

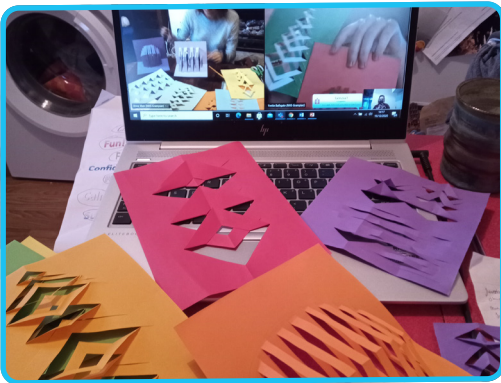
# Annual Report & Accounts

## Year Ended 31 March 2022

Grampian Health Board Endowment Fund operating as  
NHS Grampian Endowment Funds



NHS Grampian  
**endowment fund**  
Making a difference...





NHS Grampian  
**endowment fund**  
*Making a difference...*

**Trustees' Annual Report and Accounts  
Year Ended 31 March 2022**

Grampian Health Board Endowment Fund  
(Operating as NHS Grampian Endowment Funds)

**Charity Number SC017296**

Donations can be made online at  
[www.nhsgcharities.com/donate/](http://www.nhsgcharities.com/donate/)

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## A message from the Chair

2021/22 has been another challenging year in which our health and care system has been under an unprecedented level of sustained pressure.



Throughout the year, we have continued to adapt to be able to respond flexibly to meet the changing needs of the environment around us, with the welfare of staff, and the families that they care for, at the centre of everything we do.

The generosity of our supporters and donors is humbling. Whilst the level of donations still remain lower than pre-pandemic years, in common with all other charities at this time of significant economic pressure on our local communities, we have continued to receive an incredible amount of support for which we are extremely grateful. The kind letters received from patients' families taking their time to express their thanks, many taking forward initiatives to raise funds for the services that have meant so much to them during their difficult times, are truly heartfelt.

The enthusiasm and creativity of our incredible volunteer fundraisers sees no bounds. The most unusual this year was a sponsored penny farthing bike ride from Lossiemouth to Aberdeen Royal Infirmary. Other events included a Bakes, Boobs and Bubbles event in Fraserburgh to support breast cancer research, a jewellery design competition and raffle, and an NHS Tribute night hosted at Aberdeen Arts Centre by Music4U.

Thanks to this incredible generosity of our donors we have been able to deliver a range of valuable projects across the health system supporting staff and the public. The regular feedback from service users and staff demonstrated how they valued and welcomed the support available from the many initiatives we were able to progress during the year.

This is the second year running we have been able to offer an extended grant programme, with 21 local community projects funded to deliver a diverse range of activities reaching families with young children with multiple support needs, people experiencing mental health issues, terminally ill young people, people affected by cancer, carers and people living with chronic disease and disability.

I would also like to highlight the continued focus on staff welfare with the continuation of a programme to provide Staff Haven facilities across a number of healthcare sites. These facilities are designed to provide a quiet space for staff to seek a well-earned break and a moment of respite from their day to day duties. The Foresterhill Staff Garden is a recent example of one of these much valued facilities.

During the year we were delighted to be awarded a substantial grant from NHS Charities Together to support various initiatives, which are now in place to help staff across NHS Grampian manage the ongoing effect of the pandemic on their working lives. We have also progressed implementation of the Hospital Homecoming project, also funded by NHS Charities Together. This is a ground breaking project, working with Third Sector partners to help vulnerable people connect with support in their local community to help them to live well in their own homes and, where appropriate, to enable a speedier discharge from hospital. Initially a pilot project for defined settlements in Aberdeen, Aberdeenshire and Moray, it is hoped that the project can reach all parts of Grampian.

The Endowment Fund supported 19 projects totalling £0.215 million for one-year projects recommended by NHS Grampian Research and Development Unit covering a wide range of topics including social and clinical research.





**Clockwise from top: Penny farthing road trip raises an incredible £1,525 for Neurology Research, £9k raised for breast cancer research by the Boobs, Bubbles and Bakes ladies in Fraserburgh, The Inspire Challenge organised by Jamieson & Carry raises an incredible £5,000,**

Looking to the future work has started on what is planned to be an extensive process of stakeholder engagement to inform the development of a strategy which will be launched in early 2023. Key areas for consideration are how the charity can enable change through better targeting of our grant giving towards health prevention and tackling inequalities in support of the health needs of our local communities. We will also be considering how we can deliver meaningful progress towards responsible sustainable development goals. Consideration will also be given to how to effectively increase the profile and visibility of the charity to increase funding available to enable the charity to maximise its positive impact.



To improve resilience and create additional capacity to meet future challenges, including the likely changes to the Charity's legal structure following the recommendations of the Scottish Governments' review of governance arrangements for NHS Scotland Charities, we have also enhanced the Charity's support team. We welcome Lisa Duthie, as Lead Officer for the Charity who started with us in January 2022 and we plan to recruit into strengthened Finance, Communications and Engagement roles later in 2022.



I would also like to take this opportunity to thank Sheena Lonchay, who retired from the Charity's Operational Manager role in December 2021. Sheena has supported the work of the Charity for the past 7 years and her passion and dedication to the work of the charity has contributed significantly to our successes in recent years.

During 2022/23 and in future years, as we shape and develop our strategy, the Charity will continue to maintain our commitment to our core purpose of improving the health and wellbeing of our healthcare staff, patients and our local communities. We will retain our focus on helping people manage the lasting impact of COVID whilst also seeking to increase strategic investment in self-care, health prevention and to address inequalities in our local communities.

To facilitate this, Trustees have created an earmarked Lasting Impact Fund, using some of the recent capital growth on the investment portfolio. The fund currently has a balance of £2m available to be targeted equally at health improvement and prevention activities and to encourage innovative community based research. The Lasting Impact Fund will go live in late 2022 and will begin by providing opportunities to develop new research relationships between academics, clinicians and communities to better understand public health challenges and identify collective actions.

Finally, I would like to record my thanks, on behalf of all the Trustees, for the generosity in spirit and in kind, from our many donors and supporters. You make the work of the charity possible and in doing so you have played an important part in enhancing the comfort and care that each of our projects delivers for those in need in Grampian – thank you.

*Luan Grugeon*

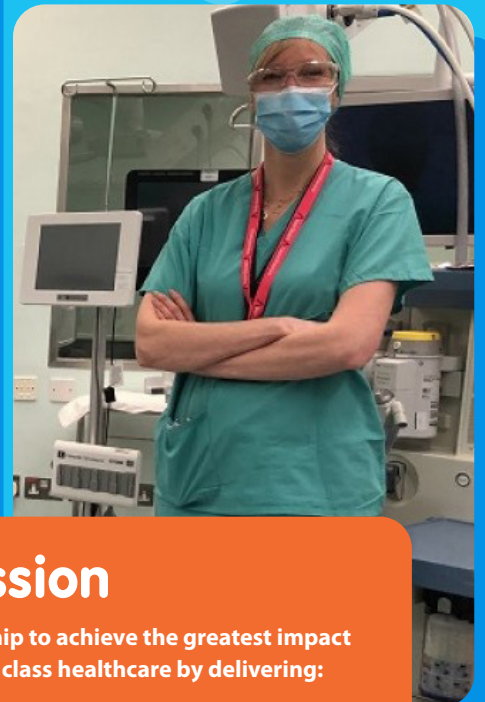
**Luan Grugeon**  
Chair of Trustees  
NHS Grampian Endowment Funds

# Who we are and what we do

The Grampian Health Board Endowment Fund (NHS Grampian) is a legally registered charity, operating as the NHS Grampian Endowment Fund. The Charity exists to make a difference to the health and wellbeing of people in Grampian.

The charity is administered under the terms of sections 82, 83 and 84A of the National Health Service (Scotland) Act 1978. Accordingly, Grampian Health Board holds the funds and property attributable to the charity on trust as a Corporate Trustee and the members of Grampian Health Board, as those charged with Governance, in the Trustees of the charity.

We use our resources to enhance NHS provision, but not substitute it, by investing in projects which promote better physical and mental health and wellbeing for the people of Grampian.



## Our Vision

The enhancement of healthcare and patient welfare in Grampian.



## Our Mission

Work in partnership to achieve the greatest impact and promote first class healthcare by delivering:

- Improvement of the physical and mental health of the Grampian Health Board's population and our staff;
- Prevention, diagnosis and treatment of illness;
- Provision of services and facilities in connection with the above; and
- Research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or any other matters relating to the health service as the Trustees see fit.



# Trustees' Report for the Year Ended 31 March 2022

The Trustees present their report along with the audited financial statements of the NHS Grampian Endowment Fund (the Charity) for the year ended 31 March 2022.

## Achievements and Grant Making Activity

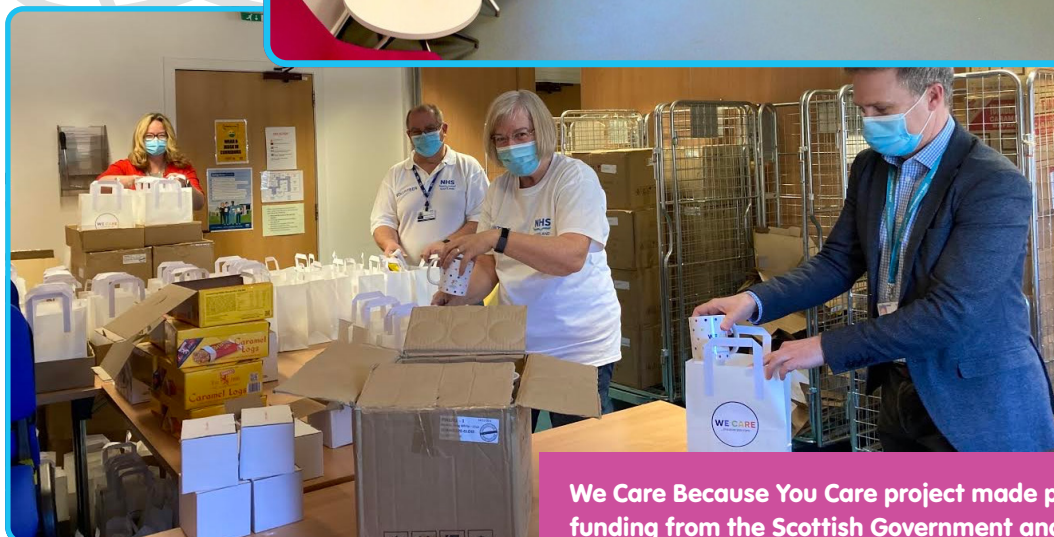
The majority of endowment-funded projects are undertaken within Grampian Health Board and during the year, payments totaling £1.993 million (2020/21: £2.031 million) were made to Grampian Health Board to enable a range of research and other activities for the benefit of patients. £0.118 million (2020/21: £0.099 million) was received from Grampian Health Board, mainly relating to income from research activities.



Other charities and local community groups also benefitted from grants during the year to support a range of activities to improve the health and wellbeing of the people of Grampian. Grants made to other charities that directly support Grampian Health Board are detailed in Note 4 to the financial statements.



The new sunroom communicative and respite space for staff is now open.



We Care Because You Care project made possible with funding from the Scottish Government and NHS Charities.



The following sections summarise the key achievements during 2021/22 identified against the key aspects of our mission statement.



## Improvement of the physical and mental health of the Grampian Health Board’s population and our staff

For much of the year our Health and Social Care Services, and the staff working within them, have been under sustained pressure. An important focus of our work during the year therefore has been to ensure a sustained focus on the wellbeing of staff and supporting them to deliver patient care whether face-to-face or in a role which enabled the delivery of health care.



**Staff garden revamp for emergency department will benefit as many as 150 staff.**

– During the year, as we emerged from the restrictions brought about by the pandemic in the previous year, we had an unprecedented level of interest from staff looking for support with learning and development activities. Trustees were keen to encourage and support those staff who, given the pressures on the system were still willing to invest their time in enhancing their skills and learning. Accordingly, Trustees agreed to increase the normal allocation available to the Grampian Area staff Partnership Forum (GAPF) Endowment Sub Committee from £50k to £100k to allow them to make additional grants available to staff for their development and to add comfort to staff rest areas, particularly in outdoor spaces.

– In addition to the above, individual restricted funds were used to support a further 120 applications for staff to attend enhanced training and professional development events.

– The Aberdeen Royal Infirmary (ARI) Staff Garden, opened for staff in March 2022. The garden was the brainchild of the former chaplain, James Falconer. Our thanks go out to James who worked tirelessly as fundraiser, project manager and volunteer gardener to turn the project from a vision to a reality. The Staff Garden is adjacent to the staff haven development underway within the old Board Room at ARI.



**New staff garden at ARI offers a new tranquil space for staff to relax and reflect.**

– The ARI Emergency Department Garden and Reflection Room, opened in early 2021 as a quiet area for the use of staff involved in the provision of emergency medicine.

– Members of the procurement, logistics and transport teams located in the warehouse on the Foresterhill Health Campus, benefitted from a makeover of their kitchen and canteen area together with the installation of a door to access an adjacent patio area.

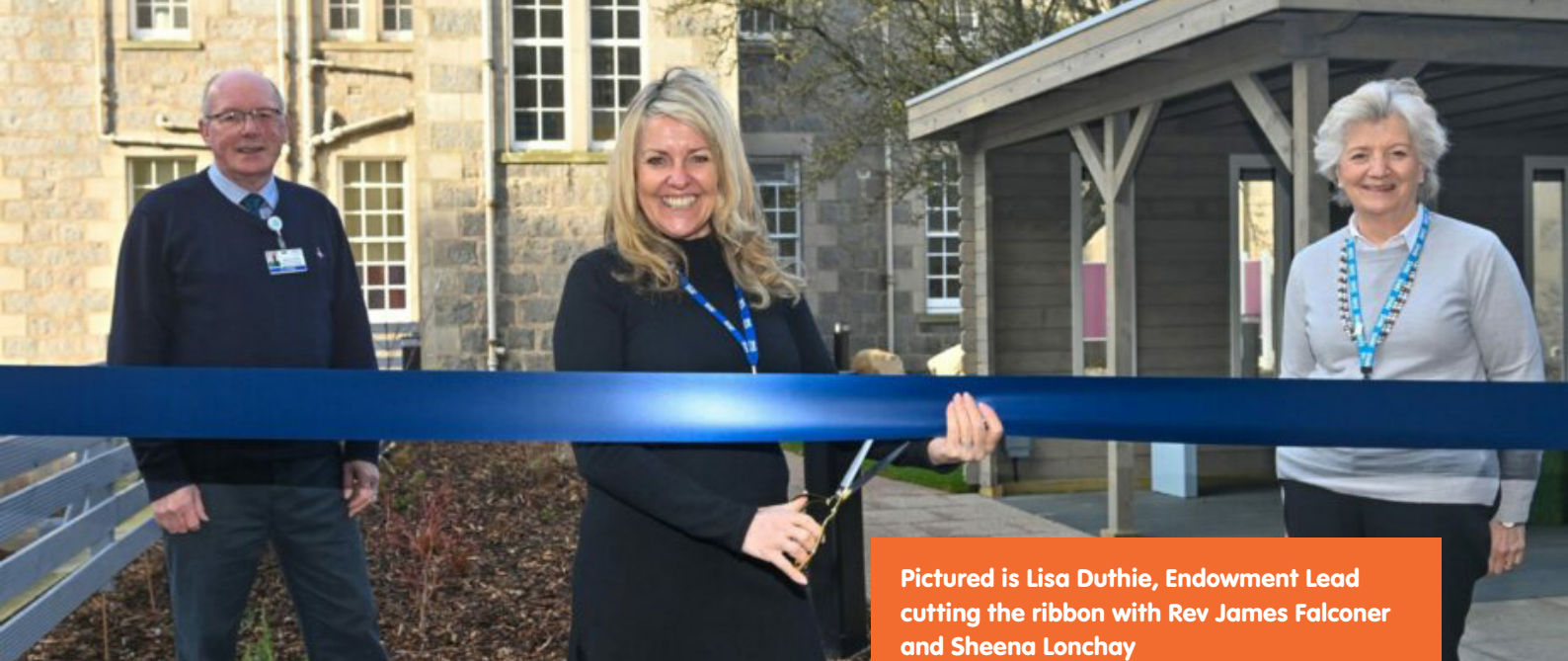
– NHS Charities Together granted £352,000 to support staff recovery following the COVID Pandemic. This has been used to supplement activities offered by NHS Grampian’s “We Care” programme, including a range of support services for staff with Long Covid, Trauma Support, Mindfulness Based Stress Reduction, Wellbeing Coaching and Values Based Reflective Practice.

– Continued funding of a Staff Physiotherapy Service to which staff can refer themselves for timeous advice and treatment reducing absence and enabling staff to remain at work, continuing to care for their patients.



**The new emergency dept. reflection room.**





**Pictured is Lisa Duthie, Endowment Lead cutting the ribbon with Rev James Falconer and Sheena Lonchay**

- Hoodies for Emergency Department and Intensive Care Unit nursing and clinical staff to keep them warm when their duties take them outside or to other wards and to make them easily identifiable to patients and other staff.
- Funding for an animated video to support the mental health and wellbeing of our senior doctors, developed from an initial project funded by the Chief Scientist Office.



**Comfortable Hoodies funded to keep Critical Care staff warm this winter**



**Animated video project approved to enhance and support consultants mental wellbeing**



**Clan Cancer Support used funds for therapeutic art workshops for NHS staff to create an NHS tribute lighthouse for Light the North raising £12,000 at auction.**

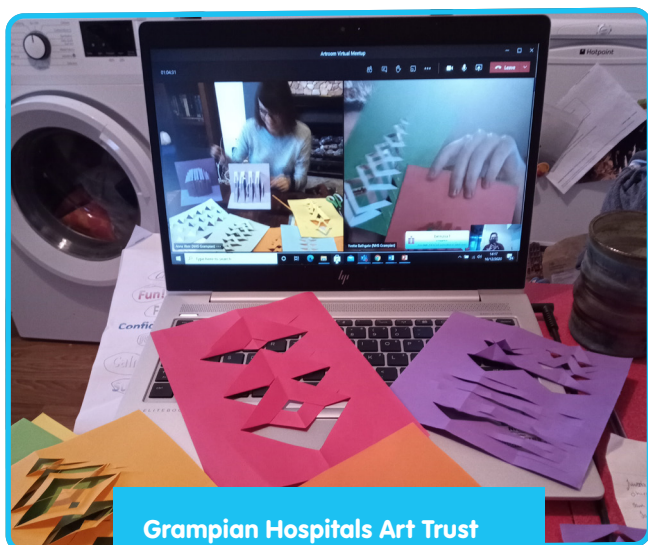


A number of initiatives were also progressed during the year aimed at providing support and improving the experience of patients accessing and receiving care within Health and Social Care Services:

- The Hospital Homecoming Project, funded by a grant of £245,000 from NHS Charities Together involves community volunteers across three pilot locations in Grampian offering support to vulnerable people as they are discharged from hospital to help to prevent readmission and keep people in their own homes.
- Funding was made available to Grampian Hospital Arts Trust to support access to their ArtRoom project offering creative opportunities for patients and staff at ARI, Roxburghe House and Royal Aberdeen Children's Hospital.
- Additional bedside stands for patients at Aberdeen Royal Infirmary, Royal Aberdeen Children's Hospital, Royal Cornhill Hospital, Turner Hospital, and Dr Gray's Hospital for patients to more easily use the iPads purchased last year to facilitate virtual visiting for patients.
- Gym equipment for patients at Royal Cornhill Hospital.



The Hospital Homecoming project offering support to vulnerable people.

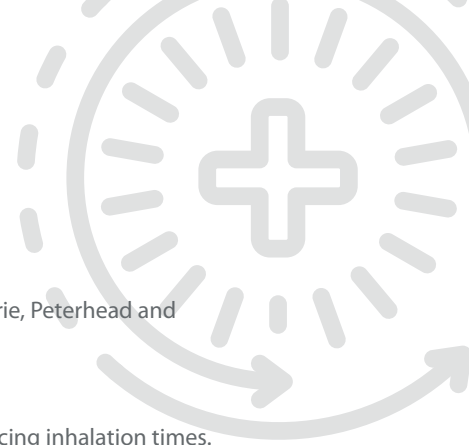


Grampian Hospitals Art Trust continued to keep art at the heart of NHS Grampian through it's online Artroom program.



Gym equipment for patients at Royal Cornhill Hospital.





## Prevention, diagnosis and treatment of illness

- New, improved ultrasound scanners for the Renal Units based at Banff, Elgin, Inverurie, Peterhead and Stonehaven.
- Five ambulatory ECG recorders for patients in the Acute Stroke Unit.
- Six "E-flow rapids", electronic nebuliser systems for children with cystic fibrosis, reducing inhalation times.
- Specialist software, jointly funded by Friends of Anchor, to transform the delivery of advanced radiotherapy treatments.

## Provision of services and facilities in connection to the above

- This is the second year running we have been able to offer an extended grant programme, with 21 local community projects funded to deliver a diverse range of activities reaching families with young children and multiple support needs, people experiencing mental health issues, young people, people affected by cancer, carers and people living with chronic disease and disability.
- New furniture for the refurbished Skene and Fyvie Wards at Royal Cornhill Hospital and for Ward 7 at Dr Gray's Hospital.
- Support for the development of a Patient Experience Group for users of the Mental Health and Learning Disabilities Service.
- Funding granted following fundraising efforts by Friends of Anchor and the Archie Foundation, to support the two-year appointment of an Arts and Environment Manager for the Baird Family Hospital and ANCHOR Centre facilities currently under construction on the Foresterhill Health Campus. These posts will ensure the provision of a well-designed and welcoming environment which makes people feel valued and respected as they access the services offered by both facilities.
- A grant to the University of Aberdeen to support the development of Fast-Field Cycling (FFC) imaging. This is an innovative imaging technique that can potentially detect a range of common diseases at an earlier stage than existing imaging modalities.
- Contribution towards the development of a palliative care suite at Turriff Hospital in partnership with the Friends of Turriff Hospital.



**Refurbished kitchen and therapy area at Corgarff Ward.**



**A major research grant of £178,920 has been awarded into Fast Field-Cycling-Imaging**

- Installation of a kitchen and craft area at Corgarff Ward, Royal Cornhill Hospital to support rehabilitation of patients.



## Research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or any other matters relating to the health service as the Trustees see fit

- Annual allocation of research funding for one-year projects recommended by NHS Grampian Research and Development Unit: 19 projects totalling £0.215 million. Successful applicants in 2021-22 covered a wide range of topics including social and clinical research. Three projects are looking at the experience of patients in remote and rural areas, including remote consulting and assessment and in relation to service provision during Covid-19. Other projects also focussed on Covid-19, one looking at complications in patients with comorbidities and others looking particularly at the impact of Covid-19 on the care of stroke patients, patients with kidney disease and women with endometriosis. Two projects are investigating the use of technology as an early intervention to enhance the experience of patients with cognitive impairment through technology and to optimise timing of medication and exercise in patients with diabetes.

Significant funding has also been provided for the following projects:

- Funding for a further two years of the PINE study, an observational study which started in 2002 and follows patients until death and post mortems undertaken as appropriate. Of the 600 patient recruited, 150 are still part of the study. The study will inform the long-term prognosis of patients including quality of life and medication.
- Research into staff development of health and wellbeing practitioners working in acute mental health settings. The outcomes will demonstrate how practitioners working in acute mental health be enabled to build their skills and confidence in making sense of a range of patient feedback
- Funding for participation in the Scottish National Audit of Breast Cancer in Older Patients which will contribute to the development of strategies to address breast cancer in women aged 70 and over.
- Support for The Study of Eczema and Asthma, an observational study to consider the influence of nutrition of a birth cohort was recruited between 1997 and 1999 from among expectant mothers attending a “booking visit” at ten weeks gestation at Aberdeen Maternity Hospital.
- A study to identify and support the needs of staff and patients with Long Covid
- The investigation of persistent cognitive impairment post Covid infection: An Imaging Study using Magnetic Resonance Spectroscopy.
- Research by scientists at the University of Aberdeen who are using “game-changing” technology to produce a new type of mask that is more effective in stopping the spread of Covid-19.
- The development of artificial intelligence algorithms to provide personalised prediction estimates of post operative estimates or post operative morbidity and mortality following gynaecological oncology surgery.
- Research into Huntington’s Disease has been ongoing for 10 years, funded by Endowments. Due to an increase in the number of patients in commercially funded trials of potentially disease modifying new treatments, and a large number of patients coming forward wanting to take part in trials, Endowments has increased funding to the HD clinic for additional research nurse time. The outcome of this project so far has led to the Grampian Care Framework which provides options and support for patients and families.
- Further funding to expand a research project into vasculitis in renal patients which, for the first time, has identified a novel marker of vasculitis in the kidneys of patients with the condition.



**Henry Watson, consultant oncologist recently retired, Dr Nicola Mutch, researcher and Jamie Cooper, consultant Emergency Medicine who did Covid research in 2020-21**

## Review of the Finances of the Charity

### Overview

The financial position of the charity is detailed in the Statement of Financial Activities and Balance Sheet on pages 34 and 35 respectively.

Overall, the funds available to the charity increased by £3.387 million over the previous year (2020/21 restated £9.154 million). This increase related to a net gain on the valuation of investments of £3.064 million (2020/21 £8.326 million) and to a surplus on charitable activities of £0.323 million for the year (2020/21 Restated £0.828 million).

The increase in the value of the investment portfolio represents continued strong growth in global investment markets since the initial impact of the COVID 19 pandemic in March 2020, although this growth was partially offset by the adverse impact of the conflict in Ukraine during February and March 2022. The charity had no direct investments in Russian Companies during the year. The charity's investment strategy targets investments to deliver sustainable long-term capital growth and consistent income generation, and this has been maintained during 2021/22.

In line with the trend experienced by many other charities due to the economic impact of the COVID pandemic on local communities, income from donations and legacies continued to fall during the year. The reduced level of planned care and impact of restrictions on visiting and flow through hospitals and other health facilities also contributed to the reduction in donations received.

With the attention of clinical staff focused on addressing the system pressures arising from the ongoing impact of the COVID pandemic, the charity also experienced a reduction in expenditure during the year due to a drop in the number of grant applications received for general and other specific purposes.

The net effect was a surplus of income over expenditure for the year of £0.323m. The charity will continue to work closely with all relevant Health and related services as they re-mobilise and return to a more normal footing, to ensure that available funds are utilised effectively improving the health and wellbeing of patients and staff in line with the wishes of our donors.

### Income

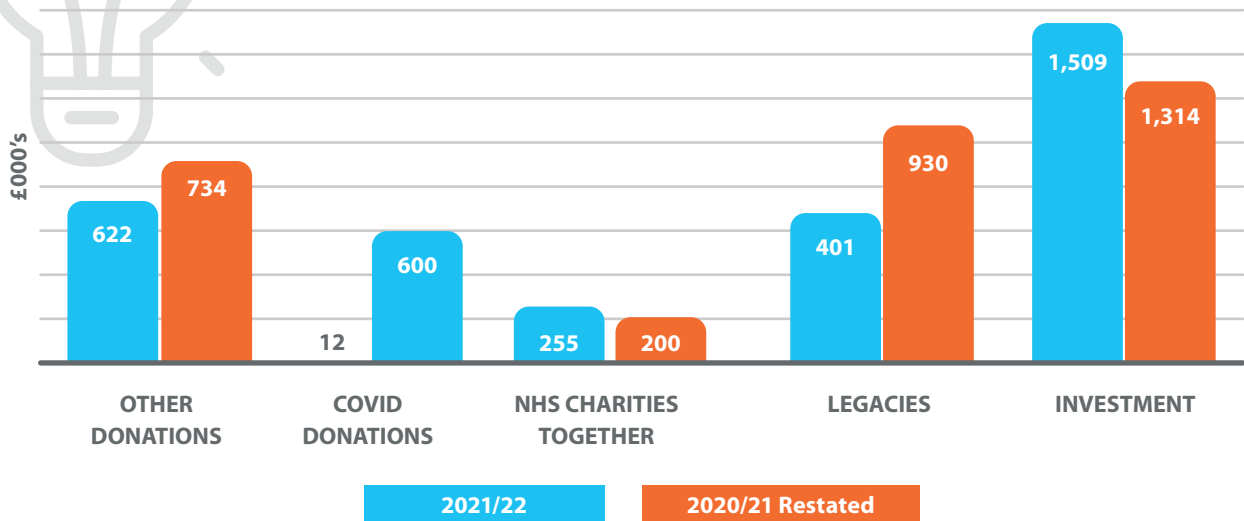
The Charity relies upon the generosity of patients, their relatives and friends, who have experienced the care of Grampian Health Board, and other donors who are generous in their support of the Charity. Total income for the year was £2.799 million (2020/21 restated: £3.778 million) and this is analysed between donations, legacies and income from investments in the chart below.

Income levels are down compared with the previous year. The underlying trend is a continuing drop in general donations, consistent with many other charities in the sector. In addition, the significant levels of donations from our local communities specifically for COVID response and recovery received during 2020/21 have not been replicated in 2021/22.

Investment income has however increased encouragingly to pre pandemic levels as companies moved to restore dividend payments held back in the prior year to help weather the economic downturn.



## NHS Grampian Endowment Funds Income analysis



### Expenditure

Total expenditure for the year was £2.476 million (2020/21 restated £2.950 million), £2.050 million relating to grants for charitable activities as detailed in note 7 to the accounts (2020/21 restated £2.561 million), £0.203 million on staffing and support costs (2020/21 £0.187 million) and £0.223 million on investment management fees (2020/21 £0.202 million).

### Prioritisation and Grant Making policy

The Trustees fulfil their legal duty by ensuring that all grant payments are made in line with the wishes of the donors and must be consistent with the charitable purpose of the Charity i.e. to work in partnership to achieve the greatest impact and promote first class healthcare by delivering:

- Improvement of the physical and mental health of the Grampian Health Board's population and our staff;
- Prevention, diagnosis and treatment of illness;
- Provision of services and facilities in connection to the above; and
- Research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or any other matters relating to the health services, as the Trustees see fit.

Trustees delegate responsibility for the management of individual funds to named fund stewards who may incur expenditure, subject to the required authorisation process, provided the expenditure falls within the objects of the fund, that where appropriate the request is supported by Grampian Health Board and that the funds are available to meet the request.





All applications for the use of endowment funds follow an established process which involves a pre-approval assessment against the following criteria:-

- The overall scheme is in line with NHS Grampian’s Clinical Strategy;
- The Endowment funded elements are in addition to the core NHS provision;
- The scheme will enable benefits to patients through improvements in the overall quality of care, physical environment and/or amenity; and
- The scheme has the agreement of all stakeholders including service users and staff.

During 2021, the Trustees continued their aspirations to prioritise areas of funding and agreed the strategic direction of their priorities:

- Staff have increased resilience to live with personal and professional challenges;
- Staff, patients and volunteers feel cared for while carrying out their roles;
- People in Grampian have improved access to supports which improve self-management and supports good physical and mental health; and
- To enable better understanding of barriers.

The Endowment Sub-Committee reviews the financial position of the Charity and flow of income and expenditure in order to ensure the affordability of commitments at each of its meetings.



**Dr Gray’s unveil brand new look for Ward 7**



**Inverness Marathon runners Steven and Cara Coull raise an incredible £1,952 for the diabetes fund inspired by Marlie, aged 3**

## Net Assets

The Charity had net assets of £49.308 million at 31 March 2022 (2020/21 restated £45.921 million) as follows:

<b>Summary Net Assets</b>	<b>31 March 2022</b> £million	<b>31 March 2021</b> £million
<b>Assets</b>		
Investments	53.220	50.151
Debtors	0.126	0.623
Cash	1.979	1.859
<b>Total Assets</b>	<b>55.325</b>	<b>52.633</b>
<b>Liabilities</b>		
Creditors	(1.002)	(0.905)
Provisions	(5.015)	(5.807)
<b>Total Liabilities</b>	<b>(6.017)</b>	<b>(6.712)</b>
<b>Net Assets (Assets less Liabilities)</b>	<b>49.308</b>	<b>45.921</b>

There are no material commitments that are not provided for as liabilities in the accounts.

## Available Funds and Reserves Policy

The net assets of £49.308 million comprise the total funds available to the Charity at 31 March 2022.

With the exception of permanent endowments which are held in perpetuity, all funds are held until required to meet future expenditure commitments which materialise in line with the objectives of the Charity and the specific wishes of the donors. Restrictions can apply to the use of funds in line with the wishes of donors and the total funds available to the charity are further analysed between the different types of fund as follows:

Type of Fund	31 March 2022 £million	31 March 2021 Restated £million
<b>Funds not available for the general purposes of the Charity:</b>		
Restricted Income Funds	23.996	24.101
Permanent Endowment Funds	0.366	0.395
<b>Funds that can only be realised on sale of investments:</b>		
Revaluation Reserve	17.815	14.956
<b>Unrestricted Funds</b>		
Designated for use in specific hospitals	2.076	2.062
General Funds	5.055	4.407
<b>Total</b>	<b>49.308</b>	<b>45.921</b>

## Reserves Policy

The Trustees have been suitably focused throughout the year on ensuring the charity remains in financial balance and our reserves are sufficient to ensure we can continue to meet future commitments.

The Trustees have adopted a formal reserves policy in relation to unrestricted funds driven by the investment objectives to achieve a balance between capital growth and the generation of income. The reserves policy stipulates that unrestricted general funds should not fall below £3 million on average in order to provide cover for short term fluctuations in the value of the investment portfolio.

Total unrestricted general endowment funds at 31 March 2022 were £5.055 million and the Trustees have agreed that this reserve level remains appropriate to provide long term sustainability and ensure that sufficient investment income is generated to fund the ongoing healthcare and patient welfare activities that are typically funded through unrestricted funds.

Unrestricted funds may be applied to any use within the purpose of the Charity. The Restricted Funds, Permanent Endowment Funds and Revaluation Reserve are excluded from the reserves policy as they do not come within the definition of "free reserves". The Trustees actively encourage the application of funds in line with the charitable purposes and in a manner that as far as possible meets donors' wishes.

In addition to the restricted and unrestricted funds held in reserves, the Trustees have the power, if they so wish, to use the income generated from permanent endowments as stipulated within the terms of the donations received. For Permanent Endowments, Trustees must preserve the amount of the original donation, based on the terms of the donations.



# Investments

## Investment Policy

The Charity has a formal Investment Policy, which the Trustees review at each Annual General Meeting. The investment objective is to achieve a balance between capital growth and the generation of income. The Charity will not directly invest in the securities of organisations that are involved in activities incompatible with the objective and ethos of the National Health Service.

All funds are invested to achieve a balance of capital growth and income. The Charity's Investment Manager is abrdn. For the Charity to achieve its stated investment objective, explained in the paragraph above, the Trustees have authorised its Investment Managers to adopt a medium risk approach. This corresponds to a diversified portfolio invested in a broad spread of equities, invested both directly and indirectly through pooled funds. The portfolio also includes a proportion of fixed-interest securities and cash

## Investment Performance

The market value of the investment portfolio was £53.220 million as at 31 March 2022 (2020/21 £50.151 million). The net difference between the market value and the initial purchase value of investments at 31 March 2022 was £16.504 million (2020/21 £13.974 million). Unrealised losses have been recognised against general funds whereas unrealised gains are held as a separate revaluation reserve on the Balance Sheet, which is detailed on page 35.

During the year, the investment portfolio generated an income from interest and dividends of £1.509 million (2020/21 £1.314 million) and a net gain on investments of £3.064 million (net gain on disposal of investments £0.533 million and net gain on in year revaluation of £2.531 million) as detailed in the Statement of Financial Activities on page 34. (2020/21 £8.326 million: net gain on disposal of £0.916 and net gain on revaluation of £7.410 million). The performance of the investments is reviewed on a regular basis in comparison with an agreed benchmark, which comprises the following elements: the FTA Government All Stocks Index (25%), the FTSE All Share Index (47%), the FTSE World excluding UK Index (25%), and Cash (3%). The performance of the Fund for 2022 against the agreed benchmark was as follows:

	<b>Total Return</b> %
NHS Grampian Charitable Fund Investment Portfolio	9.2
Benchmark Indices	8.4

Our Investment Manager monitors investments to ensure they have an attractive and sustainable long-term return profile with the ability to weather any setback – specifically identifying companies that can generate a long-term attractive return on invested capital and have consistent cash flow generation. The Endowment Sub-committee monitors the portfolio's performance at each quarterly meeting.

The portfolio holdings for the year compared to the benchmark are summarised below:

	<b>Actual Holdings</b> <b>Year to 31 Mar 2022</b>	<b>Benchmark</b>
	%	%
FTA Government All Stocks Index*	12.7	25.0
FTSE All Share Index	36.0	47.0
FTSE World excluding UK Index*	47.9	25.0
Cash	3.4	3.0
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

\*reflects the better performance from equities than from bonds during the year.

## Principal Risks and Uncertainties

The Trustees continuously assess and address the major risks associated with the operations and finances of the Charity. A review of the Charities risk management arrangements will be progressed during 2022 to ensure that the risk register continues to reflect the environment within which we operate.

The principal risks and uncertainties are assessed as follows:

- The fluctuations in the stock markets which affect the performance of the Charity's investments;
- The fluctuations in levels of donations and other sources of income which affect the Charity's grant making ability;
- Ensuring that the Charity is used appropriately through effective financial controls and reporting processes that mitigate error, mistake and fraud; and
- Ensuring positive publicity and public perception of the Charity is maintained.

The Trustees have delegated management of these risks and uncertainties to the Endowment Sub-committee which has carefully considered these risks and have procedures in place as follows:

- Review of the Investment Policy and the performance of the Investment Fund Managers on a regular basis, to ensure that both expenditure and firm financial commitments remain in line with the level of resource available to the Charity. In addition, during times of stock market uncertainty, the portfolio is monitored regularly with a view to reviewing expenditure and commitments if the value of the portfolio falls below a level agreed by the Trustees;
- Review of the investment portfolio and factors affecting the global economy to inform decisions to release capital growth of the Charity;
- A financial performance report is available for review at each Endowment Sub Committee meeting;
- The operational scheme of delegation for the Endowment Funds minimises the risk of inappropriate use of funds;
- Fund expenditure is subject to regular review and independent scrutiny by Audit;
- All applications for the use of Endowment Funds follow an established process which involves a pre-approval assessment against agreed criteria. This process and the agreed criteria is explained in more detail on page 15 above; and
- The Charity liaises with Grampian Health Board's Corporate Communications team to raise awareness of how the Endowment Fund is used to meet the charitable purposes of the Charity.

## Plans for the Future

An extensive process of stakeholder engagement is underway to inform the development of the Charity's future strategy. In addition to the requirement to implement the recommendations arising from the Scottish government's review, other areas for consideration include how the charity can enable change through more effective targeting of grant giving towards health prevention and tackling inequalities and how the charity can deliver meaningful progress towards responsible sustainable development goals. With the latter point as a key focus, a revised investment policy will be presented to Trustees for approval at the AGM in July 2022.



As we shape and develop the future strategy however, the Charity will continue to maintain our commitment to the core purpose of improving the health and wellbeing of our healthcare staff, patients and our local communities. We will also retain our focus on helping people manage the lasting impact of COVID whilst seeking to increase strategic investment in self-care, health prevention and to address inequalities in our local communities.

To facilitate this, Trustees have created an earmarked "lasting impact fund", using

some of the recent capital growth on the investment portfolio. The fund currently has a balance of £2m available to be targeted equally at health improvement and prevention activities and to encourage innovative community based research.

The report of the Scottish Government's Review of Governance of NHS Endowment Funds was published in October 2021. The report includes recommendations for a change to the Governance arrangements for Scottish NHS Linked Endowment Funds and once legislation is in place, there will be a clearer idea of the timescales for implementation of these changes.

To improve resilience and create additional capacity to meet future challenges, including the likely changes to the Charity's legal structure following the recommendations of the Scottish Governments' review of governance arrangements for NHS Scotland Charities, we have also enhanced the Charity's support team. A new Lead Officer position was created in January 2021, following retirement of the previous Operational Manager, and we plan recruit in to strengthen Finance and Communications and Engagement roles later in 2022.

The Charity is also progressing a review of our policy on investment in research involving a wide range of stakeholders from academics with a strong background in clinical and social research to community representatives keen to develop lived experience research projects. The outcome and recommendations for future policy in this area is due to be reported to Trustees later in 2022.



# Structure, Governance and Management

## Structure

All Health Board members are Trustees of the Charity under the terms of the National Health Services (Scotland) Act 1978. All Trustees carry a legal duty to ensure that all donated funds are used in accordance with the charitable purpose and key principles below.

The results of the Charity are consolidated into the accounts of Grampian Health Board on the basis that all Trustees are also members of the Grampian Health Board so the Charity effectively operates under common control for accounting purposes.

The Charity is made up of 732 individual funds as at 31 March 2022 (31 March 2021: 846), and the notes to the accounts distinguish the different types of funds held.

The Scottish Ministers appoint the Trustees of the Charity by virtue of their appointment to Grampian Health Board. Appropriate training is given to new Trustees following appointment which enables them to carry out their duties as Trustees. The Charity's governance framework is outlined within an agreed Charter and includes a schedule of decisions reserved for Trustees. An Endowment Sub-Committee deals with the operational business of the Charity and robust Operating Instructions for administrative processes are in effect in order that Trustees have assurance on the internal control environment.

The Trustees of the Charity during 2021-22 and up to the date the financial statements were approved are listed below. No key management personnel are directly employed by the Charity.

### Grampian Health Board Members

Mrs Luan Grugeon <i>Chair of Trustees</i>	Councillor Isobel Davidson (to 30 April 2022)	Councillor Shona Morrison (to 30 April 2022)
Mrs Amy Anderson	Mr Albert Donald	Mr Roderick Murray (from 15 April 2021)
Mrs Rhona Atkinson	Ms Joyce Duncan	Mr Jonathan Passmore (to 14 April 2021)
Councillor Ann Bell (from 30 May 2022)	Professor Nick Fluck	Mr Sandy Riddell
Professor Siladitya Bhattacharya	Mr Alan Gray (Until 31 March 2022)	Mr Dennis Robertson
Dr June Brown (from 1 July 2021)	Professor Caroline Hiscox	Dr John Tomlinson
Councillor Tracy Colyer (from 30 May 2022)	Councillor Ryan Houghton (from 25 May 2021 to 30 April 2022)	Mrs Susan Webb
Ms Kim Cruttenden	Miss Rachael Little	Councillor Ian Yuill (from 30 May 2022)
	Professor Lynda Lynch (to 31 December 2021)	

## Purpose and Principles

### Purpose

- To adhere to the vision and mission approved by the Trustees; and
- To observe any conditions attached to a donation or legacy prescribed by a donor to the Charity, so far as is reasonably practicable, and consistent with the above purpose and the law

### Principles

- The grant of endowment funds should not substitute for a core provision, nor should endowment funds be used to cover a responsibility of Grampian Health Board that is a direct requirement of health and safety or employment law or a ministerial policy direction; and
- An employee of Grampian Health Board may only benefit from the Charity where the expenditure is aimed at improving health, welfare or the prevention, diagnosis or treatment of illness for Grampian Health Board's residents. Any benefit to the employee must be incidental to (and necessary for) that benefit to be realised.

## Strategic Objectives and Activities

The Fund receives donations and/or legacies from patients, their relatives, the general public and other organisations.

The Trustees hold all donated funds upon trust and apply the income and, at their discretion, so far as may be permissible, the capital, for any charitable purpose or purposes that enhance healthcare and patient welfare in Grampian, through:

- Improvement of the physical and mental health of the Grampian Health Board's population and our staff;
- Prevention, diagnosis and treatment of illness;
- Provision of services and facilities in connection to the above; and
- Research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or any other matters relating to the health service as the Trustees see fit.

The Trustees consider the following when discharging their responsibilities in line with the purpose and principles of the Fund:

- Observance of any conditions attached to a donation or legacy prescribed by a donor, so far as reasonably practicable and consistent with the charitable purpose and the law;
- The grant of endowment funds should not substitute a core provision nor should endowment funds be used to cover a responsibility of Grampian Health Board that is a direct requirement of health and safety or employment law or a ministerial policy direction;
- An employee of Grampian Health Board may only benefit from the charity where the expenditure is aimed at improving health, welfare or the prevention, diagnosis or treatment of illness for Grampian Health Board residents. Any benefit to the employee must be incidental to (and necessary for) that benefit to be realised;
- Where service changes have taken place or it is impractical to maintain a separate designated fund, the Trustees have the ultimate discretion for the application of the fund, in accordance with the NHS (Scotland) Act 1978, whilst respecting the wishes of the donors; and
- The principles of the Charity have been applied consistently and there has been no retrospective approval of endowment funds to cover expenditure that had previously been charged to exchequer funds.

## Decisions reserved to Trustees

The following matters are reserved for approval by the Trustees:

- Any strategy or policy matters relevant to the Charity including any proposed changes to the Charter;
- The arrangements for governance and management administration of the charity's activities including terms of reference of any committee or sub-committee to be established by the Trustees;
- The investment strategy;
- The reserves policy;
- The annual report and accounts;
- The appointment of the external auditor;
- The appointment of investment managers; and
- The membership and constitution of Sub-Committees.

## Decisions Delegated to the Endowment Sub-Committee

The Charter provides for delegation of various operational functions to an Endowment Sub-Committee to carry out the day to day business of the charity. These delegated functions include:

- Approval of the annual General Endowment Fund income and expenditure budgets;
- Monitoring financial performance and ensuring that adequate control arrangements exist to provide assurance to Trustees that:
  - Expenditure is consistent with the defined purpose of the Charity;
  - Expenditure is legally permitted and consistent with the charitable status of the Charity; and
  - The expenditure is consistent with Grampian Health Board policy.
- Authorising Endowment Fund expenditure in accordance with the Grampian Health Board Scheme of Delegation; and
- Monitoring investment performance.

## Endowment Sub-Committee Membership

Mrs Luan Grugeon, Chair  
Professor Siladitya Bhattacharya  
Mr Alan Gray (until 31 March 2022)  
Cllr Ryan Houghton (from 25 May 2021)  
Miss Rachael Little  
Mr John Tomlinson

Mr Alan Gray, Director of Finance for Grampian Health Board had overall responsibility for the management of the Charity. The individual Fund Stewards have delegated authority to commit expenditure up to £5,000. Thereafter, the Director of Finance approves expenditure up to £15,000 and the Director of Finance and the Chair of Trustees approve all expenditure requests up to £50,000. During periods of absence, the Deputy Director of Finance or the Assistant Director of Finance have delegated authority to act on behalf of the Director of Finance and any other Trustee who is also a member of the Endowment Committee, can act on behalf of the Chair of Trustees. For sums above £50,000, approval from the Endowment Sub-Committee is required.

Mr Garry Kidd, Assistant Director of Finance, acted as the principal officer overseeing the day to day financial management and accounting for the charitable funds during the year. The Lead Officer is responsible for ongoing administration of the Charity, advising and training Fund Stewards and management teams in the use of endowment funds, and for making recommendations to the Trustees for the use of the Charity's funds.



## Reference and Administrative Details

### Name

The legally registered name of the Charity is Grampian Health Board Endowment Fund (NHS Grampian).  
The Charity operates under the common name of NHS Grampian Endowment Funds.

### Charity Number SC017296

### Headquarters

The current principal address of the Charity is:  
NHS Grampian Endowment Funds  
Finance Department, Westholme  
Woodend Hospital  
Queens Road  
Aberdeen. AB15 6LS

### Key Advisor Details

#### Auditor

Azets Audit Services  
Statutory Auditor  
Exchange Place  
3, Semple Street  
Edinburgh.  
EH3 8BL

#### Investment Managers

Abrdn Capital Limited  
1 George Street  
Edinburgh.  
EH2 2LL

#### Bankers

Government Banking Service – National Westminster Bank  
2nd Floor  
280 Bishopsgate  
London.  
EC2M 4RB

#### Solicitors

Central Legal Office  
NHS National Services Scotland  
Anderson House, Breadalbane Street  
Bonnington Road,  
Edinburgh.  
EH6 5JR

Turcan Connell  
Princes Exchange  
Earl Grey Street,  
Edinburgh.  
AH3 9EE

## Going Concern

After making enquiries, the Trustees have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis are included in Note 2 Accounting Policies of the financial statements.

## Bequests and Legacies

The Charity receives donations from eight Trusts or Legacies which are variable in the amounts and frequency of payments. The Charity has received notification of three legacies and the residue or share of the residue of five estates, three of which is the residue of estates at the termination of a life rent the value of which has not yet been quantified. See Note 2 (d) to the Accounts, for the accounting policy on Income from Legacies.

## Acknowledgement

The Trustees would like to thank the many individuals, clubs and societies, work groups and other organisations who have donated generously to the Grampian Health Board Endowment Fund throughout the year. The Trustees are also grateful to a number of independent charities which work in partnership with NHS Grampian Endowment Fund to jointly fund a range of projects.

## Appointment of Auditor

Azets Audit Services have expressed their willingness to continue in office as auditor. The appointment of Auditor will be considered at the Annual General Meeting.

## Statement of Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Annual Report and accounts in accordance with applicable law, regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 period. In preparing these accounts, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for maintaining adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Trustees on 22 July 2022 and signed on their behalf by:

*Luan Grugeon*

**Luan Grugeon**

Chair of Trustees

Grampian Health Board Endowment Fund

(Operating as NHS Grampian Endowment Funds)

# **INDEPENDENT AUDITOR'S REPORT**

**TO THE TRUSTEES OF GRAMPIAN HEALTH BOARD ENDOWMENT FUND  
(OPERATING AS NHS GRAMPIAN ENDOWMENT FUNDS)**

**FOR THE YEAR ENDED  
31 MARCH 2022**



**Independent Auditor's Report to the Trustees of Grampian Health Board  
Endowment Fund (Operating as NHS Grampian Endowment Funds) for the  
Year Ended 31 March 2022 (Continued)**

**Opinion**

We have audited the financial statements of Grampian Health Board Endowment Fund (Operating as NHS Grampian Endowment Funds) (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the 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 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our 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.

**Independent Auditor's Report to the Trustees of Grampian Health Board  
Endowment Fund (Operating as NHS Grampian Endowment Funds) for the  
Year Ended 31 March 2022 (Continued)**

**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.

**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 Annual Report of the Trustees is inconsistent in any material respect with the financial statements; 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 the Trustees**

As explained more fully in the Statement of the Trustees' Responsibilities set out on page 26, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Independent Auditor's Report to the Trustees of Grampian Health Board  
Endowment Fund (Operating as NHS Grampian Endowment Funds) for the  
Year Ended 31 March 2022 (Continued)**

**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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at: [www.frc.org.uk/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities). This description forms part of our Auditor's Report.

**The extent to which the audit was considered capable of detecting irregularities including fraud.**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees, and from our knowledge and experience of the charity sector;

**Independent Auditor's Report to the Trustees of Grampian Health Board  
Endowment Fund (Operating as NHS Grampian Endowment Funds) for the  
Year Ended 31 March 2022 (Continued)**

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the trustees and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the charity's legal advisors.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Auditor's responsibilities for the audit of the financial statements (continued)**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of 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



**Independent Auditor's Report to the Trustees of Grampian Health Board  
Endowment Fund (Operating as NHS Grampian Endowment Funds) for the  
Year Ended 31 March 2022 (Continued)**

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.

**Use of our report**

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

**Azets Audit Services**

**Statutory Auditor**

**Chartered Accountants**

Exchange Place, 3 Semple Street

Edinburgh

EH3 8BL

Date: 22 July 2022

Azets Audit Services 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.

# **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2022**

Statement of Financial Activities for the year ended 31 March 2022

	Note	2022				2021 Restated			
		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total £000
<b>Income and Endowments From:</b>									
Donations and Legacies									
Donations		64	825	0	889	154	1,380	0	1,534
Legacies		64	337	0	401	0	930	0	930
<b>Total Income from Donations and Legacies</b>		<b>128</b>	<b>1,162</b>	<b>0</b>	<b>1,290</b>	<b>154</b>	<b>2,310</b>	<b>0</b>	<b>2,464</b>
Investment Income	5	1,509	0	0	1,509	1,314	0	0	1,314
<b>Total Income and Endowments</b>		<b>1,637</b>	<b>1,162</b>	<b>0</b>	<b>2,799</b>	<b>1,468</b>	<b>2,310</b>	<b>0</b>	<b>3,778</b>
<b>Expenditure on:</b>									
Raising Funds:									
Investment Management Costs		66	157	0	223	54	148	0	202
Charitable Activities	7	688	1,549	16	2,253	955	1,793	0	2,748
<b>Total Expenditure</b>		<b>754</b>	<b>1,706</b>	<b>16</b>	<b>2,476</b>	<b>1,009</b>	<b>1,941</b>	<b>0</b>	<b>2,950</b>
Net Gains / (Losses) on Investments	10	3,064	0	0	3,064	8,326	0	0	8,326
<b>Net Income / (Expenditure) for the year</b>		<b>3,947</b>	<b>(544)</b>	<b>(16)</b>	<b>3,387</b>	<b>8,785</b>	<b>369</b>	<b>0</b>	<b>9,154</b>
<b>Transfers between Funds</b>		<b>(426)</b>	<b>439</b>	<b>(13)</b>	<b>0</b>	<b>(357)</b>	<b>357</b>	<b>0</b>	<b>0</b>
<b>Net Movement in Funds</b>		<b>3,521</b>	<b>(105)</b>	<b>(29)</b>	<b>3,387</b>	<b>8,428</b>	<b>726</b>	<b>0</b>	<b>9,154</b>
<b>Reconciliation of Funds</b>									
Total Funds Brought Forward	16	21,425	24,101	395	45,921	12,997	23,375	395	36,767
<b>Total Funds Carried Forward</b>	<b>16</b>	<b>24,946</b>	<b>23,996</b>	<b>366</b>	<b>49,308</b>	<b>21,425</b>	<b>24,101</b>	<b>395</b>	<b>45,921</b>

All income and expenditure derive from continuing operations. There were no other recognised gains or losses other than listed above and the net income for the year.

The notes on pages 37 to 54 form part of these financial statements.

## NHS Grampian Endowment Funds

### Balance Sheet as at 31 March 2022

	Note	2022 £000	2021 Restated £000
<b>Fixed Assets</b>			
Investments	10	53,220	50,151
<b>Total Fixed Assets</b>		<b>53,220</b>	<b>50,151</b>
<b>Current Assets</b>			
Debtors	11	126	623
Cash at Bank and in Hand	12	1,979	1,859
<b>Total Current Assets</b>		<b>2,105</b>	<b>2,482</b>
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	13	(1,002)	(905)
<b>Net Current Assets</b>		<b>1,103</b>	<b>1,577</b>
<b>Total Assets less Current Liabilities</b>		<b>54,323</b>	<b>51,728</b>
Provisions for liabilities	14	(5,015)	(5,807)
<b>Total Net Assets</b>		<b>49,308</b>	<b>45,921</b>
<b>The Funds of the Charity</b>			
Unrestricted Funds			
General funds	16	5,055	4,407
Designated Hospital Funds	16	2,076	2,062
Revaluation Reserve	16,17	17,815	14,956
		24,946	21,425
Restricted Income Funds	16,18	23,996	24,101
Endowment Funds	16	366	395
<b>Total Charity Funds</b>		<b>49,308</b>	<b>45,921</b>

These financial statements of NHS Grampian Endowments Funds, registered Number SC017296, were approved by the Trustees and authorised for issue on 22 July 2022. They were signed on its behalf by

**Luan Grugeon**  
**Chair of Trustees,**  
**Grampian Health Board Endowment Fund (Operating as NHS Grampian Endowment Funds)**

The notes on pages 37 to 54 form part of these financial statements.



**Statement of Cash Flows for the year ended 31 March 2022**

	Note	2022 £000	2021 Restated £000
<b>Net income / (expenditure) for year as per statement of financial activities</b>		<b>3,387</b>	<b>9,154</b>
Adjustments for:			
(Gains) / Losses on investments		(3,064)	(8,326)
Dividends, interest from investments		(1,509)	(1,314)
Decrease / (Increase) in debtors		497	(470)
Increase / (Decrease) in creditors		97	(190)
(Decrease) / Increase in Provisions for Liabilities		(792)	(245)
<b>Net cash used in operating activities</b>		<b><u>(1,384)</u></b>	<b><u>(1,391)</u></b>
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		1,509	1,314
Proceeds from sale of investments		7,998	7,118
Purchase of investments		(7,437)	(7,228)
<b>Net cash provided by investing activities</b>		<b><u>2,070</u></b>	<b><u>1,204</u></b>
<b>Net decrease in Cash and Cash Equivalents</b>		<b>686</b>	<b>(187)</b>
Cash and Cash Equivalents at 1 April		3,010	3,197
<b>Cash and Cash Equivalents at 31 March</b>	<b>12</b>	<b><u>3,696</u></b>	<b><u>3,010</u></b>

**Analysis of Changes in Net Debt**

	At 1 April 2021 £000	Cash Flows £000	At 31 March 2022 £000
Cash	3,010	686	3,696
<b>Total</b>	<b><u>3,010</u></b>	<b><u>686</u></b>	<b><u>3,696</u></b>

**Notes to the Accounts for the year ended 31 March 2022**

**1. General information**

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Charity's transactions are denominated. They comprise the financial statements of NHS Grampian Endowment Fund.

The objective of NHS Grampian Endowment Fund is to enhance healthcare and patient welfare in Grampian.

NHS Grampian Endowment Fund is an unincorporated Charity, recognised as a Charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under Charity number SC017296. Details of the principal address can be found on page 24 of these financial statements.

**2. Accounting Policies**

**(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by 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), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

NHS Grampian Endowment Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the Charity's financial statements unless otherwise stated.

**(b) Going Concern**

The Trustees have assessed the balance sheet and likely future cash flows of the fund at the date of approving the financial statements. The key uncertainty over the next 12 months is the fluctuation in the stock market impacting on the performance of the Charity's investments, which is discussed in the Trustees Report. The Trustees believe that the Charity is well placed to manage its business risks successfully despite the current uncertain economic outlook due to COVID-19. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing financial statements.

**(c) Income recognition**

Income is recognised when the Charity has legal entitlement to the funds, after any performance conditions attached to the items of income have been met, and it is probable that the income will be received and the amount can be measured reliably.

## Notes to the Accounts for the year ended 31 March 2022 (Continued)

### 2. Accounting Policies (Continued)

#### (d) Income from Legacies

Income from legacies is credited to the Statement of Financial Activities on an accruals basis when the income can be measured and it is probable that the Charity will receive the income.

Material legacies which have been notified, but not recognised as income in the Statement of Financial Activities, are disclosed in a separate note to the accounts (see Note 21).

#### (e) Income from Endowment Funds

The income receivable from the investment of endowment funds is either restricted or unrestricted and is ring-fenced in accordance with the donor's stated wishes.

#### (f) Expenditure recognition

All expenditure as discussed in paragraphs (g) to (j) below, is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation committing the Charity to the expenditure, it is probable that settlement will be required and the amount can be measured reliably.

#### (g) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### (h) Allocation of Governance and Support Costs

The Charity incurs staffing and other costs associated with the administration and management of the funds. All staff are employed by Grampian Health Board and the costs are recharged to the Charity. The administration costs are allocated as appropriate across the categories of charitable expenditure. The basis of allocation is explained in Note 6 to the accounts.

#### (i) Costs of Raising Funds

The costs of raising funds are those costs attributable to generating income for the Charity and represent investment management fees.

#### (j) Charitable Activities

Costs of charitable activities comprise all costs incurred in the pursuit of the Charity's objectives.

#### (k) Realised Gains/Losses and Unrealised Gains/Losses

Unrealised gains at the Balance Sheet date are now disclosed separately in a revaluation reserve. This provides a clearer statement of the resources immediately available to fund stewards.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and the opening market value (or purchase value if later).

Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities. All unrealised gains at the Balance Sheet date are now disclosed separately in the revaluation reserve. Unrealised losses are provided for in the Statement of Financial Activities as part of net gains and losses on investments.

## Notes to the Accounts for the year ended 31 March 2022 (Continued)

### 2. Accounting Policies (Continued)

#### (l) Pensions

As the Charity does not have any employees (see Note 4 to the Accounts), Grampian Health Board, as employer, is the accountable body in relation to the pension provision for those members of staff whose salary costs are charged to the Charity. Grampian Health Board participates in the National Health Service Superannuation Scheme, and information on this scheme is included in Grampian Health Board's annual accounts.

#### (m) Taxation

On the basis that our activities fall within the charitable purposes and our funds are applied only for these purposes, no provision for corporation tax is made. This is in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and section 521 to 536 of the Income tax Act 2007.

#### (n) Funds Structure

Unrestricted Funds are held without restriction, other than that they must be used in support of the Charity's charitable purpose either throughout the Grampian Health Board catchment area or at a particular health location.

Restricted Funds are received by way of donations and legacies where their use is restricted by conditions attached to the gift by the donor.

For Permanent Endowment Funds, the capital sum cannot be expended and only the income attributable to the Fund can be used for expenditure purposes.

#### (o) Fixed Asset Investments

Investments are stated at market value as at the Balance Sheet date. The Statement of Financial Activities includes the net gains and losses arising on disposals throughout the year.

Quoted stocks and shares are included in the Balance Sheet at their value at close of business on 31 March 2022.

#### (p) Debtors

Short term debtors are measured at transaction price, less any impairment.

#### (q) Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### (r) Creditors

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



## Notes to the Accounts for the year ended 31 March 2022 (Continued)

### 2. Accounting Policies (Continued)

#### (s) Contingent Liabilities and Provisions

In accordance with the SORP, a contingent liability is disclosed for those grants, which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by a contractual obligation.

Provisions are recognised for those grants where there is uncertainty as to the timing or amount of the liability. They are only recognised when there is a legal or constructive obligation at the Balance Sheet date as a result of past events, and it is probable that a transfer of economic benefit will be required to settle the obligation and the amount can be reliably estimated.

#### (t) Financial Instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The present value of material provisions for commitments, where the expected settlement date of the obligation is 12 months or more, are calculated using an appropriate discount rate.

### 3. Critical Accounting Judgements and Key Sources of Estimation

In the application of the Charity's accounting policies described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements include the recognition of legacy income and provisions for liabilities.

Notes to the Accounts for the year ended 31 March 2022 (Continued)

4. Related Parties and Trustees' Remuneration

During the year, payments totalling £1.993 million (2021: £2.031 million) were made to Grampian Health Board to enable a range of research and other activities for the benefit of patients and £0.118 million (2021: £0.099 million) was received from Grampian Health Board mainly relating to income from research activities.

No members or senior staff of Grampian Health Board or parties related to them, were beneficiaries of the Charity. The Trustees of the Charity are also members of the Grampian Health Board and information on the Trustees is included in the Trustees' Report on page 21. The Trustees received no emoluments from the Fund in 2022 or 2021. There were no expenses reimbursed to Trustees or paid on their behalf during the current and prior years.

The Charity does not have any employees. Grampian Health Board employs the equivalent of 4.07 full time members of staff (2021: 3.70) whose time is spent on the provision of support for the administration and governance of the Fund. The salary costs for these staff members are recharged to the Charity on a quarterly basis.

There were no other transactions with related parties during the year, although the Charity made donations totalling £0.166 million (2021: £0.394 million) to the following bodies whose purpose is the provision of charitable support to Grampian Health Board. The total amount owed to Grampian Health Board at 31 March 2022 was £0.728 million (2021: £0.477 million). The total amount owed by Grampian Health Board at 31 March 2022 included within debtors was £0.006 million (2021: £0.074 million).

Body	2022 £	2021 £	Objective
Aberdeenshire Voluntary Action	59,404	-	Connecting Communities: A Community Based Model for Accelerating Patient Flow and Discharge to their own Home Setting
Aberdeen Council for Voluntary Organisations	37,128	-	Connecting Communities: A Community Based Model for Accelerating Patient Flow and Discharge to their own Home Setting
Moray TSI	37,128	-	Connecting Communities: A Community Based Model for Accelerating Patient Flow and Discharge to their own Home Setting
Grampian Hospital Arts Trust	32,000	53,700	Provision of art works and related services to within Grampian Health Board and Creative Mobile Unit - on remote: Commission 8 workshops artists and a film-maker to delivery workshops and create arts sessions which can be accessed online. Art packs will be created and delivered to departments to use alongside the CMU session using online filmd workshops.
Aberdeen FC Community Trust	-	50,000	Delivery of NHS Mindsent Programme to children in Aberdeen and Peterhead
Grampian Regional Equality Council	-	10,000	Diversity and Health Champions: develop a network of health champions from diverse range of backgrounds to access those who are hard-to-reach and potentially most negatively affected by Covid-19. 2020 - Counselling and support to children and young people who have been subjected to prejudice.
Lossie 2-3 Group	-	10,000	Lossie Covid-19 Response: Establish a 20 hour post of Community Outreach Development Officer to co-ordinate volunteers.
<b>Sub Total</b>	<b>165,660</b>	<b>123,700</b>	

## Notes to the Accounts for the year ended 31 March 2022 (Continued)

## 4. Related Parties and Trustees' Remuneration (Continued)

Body	2022	2021	Objective
	£	£	
<b>Sub total from previous page</b>	<b>165,660</b>	<b>123,700</b>	
Denis Law Legacy Trust	-	10,000	Streetsport: Building positive relationships with young people and engaging with them in group based activities. Maintaining significant interaction and engagement by devising and providing a range of services outside normal working practices.
Sensationall	-	10,000	Running costs of regular virtual support groups and sessions for families affected by disabilities and support needs.
VSA	-	10,000	Capital cost for new build facility
Disabled Persons Housing Service	-	10,000	Family Wellbeing Hubs: Support the development of family wellbeing hubs in Tillydrone, Torry and Northfield to support children and young people and their families' mental health and wellbeing during and post Covid.
SACRO	-	10,000	Sacro Transition Project: Continue to support people in home environment by building capacity and enabling them to maintain their tenancy.
Inchgarth Community Centre	-	10,000	Inchgarth Kickstart Project: Funding for dance, exercise, relaxation and wellbeing activities for service users most impacted by Covid.
Coyote Initiatives	-	10,000	Silent Memories: Run Sound Memories sessions in up to 12 care homes and 4 hospitals in Grampian to engage with elderly, particular those with dementia and Alzheimer's.
Networks Of Wellbeing Ltd	-	9,990	Staying Connected - Coping with Covid: Funding to deliver a range of services - counselling, chilling women aromatherapy, dru yoga relaxation, peer support, mindfulness and technological assistance to access these activities.
Moray Wellbeing Hub CIC	-	9,914	Recovering our Peer to Peer Mental Health in Moray: Aims to achieve improved self-management of mental health in Moray through connection, hope, identity, meaningful and empowerment.
Maggies Aberdeen Cancer Centre	-	9,858	Networking Peer to Peer Support Groups for people with Cancer in Aberdeenshire: staff costs
Quarriers	-	9,828	Support for an Art Therapy project for people living with epilepsy and staff.
<b>Sub Total</b>	<b>165,660</b>	<b>233,290</b>	

Notes to the Accounts for the year ended 31 March 2022 (Continued)

4. Related Parties and Trustees' Remuneration (Continued)

Body	2022 £	2021 £	Objective
<b>Sub total from previous page</b>	<b>165,660</b>	<b>233,290</b>	
Moray Wellbeing Hub CIC	-	9,800	Reconnecting to our Wellbeing through COVID@ HSCM Workforce: Support for locally based peer support specialists to work in collaboration with HSCM staff support ad national partners See Me to undertake peer-led research and delivery self-management activity to understand and address these challenges.
Mearns And Coastal Healthy Liv	-	9,535	Here to Help: Funding to extend Here to Help service for older people living in Kincardine and Mearns especially those who may be at list of Covid-19.
North East Sensory Services	-	9,460	NESS Connect, Include and Support Project - digital inclusion project. Supporting socially isolated people aged 65+ I Aberdeen and Moray who have a significant visual and/or hearing impairment.
Maggies Aberdeen Cancer Centre	-	9,366	Benefits Advice for people affected by cancer during Covid-19: staff costs and consumables
Clan House	-	9,090	Light the North Tribute Sculpture: One-off commission sculpture as an NHS tribute to be displayed as part of the Light the North lighthouse trail for 8 weeks next spring across Grampian, Orkney and Shetland. 2020 - Improvements to drop-in area improving levels of comfort and privacy for people affected by cancer.
Elgin Youth Development Group	-	9,016	Eat, Meet and Cook: Expand Eat, Chat and Chill project for 11-18 year olds and to target 18-28 year olds. Cook a meal by participating in virtual cooking sessions, ingredients delivered to participants.
Hope Counselling	-	9,000	Subsidised counselling for vulnerable people with mental health issues and contribution towards counsellors external supervision.
Moray Baby Bank	-	7,530	Funding for running costs and to buy baby equipment in absence of donations.
Russell Anderson Foundation	-	7,200	Staff and equipment costs to delivery health and wellbeing programme to primary school children.
Alzheimer Scotland	-	7,100	Supporting people with dementia and their family carers across Grampian. Equip 10 staff returning from furlough with laptops to support people with dementia and families digitally. Also for staff to complete bespoke training.
<b>Sub Total</b>	<b>165,660</b>	<b>320,387</b>	

## Notes to the Accounts for the year ended 31 March 2022 (Continued)

## 4. Related Parties and Trustees' Remuneration (Continued)

Body	2022	2021	Objective
	£	£	
<b>Sub total from previous page</b>	<b>165,660</b>	<b>320,387</b>	
Fochabers Men's Shed	-	6,846	Returning for Recovery: adaption of existing spaces and creation of new partitioned area to comply with regulations to restart services and continue work being undertaken on behalf of the community.
Friends Of People First	-	6,810	Lend a Hand Project: Continuation of project and contribution to worker fees, training, travel.
Outfit Moray	-	6,600	
Aboyne And District Men's Shed	-	5,742	Provision of social distancing portable room screens. 2020 - Provide a facility for workshop/craft activity and social interaction to address rural isolation
Aberlour Community Association	-	5,730	ACA Foodbank: Continue food support initiative for 6 months to provide food for vulnerable people in community.
Quarriers Carers Support Service Moray	-	5,500	Quarriers Carers Support Service Moray: To support the health and wellbeing of project staff, to increase their resilience and increase their resilience.
Aberdeen Samaritans	-	5,273	Reaching our Local Community During Covid-10: 12 month project to realise awareness of services - 10 talks a year, online or face to face each for 15 people. Music linked to memories using silent disco technology.
Marie Curie	-	5,080	A Month of Care: 30 nights of nursing care
Aberdeen Foyer	-	5,080	Aberdeen Foyer Staff Resilience Programme: Virtual Fund at Work - 2 bespoke sessions for staff, Health Vouchers to support staff access a product or activity, Foyer Fly Cup for staff to meet up over coffee.
Moray Food Plus	-	5,000	HealthEAT: Targeting men with mental health challenges to come together, prepare a healthy lunch and attend fitness session.
Princess Royal Sports and Community	-	4,600	Post-Covid Referrals: increase GP referrals by an additional 2 classes per week.
Ability Net	-	3,000	Free technology support to older and disabled people through online resources and team of volunteers.
Lockdown Babies Buckie	-	2,000	Enable newly formed support group to offer two weekly sessions at a hall in Buckie and purchase appropriate equipment and safety measures to observe the 2m rule.
Fred Watt Opticians	-	1,705	Provision of flooring and patient seating
Rafford Village Hall	-	1,440	Re-establishment of Parent and Toddler Group under auspices of Rafford Village Hall. Hall hire, toys for up to 5 households to attend at a time.
<b>Sub Total</b>	<b>165,660</b>	<b>390,793</b>	

Notes to the Accounts for the year ended 31 March 2022 (Continued)

4. Related Parties and Trustees' Remuneration (Continued)

Body	2022 £	2021 £	Objective
<b>Sub total from previous page</b>	<b>165,660</b>	<b>390,793</b>	
Buckies Roots	-	1,234	Keeping Buckie Bonny: Offer PPE to volunteers who can benefit from activities, provide opportunity for people to connect with the community by planting, growing, keeping spaces beautiful.
Samaritans	-	1,000	Reaching our Local Community During Covid-10: 12 month project to realise awareness of services - 10 talks a year, online or face to face each for 15 people. Music linked to memories using silent disco technology.
Cullen Community Allotment	-	700	Covered outside meeting space at Cullen Allotments to enable the community to hold meetings outside in a safe space.
Rothienorman Scout Group	-	400	Health and safety equipment to return to face to face scouting.
<b>Total</b>	<b>165,660</b>	<b>394,127</b>	

5. Investment Income

	2022 £000	2021 £000
Dividends and interest from UK equities and fixed interest securities	1,508	1,314
Interest on cash deposits	1	0
	<b>1,509</b>	<b>1,314</b>

6. Allocation of Governance Costs and Overheads

The Charity incurs staffing and other costs associated with the administration and management of the fund as follows:

	2022 £000	2021 £000
Staff Costs	143	127
Administration running costs	17	18
Governance costs:		
Staff Costs	31	33
Auditors remuneration - audit fee	12	9
	<b>203</b>	<b>187</b>

All staff are employed by Grampian Health Board and the costs are recharged to the Charity. The cost of administration and management of the Charity and governance costs are allocated across the categories of charitable activities. The basis of apportionment is pro-rata to the total direct expenditure incurred on each activity.



Notes to the Accounts for the year ended 31 March 2022 (Continued)

7. Analysis of Charitable Expenditure

2022			2022
	Grant funding	Support costs	Total
	£000	£000	£000
Patient and staff education and welfare	594	52	646
Research	920	106	1,026
Purchase of equipment	337	31	368
Infrastructure improvements	199	14	213
	<b>2,050</b>	<b>203</b>	<b>2,253</b>

2021 Restated			2021 Restated
	Grant funding	Support costs	Total
	£000	£000	£000
Patient and staff education and welfare	1,089	81	1,170
Research	709	48	757
Purchase of equipment	317	24	341
Infrastructure improvements	446	34	480
	<b>2,561</b>	<b>187</b>	<b>2,748</b>

The grants include payments totalling £1.993 million (2021: £2.031 million) made to Grampian Health Board during the year to enable a range of research and other activities for the benefit of patients and staff. Grants made to other charities directly supporting Grampian Health Board are detailed in Note 4 above. No grants are paid to individuals.

All grant payments by the Charity are made in line with the charitable purpose of the Charity i.e. the enhancement of healthcare and patient welfare in Grampian. Trustees delegate responsibility for the management of individual funds to named fund stewards who may incur expenditure, subject to the required authorisation process, provided the expenditure falls within the objects of the Charity, that the grant request is supported by Grampian Health Board and that the funds are available to meet the request.

**Basis of Allocation of Charitable Expenditure between Restricted and Unrestricted Funds**

The grant funding of £1.907 million is charged directly to the fund in which it has been agreed each individual grant will be funded from. Support costs of £0.203 million are apportioned between Restricted and Unrestricted funds using the relative movement between the opening and closing balance of each fund.

8. Analysis of Staff Costs

	2022	2021
	£000	£000
Salaries and wages	136	124
Social Security Costs	14	13
Pension Costs	24	23
	<b>174</b>	<b>160</b>

The staff costs relate to recharges from Grampian Health Board for 4.07 (2021: 3.70) whole time equivalent members of staff - average number of staff 7 (2021: 6) - whose time relates to the provision of administration, planning and strategic management of the Charity, see Note 6 above.

No employees received remuneration in excess of £60,000 (2021: nil).

Notes to the Accounts for the year ended 31 March 2022 (Continued)

9. Auditor's Remuneration

The Auditor's remuneration was £11,015 (2021: £10,848) inclusive of VAT. The remuneration is entirely for the audit of the Charity's annual accounts.

10. Fixed Asset Investments

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Market value of investments at 1 April	49,000	40,564
Additions to investments at cost	7,437	7,228
Disposal of investments	(7,998)	(7,118)
Realised net gain on disposals	533	916
Unrealised net gain / (loss) on revaluation	2,531	7,410
Market value of investments at 31 March	<b>51,503</b>	<b>49,000</b>
Cash balance	1,717	1,151
Total	<b>53,220</b>	<b>50,151</b>
Historical cost of investments at 31 March	<b>36,801</b>	<b>36,177</b>

Investments at market value comprised:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Cash and cash equivalents	1,717	1,151
Listed investments		
Fixed interest securities	6,820	8,229
Equities	44,683	40,771
	<b>53,220</b>	<b>50,151</b>

The Trustees consider individual investments holdings in excess of 5% of the portfolio to be material. There were no material individual investments.

11. Debtors

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>Restated £000</b>
Accrued Income	83	522
Other debtors	43	101
	<b>126</b>	<b>623</b>

12. Cash and Cash Equivalents

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	1,979	1,859
Cash held for investment (note 10)	1,717	1,151
	<b>3,696</b>	<b>3,010</b>

Notes to the Accounts for the year ended 31 March 2022 (Continued)

13. Creditors Falling Due Within One Year

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade Creditors	97	31
Accruals	177	397
Public Sector	728	477
	<u>1,002</u>	<u>905</u>

£0.728 million was due to Grampian Health Board at the balance sheet date. (2021: £0.477 million).

14. Provisions for Liabilities

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>Restated £000</b>
Obligations outstanding at 1 April	5,807	6,052
New obligations arising in the year	2,406	2,761
Obligations paid during the year	(2,618)	(2,282)
Obligations reversed unutilised	(580)	(724)
Obligations outstanding at 31 March	<u>5,015</u>	<u>5,807</u>

The provisions for liabilities related to the funding of posts within Grampian Health Board and committed expenditure resulting from a legal or constructive obligation. At 31 March the Charity had obligations payable as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>Restated £000</b>
Within 1 year	4,194	4,922
Falling due after 1 year	821	885
	<u>5,015</u>	<u>5,807</u>

15. Financial Instruments

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Financial assets measured at fair value	<u>51,503</u>	<u>49,000</u>

Notes to the Accounts for the year ended 31 March 2022 (Continued)

16. Analysis of Charitable Funds

	Restated Balance as at 1 April 2021 £000	Income £000	Expenditure £000	Investment (Losses) & Gains £000	Transfers £000	Balance as at 31 March 2022 £000
<i>Analysis of Fund Movements:</i>						
Unrestricted Funds						
General funds	4,407	1,529	(660)	205	(426)	5,055
Designated Hospital Funds	2,062	108	(94)	0	0	2,076
Revaluation Reserves	14,956	0	0	2,859	0	17,815
	21,425	1,637	(754)	3,064	(426)	24,946
Restricted Funds	24,101	1,162	(1,706)	0	439	23,996
Permanent Endowments	395	0	(16)	0	(13)	366
<b>Total</b>	<b>45,921</b>	<b>2,799</b>	<b>(2,476)</b>	<b>3,064</b>	<b>0</b>	<b>49,308</b>

	Balance as at 1 April 2020 £000	Income £000	Expenditure £000	Investment (Losses) & Gains £000	Transfers £000	Restated Balance as at 31 March 2021 £000
<i>Analysis of Fund Movements:</i>						
Unrestricted Funds						
General funds	1,257	1,316	(893)	3,069	(342)	4,407
Designated Hospital Funds	2,041	152	(116)	0	(15)	2,062
Revaluation Reserves	9,699	0	0	5,257	0	14,956
	12,997	1,468	(1,009)	8,326	(357)	21,425
Restricted Funds	23,375	2,310	(1,941)	0	357	24,101
Permanent Endowments	395	0	0	0	0	395
<b>Total</b>	<b>36,767</b>	<b>3,778</b>	<b>(2,950)</b>	<b>8,326</b>	<b>0</b>	<b>45,921</b>

Restricted funds account for a proportion of fixed asset investments and as a result the Board of Trustees has transferred £0.426 million from general funds to restricted funds to allocate a proportion of the investment income received in the year. In addition, £0.013 million was transferred from Permanent Endowment Funds to some Restricted Funds during the year. The Designated Hospital Funds are a part of the Unrestricted Funds that have been designated by the Board of Trustees to be spent on any purpose at specific hospitals.

17. Revaluation Reserve

The balance on the revaluation reserve reflects any unrealised gains on investments calculated as any positive variance between the market value and the initial purchase value of investments in equities and bonds held at the Balance Sheet date.

Notes to the Accounts for the year ended 31 March 2022 (Continued)

18. Restricted Funds

The following analysis highlights all restricted funds with a balance greater than £0.075 million during the year. These funds form part of the total restricted funds of £23.996 million as at 31 March 2022. The previous year's figures are shown in Note 18 on Page 49 of the 2020/21 accounts which can be viewed on the following link:

[About Us > NHS Grampian Charities \(nhsgrampiancharities.com\)](https://www.nhs.uk/about-us/nhs-grampian-charities/nhsgrampiancharities.com)

Name of Fund	Restated Balance as at 1 April 2021	Income	Expenditure	Transfers Between Funds	Balance as at 31 March 2022
	£000	£000	£000	£000	£000
Aberdeen Lung Cancer Group Fund	230	1	(73)	4	162
Aboyne Hospital Patients Fund	125	0	(1)	2	126
Acute Stroke Unit Fund (ARI)	92	35	(18)	2	111
Annie Tweedie Executry	144	0	(2)	2	144
ARI General Purposes Fund	437	8	(238)	8	215
ARI Oncology Research Fund	367	1	(4)	6	370
ARI Patients Fund	97	0	(1)	2	98
ARI Small Donations Fund	147	7	(4)	2	152
ARI Ward 112 Haematology Pat'S	294	0	(1)	5	298
ARI Ward 114 Fund	272	90	(4)	6	364
ARI Ward 310 Patients Fund	81	0	(1)	1	81
Banchory Group Practice	88	0	0	2	90
Breast Centre Dev & Refurb Fund	89	0	15	2	106
Breast Research Fund	359	11	(24)	7	353
Buchan Renal Unit Fund	90	6	(2)	2	96
Cancer Research Fund	471	26	(159)	9	347
Cardiac Surgical Fund	206	1	(2)	4	209
Chalmers Hospital General Purp Fund	108	0	(1)	2	109
Clin Biochem Diagnstic Res Fund	120	0	(1)	2	121
Clin Biochem Lab Discret Fund	127	12	(6)	2	135
Colorectal Study Fund	274	42	(62)	5	259
Coronary Care Unit Fund	770	123	(12)	15	896
Cystic Fibrosis General Fund	117	0	(7)	2	112
Cytology Endowment Fund	176	0	(2)	12	186
D Cameron Exec. (Cancer)	414	0	(13)	7	408
D Cameron Exec. (Heart)	636	0	(7)	11	640
David Muiry Exec. (Woodend)	141	0	(2)	2	141
Depart Of Clinical Oncology Fund	193	0	(2)	3	194
<b>Sub total</b>	<b>6,665</b>	<b>363</b>	<b>(634)</b>	<b>129</b>	<b>6,523</b>

## Notes to the Accounts for the year ended 31 March 2022 (Continued)

## 18. Restricted Funds (Continued)

Name of Fund	Restated Balance as at 1 April 2021 £000	Income £000	Expenditure £000	Transfers Between Funds £000	Balance as at 31 March 2022 £000
<b>Sub total from previous page</b>	<b>6,665</b>	<b>363</b>	<b>(634)</b>	<b>129</b>	<b>6,523</b>
Depart Of Virology R & D Fund	134	11	(2)	2	145
Dermatology Research Fund	120	0	2	2	124
Diabetes Centre General Fund	705	6	(16)	12	707
Diabetes Research + Education	100	0	(1)	2	101
Ed Staff Development Fund	77	2	(5)	1	75
Elizabeth A Harper Executry	87	0	(1)	1	87
Evelyn Sim Executry	89	0	(1)	2	90
Fetal & Perinatal Fund	459	0	(70)	8	397
Gastro General Purposes Fund	88	0	(1)	2	89
Geriatric Medicine Research Fund	97	0	(2)	2	97
Go+Tu Research Fund	79	0	(1)	1	79
Gordon Renal Dialysis Unit Fund	77	0	5	1	83
Gramp Child Cancer + Leukaemia	571	3	(26)	9	557
Gynae/Oncology Research Fund	95	0	(6)	2	91
Haematology O/P Clinic Fund	125	7	2	2	136
Huntingtons Disease Res Fund	125	3	(11)	2	119
Insch General Purposes Fund	89	0	(1)	2	90
Intensive Care Unit Fund	145	22	(22)	3	148
Inverurie Renal Dialysis Unit	188	3	(11)	3	183
Jubilee General Purposes Fund	104	0	(8)	2	98
Leukaemia Research Fund	222	5	(2)	4	229
Lymphoma Research Fund	266	0	(3)	4	267
Mac_Dem Research + Travel Fund	95	0	(1)	2	96
Margaret Hay Executry	86	0	(1)	1	86
Medical Renal Unit Ward Fund	117	3	(3)	2	119
Miss Alexina E Shand Fund	259	0	(5)	6	260
Miss Elizabeth J Walker Fund	235	0	(65)	4	174
Miss I M Deans Exec (Heart)	178	0	(2)	3	179
Miss I M Deans Exec (Thoracic)	130	0	3	2	135
Moray Palliative Care Fund	119	6	(2)	2	125
MRI Education Fund Woodend	81	0	(1)	1	81
Mrs Winifred C Simpson Exec	79	0	(1)	1	79
Mrs. Christina D. Cargill	129	0	(2)	2	129
<b>Sub total</b>	<b>12,215</b>	<b>434</b>	<b>(895)</b>	<b>224</b>	<b>11,978</b>



## Notes to the Accounts for the year ended 31 March 2022 (Continued)

## 18. Restricted Funds (Continued)

Name of Fund	Restated Balance as at 1 April 2021 £000	Income £000	Expenditure £000	Transfers Between Funds £000	Balance as at 31 March 2022 £000
<b>Sub total from previous page</b>	<b>12,215</b>	<b>434</b>	<b>(895)</b>	<b>224</b>	<b>11,978</b>
Mrs. K.M.Munros Fund	310	0	(11)	5	304
Neonatal Unit Fund	79	27	3	1	110
Neurological Research Fund	143	2	(61)	2	86
Neurology Department Fund	104	1	11	2	118
Neurosurgical Unit Fund	94	26	17	2	139
NHS Charities Together	24	255	(172)	2	109
Oaks Centre Day Care Fund	685	14	14	12	725
Oncology Discretionary Fund	539	107	(17)	10	639
Ophthalmic Research Fund	138	0	(2)	2	138
Ophthalmology Department Fund	59	170	(2)	3	230
Ophthalmology Research Fund	93	0	(1)	2	94
Pathology Depart Discretionary Fund	86	0	(5)	1	82
Peter Gibb Bequest	175	0	(2)	3	176
Peterhead Com Hospital General Purposes Fund	436	5	(9)	8	440
Rach General Purposes Fund	124	9	(25)	3	111
Renal Dialysis Research Fund	82	9	(16)	2	77
Respiratory Medicine Dept Fund	91	1	(1)	2	93
Rheumatology General Fund	177	6	(2)	3	184
Roxburghe House General Purposes Fund	234	32	(26)	4	244
Royal Cornhill General Purpose Fund	268	1	(111)	10	168
Special Nursery Medical Fund	82	0	0	2	84
Sudden Infant Death Fund	82	0	(1)	1	82
Turriff Hospital General Purposes Fund	76	0	(35)	2	43
	<b>16,396</b>	<b>1,099</b>	<b>(1,349)</b>	<b>308</b>	<b>16,454</b>
Other Restricted Funds	7,705	63	(357)	131	7,542
	<b>24,101</b>	<b>1,162</b>	<b>(1,706)</b>	<b>439</b>	<b>23,996</b>

Notes to the Accounts for the year ended 31 March 2022 (Continued)

19. Reconciliation of Funds by Net Assets

	Unrestricted General Funds £000	Designated Hospital Funds £000	Revaluation Reserve £000	Restricted Funds £000	Endowment Funds £000	2022 Total £000
Fixed asset investments	5,525	2,320	17,815	27,146	414	53,220
Current assets	2,218	67	0	(147)	(33)	2,105
Current liabilities	(444)	0	0	(558)	0	(1,002)
Provisions for liabilities	(2,244)	(311)	0	(2,445)	(15)	(5,015)
	<b>5,055</b>	<b>2,076</b>	<b>17,815</b>	<b>23,996</b>	<b>366</b>	<b>49,308</b>

	Unrestricted General Funds £000	Designated Hospital Funds £000	Revaluation Reserve £000	Restricted Funds £000	Endowment Funds £000	Restated 2021 Total £000
Fixed asset investments	5,036	2,346	14,956	27,356	457	50,151
Current assets	2,511	11	0	22	(62)	2,482
Current liabilities	(424)	(7)	0	(474)	0	(905)
Provisions for liabilities	(2,716)	(288)	0	(2,803)	0	(5,807)
	<b>4,407</b>	<b>2,062</b>	<b>14,956</b>	<b>24,101</b>	<b>395</b>	<b>45,921</b>

20. Consolidation

The results of the NHS Grampian Endowment Fund have been consolidated into the accounts of Grampian Health Board on the basis that all Trustees are also members of Grampian Health Board and therefore effectively operate under common control for accounting purposes. The consolidated accounts are publicly available after they have been laid before parliament, in the autumn of each year and can be accessed on the Grampian Health Board website at <https://www.nhsgrampian.org/about-us/annual-accounts/>.

21. Material Legacies

Legacy income is recognised when the charity has legal entitlement to the funds, it is probable the income will be received and the amount can be measured reliably. At the date of approval of the accounts, the Charity has received notification of three legacies and the residue, or a share of the residue, of five estates, three of which is the residue of estates at the termination of a life rent. The residue of these estates has yet to be quantified.

22. Contingent Liabilities

The Charity has no contingent assets or liabilities.

Notes to the Accounts for the year ended 31 March 2022 (Continued)

23 Restatement of 2020/21 Results

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
<b>Funds as at 31 March 2021 as previously stated</b>		<b>21,364</b>	<b>23,682</b>	<b>395</b>	<b>45,441</b>
Overstatement of Provisions for Liabilities	(a)	61	166	0	227
Legacies	(b)	0	253	0	253
<b>Restated Funds as at 31 March 2021</b>		<b>21,425</b>	<b>24,101</b>	<b>395</b>	<b>45,921</b>
<b>Net Income / (expenditure) for the year ended 31 March 2021 as previously stated</b>		<b>8,724</b>	<b>(50)</b>	<b>0</b>	<b>8,674</b>
Overstatement of Provisions for Liabilities	(a)	61	166	0	227
Legacies	(b)	0	253	0	253
<b>Restated Net Income / (expenditure) for the year ended 31 March 2021</b>		<b>8,785</b>	<b>369</b>	<b>0</b>	<b>9,154</b>

- (a) Nine provisions for future liabilities - estimated cost of approved grants to be paid in future years - were overstated as the grants had already been paid in previous years.
- (b) Two legacies which had been notified to the Endowment Fund in 2020/21 were excluded from legacy income during that year. The Charities SORP requires the inclusion of legacies as income if the charity is aware of it and had a reliable estimate of the amount, whether or not the legacy has actually been received.