

**AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**Charity Registration No. SC007448 (Scotland)**

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Ms L Bowie  
Mr D Lindsay  
Ms S Cowan  
Councillor M Burns  
Ms J Ford  
Mr E Hope  
Councillor L Lyons  
Mr M Mazzucco  
Dr C McGuffie  
Ms L McNiven  
Dr S Das  
Councillor D Reid  
Ms L Semple  
Ms J Wilson  
Ms C Burden  
Mr L Gallacher (Appointed 1 January 2024)  
Dr T Hopkins (Appointed 18 August 2023)  
Mr N McAleese (Appointed 1 May 2023)  
Ms J White (Appointed 1 April 2023)

### Charity number (Scotland)

SC007448

### Principal address

Greenan House  
Ailsa Hospital  
Ayr  
KA6 6AB

### Auditor

William Duncan + Co (Audit) Ltd  
Ellersley House  
30 Miller Road  
Ayr  
Ayrshire  
KA7 2AY

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# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

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# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 MARCH 2024**

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The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, a deed of trust the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

### Objectives and activities

The aims and objectives of the charity are the advancement of health, through:

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

### Achievements and performance

#### *Investment performance*

The investment portfolio was handled on behalf of the Ayrshire & Arran Health Board Endowment fund by Eden Tree Investment Management.

The Endowment Fund received investment income of £377,387.

Realised and unrealised gains and losses of the investments portfolio amounted to a net gain of £116,423. This compares to a net loss of £824,175 in the previous year.

### Financial review

The Balance Sheet shows an increase in Net Assets from £8 million at 31st March 2023 to £8.35 million at 31st March 2024. The increase is mainly due to a £360k donation from the staff lottery.

#### *Income*

During 2023/24, the fund has received around £695,000 income from donations and legacies for which we are very grateful.

Throughout the year the fund received the following donations:

- The Crosshouse Hospital Volunteers donated £75,000 to be used within the Crosshouse site
- Due to the closure of the Staff Lottery Committee, a donation of £359,569 was made to the Endowment Fund.
- A legacy of £9910.88 was bequeathed to the Crosshouse Eye Clinic.
- A legacy of £15,000 was bequeathed to the Ayrshire and Arran General Endowment Fund from a former employee of the organisation.

The endowment funds of around £8.3 million, are invested and produced investment income of £377,387 during the year.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2024**

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### *Expenditure*

In line with our objectives, the Endowment Fund spent £75,000 on refurbishment and extension works to create a modern cancer support centre for children, young people and adults affected by cancer in Ayrshire. This was by way of a bid received from Ayrshire Cancer Support.

Trustees also agreed the continuation of the Heartstart Programme at a cost of £35,000 per annum for a three year period.

As part of the budget £40,000 was allocated for patient amenities and the Endowment Committee was delegated the sum of £90,000 to be awarded for the purchase of smaller items supporting patient comfort; staff education and for innovative schemes which would enhance the services provided by the Health Board. Throughout the year the Committee received and considered 98 bids of which 42 received funding from the Committee, a number of others were re-directed to other sources of funding.

Some of the bids supported by the Charity Fund this year include:

- The creation of dementia friendly rooms at University Hospital Crosshouse
- Neurodevelopmental training for Physiotherapy staff
- RITA system in two wards at Crosshouse to increase social stimulation for bed bound dementia patients as a result of orthopaedic injury
- Portable phototherapy system for use by dermatology patients
- In addition to the 'big' items, the charity fund has also provided numerous small grants including iPads for various departments, education and training materials, promotional materials, activities and games and a range of staff training and development such as Makaton training manuals, Pain Management training as well as stress management and resilience building.

### *Reserves policy*

It is the policy of the fund to maintain Investment Funds which are the free reserves of the charity. The Trustees regard these funds to be sufficient to cover management and administration, support costs and to respond to emergency situations.

It is the opinion of the Trustees, that the funds available are sufficient to meet the day to day running costs of the fund.

The Endowment has a General Fund and a number of Restricted Funds. The Endowment cannot be used to fund expenditure that would normally be regarded as core NHS expenditure, but if a donation is received specifically for items of core expenditure, then the donor's wishes would be respected.

The General Fund is available for use at the discretion of the trustees in furtherance of the general objectives of the Endowment.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### *Investment policy*

The general principles for the operation of Endowment Funds are contained within the Standard Financial Instructions of the Board, Section 25. The management and administration of the Funds are detailed further within the Charter and Operating Procedures.

The Trustees of the Endowment Fund are the full Board of Directors of NHS Ayrshire and Arran, both Executive and non-Executive. The trustees are responsible for the Endowment's investment policy taking account of the following statutory agreements as covered by:

- National Health Service (Scotland) Act 1978
- Charities and Trustee Investment (Scotland) Act 2005

To ensure compliance of the above, and to maximise performance of the portfolio, the trustees will appoint an investment consultant, who will be regulated by the Financial Conduct Authority.

In managing the portfolio, the investment consultant will have no geographical or ethical restrictions with regard to investment other than the exclusion of companies primarily in the manufacture of alcohol and tobacco products and also in gambling, pornography and high interest rate lending.

The consultants will provide to the trustee's statements on performance on a quarterly basis that is March, June, September and December. The contract of service will be subject to tender with the contract being awarded for three years, reviewed annually.

#### *Major risks*

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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

The trustees maintain a sound system of internal control that supports the achievement of the Endowment Fund policies and objectives. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the organisation's policies, aims and objectives to evaluate the nature and extent of these risks and manage them efficiently, effectively and economically.

#### **Plans for future periods**

##### *Plans for 2024/25*

In recent years the value of the Charity Fund portfolio has reduced. The Endowment Trustees took the view that expenditure during 2024/25 should again be close to anticipated income. The continuation of a very volatile investment market will necessitate a prudent approach during the coming year.

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

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

Legal and administrative information set out on page 7 forms part of this report.

The fund is registered as a Scottish Charity under Section 1 (7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charities Accounts (Scotland) Regulations 2006.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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

Ms L Bowie	
Mr D Lindsay	
Ms S Cowan	
Ms M Anderson	(Resigned 31 May 2023)
Councillor M Burns	
Mr A Carragher	(Resigned 17 August 2023)
Ms C Fisher	(Resigned 29 February 2024)
Ms J Ford	
Mr E Hope	
Councillor L Lyons	
Mr R Martin	(Resigned 30 April 2023)
Mr M Mazzucco	
Dr C McGuffie	
Ms L McNiven	
Dr S Das	
Councillor D Reid	
Ms L Semple	
Ms J Wilson	
Ms C Burden	
Mr L Gallacher	(Appointed 1 January 2024)
Dr T Hopkins	(Appointed 18 August 2023)
Mr N McAleese	(Appointed 1 May 2023)
Ms J White	(Appointed 1 April 2023)

#### *Recruitment and appointment of trustees*

All NHS Ayrshire and Arran Endowment Trustees are members of the NHS Ayrshire and Arran Board. Trustees are appointed to the Board by the Cabinet Secretary for Health and Wellbeing.

The trustees decide, on an annual basis, the amount of the budget and how this budget should be allocated. Once the allocation has been agreed, the budget is devolved to various budget managers who have the delegated responsibility for the application of funds.

#### *Organisational structure*

During 2023/24, the Trustees and their nominated sub-Committee, have continued to monitor the funds to ensure that expenditure is in accordance with the charitable purpose of the fund. Trustees have also sought to ensure that an appropriate level of expenditure is achieved and to raise awareness amongst staff of the availability of the Endowment Funds to provide or facilitate improvements in line with the aims and objectives of the charity.

The Endowment Committee approved the acceptance of donations and scrutinised applications for the approval of expenditure in excess of £5,000 and up to £50,000. Approvals above £50,000 require Board of Trustees approval. The use of restricted funds was also closely monitored to ensure appropriate use.

I would like to record my thanks to all those who have supported the work of the Charity and the Endowment Committee, enabling us to fulfil the aims and objectives of the Charity

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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

*Linda Semple*

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Ms L Semple  
Trustee

Date: *16.11.24*



# **AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2024***

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

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#### Opinion

We have audited the financial statements of Ayrshire and Arran Health Board Endowment (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

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

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

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

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#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

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

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of those charged with governance and management around the actual and potential litigation, claims or fraud;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of activities and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Reviewing board minutes for any indication of related party declarations, discussions on any potential litigation, claims and non-compliance with laws and regulations.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

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*David Young*

Mr David Young CA (Senior Statutory Auditor)  
for and on behalf of William Duncan + Co (Audit) Ltd

19/09/2024

Chartered Accountants  
Statutory Auditor

Ellersley House  
30 Miller Road  
Ayr  
Ayrshire  
KA7 2AY

William Duncan + Co (Audit) Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>Income from:</b>							
Donations and legacies	3	36,103	659,076	695,179	19,781	317,742	337,523
Investments	4	377,387	-	377,387	319,145	-	319,145
<b>Total income</b>		<b>413,490</b>	<b>659,076</b>	<b>1,072,566</b>	<b>338,926</b>	<b>317,742</b>	<b>656,668</b>
<b>Expenditure on:</b>							
Raising funds	5	31,244	-	31,244	31,310	-	31,310
Charitable activities	6	220,889	601,272	822,161	262,799	1,653,293	1,916,092
<b>Total expenditure</b>		<b>252,133</b>	<b>601,272</b>	<b>853,405</b>	<b>294,109</b>	<b>1,653,293</b>	<b>1,947,402</b>
Net gains/(losses) on investments	12	116,423	-	116,423	(824,175)	-	(824,175)
<b>Net income/(expenditure) and movement in funds</b>		<b>277,780</b>	<b>57,804</b>	<b>335,584</b>	<b>(779,358)</b>	<b>(1,335,551)</b>	<b>(2,114,909)</b>
<b>Reconciliation of funds:</b>							
Fund balances at 1 April 2023		4,785,748	3,224,442	8,010,190	5,565,106	4,559,993	10,125,099
<b>Fund balances at 31 March 2024</b>		<b>5,063,528</b>	<b>3,282,246</b>	<b>8,345,774</b>	<b>4,785,748</b>	<b>3,224,442</b>	<b>8,010,190</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Investments	14		8,302,696		8,011,706
<b>Current assets</b>					
Debtors	16	259		259	
Cash at bank and in hand		229,287		242,861	
		<u>229,546</u>		<u>243,120</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(186,468)</u>		<u>(244,636)</u>	
<b>Net current assets/(liabilities)</b>			<u>43,078</u>		<u>(1,516)</u>
<b>Total assets less current liabilities</b>			<u>8,345,774</u>		<u>8,010,190</u>
<b>The funds of the charity</b>					
Restricted income funds	18		3,282,246		3,224,442
Unrestricted funds			5,063,528		4,785,748
			<u>8,345,774</u>		<u>8,010,190</u>

The financial statements were approved by the trustees on 16 September 2024

*Derek Lindsay*

Mr D Lindsay  
Trustee

*Linda Semple*

Ms L Semple  
Trustee

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	22		(216,394)		(1,851,689)
<b>Investing activities</b>					
Purchase of investments		(11,953,386)		(816,030)	
Proceeds from disposal of investments		11,778,819		789,992	
Investment income received		377,387		319,145	
<b>Net cash generated from investing activities</b>			202,820		293,107
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(13,574)		(1,558,582)
Cash and cash equivalents at beginning of year			242,861		1,801,443
<b>Cash and cash equivalents at end of year</b>			229,287		242,861

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies

##### Charity information

Ayrshire and Arran Health Board Endowment is controlled by its governing document, a deed of trust, and constitutes and unincorporated charity. It is a registered Scottish charity.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

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

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

#### 1.4 Income

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

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

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accrual basis and has been under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable expenditure comprises those costs incurred by the fund in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.



# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

(Continued)

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the fund and include the audit fees and costs linked to the strategic management of the fund.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, staff costs are apportioned on staff time and other costs are apportioned on a usage basis.

#### 1.6 Fixed asset investments

Investments are stated at market value as at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year.

Profits or losses arising from disposal of investments are taken to the General Fund.

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or purchase date, if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and the opening market value (or purchase date, if later).

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

#### *Basic financial assets*

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

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

(Continued)

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

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

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

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

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	36,103	659,076	695,179	19,781	317,742	337,523

### 4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	377,387	319,145

### 5 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Investment management	31,244	31,310

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 6 Expenditure on charitable activities

	Charitable Activities Costs 2024 £	Charitable Activities Costs 2023 £
<b>Direct costs</b>		
Printing stationery and advertising	6,935	3,488
Patient and staff amenities	59,898	1,240,961
Hospitality	19,335	15,391
Grants/donations	9,759	8,824
Plants and flowers	1,317	1,224
Books and publications	8,585	5,359
Course fees	95,906	89,895
Buildings, equipment etc.	345,622	351,119
Retirals	4,038	4,734
Bank charges	814	707
Professional fees associated with capital projects	108,898	75,355
Funded post to support asset based work and other projects	61,358	57,327
Miscellaneous expenses	88,818	50,816
Other charitable expenditure	78	92
	<u>811,361</u>	<u>1,905,292</u>
<b>Share of support and governance costs (see note 7)</b>		
Governance	10,800	10,800
	<u>822,161</u>	<u>1,916,092</u>
<b>Analysis by fund</b>		
Unrestricted funds	220,889	262,799
Restricted funds	601,272	1,653,293
	<u>822,161</u>	<u>1,916,092</u>

### 7 Support costs allocated to activities

	Charitable Activities Costs 2024 £	Total 2023 £
Governance	10,800	10,800
	<u>10,800</u>	<u>10,800</u>

Governance costs includes payments to the auditors of £10,800 (2023 - £10,800) for audit fees.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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<b>8</b>	<b>Net movement in funds</b>	<b>2024</b>	<b>2023</b>
		£	£

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	10,800	10,800
	<u>          </u>	<u>          </u>

### 9 Trustees

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

#### Trustees' expenses

There were no trustees' expenses during the year to 31st March 2024 or 31st March 2023

### 10 Employees

The average monthly number of employees during the year was:

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Total	-	-
	<u>          </u>	<u>          </u>

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

### 11 Funded posts

Staff costs relate to recharges from NHS Ayrshire & Arran, whose time relates to the provision of administration and management support of the Fund.

### 12 Gains and losses on investments

	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>funds</b>	<b>funds</b>
	<b>2024</b>	<b>2023</b>
	£	£
Gains/(losses) arising on:		
Revaluation of investments	(252,670)	(712,880)
Sale of investments	369,093	(111,295)
	<u>          </u>	<u>          </u>
	116,423	(824,175)
	<u>          </u>	<u>          </u>

### 13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 14 Fixed asset investments

	<b>Listed investments</b>	
	<b>£</b>	
<b>Cost or valuation</b>		
At 1 April 2023		8,011,706
Additions		11,953,386
Valuation changes		(252,670)
Profit/(Loss) on disposal		369,093
Disposals		(11,778,819)
At 31 March 2024		<u>8,302,696</u>
<b>Carrying amount</b>		
At 31 March 2024		<u>8,302,696</u>
At 31 March 2023		<u>8,011,706</u>
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Investments at fair value comprise:		
UK Equities and cash	-	3,024,305
UK Bonds	-	2,145,778
UK Infrastructure	-	643,041
Overseas infrastructure	-	51,382
Other	-	153,615
Overseas Equities	-	1,993,585
Managed Income Fund	8,302,696	-
	<u>8,302,696</u>	<u>8,011,706</u>

Investment funds were moved from a segregated fund to a pooled fund during 2023-24. £3.8m was moved to a new pooled fund, then subsequently this was transferred to a different pooled fund along with the segregated fund balance of £4.2m, resulting in the total £11.8m investment proceeds figure above

### 15 Financial instruments

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	<u>8,302,696</u>	<u>8,011,706</u>

### 16 Debtors

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	<u>259</u>	<u>259</u>

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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

	2024 £	2023 £
Other creditors	44,892	84,205
Accruals and deferred income	141,576	160,431
	<u>186,468</u>	<u>244,636</u>

#### 18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
Public Health Medicine	95,424	48,949	(61,279)	83,094
Finance	244,802	-	(392)	244,410
Pharmacy	70,028	-	(2,516)	67,512
Medical Research and Education	241,645	11,740	(65,128)	188,257
Nurse Director	53,133	2,200	(25,808)	29,525
Clinical Support Services	14,220	21,332	(8,788)	26,764
Staff Wellbeing	-	364,150	-	364,150
Women, Children and Neonates	135,460	21,536	(46,457)	110,539
Laboratories and Radiology	41,546	800	(24,980)	17,366
Medical Services - Crosshouse	402,961	34,895	(35,164)	402,692
Surgical Services - Crosshouse	332,901	24,486	(80,151)	277,236
Crosshouse Hospital inc Hospital Volunteers	138,566	75,250	(66,837)	146,979
Medical Services - Ayr	78,334	6,499	(16,983)	67,850
Surgical Services - Ayr	110,567	19,934	(19,579)	110,922
Ayr Hospital including Hospital Volunteers	133,083	451	(13,813)	119,721
Rehab and Reablement North + Business Support	151,871	9,834	(11,051)	150,654
Arran Island Services North	610,608	-	(31,517)	579,091
Mental Health and Wellbeing	203,092	1,771	(66,229)	138,634
East Ayrshire Health and Social Care Partnership	102,624	1,010	(6,526)	97,108
South Ayrshire Health and Social Care Partnership	63,577	14,239	(18,074)	59,742
	<u>3,224,442</u>	<u>659,076</u>	<u>(601,272)</u>	<u>3,282,246</u>

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 18 Restricted funds

(Continued)

Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
Public Health Medicine	110,878	20,824	(36,278)	95,424
Finance	1,386,013	80,206	(1,221,417)	244,802
Pharmacy	73,357	645	(3,974)	70,028
Medical Research and Education	323,779	400	(82,535)	241,644
Women and Neonates	51,565	7,800	(6,232)	53,133
Clinical Support Services	16,285	2,701	(4,766)	14,220
ENT/Maxillo - Facial	111,553	29,402	(5,494)	135,461
Cancer Services	54,176	800	(13,429)	41,547
Crosshouse Hospital inc Hospital Volunteers	402,512	32,784	(32,335)	402,961
Nurse Director	334,939	37,777	(39,815)	332,901
Crosshouse Hospital inc Hospital Volunteers	129,685	21,000	(12,119)	138,566
Medical Services - Ayr	82,869	8,921	(13,456)	78,334
Surgical Services - Ayr	138,602	4,358	(32,393)	110,567
Ayr Hospital including Hospital Volunteers	192,002	652	(59,571)	133,083
Rehab and Reablement North + Business Support	123,624	38,095	(9,848)	151,871
Arran Island Services North	622,476	2,294	(14,163)	610,607
Mental Health and Wellbeing	224,021	17,994	(38,924)	203,091
East Ayrshire Health and Social Care Partnership	104,171	3,592	(5,139)	102,624
South Ayrshire Health and Social Care Partnership	77,486	7,497	(21,405)	63,578
	<u>4,559,993</u>	<u>317,742</u>	<u>(1,653,293)</u>	<u>3,224,442</u>

### 19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2024 £
General funds	<u>4,785,748</u>	<u>413,490</u>	<u>(252,133)</u>	<u>116,423</u>	<u>5,063,528</u>
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2023 £
General funds	<u>5,565,106</u>	<u>338,926</u>	<u>(294,109)</u>	<u>(824,175)</u>	<u>4,785,748</u>



# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 20 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b>At 31 March 2024:</b>			
Investments	5,020,450	3,282,246	8,302,696
Current assets/(liabilities)	43,078	-	43,078
	<u>5,063,528</u>	<u>3,282,246</u>	<u>8,345,774</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>At 31 March 2023:</b>			
Investments	4,787,264	3,224,442	8,011,706
Current assets/(liabilities)	(1,516)	-	(1,516)
	<u>4,785,748</u>	<u>3,224,442</u>	<u>8,010,190</u>

#### 21 Related party transactions

##### Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Payments made	
	2024 £	2023 £
NHS Ayrshire and Arran	448,330	1,820,279
	<u>448,330</u>	<u>1,820,279</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2024 £	2023 £
NHS Ayrshire and Arran	44,892	84,205
	<u>44,892</u>	<u>84,205</u>

A donation of £364,150 was received from NHS Ayrshire and Arran, being the balance of a Staff Lottery fund that closed during the year.

# AYRSHIRE AND ARRAN HEALTH BOARD ENDOWMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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<b>22 Cash generated from operations</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Surplus/(deficit) for the year	335,584	(2,114,909)
Adjustments for:		
Investment income recognised in statement of financial activities	(377,387)	(319,145)
(Gain)/loss on disposal of investments	(369,093)	111,295
Fair value gains and losses on investments	252,670	712,880
Movements in working capital:		
(Increase) in debtors	-	(259)
(Decrease) in creditors	(58,168)	(241,551)
<b>Cash absorbed by operations</b>	<b>(216,394)</b>	<b>(1,851,689)</b>

## 23 Analysis of changes in net funds

The charity had no material debt during the year.