



Annual Report and Accounts 2021/2022



NHS Lothian
Charity

Formerly known as Edinburgh and Lothians Health Foundation
Scottish Registered Charity Number SC007342

On 8 June 2022, Edinburgh and Lothians Health Foundation rebranded to become NHS Lothian Charity.

The report has been designed to reflect our new brand, however, the information within refers to Edinburgh and Lothians Health Foundation as this was the name that the charity was known as during 2021/22

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Welcome from our Chair

We have seen another extraordinary year go by. Whilst we are making strides to learn to live with Covid-19, the challenges that we all face as a result may be different, but they have not gone away. We have therefore continued to focus efforts on our support of Covid-19 related development programmes. These have ranged from wellbeing spaces and additional psychological support for NHS Lothian staff, to personalised support for those with Long Covid and grants to reduce vaccine inequality and hesitancy in our communities.

This support has been alongside our ongoing commitment to invest in strategic programmes, standing grants and other development programmes that aim to improve the health and wellbeing of staff and patients across Edinburgh and the Lothians.

Our Annual Report provides a summary of some of the projects that have been supported this year, including the £13m refurbishment of the new Edinburgh Haematology Centre, investment in life-saving research at the Edinburgh Cancer Centre and the introduction of Climate Challenge Grants to help staff reduce the impact of healthcare activities on the environment. We were also delighted to



have played a part in helping the Royal Edinburgh Hospital become the first hospital in Scotland to get a green flag award for its well managed natural spaces that benefit patients, staff and the local community.

Having become Chair in December 2021, I was invited to sit on the Steering Group for the brand review. I was delighted to have been part of this project and am confident that the new brand strategy will help the charity go from strength to strength. The excellent work going on across the whole organisation shines through the pages of this report – and our new brand will help us reach new audiences and raise awareness of the impact of these projects in a much more engaging and accessible way.

None of this would be possible without the people who make this charity what it is: the team themselves, all our supporters and partners, and our NHS Lothian colleagues.

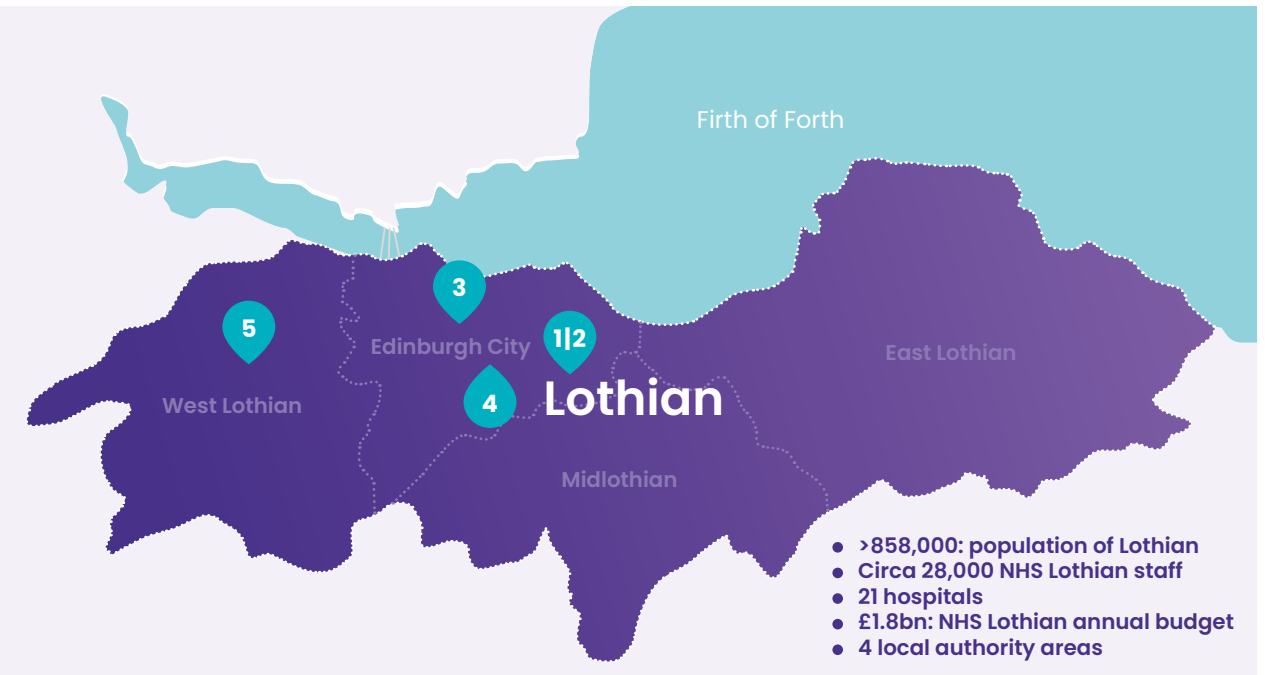
On behalf of all the Trustees, thank you to everyone who has contributed this year. We are extremely grateful for your support.

A handwritten signature in black ink, appearing to read 'Jock Encombe'.

Jock Encombe
Chair



Edinburgh Haematology Centre. Credit: Cro+Kow



NHS Lothian (our partner)

NHS Lothian serves the fastest growing population in Scotland across four Local Authority areas including the capital city of Edinburgh. It is the second largest NHS Board in Scotland and one of the largest healthcare organisations in the UK. It has 21 hospitals, 119 GP practices, 182 community pharmacies, 173 general dental practices and 127 optometry practices. NHS Lothian delivers and commissions a comprehensive range of primary, community-based and acute hospital services. As a regional centre it also provides some services for patients in the Borders and in Fife and is a national centre of expertise for other specialties serving people across Scotland.

The Lothian Health and Care System is a partnership between the five bodies with responsibility for the planning, commissioning, and delivery of health and care services in the Lothians: NHS Lothian, East Lothian Integration Joint Board, Edinburgh Integration Joint Board, Midlothian Integration Joint Board and West Lothian Integration Joint Board.

The vision for the system is that:

- People live longer, healthier lives, with better outcomes for the care and treatment provided
- Health and social care services are connected seamlessly, wrapping around people in their home
- Performance is improved across the system, with better experiences for patients and the workforce

The Lothian Strategic Development Framework (LSDF) fleshes out this vision, explains the current context of opportunity and challenge facing health and care services, and proposes a direction of travel for their provision for the next five years. The draft document was published in April 2022 for a period of public engagement and will be developed over the course of the coming months.

NHS Lothian has five hospital sites that deliver acute hospital care as well as psychiatric and paediatric hospital services:

1. Royal Infirmary of Edinburgh is a major acute teaching hospital located on the Edinburgh BioQuarter site at Little France. With a 24-hour Emergency Department it provides a full range of acute medical and surgical services for patients from across Lothian. Specialist services such as Transplant, Cardiothoracics and a Major Trauma Centre serve people from across the southeast of Scotland and beyond.

2. Royal Hospital for Children and Young People is a paediatric hospital with 242 beds which provides acute, general and specialist care to patients aged from 1-18 years of age, including a children's Emergency Department and Critical Care Department. It also has Child and Adolescent Mental Health Services treating inpatients as well as running outpatient clinics. The new building, opened in March 2021, is on the Little France campus.

3. Western General Hospital provides a comprehensive range of general and specialist services to the people of Edinburgh, Lothian and beyond. The hospital has around 570 beds (including day beds) and is home to the regional Cancer Centre, the Regional Infectious Diseases Unit, and an award-winning, nurse-led Minor

Injuries Unit. An ambitious vision for site redevelopment is taking shape with the recent opening of a stunning new building for Renal Services and work completed to upgrade Haematology services with the construction of a new outpatient facility, funded by an exceptional charitable donation of £13m. The Scottish Government has also pledged a significant investment of over £20m for improvements to the Edinburgh Cancer Centre, serving the South East of Scotland.

4. Royal Edinburgh Hospital provides acute psychiatric and mental health services, including treatment for learning disabilities and dementia. Its specialist services include centres for the treatment of eating disorders, alcohol problems and young people's mental health.

5. St John's Hospital, Livingston is a modern teaching hospital that provides a comprehensive range of services, including a 24-hour Emergency Department and specialist services including burns treatment and plastic surgery. There is a full paediatric, maternity and neonatal service. It is also home to the Short Stay Elective Centre, Lothian's specialist head and neck unit and the Hooper Hand Unit.



Longer lives, better lived.

We invest in projects which promote better physical and mental health and wellbeing for the people of Edinburgh and the Lothians.

We work in strategic partnership with NHS Lothian and other partners who share our vision and values to make a difference to people's health and wellbeing on a local, regional and national level.

We use our resources to enhance NHS provision, but not substitute it.

Activities

We fund projects which are designed to:

- Improve the patient and carer experience
- Improve the health and wellbeing of the local community
- Reduce health inequalities
- Support Lothian as an academic Centre of Excellence
- Enhance NHS staff skills and performance
- Use the arts, volunteering and greenspace as a means to improve health
- Support the integration of health and social care systems

Values

Above-and-beyond:

We always provide additionality

Quality:

We strive for excellence in all we do

Inclusive:

We are committed to better health for all, and we will challenge health inequality

Independence:

We demonstrate independence in how we think and act

Transparency:

We act with transparency, accountability and integrity

Impactful:

We strive for measurable quality outcomes

Influential:

We will use our influence to leverage wider support, innovation and sustainability

Trustees' Report



Strategic Report

Achievements and Performance

The Covid-19 global pandemic continued to impact our hospitals and communities during 2021/22, and our response to support the heroic NHS Lothian staff and the patients they care for continued into a second year. Our emergency response continued, transitioning over the year into recovery grants. We also phased back in our strategic funding programmes, whilst developing and launching our next five year corporate strategy. During the year we committed £3.120m in charitable expenditure (£5.803m in 2020/21).



Over the following pages, we report in more detail our commitment to Strategic Development, Standing Grants, Other Grant Programmes and Specific Funds.



Achievements During 2021/22

To develop our grantmaking and programming to support the improvement of the physical and mental health and wellbeing of the people of Edinburgh and the Lothians.

What we achieved

- Continued to direct our grantmaking to support patients, communities and staff during the Covid-19 pandemic, alongside investment in strategic priorities, standing grants and other programmes.
- Approved a bold new Corporate Strategy 2021-26 using a Theory of Change model, determining four priority objectives and six enabling factors.
- Enhanced our evaluation capacity with external evaluation consultant pilot project.
- Launched Work Well, NHS Lothian's strategic framework for workforce wellbeing, providing a starting point for consolidating our investment, in line with our new strategy.

In particular through our Specific Funds, to target transformative support at NHS Lothian, making a tangible difference to service users, patients, their carers and staff.

What we achieved

- Consolidated eleven unrestricted General Funds into one, to simplify and enhance our capacity to target support towards our new Corporate Strategy and priority objectives.
- Launched a new procurement system to improve and streamline fund stewards' access to the equipment and amenities they need to meet our strategic goal of enhancing experience and care for patients in hospital.
- Continued to reduce the number of duplicate and dormant funds and completed a comprehensive audit of all funds' historic activity levels, origination and status.

To grow the Foundation and use all its resources to maximum effect.

What we achieved

- Directed all investment income and realised gains to our General (Unrestricted) Fund, to maximise the impact of our new Corporate Strategy and funding priorities.
- Agreed and published a reserves policy to manage the impact of portfolio valuation changes on the Foundation's capacity to support grant expenditure and operating costs.
- Established a new Investment Committee, reporting to Trustees, bringing expert oversight to our extensive investment portfolio.
- Completed the sale of the Trustees' property portfolio at Sciennes. Discussions on the sale of the land holding at Stenhouse Market Gardens are ongoing.
- Appointed three further fundraising specialists, building capacity in planned giving, donor database and trusts.

To develop the Foundation as a well governed, well managed organisation.

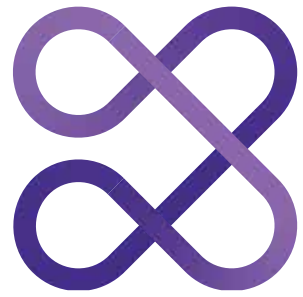
What we achieved

- Inducted all new Trustees as they joined Lothian Health Board, and appointed a new Chair of Trustees.
- Added several new policies to our corporate governance framework: Reserves, Ethical Fundraising, Records Management; and updated Trustee Induction and Specific Fund Management.
- Delivered multiple dual-funded programmes developed as a result of NHS Charities Together's national campaign, working with key partner organisations to support successful delivery.
- Empowered our staff through learning and personal and career development opportunities, wellbeing reflection and initiatives.

To cultivate the Foundation as a more visible, accessible organisation.

What we achieved

- Completed a comprehensive brand strategy review, resulting in the development and approval of our new name, brand and visual identity.
- A brand new website developed during the year will be launched in time for the publication of this report.
- Produced regular eNewsletters and updates for internal and external audiences, showcasing fundraisers, grants, service delivery and impact.
- Grew our own online visibility and digital footprint, and supported sector awareness and raised profile through impactful case studies, fundraising campaigns and national press work.



NHS Lothian
Charity

The Evolution of our Brand. Introducing NHS Lothian Charity.

(Post Balance Sheet Event – see note 21)

2021/22 saw us undertake a branding exercise to re-examine and review our current brand and define and articulate a new vision for the future, in line with our new five-year strategy.

Before Covid-19, NHS charities were relatively unknown. Following the outbreak of the pandemic, fundraisers like Captain Tom have helped to raise awareness of charities like ours. This shift in public awareness coupled with the launch of our new five-year strategy, signified an optimum time for us to undertake a brand review, establishing whether our current brand was still fit for purpose and was meeting the needs of those we support and those who support us.

Through extensive consultation and research with a wide range of stakeholders, we quickly identified that our current branding did not convey our uniqueness and values, nor the scale and scope of what we do. It was clear that we needed to develop a more compelling brand proposition that reinforced our distinctive standpoint and anchored our position as the official charity of NHS Lothian.

Working with creative agency and design specialists, Ave, our project was driven by engagement, following a tried and tested methodology of consultation, iteration, review and refinement. This ensured all our decisions were based on data and evidence. A simplified purpose, a new name that clearly articulated what we did, and a more engaging and recognisable visual identity were taken to Trustees and approved in March 2022.

On 8th June, 2022, the new brand was launched and Edinburgh and Lothians Health Foundation became NHS Lothian Charity. This new brand proposition, coupled with a vibrant new website, will support us to reach new audiences, engage more effectively with existing audiences and ultimately achieve our ambitions.

Whilst the name is new, our charitable purpose remains the same: we are here to strengthen NHS Lothian's ability to excel for the communities it serves. The support we provide, combined with our expertise and experience will continue to create opportunities that enable NHS Lothian to foster innovation, explore ideas and transform the way that healthcare is delivered.





Patient Representative, Patricia Scott, at Edinburgh Haematology Centre. Credit: Lorraine Robson

Strategic Programmes

As part of our rolling five-year strategy, we continued our long-term investment into a range of funded programmes in 2021/22. These strategic programmes are based on thematic long-term priorities set by the Foundation.

- Covid-19 Programme Development
- Arts in Health and Wellbeing
- Greenspace and Health
- Staff Wellbeing
- Volunteering

Covid-19 Programmes

In partnership with NHS Lothian and NHS Charities Together and in response to the long term impact of the pandemic on staff and patients, we funded the development of a range of programmes in 2021.

Tailored Talks for patients with Long Covid

NHS Lothian, Chest Heart and Stroke Scotland (CHSS), Pogo Studios and people living with Long Covid have collaborated to provide support for those living with the impacts of Long Covid across Lothian. This support will be provided through an App or web-based digital platform called Tailored Talks, where patients will receive personalised health information before being offered 1-12 weeks support from a CHSS advice line practitioner. The motivation for this project is to support and enable people to effective self-management of Long Covid.

Lothian Support Service for Health and Social Care Staff

A new service providing NHS Lothian staff with rapid access to psychological support and specialist psychological treatment and scaling up the provision of a peer support programme.

Staff wellbeing spaces to encourage relaxation

We are thrilled to be working with NHS Lothian staff across a range of sites to create permanent wellbeing spaces, which have allowed staff to take a moment of calm, to clear their head and decompress before returning to the many pressures of the job. We are already hearing their stories about how important these spaces are as we begin to move beyond the Covid-19 crisis and into recovery.



Digital Exclusion and Health Inequality programmes with third sector partners SCVO, EVOC and Volunteer Edinburgh

● SCVO

We launched the Edinburgh and Lothians Health Foundation Connecting Communities Fund, in partnership with the Scottish Council for Voluntary Organisations (SCVO). The Fund was focused on supporting identified marginalised groups to get online. During a year of health services and more critical information moving online, the inequalities of digital exclusion became more evident than ever for certain groups in society. We partnered with 27 local organisations and invested £127,870 to support 1,360 people across Edinburgh and the Lothians.

● EVOC

In April 2021 Edinburgh Voluntary Organisations' Council (EVOC) began distributing micro-grants on behalf of Edinburgh and Lothians Health Foundation to community organisations based across Edinburgh and the Lothians. Groups could apply for up to £500 and the funding was to support the Covid-19 vaccination programme, supporting those who may be experiencing vaccine inequality and hesitancy.

After an initial £10,000, in July the Foundation provided an additional £10,000 to distribute, and widened the objectives to include testing for the virus. At a time when case numbers were rising it was even more important that the sector was able to support these groups to get vaccinated and/or tested.

● Volunteer Edinburgh

The Community Taskforce Volunteers programme was launched in January 2021 to support individuals in the community who have been impacted by the pandemic and supporting statutory partners with, for example, the roll out of the vaccination programme. Over 650 volunteers provided support to those in isolation with Edinburgh's four Health and Social Care partnerships and supported the six community Covid-19 vaccination sites.

Arts in Health and Wellbeing

Enriching the experience and enhancing the environments of NHS Lothian, we improve and support the health and wellbeing of patients, visitors and staff through arts and creativity provision throughout the healthcare service.

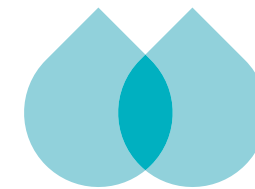
Enriching the experience: During 2021/22 we have continued to support our long-term funded partnerships and built new partnerships to extend and diversify creative activity for staff and patients. With continuing high demand throughout Covid-19, the programme has been delivered both remotely and in a phased return of live activity to wards, as well as through pilot projects which address the patient journey from acute to community settings.

Enhancing the environment: NHS Lothian environments have been enhanced through a series of changing exhibitions, the provision of the Edinburgh and Lothians Health Foundation Tonic Art Collection across the service, the commissioning of bespoke programmes of art and therapeutic design and the refurbishment of spaces at selected sites, presented at the 2021 NHS Scotland Conference.

The programme has been celebrated through four UK Building Better Healthcare awards for enhancements and staff participatory Covid-19 projects.

In 2021/22 the Tonic Arts team has:

- Coordinated the design, creation and distribution of Covid-19 Art Activity boxes to priority patient groups.
- Overseen the delivery of over 800 remote and live ward sessions by partner organisations such as Artlink, Music in Hospitals & Care, Generation Arts and Media Education, engaging over 5,000 patient and staff participants and including visual art, outdoor concerts, singing and the creation of a patient e-zine.
- Developed programmes in new art-forms such as cinema and dance with partners such as Regional Screen Scotland and Dancebase, the national dance centre.
- Developed Music in Mind with Generation Arts, a therapeutic and community-based intervention for mental health patients as they move through in-patient to out-patient care.
- Grew a Tonic Arts Partners (TAPs) staff network across NHS Lothian.
- Coordinated a series of exhibitions across seven gallery spaces at NHS Lothian sites, including partnership projects with The University of Edinburgh on a neurosciences embroidery exhibition, Napier University Department of Nursing on a Covid-19 participatory mental health nursing exhibition, Out of the Blue Print on a youth print project exhibition, NHS Lothian Equalities on 'Letters to a future NHS' film and RIE Nursing Staff on 'Portraits in a Pandemic' Covid-19 portraits.
- Installed a series of new arts commissions programme across the Edinburgh Haematology Centre at the Western General Hospital and final commissions in East Lothian Community Hospital.
- Worked with the Royal Scottish Academy to provide an Art Collection service for the benefit of staff and patients across NHS Lothian, including priority rehangs at RIE and REH.
- Delivered participatory refurbishment projects at REH, such as Colour For The Corridor, using colours and patient artwork to enhance the main thoroughfare; The Broch, a revamped patient arts & activity space and the renovated Courtyard Garden.
- Supported teams in the design enhancement of Staff Wellbeing Spaces.
- Participatory, digital, diversity and evaluation development across programme.



“Your total environment counts towards your mental health and your mental health is important in treating your illness.”



Blue Cedar, Silver Water. Artist: Andrew Mackenzie



Kirkcaldy Patterns. Artist: Frances Priest

Greenspace and Health

Building networks and connections to support more people to access greenspace for health and wellbeing.

During 2021/22 we have continued to connect more people to nature on the NHS Lothian estate focusing on reducing health inequalities. We have built strategic partnerships to deliver patient focused green health activity at key sites. This has been supported by long term funding agreements that have been used to match external funding. Demand for both staff and patient access to NHS Lothian Greenspace has remained high and our emerging Grounds for Health network is supporting a wide range of people to make better use of what is on their doorstep.

Our wider community work has focused on the role that greenspaces can play in social prescribing. Our golden threads for green health prescribing have been well received and we are working with public health colleagues to roll this out in key areas. This work culminated in the very successful Lothian Green Prescribing Forum attended by 70 people who were keen to make connections and develop a community of practice.

During the year we have:

- Supported the Royal Edinburgh Hospital staff and hospital community to win the first healthcare green flag award in Scotland.
- Delivered events and targeted communications for the Grounds for Health network to build a community of staff and partners to take forward greenspace projects in NHS Lothian.
- Initiated the Cyrenians Green Health Activity Pathway project to support patients throughout their recovery journey from admission through to discharge at the Royal Edinburgh Hospital.
- Organised a very successful event to showcase the green prescribing work happening across Lothian including the Midlothian test of change.
- Co-ordinated partners to secure National Lottery Community Funding for a 3-year green health activity project with mental health services at St John's hospital.



Midlothian Community Hospital Gardens



"Thanks so much everyone for all their hard work and I'm super excited to see the garden and how it is progressing and I'm sure the patients are just as excited."

Community Gardens at the Royal Edinburgh Hospital



Staff Health and Wellbeing

This year, the Covid-19 pandemic has continued to impact staff health and wellbeing in a dramatic way. NHS Lothian employs over 35,000 people, whose own wellbeing at work is an important part of the Foundation's mission.

We continue to support our Microgrants programme, managed by the Healthy Working Lives representatives, we have provided many small grants (up to £500) to those staff who have an idea that could support and promote health and wellbeing.

The Foundation invested in the commissioning of a Wellbeing Strategy, Work Well, for NHS Lothian, with the purpose of building a healthier and happier culture for staff. The foundations were put in place during 2021/22 and will be delivered during 2022/23.



"I want to create a space that gives our minds as well as our bodies a chance to rest."

Volunteering Well

NHS Lothian leads the way in Scotland with its approach to volunteering, thanks to our investment, through the delivery of its highly innovative strategy, Volunteering Well.

Volunteering Well sets out a vision for volunteering within NHS Lothian that is transformational for all - beneficiaries, volunteers and communities. This is being achieved through demand-led recruitment approaches, standardisation and enhancement training, and support and innovation in role design.

Highlights of the year include:

- 1,353 NHS Lothian volunteers have made a contribution in the year 2021/22.
- Throughout 2021/22 at any given time there was over 500 active volunteers making a weekly commitment of 2 or more hours and over 50 making a commitment to more than one volunteering session a week. Quite often in a different role or locations.
- The team worked with third sector partner Volunteer Edinburgh to continue to deliver both in-patient and public volunteering opportunities at the 'Volunteer Hub' at the Royal Edinburgh Hospital. 43 inpatients volunteered through the Hub and 68 public volunteers supported patients at the REH.
- 488 volunteers participated in a comprehensive induction course and over 100 participated in optional additional training. The optional training programme included the opportunity to learn about dementia awareness, mindfulness, carer awareness, mealtime assistance, communication and wheelchair manoeuvring.
- 29.3% of volunteers completing the moving on from volunteering survey were doing so to take up employment. 12.1% reported that their employment is in a field related to their volunteering with NHS Lothian. 33.3% of volunteers completing the moving on from volunteering survey were doing so in order to study. 22.2% reported moving on to study in a field related to their volunteering with NHS Lothian highlighting the links importance of volunteering in workforce development.

- Of those completing the impact of volunteering survey 72.4% reported an increase in confidence and 66.8% reported an improvement in mental wellbeing and 35.7% reported an improvement in their physical wellbeing highlighting the preventative and public health benefits of volunteering.
- The Voluntary Services team continued to promote the outstanding contribution of volunteers and the opportunities to join the team throughout the year. This gained both local and national press: coverage for support of vaccine clinics, an NHS Lothian volunteer won Volunteer of the Year at a national event, 30+ talks were given to local groups and the twitter account reached 1,000 followers.



Standing Grants



During 2021/22 our standing grants programmes committed to investing £102,000 however the restrictions placed upon us meant that some programmes were delivered online, such as the Celebrating Success programme. Most of our grantees were able to work within our flexible parameters and deliver added value for staff and patients. We are working closely with these programmes in 2022/23 to adapt plans.

During 2021/22 we supported:

- **Elsie's: dedicated to staff development, in honour of Edinburgh doctor and suffragist Dr Elsie Inglis.**

The Elsie Inglis Award scheme is run by NHS Lothian's Workforce Development team to create individual staff training opportunities to enhance and develop the learning potential of all staff. Funding is provided to individuals to attend conferences or take part in identified learning opportunities. The focus of the scheme has been to encourage staff to influence and drive their own learning.

- **The QNIS Queen's Nurse Programme: supporting NHS Lothian awardees with an organisational grant.**

The Queen's Nurse title is awarded annually to twenty selected community-based clinical leaders across Scotland after completing an intensive nine-month development programme. We fund two Queen's Nurses every year to undertake the programme.

- **The Chief Executive's Fund: discretionary fund supporting projects across a wide range of areas.**

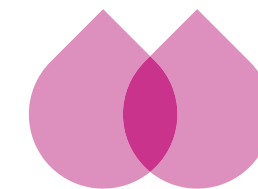
During the year the Chief Executive's Fund supported the funding of a specialist researcher for 6 months to review health service archival evidence and compile a documented history of philanthropic links with the Atlantic slave trade, initially focussing on the Royal Infirmary of Edinburgh. This is an important milestone in NHS Lothian's journey to acknowledge and learn more about its historical links with the Transatlantic Slave Trade.

- **Enhanced patient Wi-Fi across NHS Lothian.**

Offering high speed patient Wi-Fi at key sites across NHS Lothian continued this year and has proved invaluable due to the visitor restrictions put in place during the Covid-19 pandemic. Patients have been thankful to have had access to Wi-Fi to stream video calls to loved ones. For many, this was a lifeline.

- **Lothian & Edinburgh Abstinence Programme (LEAP) Family Programme.**

The LEAP family programme has been funded since 2012 and continued to receive funding in 2021/22 for the rehabilitation treatment for those with substance dependence use who want to achieve a substance-free recovery. During the year, the service was made fully sustainable by receiving confirmation of 100% core funding by NHS Lothian commencing from 2022/23. We are proud to have played such an important role in developing the service over the years.



"Just having spent 12 days in Edinburgh infirmary after an accident I was delighted to discover that you have provided free Wi-Fi. It was fantastic that I could easily keep in touch with friends and family, thank you so much."



Small Grants

The Small Grants programme was established to offer support to those areas which do not receive donated funds and remains very popular both in acute settings and for community-based services. The funding of Small Grants enables staff to deliver a wide range of projects with clear patient benefit.

We awarded over £100,000 in small grants between £500 and £5,000 and signposted many applications to other more suitable sources of funding, such as from fundraised income or where there is a site specific fund.

Highlights of the year's projects include:

- St John's Hospital - Provision of Eye Movement Desensitization and Reprocessing (EMDR) support to provide therapy to Perinatal Mental Health patients, providing EMDR and Flash Technique therapy to clients who have moderate to severe mental illness in the perinatal period.
- Midlothian Health and Social Care Partnership Physiotherapy - to build a Rehabilitation Garden at Midlothian Community Hospital for Older People undergoing rehabilitation.
- Meaningful Activities for those experiencing mental health issues within HMP Edinburgh - through conversations with prisoners experiencing mental health difficulties, there has been an expressed need for reading materials (specifically magazines/activity booklets) catered to specific interests and hobbies.
- Penumbra Milestone ARBD Therapeutic Garden to enable service users to benefit greatly from the use of an outdoor space, helping promote positive mental health.

Launch of new Climate Challenge grants

In January 2022, we launched a new thematic small grant focussed specifically on projects that help reduce the impact of climate change on public health and the environment. Like our small grants, this is open to all staff to apply to and offers up to £5,000 per project.

Other Grants Programmes



Rehabilitation Garden at Midlothian Community Hospital

Specific Funds



Specific Funds are held for purposes relating to NHS Lothian hospital wards, clinical departments and areas of clinical research. Most of our supporters direct their donations and fundraising towards a particular area because of a personal link. Legacy donations are also received with a specific intended purpose.

A Steward oversees each fund, directing expenditure which improves the patient and carer experience, and is specifically targeted towards that fund's purposes (such as the purchase of equipment, patient amenities, refurbishment or staff development). During 2021/22, £1.790m was received to the specific funds in voluntary, charitable activity and investment income (2020/21: £2.083m), and a total of £1.732m was spent on charitable purposes (2020/21: £3.619m). Some examples include:

- £250,000 from Edinburgh Heart Centre Fund was granted to the Lothian Endovascular and Ultrasound Simulation Programme to support the expansion of the Procedural Simulation Training to improve the efficiency of endovascular and ultrasound training pathways.
- £197,052 from the Edinburgh Cancer Centre Research Fund was granted to increase capacity and support for Radiotherapy Clinical Trials within the Edinburgh Cancer Centre.
- £50,107 from the George & Janet Bassett Legacy Fund was granted to support a research project to identify the brain mechanisms of atypical cognitive development in preterm children.
- £17,205 from the Renal Dialysis Unit Fund as a contribution to support the expansion of the Outpatient Dialysis Unit at St John's Hospital.

Throughout the year 2021/22, a total of £730k was awarded to 20 new proposals for NHS Lothian.



“Care is much more than treatments and medicines. Being able to provide privacy and a calming environment helps to relax patients.”

Fundraising



Thank you to every single person who set themselves a challenge, sponsored a friend or made a donation to support our NHS colleagues, patients and their families.

As the official charity of NHS Lothian we are in the unique position to be able to support staff and patients across the whole of NHS Lothian. Through our Wellbeing Appeal for staff and Secret Santa Appeal for patients, our donors helped to create relaxing environments for staff and make sure that patients who were spending Christmas in hospital could celebrate with decorations, gifts and parties.

We have had the privilege to share many stories and case studies of the people, projects and activities you have helped make happen; many of these have been shared on our social media, website and newsletters. We have increased our digital activities, reaching more people than ever before, sharing our thanks and demonstrating the impact that our donors and supporters have had.

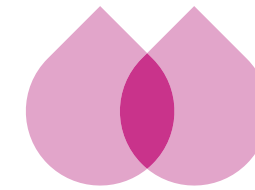
We would like to thank the volunteers and supporters of our fundraising groups FACE, BCI and Eyecare who support patients and staff in our cancer wards by making improvements to the ward environments, supporting staff training, equipment and research.

Thank you to Hibernian Football Club for their NHS Day and inviting so many NHS Lothian staff and their families to be their guests, and to Birchbox UK for their Birchboxes that we were able to gift to staff. These activities are just some of the ways our donors have shown our NHS colleagues that we are ever grateful for their care and compassion and that their wellbeing is just as important to us.

We would also like to say thank you to the many trusts, businesses and groups who made financial and non-financial donations to support our patients, their families and staff.

With special thanks to:

- Baillie Gifford
- Birchbox UK
- Breast Foot Forward
- Fletcher Bequest Trust
- Hibernian Football Club
- John Lewis
- Motability Operations
- NHS Charities Together
- The Robertson Group



Having had excellent care over the past few years including saving my life twice I would like to give back. I know it's not much but it comes with heartfelt thanks to all the staff, doctors, nurses and those who the patients don't see but who all do amazing work."

Secret Santa Appeal Donor 2021



Financial Review

Overview

The Foundation's fund balances at 31 March 2022 were £90.587m (2020/21 £87.617m). The investment portfolio performed well during the year although the portfolio did drop briefly by 10% towards the end of the year due to the ongoing troubles between Russia and Ukraine. The portfolio did however recover prior to the year end.

The Foundation's income in 2021/22 was £3.641m (2020/21 £4.471m), and expenditure was £3.831m (2020/21 £6.375m).

The Foundation's net assets increased to £90.587m (2020/21: £87.617m).

Income

Income 2021/22 showed a decrease overall on 2020/21 income levels. Voluntary income of £1.619m (2020/21 £1.848m) reflects the decrease in donations and legacies due to lack of footfall in hospitals as a result of the restriction in hospital visitors during the year. We are however aware that this situation would have been much worse if it were not for the alternative fundraising income streams like 'Community fundraising' and income from major donors and Trusts. Income from charitable activities reduced to £156k from £797k and this reflects the final stage 2 grant funding from NHS Charities Together. The prior year also included stage 3 monies. Income from investments and property reported a slight increase on 2020/21 levels of £40k.

The Foundation's net incoming resources, after investment gains of £3.298m were £3.108m (2020/21 net incoming resources were £11.997m).

Expenditure

In 2021/22 Trustees approved £2.478m in charitable grants. Some highlights are described across pages 8–29 but for a full listing of our charitable grants go to nhsllothiancharity.org

Costs of Raising Funds

Investment management costs of £0.350m were slightly higher (2020/21 £0.333m). This aligns with the higher portfolio balance as fees are linked to the fund value.

Balance Sheet

The Foundation's net assets increased to £90.587m (2020/21: £87.617m). During the year the Foundation (together with NHS Lothian) concluded the joint sale of the RHSC/Sciennes estate. The sale completed on 11 June 2021 and the majority of the proceeds were invested with our Investment Managers.

Performance Going Forward

We will continue to invest in our Fundraising team in order to expand our reach to other types of donors. The pandemic has shown us that we need to move with the times and not just rely on the more traditional cash donations but to look toward more electronic means of donating as well as building relationships with our existing donors.

During the year we formed a new Investment Committee who will have oversight of our portfolio. The Committee will work with Cazenove to ensure we receive the best return on our money. Our internal audit reviews in 2021/22 gave Trustees assurance in their governance framework and activities going forward.

Reserves Policy

Our policy is to hold investment reserves of 20% of the valuation of the investment portfolio to manage the impact of valuation changes on the capacity of the Foundation to support expenditure on grants.

During the year total reserves reached a peak of 38%. However due to the ongoing situation between Russia and Ukraine it was agreed not to make a distribution of reserves during the year.

The balance of investment reserves (realised and unrealised) at 31 March 2022 was £29.989m (31 March 2021: £26.695m), at 35% slightly above the Foundation's acceptable risk threshold of 20% of the valuation of the portfolio. We will continue to review the situation between Russia and Ukraine and will consider a distribution later in the year.

Investment Performance

Investment valuations were initially on an upward trajectory until February 2022 when Russia invaded Ukraine causing a global shock. This impacted markets with equities declining and bond yields rising (meaning prices fell). This saw our portfolio drop by 10%. Since then the portfolio value is recovering and the table below shows that despite the drop in valuation in February the portfolio only just performed below the CPI+4% target over the 12 months.

The portfolio generated a return of 6.2%,

just below the benchmark 6.3% for the year; and is just 0.1% below the benchmark over 3 years. Since inception the portfolio is ahead of the benchmark by 2.8%.

The Responsible Multi-Asset Fund (RMAF) has returned 31.4% since inception which contrasts with the inflation plus 4% target per annum. As well as achieving the financial objectives the Fund invests in companies that create a measurable positive impact for people and planet, generating four times the social benefit and 63% less carbon emissions than the global equity index.

Table 1: Edinburgh and Lothians Health Foundation Investment Performance Summary FY2022

	Benchmark asset allocation (%)	Allocation as at 31 March 2022 (%)	Performance as at 31 March 2022 (%)	Allocation as at 31 March 2021 (%)	Performance as at 31 March 2021 (%)
Portfolio	100	100	6.2	100	23.8
RPI + 4%			10.3		4.6
Benchmark*			6.3		21.3
Equities	65	66	5.2	62	30.1
Composite Equity Benchmark*			12.3		39.8
Bonds	9	12	-5.9	17	5.5
FTA Gov All Stocks			-5.1		-5.5
Multi-Asset Funds			-		-
Alternatives (exc. Multi-Asset)	25	21	14.5	20	20.9
UK 3-month LIBOR			0.2		0.1
Cash	1	1	4.0	1	3.8

*all performance figures are net of Investment Management costs. Benchmarks are set within our Investment Policy and mandate.

Common Investment Scheme

The Trustees participate, under a Service Level Agreement (SLA) with the Trustees of Lanarkshire Health Board Endowment Fund, in a Common Investment Scheme. Only the Foundation's share of the Common Investment Scheme assets is included in the balance sheet under investments.

The Common Investment Scheme portfolio was valued at £89.982m at 31 March 2022 (2020/21: £90.985m) of which £84.412m related to the Foundation (2020/21: £82.702m).

Investment Policy

The investment objective is to maximise the "total return" (i.e. aiming to achieve an investment return through both income and capital growth) within moderate parameters of risk, and to maintain the real capital value of the portfolio over the long term.

The investment target is to achieve an annual rate of return (i.e. incorporating an allowance for inflation) of CPI +4%. The Trustees have agreed not to set a specific annual income target.

The Trustees have agreed to a moderate tolerance of risk, accepting that at times this will mean accepting short or medium-term declines in capital values.

Trustees have considered the cost and risk implications of constructing a portfolio from a blend of directly held securities and pooled funds, and have concluded that this route is appropriate given the Foundation's specific requirements, particularly with respect to ethical and responsible investment, which cannot be met with sufficient proximity by pooled funds alone.

Ethical and Responsible Investment

During 2021/22 Trustees continued to review their policy with regard to their duties and guidance on ethical and responsible investment, and believe that responsible investment can enhance long-term portfolio performance. In particular, capturing investment opportunities driven by environmental, social and governance (ESG) integration and active ownership may have a material positive impact on investment returns and risks.

Trustees' Investment Manager, in particular in the equity portfolio, is encouraged to take an active approach to engagement in these areas when considering both existing and prospective investments.

Trustees also encourage their Investment Manager to discharge their responsibilities in accordance with current best practice including the UK Stewardship Code, and the UN Principles of Responsible Investment.

The Trustees maintain the following investment restrictions, which would be in direct conflict with the Foundation's objectives:

- No direct investments in companies involved in tobacco production, distillers of alcoholic beverages or armaments. Screened at 10% of revenue.
- Underlying securities of pooled funds are screened prior to acquisition for exposure to tobacco, alcohol and armaments at 10% of revenue and will only be invested in if these represent less than 5% of the overall assets of the relevant fund.

The Foundation also has an investment in a Responsible Multi-Asset Fund, which mirrors the portfolio's target return objective, risk tolerance and asset allocation strategic weightings and tactical ranges. The fund builds on Trustees' response to responsible and ethical investment by excluding exposure to coal and tar sands, alcohol, pornography, armaments, tobacco, gambling, high interest lending and human embryonic cloning. During the year the Investment Managers attended meetings of the newly created Investment Committee.

Policies

The Foundation is a sector leader in good governance and transparency and has developed and published an extensive framework of policies and procedures that run alongside NHS Lothian's Policy Hub.

The **Trustee Code of Conduct** sets out the Foundation's expectations of its Trustees, providing them with clear guidance as to the expected standards of behaviour, responsibilities and best practice in fulfilling their obligations to the Edinburgh and Lothians Health Foundation, and ensures consistent application of the values and ethos of the Foundation by all Trustees.

Complaints Policy and Procedure

The Foundation is committed to continuously improving its service to donors, supporters and members of the public, working in an open and accountable way that builds trust and respect and adheres to best practice. We always aim to treat our donors, supporters and other stakeholders with the highest level of care and respect. However, we recognise that on occasion we may not meet their expectations or our own high standards. An effective complaints management system is a proven way of maintaining and building relationships with the people on whom the Foundation depends.

During 2021/22 we received 0 complaints.

The **Conflict of Interest Policy** helps the Foundation identify and manage actual, potential and perceived conflicts of interest which might arise where an individual's personal or familial interests conflict with those of the Foundation. Such conflicts can result in decisions or actions which are not in the best interests of the Foundation, damaging its reputation. A Register of Interests is updated annually, and declarations of interest are recorded at all trustee and committee meetings. During 21/22 there were no material Conflicts of interest.

The **Ethical Fundraising Policy** gives our stakeholders confidence in our decision-making when deciding when to accept or refuse a donation that could be deemed as potentially detrimental to the Foundation or be contrary to our charitable objectives. Potential detrimental impacts to the Foundation could include reputational damage that may lead to a loss of support

both in the short or long term that is outweighed by the benefit that the donation could provide. We are committed to good fundraising and the Code of Fundraising Practice.

Freedom of Information Statement

The Foundation is exempt under FOISA. NHS Endowment Charities are not listed within the FOISA: Schedule 1, Part 4: The National Health Service. Charities by themselves are not bound by FOISA unless they are carrying out a public function. The Foundation does not fund core functions which the NHS is obliged to provide to the public, and the board of NHS Lothian does not direct the charity's activities (i.e. what Trustees fund).

Privacy Policy

We are committed to ensuring the privacy of our donors, supporters and other stakeholders is protected. When we collect personal information, we commit to keeping this information safe. In accordance with the Data Protection Act 2018, our privacy statement sets out how we collect and use personal information, and why this is important in enabling us to fulfil our charitable objectives.

Records Management Policy

NHS Lothian is the data controller for the Foundation, and we adhere to NHS Lothian's Records Management Policy. However, as a charity some of the information we receive, process and store is not covered under that policy. The purpose of this additional policy is to ensure that the records management of the Foundation is in line with current legislation, regulation and guidance.

Whistleblowing Statement

The Public Interest Disclosure Act 1988 provides protection for individuals who raise legitimate concerns about specified matters, known as qualifying disclosures. New National Whistleblowing Standards for the NHS in Scotland came into force from April 1st 2021 and over all NHS providers. NHS Lothian is the employer of all staff who are engaged in activities relating to the operation of the Foundation; the Foundation is not an employer in its own right.

Principal Risks and their Management

Trustees aim to adopt best practice to identify and mitigate against risks, and to have appropriate procedures and controls in place.

The Trustees' risk management objectives are to:

- Integrate risk management into the culture of the Foundation
- Manage risk in accordance with best practice
- Consider legal compliance as an absolute minimum
- Anticipate and respond quickly to social, environmental, financial and legislative change
- Raise awareness of the need for risk management

Systems in place to identify and mitigate risks include:

- The Risk Management Policy was approved by Trustees in 2020, and will be reviewed in 2023.
- The Risk Management Policy is a reserved matter for Trustees
- Oversight responsibility for risk management is delegated to Charitable Funds Committee
- The Risk Register is reviewed as a standing agenda item by the Charitable Funds Committee
- The Senior Management Team has an increased role managing and evaluating operational risk
- Internal audit periodically reviews risk management systems and controls (most recently in 2016/17)

The principal risks and management strategies are summarised below.

A new Corporate Risk Register was approved in March 2022. Under this framework, we consider risk across four categories: governance and management, economic and financial, operational and external, and compliance and regulatory. These intersect across six enablers which critically support the successful delivery of the new corporate strategy; these are: effective relationships, impact evaluation, increased resources, engaged and effective staff, raised profile, and effective governance and management.

The risk register considers residual risk scoring NET after controls, and Trustees' level of assurance anchors assurance to controls and risk scoring and tracking. Five principal risks and management strategies are summarised below:

- **Risk Description: Failure of Governance or Management**

This broad risk combines the effectiveness of the trustee and committees, the longstanding risk associated with the corporate trustee model, and activities outside its powers. In mitigation we have developed an extensive framework of policies (listed on page 35) trustee induction and ongoing development, and operational management of grants and funds.

Trustee Assurance: Medium

Residual Risk: Medium

- **Risk Description: Failure of Strategic Partnerships**

Without solid relationships and communication, and unilateral decision making, our activities may become misaligned with NHS Lothian strategic priorities and thus our programmes or projects become less impactful. Embedding NHS Lothian's Charities and Fundraising Policy, and underpinning our status as official charity will create stronger sightlines on NHS priorities and a framework for engagement with other external charities.

Trustee Assurance: Medium

Residual Risk: Medium

● **Risk Description: Ineffective Impact Evaluation Systems**

For impact evaluation to be meaningful, it needs to be closely aligned to our strategic objectives and final goal, and reporting needs to be strong on evidence-based data capture. A new evaluation system (for the new strategic period) has been built and tested against historic grants and fund disbursements, and will be rolled out in 2022/23 and supported by the appointment of a new specialist evaluation lead.

Trustee Assurance: Medium

Residual Risk: Medium

● **Risk Description: Lack of Profile or Awareness**

Work on our new brand during 2022 demonstrated, despite the success of our Covid-19 appeal, a basic lack of awareness and brand clarity across NHS Lothian, both with internal and external stakeholders. Coupled with lower footfall in hospitals this would impact our voluntary income and potentially limit the success of our strategy. The new name, brand and marketing strategy will be launched in 22/23 alongside 'touchpoints' installed across NHS Lothian.

Trustee Assurance: Medium

Residual Risk: Medium

● **Risk Description: Fundraising**

Closely associated with lack of profile or awareness, the newly formed Fundraising team is tasked with delivering on voluntary income targets. An historic overreliance on income from visiting patients, carers and families is being mitigated through investment in a specialist Fundraising team and a diversified base of income including digital giving, legacies, corporate partners and trusts.

Trustee Assurance: Medium

Residual Risk: Medium



Our Strategic Plans 2021 – 2026

Enabling Factors: → what needs to be in place to achieve our objectives and final goal

Activities: → core activities and services we fund across NHS Lothian

Intermediate Outcomes: → changes we want to see for our beneficiaries

Priority Objectives: →

Final Goal: → the overall impact we are trying to achieve

	Enabling Factors	Activities	Intermediate Outcomes	Priority Objectives	Final Goal
Partnerships	Effective Relationships	Investment in the physical environment: Art & Therapeutic Design, Greenspace schemes, capital programmes	Improved knowledge and understanding of effective treatment and practice		
	Impact Evaluation	Provision of non-clinical services: Tonic Arts, Greenspace and Health, Volunteer Services, Complementary therapies	Improved staff health and wellbeing		
Resources	Increased resources	Digital enhancements: enhanced Wi-Fi, virtual visiting	Improved hospital environment New and/or improved clinical practice	Enhanced patient and carer experience	
		State-of-the-art equipment and clinical innovation: CSG pipeline, Sim Training		Improved clinical outcomes for patients	Enhanced experience and care for patients in hospital and their communities
Visibility	Engaged, effective staff	Investment in clinical research and facilities: Specific Funds, NMAHPPS R&D award scheme	New and/or improved non-clinical practice Improved clinical outcomes for patients	Improved staff wellbeing and professional development	Have a positive impact on health in Lothians
	Raised profile	Staff Wellbeing & Professional Development: Work Well: leadership post, staff spaces, HWLs, Elsie's, Specific Funds	Improved non-clinical experience for patients and hospital visitors	Improved community health/reduced inequality	
Governance	Effective governance & management	Small Change, Big Impact: Specific Funds and Small Grants			
		Lothian Health Programme: facilitate/leverage intelligence and data from 3rd Sector/stakeholders, Role as NHS's civic anchor. Determine explicit measurable priority focus.	Improved knowledge and facilitated partnerships to develop test-of-change projects		

Priority Objectives:

specific changes we want to see for our beneficiaries

Enhanced patient and carer experience

Enhancing the patient experience is in our DNA; historically the primary objective of all NHS charities. We support the patient throughout their entire journey arc: in primary care and the community setting, during a hospital stay or visit, and on their return home. Our non-clinical services include improvements to the physical environment, person-centred support and participation, and digital enhancement.

Improved clinical outcomes for patients

Supporting patients' health and wellbeing also takes the form of investing in clinical facilities and research, staff training and development, state-of-the-art equipment and clinical innovation. Our defined parameters are to enhance the core provision and go above-and-beyond to help.

Improved staff wellbeing and professional development

Our NHS colleagues deliver outstanding care for their patients, and we believe that their wellbeing is critical for improving the health and care of their patients, our beneficiaries. It has also been demonstrated clearly to us that donors and supporters want to say thank you to these everyday heroes. Our commitment to the workforce is to their wellbeing, training and professional development.

Improved community health and reduced health inequality

Our vision of longer lives, better lived is about supporting patients at every step in their healthcare journey and aligns with NHS Lothian's strategy of more care closer to home and healthier living. Covid shone a harsh spotlight on the health inequalities within our communities, compelling a reset of the delivery of care, prioritising community health infrastructure.

Enabling Factors:

what needs to be in place to achieve our objectives and final goal.

Effective relationships

We work in strategic partnership with NHS Lothian, local Health and Social Care Partnerships and other partners to make a difference to people's health and wellbeing. Our relationships are most effective when they are underpinned by a commitment to a shared goal and a clear delivery framework.

Impact evaluation

We use evidence of what works to continuously improve our service delivery and grants. Qualitative and quantitative evaluation enables us to be reflective and agile, and review and revise our activities. By investing in evaluation systems, and by demonstrating our impact we motivate staff, raise our profile and secure more support.

Increased resources

We broaden our activities and reach our goal faster by increasing the resources available to us. Our strengthened fundraising capacity and responsibly managed investment portfolio provide both income and long-term capital to benefit present and future generations.

Engaged, effective staff

We are invested in our staff, and they in each other; we celebrate our successes. Our culture reflects our core values and behaviours, supports wellbeing, learning and personal and career development.

Raised profile

We are the recognised partner to NHS Lothian, and its entire workforce are our champions and advocates. Awareness of our work and our impact both internally and externally across multiple channels drives up support and income.

Effective governance & management

We are sector leaders in good governance and endowment management; we share with and learn from our stakeholders and peers to inform our work. Value-adding systems ensure a firm basis for future quality improvement.

Structure, Governance and Management

Foundation's Objective

Edinburgh and Lothians Health Foundation is the operating name for the Lothian Health Board Endowment Fund, which is registered as a charity in Scotland SC007342. Our registered office is Waverley Gate, 2-4 Waterloo Place, Edinburgh, EH1 3EG.

The Foundation, by virtue of its governing document the National Health Service (Scotland) Act 1978 is constituted as a corporate Trustee, i.e. Lothian Health Board, as a corporate body, has been appointed Trustee of the Foundation.

The Foundation's objective is the advancement of health, through the improvement of the physical and mental health of the people of Edinburgh and the Lothians, the prevention, diagnosis and treatment of illness, the provision of services and facilities in connection with the above, and the research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or into such other matters relating to the health service as the Trustees see fit.

The Trustees shall observe the principal of not granting endowment funds as a substitute for a core provision, or to cover a responsibility of Lothian NHS Board which is a requirement of health and safety, employment law or a ministerial policy direction. This is in order to reduce the risk of conflict of interest between the role of Lothian Health Board and the Foundation Trustees.

Appointment of Trustees

All members of Lothian Health Board are appointed by Scottish Ministers. Board members become Trustees of the Foundation ex officio, which leads to a consolidation requirement. Trustees collectively are an unincorporated body distinct from Lothian Health Board which indemnifies Trustees (collectively and individually) against allegations of neglect or breach in respect of their duties as Trustees.

The appointment as Trustee is legally distinct from the appointment as board members and individual board members, in their capacity as Foundation Trustees, are required to meet the requirements of the Charities and Trustee Investment (Scotland) Act 2005. No other individuals are permitted to be appointed to act as Trustees. Trustees who served throughout the year to 31 March 2022, except where otherwise disclosed, are listed on page 45.

Trustees are given a comprehensive induction to the Foundation when they join the Board, including an induction pack which includes the Foundation's Charter, Trustee Role Description and Code of Conduct, and Conflict of Interest Policy. Trustees are also invited to seminars and other development opportunities on governance, investment and charitable funding.

Powers of Investment

The Lothian Health Board's powers of investment in its capacity as corporate Trustee of the Lothian Health Board Endowment Fund are principally derived from the Foundation Charter and the Charities and Trustee Investment (Scotland) Act 2005.

Trustees are entitled to make any kind of investment of the endowment including a wider power to acquire stocks and shares, or heritable property. Trustees' duties before making an investment are to consider the need for diversification of investments, consider the suitability of the proposed investments, and to consider obtaining appropriate advice.

Trustees also have powers to appoint nominees (i.e. an investment manager) for the purpose of investment.

Remuneration

Trustees are responsible for the appointment of the senior officers (Higher than Agenda for Change Band 7) in accordance with NHS Scotland Agenda for Change policy framework.

Networks and Affiliations

The Foundation is a member of NHS Charities Together and a founding member of the NHS Scotland Endowments Network Group, both of which promote the effective working of NHS Charities.

The Foundation is also a member of the Scotland Funders Forum, Scottish Grantmakers, committed to best practice in funding the voluntary and community sector and maximising the impact of funding for the benefit of Scotland, and the Association of Charitable Foundations. We are also registered with the Scottish Fundraising Standards Panel.

Trustees' Responsibilities

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), which show a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation.

In preparing these financial statements, generally accepted accounting practice requires that the Trustees:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- State whether the financial statements comply with applicable accounting standards and the requirements of the National Health Service (Scotland) Act 1978, 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 Foundation will continue its activities.

The Trustees are required to act in accordance with the National Health Service (Scotland) Act 1978, within the framework of trust law. They are responsible for keeping adequate accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the Foundation at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 44 of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Foundation and to prevent and detect fraud and other irregularities.

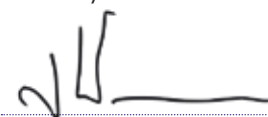
Approved by the Edinburgh and Lothians Health Foundation Trustees at their meeting held on 22 June 2022.

DISCLOSURE OF INFORMATION TO AUDITORS

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- a) So far as the Trustee is aware, there is no relevant information of which the organisation's auditor is unaware; and,
- b) He/she has taken all steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees and signed on their behalf by:



Jock Encombe
22 June 2022



Craig Marriott
22 June 2022

Organisation

Trustee Board

Esther Roberton (Chairman until 30/6/21)
Jock Encombe (Chairman from 8/12/21)
Shamin Akhtar
Nadin Akta (from 1/4/22)
Philip Allenby (from 1/4/22)
Michael Ash (until 30/4/21)
Eddie Balfour (4/10/21-3/1/22)
Calum Campbell
Harry Cartmill (from 31/5/22)
Prof Siddharthan Chandran
John Connaghan (from 1/8/21)
Martin Connor
Val de Souza (from 1/4/22)
Katie Dee (until 31/5/21)
Dr Patricia Donald
Andrew Fleming (from 11/4/22)
Tracy Gillies
Susan Goldsmith (until 31/5/22)
Elizabeth Gordon (from 1/4/22)
George Gordon (from 16/5/22)
Martin Hill (vice-chair) (until 31/12/21)
Carolyn Hirst
Fiona Ireland
Stephen Jenkinson (from 9/6/22)
Katharina Kasper
Peter Knight (from 1/4/22)
Alison MacDonald (from 22/6/22)
Craig Marriott (from 1/6/22)
Gillian McAuley (from 4/4/22)
Angus McCann
John McGinty
Nancy McKenzie (until 31/7/21)
Prof Alex McMahon (until 3/10/21)
Bill McQueen
Tracy Ann Miller (from 1/1/22)
Derek Milligan
Dona Milne (from 1/6/21)
Alison Mitchell (until 30/4/21)
Peter Murray
Tom Waterson (until 8/9/21)
Dr Richard Williams
Pat Wynne (4/1/22 - 3/4/22)

Decision Making and Committees

Trustees are responsible for the general control and management of the administration of the Foundation, agreeing the strategy, any policies pertinent to governance and control, annual budgets, and internal and external audit. Trustees approve the Annual Report and Accounts, the establishment, membership and Terms of Reference of any committee, and consider any proposal for expenditure outwith the strategy and annual budget over £500k. There were four full Trustee meetings during 2021/22.

Trustees are usually served by two committee and two advisory groups. Both committees are chaired by a Trustee, but include non-Trustee members. Both report to the full Trustee Board.

The Charitable Funds Committee is appointed to develop the Foundation's strategy and objectives, oversee the implementation of an infrastructure appropriate to its efficient and effective running, oversee the expenditure and investment plans, and monitor the performance of the Foundation's

activities ensuring it adheres to the principles of good governance and complies with all relevant legal requirements.

The Investment Committee is established to oversee the Foundation's Investment Policy, the setting of appropriate benchmarks for investment performance, and the monitoring of performance against those benchmarks.

The Arts Advisory Group is appointed to advise on the Arts in Health and Wellbeing Strategy and associated budget, and the ongoing programme activity.

The Greenspace and Health Advisory Group is appointed to advise on the Greenspace and Health Strategy and associated budget, and the development of programmes and activities.

Senior Management Team

The senior management team is responsible for the day-to-day leadership of the Foundation, the management of staff, contractors and volunteers, the delivery of our strategy and adherence to agreed policies and procedures.

Advisors

Auditors (Statutory)

Azets Audit Services Ltd
Exchange Place 3
Semple Street
Edinburgh EH3 8BL

Auditors (Internal)

NHS Lothian
Waverley Gate
2-4 Waterloo Place
Edinburgh EH1 3EG

Investment Managers

Schroder & Co Ltd
t/a Cazenove Capital Management
1 London Wall Place
London EC2Y 5AU

Bankers

The Royal Bank of Scotland plc
Commercial Banking
1st Floor, Gemini Building
24-25 St Andrew Square
Edinburgh EH2 1AF

Solicitors

Turcan Connell
Princes Exchange
1 Earl Grey Street
Edinburgh EH3 9EE

Senior Management Team

Jane Ferguson, Director
Patricia Irving, Head of Finance
Nicola Sinclair, Head of Fundraising
Sanjay Singh, Head of Funding Programmes

Auditor's Report and Financial Statements

Independent Auditor's Report to the Trustees for the year ended 31 March 2022

Opinion

We have audited the financial statements of Edinburgh and Lothians Health Foundation for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Foundation'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) and the National Health Service (Scotland) Act 1978.

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 Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 audit 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 Foundation'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, except to the extent otherwise explicitly stated in our report, 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 44, 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 Foundation'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 Foundation or 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the Foundation, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity 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 entity 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 Foundation through discussions with the Trustees, and from our knowledge and experience of the charity sector;

- 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 Foundation, 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, including fraud, 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 the actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the Foundation's legal advisors.

We assessed the susceptibility of the Foundation'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.

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 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 Foundation's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the National Health Service (Scotland) Act 1978.

Our audit work has been undertaken so that we might state to the Foundation'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 Foundation and the Foundation's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

4 July 2022 Azets Audit Services, Statutory Auditor

Azets Audit Services

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
9 Sempole Street
Edinburgh
EH3 8BL

Financial statements

Statement of financial activities for the year ended 31 March 2022

		Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	NOTE	£000	£000	£000	£000	£000	£000
Income and endowments from:							
Donations and legacies	2	448	1,171	1,619	344	1,504	1,848
Charitable activities	3	-	156	156	-	797	797
Investments	4	1,403	463	1,866	1,247	579	1,826
Total		1,851	1,790	3,641	1,591	2,880	4,471
Expenditure on:							
Raising funds	5	479	232	711	348	224	572
Charitable activities	6	1,388	1,732	3,120	2,184	3,619	5,803
Total		1,867	1,964	3,831	2,532	3,843	6,375
Net gain on investments		646	2,652	3,298	8,345	5,556	13,901
Net income		630	2,478	3,108	7,404	4,593	11,997
Transfer between funds		(17)	17	-	1	(1)	-
Other recognised gains/(loses):							
Gain on revaluation of fixed assets		25	-	25	-	-	-
Other loss - sale of investment property		(163)	-	(163)	-	-	-
Net movement in funds		475	2,495	2,970	7,405	4,592	11,997
Reconciliation of funds							
Total funds brought forward	16	57,341	30,276	87,617	49,936	25,684	75,620
Total funds carried forward		57,816	32,771	90,587	57,341	30,276	87,617

The Statement of Financial Activities includes all gains and losses recognised in the year. All results relate to continuing activities.

Notes 1 – 21 on pages 53–65 form part of these accounts.

Financial statements

Balance sheet as at 31 March 2022

		Total funds 2022	Total funds 2021
	NOTE	£000	£000
Fixed assets			
Investments			
Securities	10	84,412	82,702
Cash awaiting investment	13	299	3,446
Investment property	10	3,715	11,305
Total fixed assets		88,426	97,453
Current assets			
Debtors	12	314	373
Cash at bank and in hand	13	4,372	4,730
Total current assets		4,686	5,103
Current liabilities			
Creditors: amounts falling due within one year	14	(2,525)	(14,939)
Net current assets/(liabilities)		2,161	(9,836)
Total assets less current liabilities		90,587	87,617
Financed by – charity fund total	19	90,587	87,617

Notes 1 – 21 on pages 53–65 form part of these accounts.

The Edinburgh and Lothians Health Foundation Accounts for the year ended 31 March 2022 were approved by the Trustees at their meeting held on 22 June 2022.



Mr Craig Marriott
Trustee
22 June 2022



Mr Jock Encombe
Chairman of Trustees
22 June 2022

Financial statements

Statement of cash flows for the year ended 31 March 2022

	Total funds 2022	Total funds 2021
NOTE	£000	£000
Cashflows from operating activities		
Net cash (used in)/provided by operating activities	(15,310)	144
Cash flows from investing activities		
Dividends, interest and rents from investments	1,866	1,826
Proceeds from sale of property	7,452	-
Proceeds from sale of investments	26,355	20,314
Purchase of investments	(23,868)	(18,753)
Net cash provided by investing activities	11,805	3,387
Change in cash and cash equivalents in the reporting period	(3,505)	3,531
Cash and cash equivalents at the beginning of the reporting period	8,176	4,645
Cash and cash equivalents at the beginning of the reporting period	13	4,671

Reconciliation of net income to net cash outflow from operating activities

	2022	2021
	£000	£000
Net income for the reporting period (as per the statement of financial activities)	£3,108	£11,997
Adjustments for:		
Revaluation (gains) on investments	(4,197)	(13,272)
Dividends, interest and rents from investments	(1,866)	(1,826)
Decrease in debtors	59	3,164
(Decrease)/increase in creditors	(12,414)	81
Net cash (used in)/provided by operating activities	(15,310)	144

Notes to the accounts

1. Principal Accounting Policies

General Information

1.1 Basis of preparation

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Foundation's transactions are denominated. They comprise the financial statements of Edinburgh and Lothians Health Foundation. The objective of Edinburgh and Lothians Health Foundation is the advancement of health and the promotion of physical and mental health and wellbeing of the people of Scotland. Edinburgh and Lothians Health Foundation 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 SC007342. Details of the principal address can be found on page 43 of the financial statements.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)'; published in October 2019, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the National Health Service (Scotland) Act 1978 and the Foundation's constitution.

Edinburgh and Lothians Health Foundation 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 1.14.

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 Foundation's financial statements unless otherwise stated.

Going concern

The Trustees are of the opinion that the Foundation can continue to meet its obligations as they fall due for the foreseeable future. The financial position and cash-flow forecasting is reviewed on a regular basis by the Charitable Funds Committee and reported to Trustees. As a consequence, the Trustees have prepared the financial statements on a going concern basis.

Controlling entity

The financial statements are consolidated into the Lothian Health Board (operating as NHS Lothian). The basis of the consolidation is merger accounting. The accounts are available on the website of NHS Lothian.

1.2 Income

Donations and grants are recognised once the Foundation has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Investment income is recognised when right to receipt is established.

Incoming resources are included gross of any tax recoverable.

Income that is restricted by the donor is included in an existing restricted fund that most closely matches the nature of the restriction unless it is not possible to match the donation to a fund in which case a new fund will be established. Income which has no restrictions attached is included in the general funds of the Foundation.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred once all conditions attached to the legacy have been fulfilled.

Where legacies have been notified to the Foundation and the criteria for income recognition haven't been met, the legacy is treated as a contingent asset and disclosed if material. Legacy income is measured at fair value, generally the cash amount receivable, and is discounted if deferred for more than 12 months.

The unwinding of the discount is recognised as interest receivable.

Gifts in kind are not accounted for where they will be accepted and immediately distributed as they have no realisable value.

1.3 Resources expended and recognition of liabilities

All expenditure is recognised when there is a legal or constructive obligation committing the Foundation to the expenditure. Expenditure is accounted for on an accruals basis and has been classified under headings of raising funds and charitable activities, which aggregate all costs related to the category.

The costs of generating funds are the direct costs associated with raising funds and include fundraising costs and investment management fees. Fundraising costs are those incurred in seeking voluntary contributions and include direct costs such as publicity and direct mailing material. Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

Costs of charitable activities comprise all costs identified as wholly or mainly incurred in the pursuit of the charitable objects of the Foundation. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to direct costs. The total costs of each category of charitable expenditure therefore include support costs and the apportionment of overheads, as shown in note 6.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate. Most items of medical or scientific equipment and aids for the handicapped may be zero-rated for VAT purposes when purchased wholly from charitable funds.

The Foundation is not separately registered for VAT. As permitted by HM Revenue & Customs (HMRC) under the NHS Contracted Out Services Regulations, VAT on relevant invoices paid from Endowment Funds is reclaimed using Lothian Health Board's own VAT registration reference. Amounts reclaimed are credited to the endowment funds which bore the costs initially.

1.4 Investments

Investments and properties are stated at fair value at the balance sheet date. The investment properties are valued on an open market basis every few years by professional surveyors, in accordance with RICS guidelines, and reviewed during interim years by the Trustees.

Quoted stocks and shares are included in the balance sheet at mid-market price, excluding dividends as this is not materially different from bid value.

Any realised gains and losses on revaluation or disposals are disclosed in the Statement of Financial Activities.

1.5 Realised and unrealised gains and losses

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 carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year-end and the carrying value (or purchase date if later).

1.6 Heritage assets

Heritage assets are not included in the balance sheet at valuation as they are not held for the purposes of conservation but to promote the arts in health and wellbeing. The Foundation has an inventory of artworks and other minor collectables. Acquisitions and gifts of historical or other heritage value to the Foundation are not generally made. The Trustees do not have any plans to dispose of heritage assets. The management of the heritage assets of the Foundation are overseen by its Board of Trustees. The details of heritage assets are in note 11.

1.7 Pensions

The Foundation is a grant making charity and has no employees (Foundation staff are employees of NHS Lothian); any pension contribution or taxation liabilities that may arise are solely the responsibility of the grant recipient.

1.8 Taxation

The Foundation has charitable status and is exempt from income tax under Section 505 of the Income and Corporation Taxes Act 1988 and capital gains tax under Section 256 of the Taxation of Chargeable Gains Act 1992 and the Foundation is entitled to describe itself as a Scottish charity.

1.9 Funds

Unrestricted funds are income sources which are receivable for the objectives of the Foundation without further specified purposes and are available as general funds.

Designated funds are unrestricted income sources which have been earmarked for a specific future purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

1.10 Accrued income

Accrued income relates to legacies and dividend income to which the Foundation is entitled which has not been received at the year end.

1.11 Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

1.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held within the investment portfolio, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

1.13 Financial assets and financial liabilities

Financial instruments are recognised in the financial statements when the Foundation becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting

period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Foundation has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry. Current assets and current liabilities are measured at the cash value expected to be paid or received.

1.14 Significant estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Foundation makes judgements in applying accounting policies.

2. Donations & Legacies

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£000	£000	£000	£000	£000	£000
Donations	189	521	710	194	785	979
Legacies	108	650	758	70	451	521
Grants	151	-	151	80	268	348
Total donations and legacies	448	1,171	1,619	344	1,504	1,848

3. Charitable Activities

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£000	£000	£000	£000	£000	£000
Stage 2 grant - NHSCT	-	156	156	-	236	236
Stage 3 grant - NHSCT	-	-	-	-	561	561
Total charitable activities	-	156	156	-	797	797

In 2021/22 and 2020/21, the Foundation received grants from the NHS Charities Together (NHSCT) Covid-19 emergency appeal.

4. Investment Income

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£000	£000	£000	£000	£000	£000
Listed equity investments	1,298	462	1,760	934	556	1,490
Schroder	-	-	-	-	22	22
Bank interest	1	1	2	1	1	2
Rental property	104	-	104	312	-	312
Total investment income	1,403	463	1,866	1,247	579	1,826

5. Raising Funds

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£000	£000	£000	£000	£000	£000
Investment management	253	97	350	203	130	333
Fundraising costs	226	135	361	145	94	239
Total raising funds	479	232	711	348	224	572

6. Charitable Activities

The Foundation did not undertake any direct charitable activities on its own account during the year. Grants were approved in favour of beneficiaries and the Foundation incurred expenditure with third parties in pursuance of those grants or reimbursed expenditure incurred by beneficiaries. Support costs have been apportioned across the categories of charitable expenditure based upon the level of expenditure on grant funded activity.

An initial allocation of overhead and support costs has been made to unrestricted funds and restricted funds based on the balances on these funds at the end of the financial year, exclusive of heritable properties. From this allocation, balances are then identified for governance related costs leaving a residue to be allocated and/or apportioned across all other activities, namely charitable expenditure and costs of generating funds.

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£000	£000	£000	£000	£000	£000
Grant Making						
Grant funding of activities (note 7)	986	1,492	2,478	1,855	3,407	5,262
Support costs (Note 8)	318	191	509	262	170	432
Governance (Note 8)	84	49	133	67	42	109
Total charitable activities	1,388	1,732	3,120	2,184	3,619	5,803

7. Analysis of Grants Expenditure

The Foundation does not make grants to individuals. The total cost of making grants is disclosed on the face of the Statement of Financial Activities. Restricted funds are operated on Trustees' behalf by Stewards, who may disburse grants to a designated limit of £5,000 based on the purposes of that fund.

Total grant making expenditure was £2,478k of this the following institutions received grant funding above £100,000:

	£000
Institutional Grants	
NHS Lothian	1,292
University of Edinburgh	318
Other Organisations	868
Total	2,478

Note 18 contains more detail on the grant making expenditure with NHS Lothian.

8. Analysis of Support & Governance Costs

	Charitable Activities	Governance costs	2022	Charitable Activities	Governance costs	2021
	£000	£000	£000	£000	£000	£000
Salaries and related costs	450	79	529	357	63	420
External Audit	-	12	12	-	16	16
Rent/post/phone	59	42	101	75	30	105
Total	509	133	642	432	109	541

The Foundation Office costs in 2021/22 totalled £642,000 (2020/21: £541,000). The majority of costs are salary related.

Azets Audit Services did not receive any fees for non-audit activities in 2021/22 (2020/21: £Nil).

Other key expenditure items during the year relate to a SLA with NHS Lothian for financial services provision, operational website costs, legal and property costs and other office expenditure.

9. Staff Costs

	2022	2021
	£000	£000
Wages and salaries	622,404	498,350
Social security costs	66,127	53,235
Employer pension contribution	130,052	103,722
Total	818,583	655,307

Staff costs relate to costs of sixteen NHS Board employees (2020/21 – thirteen). They work exclusively for the Foundation, providing a service Lothian-wide.

Three senior employees earned an emolument of more than £60,000 per annum during 2021/22, one being in receipt of salary in the band £90,000 to £100,000 (2020/21 – £90,000 to £100,000) and two being in receipt of salary in the band £60,000 to £70,000 (2020/21 – one e'ee £60,000 to £70,000). Employer pension contributions for the highest paid senior employee during 2021/22 were £19,358 (2020/21 – £18,811). Total employee benefits of key management personnel were £354,872 (2020/21 £321,605).

No Trustee received any remuneration or expenses from the Foundation during the year (2020/21 – none).

10. Investments

	Investment Property 2022	Market Investment 2022	Total 2022	Investment Property 2021	Market Investments 2021	Total 2021
	£000	£000	£000	£000	£000	£000
Cost or valuation at 31 March 2021	11,305	82,702	94,007	11,305	70,991	82,296
Acquisitions	-	23,868	23,868	-	18,753	18,753
Disposals	(7,615)	(26,355)	(33,970)	-	(20,314)	(20,314)
Rent/post/phone	25	4,197	4,222	-	13,272	13,272
Valuation at 31 March 2022	3,715	84,412	88,127	11,305	82,702	94,007

The historic cost of market investments is £67,156k (2020/21 £66,631k).

The investment properties were revalued by DVS chartered surveyors in September 2021 and March 2022, respectively, in accordance with RICC guidelines, on an open market value basis. The revaluation gain in the year relates to the property at Hatton Place. During the year the Foundation (together with NHS Lothian) concluded the joint sale of the RHSC/Sciennes estate. The sale completed on 11 June 2021. The disposal is of £7.615m is included above.

11. Heritage Assets

The Foundation possesses an inventory of historical and contemporary artworks and other minor collectables which are not held for the purposes of conservation but to promote the use of arts and heritage as a therapeutic component of improving health and wellbeing for patients and visitors to NHS premises. At 31 March 2022 the latest available valuation (April 2009) of the inventory was approximately £1,420,000. Valuations are ongoing by the Royal Scottish Academy and National Galleries.

12. Debtors

	2022	2021
	£000	£000
Tax recoverable	1	23
Prepayment & accrued income	313	350
Total	314	373

13. Cash and Cash Equivalents

	2022	2021
	£000	£000
Cash at bank	4,372	4,730
Cash at investment manager	299	3,446
Notice deposits < 3 months	-	-
Total cash and cash equivalents	4,671	8,176

14. Creditors

	2022	2021
	£000	£000
Creditors due within 1 year		
Trade payables	7	174
Accruals	2,518	14,765
Total	2,525	14,939

In 2021 £11.4m of the creditors falling due within one year related to the agreed commitment in relation to the Haematology project. Payment was made to NHSL in October 2021.

15. Financial Assets and Liabilities at Fair Value Through Net Income

	2022	2021
	£000	£000
Investments at fair value (note 10)	84,412	82,702

16. Analysis of Specific Funds

Hospital Specific Funds >£100k	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/ (Losses)	Balance at 31/03/2022
	£000	£000	£000	£000	£000	£000
St John's Hospital at Howden:						
Critical Care Unit (CCU) Endowment Fund	113	3	(3)	-	-	113
Oncology & Haematology Day Unit Fund	202	11	(15)	-	-	198
Martha Ritchie Cancer Care Fund	188	5	(2)	-	-	191
Western General Hospital						
WGH Neurological Surgery Fund	550	15	(17)	-	-	548
Edinburgh Cancer Centre Fund	358	92	(12)	-	-	438
Stroke Research and Amenities Fund	115	3	(3)	-	-	115
Rheumatic Diseases Unit Fund	230	6	(9)	-	-	227
Edinburgh Centre For Neuro-Oncology	152	6	(3)	-	-	155
Microbiological Research Fund	111	3	(3)	-	-	111
J. King Urological Cancers Research	186	6	(32)	-	-	160
Head & Neck Cancer Research Fund	234	6	(32)	-	-	208
General Oncology Department Fund	686	18	(27)	-	-	677
Diabetes Unit Fund	102	2	(4)	-	-	100
Fighting Cancer In Edinburgh	196	47	(52)	-	-	191
Colorectal Research Fund	170	7	(4)	-	-	173
Haematology Research Fund	581	64	(16)	-	-	629
Paul Abraham Molecular Laboratory Fund	248	6	(6)	-	-	248
Edinburgh Neurology Fund	270	185	(13)	-	-	442
Breast Cancer Institute Fund	664	127	(124)	5	-	672
Astley Ainslie Hospital						
Edinburgh Physio Rehab Service Fund	125	6	(4)	-	-	127
Royal Victoria Building:						
The Edinburgh Parkinson's Service Fund	156	9	(8)	-	-	157
Roodlands Hospital:						
Harriet Connolly Fund	133	3	(4)	-	-	132
Simpson Centre for Reproductive Health:						
G & J Bassett Legacy Fund	355	9	(75)	-	-	289
Royal Hospital for Sick Children:						
Calderwood Paediatric Cardiology Fund	223	5	(12)	-	-	216
Trastevere Fellowship Paediatric Pathology	161	4	(6)	-	-	159
Endocrine and Diabetes Fund	107	7	(3)	-	-	111
Leukaemia & Cancer Fund	533	14	(13)	-	-	534
Royal Infirmary of Edinburgh:						
Kidney Transplant	326	9	(9)	-	-	326
Coronary Care Unit Fund	393	10	(9)	-	-	394
Scottish Liver Transplant Unit	210	32	(7)	-	-	235
Dermatology	110	3	(4)	-	-	109
Edinburgh Vascular Research Fund	249	5	(72)	-	-	182
CEG Wright Renal Scanner Fund	305	7	(5)	-	-	307
Medical Renal Unit Fund	1,209	103	(35)	-	-	1,277
Renal Research Fund	183	76	(10)	-	-	249
(RIE) Orthopaedics Department Fund	252	6	(6)	-	-	252
Brown & Ireland Estate Arthritis Fund	152	4	(4)	-	-	152
Princess Alexandra Eye Pavilion:						
Treatment of Blindness & Research Fund	136	16	(5)	-	-	147
Eye Research Fund	318	72	(13)	-	-	377
Total Hospital Specific Funds >£100,000	10,992	1,012	(681)	5	-	11,328

Division-wide Specific Funds >£100K	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/ (Losses)	Balance at 31/03/2022
	£000	£000	£000	£000	£000	£000
Dorothy Melville Bequest – Edi	137	3	(3)	-	-	137
Camhs Eat Diso, Rsrc&Selfhelp	347	8	(9)	-	-	346
Edin Cancer Centre Rsrch Fund	1,092	28	(349)	-	-	771
Edinburgh Heart Centre Fund	982	107	(315)	1	-	775
Unidentified Income Fund	36	159	-	-	-	195
Share of Undistributed Investment Reserves	11,115	-	-	-	2,652	13,767
Total Division-wide Specific Funds >£100,000	13,709	305	(676)	1	2,652	15,991
Other Specific Funds less than £100,000	5,575	473	(607)	11	-	5,452
Total Hospital & Division-wide Specific Funds >£100k	30,276	1,790	(1,964)	17	2,652	32,771

The Trustees set a closing balance of £100,000 or above as the threshold for separate reporting of material funds.

The titles of the individual funds are indicative of the particular speciality, department, hospital or research activity that they support. They fall into two broad categories – funds received by way of legacies or substantive donations to support particular specialities/developments/research activities. Alternatively, they are funds of a custodial nature established at the request of designated Fund Stewards and controlled by them on an operational basis, but subject to the general oversight of the Trustees.

Although Investment Reserves are held for the benefit of individual General (Unrestricted) and Specific (Restricted) Funds, they are held in separate Reserve Accounts until such time as the Trustees may deem it appropriate for part or all of the reserves to be distributed to individual Funds.

General (Unrestricted) Funds exist for each hospital or group of hospitals in Lothian to hold donations where the donor has made the donation for the benefit of an individual hospital or group of hospitals but not specified how the Funds are to be expended. In these circumstances, the Trustees use their discretion in deciding how to use these Funds.

There are many individual Specific (Restricted) Funds where the donor has expressed a wish as to how the donation is to be used. Typical uses are research, patient amenities and equipment.

Transfers

There were twenty two transactions in the year in relation to transfers between Specific and General (Ward funds), mainly in relation to closure of funds.

16. Analysis of Specific Funds – Year Ended 31 March 2021

Hospital Specific Funds >£100k	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/(Losses)	Balance at 31/03/2021
	£000	£000	£000	£000	£000	£000
St John's Hospital at Howden:						
Critical Care Unit (CCU) Endowment Fund	97	6	(7)	-	17	113
Oncology & Haematology Day Unit Fund	161	17	(5)	-	29	202
Martha Ritchie Cancer Care Fund	203	20	(61)	-	26	188
Western General Hospital						
WGH Neurological Surgery Fund	465	21	(17)	-	81	550
Edinburgh Cancer Centre Fund	312	58	(69)	-	57	358
Stroke Research and Amenities Fund	82	21	(2)	-	14	115
Rheumatic Diseases Unit Fund	233	7	(45)	-	35	230
Edinburgh Centre For Neuro-Oncology	125	4	1	-	22	152
Microbiological Research Fund	102	3	(11)	-	17	111
J. King Urological Cancers Research	173	8	(22)	-	27	186
Head & Neck Cancer Research Fund	184	23	(6)	-	33	234
General Oncology Department Fund	583	20	(19)	-	102	686
Diabetes Unit Fund	87	4	(4)	-	15	102
Fighting Cancer In Edinburgh	132	60	(26)	-	30	196
Colorectal Research Fund	145	5	(5)	-	25	170
Haematology Research Fund	487	21	(13)	-	86	581
Paul Abraham Molecular Laboratory Fund	210	7	(5)	-	36	248
Edinburgh Neurology Fund	185	51	(6)	-	40	270
Breast Cancer Institute Fund	837	33	(343)	-	137	664
Astley Ainslie Hospital						
Edinburgh Physio Rehab Service Fund	105	5	(3)	-	18	125
Royal Victoria Building:						
The Edinburgh Parkinson's Service Fund	132	5	(3)	-	22	156
Roodlands Hospital:						
Harriet Connolly Fund	124	4	(14)	-	19	133
Simpson Centre for Reproductive Health:						
G & J Bassett Legacy Fund	301	10	(8)	-	52	355
Royal Hospital for Sick Children:						
Calderwood Paediatric Cardiology Fund	184	7	(5)	4	33	223
Trastevere Fellowship Paediatric Pathology	139	5	(7)	-	24	161
Endocrine and Diabetes Fund	-	3	(1)	90	15	107
Leukaemia & Cancer Fund	439	28	(13)	-	79	533
Royal Infirmary of Edinburgh:						
Kidney Transplant	276	9	(7)	-	48	326
Coronary Care Unit Fund	372	12	(54)	-	63	393
Scottish Liver Transplant Unit	181	21	(24)	-	32	210
Dermatology	93	3	(2)	-	16	110
Edinburgh Vascular Research Fund	179	7	35	-	28	249
CEG Wright Renal Scanner Fund	326	9	(75)	-	45	305
Medical Renal Unit Fund	852	249	(69)	-	177	1,209
Renal Research Fund	152	7	(3)	-	27	183
(RIE) Orthopaedics Department Fund	178	60	(23)	-	37	252
Brown & Ireland Estate Arthritis Fund	130	4	(5)	-	23	152
Princess Alexandra Eye Pavilion:						
Treatment of Blindness & Research Fund	115	4	(3)	-	20	136
Eye Research Fund	329	37	(105)	-	57	318
Total Hospital Specific Funds >£100,000	9,410	878	(1,054)	94	1,664	10,992

Division-wide Specific Funds >£100K	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/(Losses)	Balance at 31/03/2021
	£000	£000	£000	£000	£000	£000
Dorothy Melville Bequest – Edi	526	14	(423)	-	20	137
Camhs Eat Diso, Rsrc&Selfhelp	465	19	(189)	-	52	347
Edin Cancer Centre Rsrch Fund	1,083	37	(204)	1	175	1,092
Edinburgh Heart Centre Fund	848	45	(62)	-	151	982
Share of Undistributed Investment Reserves	8,442	-	-	-	2,673	11,115
Total Division-wide Specific Funds >£100,000	11,364	115	(878)	1	3,071	13,673
Other Specific Funds less than £100,000	4,910	1,887	(1,911)	(96)	821	5,611
Total Hospital & Division-wide Specific Funds >£100k	25,684	2,880	(3,843)	(1)	5,556	30,276

17. Material Donations, Legacies or Grants

Details of all individual donations, legacies or grants of over £50,000 are listed below:

Donation/Grant to:	Donor/Legator/Grantor	Purpose	Amount
Lothian Health Board	NHS Charities Together	Covid-19 Response Fund	156
Lothian Health Board	Barbara Ovenstone, deceased	Edinburgh Neurology Fund	97
Lothian Health Board	Robert McDougall, deceased	Edinburgh Neurology Fund	76
Lothian Health Board	Robert McDougall, deceased	Edinburgh Heart Centre Fund	75
Lothian Health Board	Robert McDougall, deceased	Edinburgh Cancer Centre Fund	75
Lothian Health Board	Joyce Winters	Breast Cancer Institute Fund	75
Lothian Health Board	Anna Mouat, deceased	Renal Research Fund	70
Lothian Health Board	Anna Mouat, deceased	Medical Renal Unit Fund	70
Lothian Health Board	Dianna Manson, deceased	Edinburgh Research & Innovation Centre for Complex and Acute Mental Health Problems – Dept. of Psychological Therapy Fund	67
Lothian Health Board	Susanne Watson Buchart, deceased	Edinburgh Breast Unit Fund	50
Total			811

18. Related Party Transactions

The Trustees are all executive or non-executive members of Lothian Health Board. There were no transactions with the Trustees or their related organisations during the year other than with Lothian Health Board. The Foundation's grant making transactions remitted to Lothian Health Board during the financial year amounted to £1,292,000 (2020/21 £2,796,000) (breakdown shown below). Included within income is rental income of £99,275 (2020/21 £307,000) from Lothian Health Board. As stated in note 9, the Foundation staff costs consist of staff on Lothian NHS Board employment contracts with a cost of £818,583 (2020/21 £655,307) which was charged by the Health Board. At 31 March 2022 there was a balance outstanding of £483,458 (2020/21 £379,914 payable and an accrual of £11.4m) payable to NHS Lothian.

Expenditure with NHS Lothian:	Amount £000
General Funds	
Small Grants 2021/22	80
Patient Wi-Fi	72
Covid-19	58
Healthy Working Lives	44
R&D transformation	20
Other NHS - small projects	154
Ward Funds	
Numerous small projects	112
Specific Funds	
Endo vascular ultrasound simulation programme	250
Radiotherapy clinical trials	197
Covid-19	63
Other specific fund expenditure	242
Total grant making expenditure with NHS	1,292

19. Analysis of Net Assets Across Funds

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£000	£000	£000	£000	£000	£000
Investment property	3,715	-	3,715	11,305	-	11,305
Investments	48,373	36,338	84,711	42,889	43,259	86,148
Net current assets less long term creditors	5,728	(3,567)	2,161	3,147	(12,983)	(9,836)
Net assets	57,816	32,771	90,587	57,341	30,276	87,617

20. Analysis of Changes in Net Debt

	At Start of Year	Cash-Flows	Foreign Exchange Mvt	Other Non-Cash Changes	Other	At End of Year
	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	8,176	(3,505)	-	-	-	4,671
Total	8,176	(3,505)	-	-	-	4,671

21. Post Balance Sheet Event

As referred to on page 12 of the Trustees Report, 2021/22 saw us undertake a branding exercise to re-examine and review our current brand, and define and articulate a new vision for the future, in line with our new five-year strategy.

On 8 June the Foundation rebranded and the new charity name was officially launched and the Foundation is now known as NHS Lothian Charity.

**“Thanks to NHS
Lothian Charity,
we’re now able to
be there for people
longer, ensuring
that people have
all the support they
need to remain
out of hospital and
independent.”**

NHS Lothian Charity Partner



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Scottish Registered Charity Number SC007342
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www.nhslothiancharity.org



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