's financial assets, we undertook a competitive tender process which concluded this financial year to appoint an investment manager.

Financial review

Income for the year totalled £35,847, a small increase from £35,651 in the prior year.

Expenditure for the year totalled £85,209, an increase from £77,854 in the prior year. There was higher staffing costs in the current year due to the hiring of a Wellbeing Officer.

Net expenditure for the year is £49,362, with losses on investments of £20,555. The fund closed the year with the balance of £979,887, a reduction on 2023/24 of £69,917.

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.

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

Kirsty Cole

(Appointed 1 April 2024)

Des Creasey

(Resigned 26 November 2024)

Mark Doyle

(Resigned 30 June 2024)

Rona Gold

Isobel Grieve

Joanna Kenny

Anna Lamont

Ryan McLaughlin

Laura Skaife-Knight

Jean Stevenson

Jason Taylor

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Samantha Thomas
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.

It is endeavoured to ensure all new trustees are fully 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 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: 5 June 2025

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

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

Opinion

We have audited the financial statements of Orkney Health Board Endowment Funds (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 21 to the financial statements, 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

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 requires 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, and control environment;
- results of our enquiries of management;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and irregularities. Income recognition, in particular for donations and grants, and material related party transactions/balances were key areas of focus. In common with all audits under ISA's (UK), we are also required to perform specific procedures to respond to the risk of management override.

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.

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ORKNEY HEALTH BOARD ENDOWMENT FUNDS

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, such as tax legislation and relevant charities acts.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We communicated relevant identified laws and regulations and potential fraud risks to engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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.

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. 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.

AJB Scholes Ltd

A.J.B Scholes Ltd

Chartered Accountants

Statutory Auditor

8 Albert Street

Kirkwall

Orkney

KW15 1HP

Date: 16 June 2025

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 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 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:							
Donations and legacies	2	3,151	6,846	9,997	20	9,406	9,426
Investments	3	25,850	-	25,850	26,225	-	26,225
Total income		29,001	6,846	35,847	26,245	9,406	35,651
Expenditure on:							
Raising funds							
Investment management	4	4,026	-	4,026	4,477	-	4,477
Charitable activities	5	78,978	2,205	81,183	49,280	24,097	73,377
Total resources expended		83,004	2,205	85,209	53,757	24,097	77,854
Net gains/(losses) on investments	11	(20,555)	-	(20,555)	102,979	-	102,979
Net (outgoing)/incoming resources before transfers		(74,558)	4,641	(69,917)	75,467	(14,691)	60,776
Gross transfers between funds		2,500	(2,500)	-	(7,525)	7,525	-
Net movement in funds		(72,058)	2,141	(69,917)	67,942	(7,166)	60,776
Fund balances at 1 April 2024		945,692	104,112	1,049,804	877,750	111,278	989,028
Fund balances at 31 March 2025		873,634	106,253	979,887	945,692	104,112	1,049,804

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 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Investments	12		958,998		1,025,147
Current assets					
Debtors	13	1,044		-	
Cash at bank and in hand		103,905		56,199	
		<u>104,949</u>		<u>56,199</u>	
Creditors: amounts falling due within one year	15	<u>(84,060)</u>		<u>(31,542)</u>	
Net current assets			20,889		24,657
Total assets less current liabilities			<u>979,887</u>		<u>1,049,804</u>
Income funds					
Restricted funds	16		106,253		104,112
Unrestricted funds			873,634		945,692
			<u>979,887</u>		<u>1,049,804</u>

The accounts were approved by the Trustees on 5 June 2025


 Meghan McEwen
 Chair

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	20		(23,738)		(41,030)
Investing activities					
Purchase of investments		(71,653)		(14,467)	
Proceeds from disposal of investments		117,247		27,660	
Investment income received		25,850		25,996	
Net cash generated from investing activities			71,444		39,189
Net cash generated from financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			47,706		(1,841)
Cash and cash equivalents at beginning of year			56,199		58,040
Cash and cash equivalents at end of year			<u>103,905</u>		<u>56,199</u>

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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 2025

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 2025

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2025 £	2025 £	2025 £	2024 £	2024 £
Donations and gifts	3,151	6,846	9,997	20	9,426

3 Investments

	2025 £	2024 £
Income from listed investments	24,424	25,399
Income from treasury stock	521	490
Interest receivable	905	336
	<u>25,850</u>	<u>26,225</u>

4 Raising funds

	2025 £	2024 £
Investment management	4,026	4,477
	<u>4,026</u>	<u>4,477</u>

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

5 Charitable activities

	2025 £	2024 £
Patient welfare	3,476	2,057
Staff welfare	75,707	31,787
Equipment provided	-	30,003
	<u>79,183</u>	<u>63,847</u>
Grant funding of activities (see note 7)	2,000	9,530
	<u>81,183</u>	<u>73,377</u>
Analysis by fund		
Unrestricted funds	78,978	49,280
Restricted funds	2,205	24,097
	<u>81,183</u>	<u>73,377</u>

6 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable to auditor including irrecoverable VAT	<u>4,800</u>	<u>4,320</u>

7 Grants payable

	2025 £	2024 £
Grants to institutions:		
Other	<u>2,000</u>	<u>9,530</u>

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 £12,409, contingent on the satisfaction of certain conditions being met by the funding applicants. It is expected these conditions will be satisfied in 2024/25. A further £35,592 has been committed to over the next year to cover a Wellbeing bid.

8 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 2025

9 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

10 Taxation

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

11 Net gains/(losses) on investments

	2025 £	2024 £
Revaluation of investments	(19,972)	102,091
Gain/(loss) on sale of investments	(583)	888
	<u>(20,555)</u>	<u>102,979</u>

12 Fixed asset investments

	Listed investments £	Treasury stock £	Total £
Cost or valuation			
At 1 April 2024	962,674	62,473	1,025,147
Additions	71,653	-	71,653
Valuation changes	(19,986)	13	(19,973)
Disposals	(117,829)	-	(117,829)
At 31 March 2025	<u>896,512</u>	<u>62,486</u>	<u>958,998</u>
Carrying amount			
At 31 March 2025	<u>896,512</u>	<u>62,486</u>	<u>958,998</u>
At 31 March 2024	<u>962,674</u>	<u>62,473</u>	<u>1,025,147</u>

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

13 Debtors		2025	2024
		£	£
	Amounts falling due within one year:		
	Other debtors	269	-
	Prepayments and accrued income	775	-
		1,044	-
		1,044	-
14 Financial instruments		2025	2024
		£	£
	Carrying amount of financial assets		
	Equity instruments measured at fair value through profit or loss	896,512	962,674
		896,512	962,674
		896,512	962,674
15 Creditors: amounts falling due within one year		2025	2024
		£	£
	Trade creditors	75,618	15,222
	Accruals and deferred income	8,442	16,320
		84,060	31,542
		84,060	31,542

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

	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
Macmillan Services	63,761	-	(1,515)	-	62,246
Renal Services	-	950	(190)	-	760
Heilendi Family Practice	495	-	-	-	495
Motor Neurone Disease	2,294	461	-	-	2,755
Maternity	7,343	4,000	-	-	11,343
Acute - HDU	1,000	-	-	-	1,000
NHSO Fundraising Group	1,328	-	-	-	1,328
Hospital Adventures	14,365	-	-	-	14,365
Other	13,526	1,435	(500)	(2,500)	11,961
	104,112	6,846	(2,205)	(2,500)	106,253
	104,112	6,846	(2,205)	(2,500)	106,253

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

16 Restricted funds

(Continued)

Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Macmillan Services	66,111	1,150	(3,500)	-	63,761
Renal Services	1,551	760	(3,730)	1,419	-
Heilendi Family Practice	495	-	-	-	495
Motor Neurone Disease	2,294	-	-	-	2,294
Maternity	5,551	1,792	-	-	7,343
Acute - HDU	1,000	-	-	-	1,000
NHS Charities Together	2,500	-	(2,500)	-	-
NHSO Fundraising Group	1,328	-	-	-	1,328
Hospital Adventures	14,365	-	-	-	14,365
Other	16,083	5,704	(14,367)	6,106	13,526
	<u>111,278</u>	<u>9,406</u>	<u>(24,097)</u>	<u>7,525</u>	<u>104,112</u>

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, Acute Ward, Renal Services, Heilendi Family Practice, and Maternity.

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.

Hospital Adventures - funds donated to assist with demystifying hospitals for children and families.

Transfers during the year include £2,500 transferred from NHS Charities Together to unrestricted funds.

17 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total Unrestricted funds 2025 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 31 March 2025 are represented by:					
Investments	958,998	-	958,998	-	1,025,147
Current assets/(liabilities)	(85,364)	106,253	20,889	104,112	24,657
	<u>873,634</u>	<u>106,253</u>	<u>979,887</u>	<u>104,112</u>	<u>1,049,804</u>

ORKNEY HEALTH BOARD ENDOWMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

18 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.

19 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 £12,220 (2024: £12,000).

NHS Orkney also incurred expenditure on behalf of the charity totalling £62,646 (2024: £19,027), which was recharged to the charity at cost. The charity paid NHS Orkney £14,472 (2024: £6,490) during the year. Creditors falling due within one year include £74,866 (2024: £14,472) payable to NHS Orkney in respect of the foregoing transactions.

The NHS Orkney expenditure incurred on behalf of the charity relates to bid expenditure authorised by the trustees.

20	Cash absorbed by operations	2025 £	2024 £
	(Deficit)/surplus for the year	(69,917)	60,776
	Adjustments for:		
	Investment income recognised in statement of financial activities	(25,850)	(26,225)
	Loss/(gain) on disposal of investments	583	(888)
	Fair value gains and losses on investments	19,972	(102,091)
	Movements in working capital:		
	(Increase)/decrease in debtors	(1,044)	2,500
	Increase in creditors	52,518	24,898
	Cash absorbed by operations	(23,738)	(41,030)

21 Non-audit services provided by auditor

The relevant circumstances requiring disclosure in accordance with the requirements of FRC 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.