



Annual Report and Accounts 2022/2023



NHS Lothian
Charity

Scottish Registered Charity Number SC007342

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Welcome from our Chair

This has been an exciting year for NHS Lothian Charity as we rolled out our new brand and opened the first of what we hope to be many Charity hubs and touchpoints across NHS Lothian. Since I became Chair in February this year, I have really seen the brand develop from concept into action.

We have made great strides in taking forward our Five-year Plan, always with an eye to achieving our final goal of having a positive impact on health in Lothian. We have continued to support improved patient outcomes through research and innovation projects that have the potential to save, change or improve lives. Our support of the refurbishment of the Simulation Suite in the Education Centre at St John's Hospital, for example, has helped provide access to high quality immersive clinical learning experiences that build skills, knowledge and clinical decision making which in turn enhance patient safety.

We have also continued to improve patient experience by creating healing spaces that aim to improve emotional and physical wellbeing, and aid recovery. The recent art and design enhancement strategy at East Lothian Community Hospital really showcases how art can help transform a clinical environment into an area of calm quietness that offers a moment of solace or provides positive distraction.

In March, we completed our one-year test of change Green Health Prescribing project in Midlothian, looking at how a Green Health Prescribing approach can unlock the health benefits of our natural environment for patients, staff and the wider community, and be embedded into sustainable models of care. Working with Midlothian Health and Social Care Partnership and partners across the region, our pilot helped identify and connect those who could benefit most to nature-based activities and interventions in order to improve health outcomes and reduce health inequalities. We look forward to this model being rolled out further.

Our ongoing support of NHS Lothian's innovative Volunteering Well strategy has continued to support patients and their loved ones during their time in hospital. From ward helpers and welcome guides to meaningful activities volunteers

and outpatient department assistants, NHS Lothian volunteers provide an invaluable role, contributing their time, compassion and skills and making a positive difference to everyone who passes through our doors.

This is also a big year for our NHS, celebrating 75 years of providing care to all of us and those we love. As NHS Lothian's official charity, we are proud to have been there supporting our NHS from the start and look forward to continuing that role in the future.

Of course, 2022/23 saw the cost-of-living crisis hit the most vulnerable in our communities hard, particularly over winter as fuel and food costs continued to rise. Our three-year commitment to funding an extended income maximisation project offered practical support and helped almost 400 patients and families over the winter period ensure they were getting all the help they were entitled to, as well as identify ways they could make the most of the money in their pocket. The free, confidential advice service for patients and families at acute and community hospitals across the four regions covered by NHS Lothian has already helped ease the financial burden for people who found themselves also dealing with life-changing healthcare diagnoses or long-term hospital stays. The service was also extended to all 24,000 NHS Lothian staff as part of our investment in staff wellbeing, providing access to financial and non-financial advice and support to help them look at ways to maximise their household income.

These are only some of the ways we have worked together this year to make a difference and improve the health and wellbeing of the people of Edinburgh and the Lothians. You will see more examples of the excellent work going on across the whole organisation and the dedication of the team shine through in the pages of this report.

On behalf of all the Trustees, I want to offer a heartfelt thank you to everyone who has contributed to the work of the Charity this year. We are extremely grateful for your support.


Andrew Fleming
Chair of Trustees





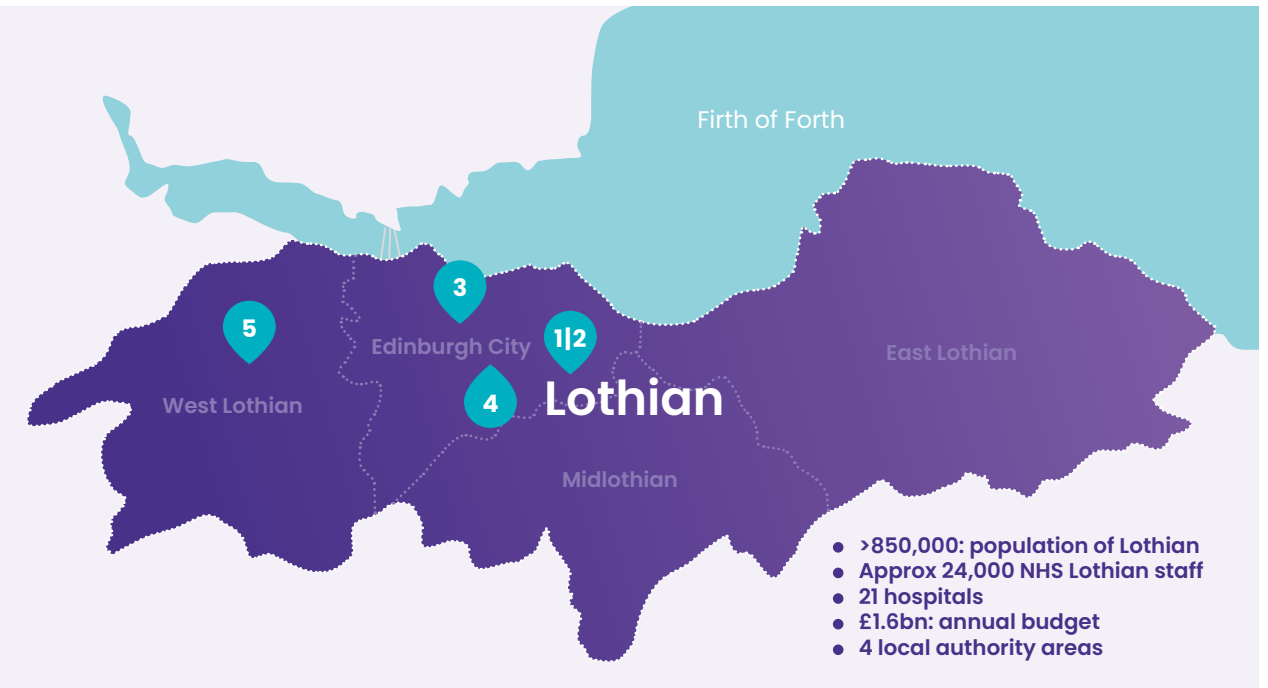
Trustees' Report

Our Vision

Making healthcare better, together.

We're proud to be the official charity of NHS Lothian. As a strategic asset of the board, we are here to help NHS Lothian provide outstanding care and support for everyone who uses or delivers its services; whether that's patients, their families, staff or communities. Working together, we help create opportunities, enable innovation, and transform healthcare for all our communities. Our expertise, experience and resources enable us to tap in directly to what is needed and target support that has a positive impact on health and wellbeing across Edinburgh and the Lothians.





Our Partner NHS Lothian

NHS Lothian provides a comprehensive range of primary, community-based and acute hospital services for the populations of Edinburgh, Midlothian, East Lothian and West Lothian. 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 some specialties provided to people across Scotland.

The Lothian Region has the second largest residential population in Scotland, and its population is growing faster than anywhere else in Scotland. NHS Lothian is the second largest NHS Board in Scotland and one of the largest healthcare organisations in the UK.

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 Health and Care System is refreshing its strategic direction in light of the Covid-19 pandemic. The Lothian Strategic Development Framework 2022-2027 (LSDF) describes what NHS Lothian is trying to achieve, the current situation, the challenges it faces and the direction of travel it proposes to take. The LSDF was published in April 2022 and supersedes the previous NHS Lothian Strategic Plan, Our Health, Our Care, Our Future.

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 Accident and Emergency Department, it provides a full range of acute medical and surgical services for patients from across Lothian. Specialist services such as Transplant, Cardiothoracic 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 tertiary paediatric hospital with 242 beds which provides acute, general and specialist care to the children of Lothian and Southeast Scotland, including a paediatric Critical Care Unit and day care and outpatient facilities. Lothian's Child and Adolescent Mental Health Services and Melville Inpatient Unit are also based there. The new building, which 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, the Lothians and beyond. The hospital has around 570 beds (including day beds) and is home to the Edinburgh

Cancer Centre, the Regional Infectious Diseases Unit, and the award-winning, nurse-led Minor Injuries Clinic. A new state-of-the-art Renal Dialysis Unit and the Edinburgh Haematology Centre also occupy the site, both of which were enhanced by funding and Art & Therapeutic Design Project collaborations between NHS Lothian and NHS Lothian Charity.

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 and expanding range of services, including a 24-hour Accident and Emergency Department and specialist services including burns treatment and plastic surgery. There is a full paediatric service at the hospital, including an acute receiving unit, special baby unit, paediatric ward and comprehensive range of outpatient services. It also has a reputation for excellence in maternity services. It is also home to the Short Stay Elective Surgical Centre, Lothian's specialist head and neck unit and the Hooper Hand Unit.

Our Strategy 2022-27

In September 2021, following a period of consultation with a wide range of stakeholders, including programme partners, charity staff and trustees, we were pleased to launch our five-year Strategic Plan. The theory of change model included in this strategy forms the basis for our planning, implementation and evaluation.

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	Enhanced patient and carer experience	
		State-of-the-art equipment and clinical innovation: Capital Steering Group pipeline, Sim Training	New and/or improved clinical practice	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, Healthcare Professional's R&D award scheme	New and/or improved non-clinical practice	Improved staff wellbeing and professional development	
	Raised profile	Staff Wellbeing & Professional Development: Work Well: leadership post, staff spaces, Healthy Working Lives, Elsie's, Specific Funds	Improved clinical outcomes for patients		Have a positive impact on health in Lothians
Governance	Effective governance & management	Small Change, Big Impact: Specific Funds and Small Grants	Improved non-clinical experience for patients and hospital visitors	Improved community health/reduced inequality	
		Lothian Health Programme: facilitate/leverage intelligence and data from 3rd Sector/stakeholders, Role as NHS Lothian's civic anchor. Determine explicit measurable priority focus.	Improved knowledge and facilitated partnerships to develop test-of-change projects		

A key component of the strategy is our **four** priority objectives, which set the overall direction of the Charity, and the **six** enabling factors which facilitate the successful achievement of these objectives.

Priority Objectives:

specific changes we want to see for our beneficiaries.



Enhanced patient and carer experience

Summary Statement: enhancing the patient experience is in our DNA; historically the primary objective of all NHS charities. We support the patient throughout their entire healthcare journey: 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

Summary Statement: 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 support enhances what is available through core funding, strengthening NHS Lothian's ability to improve clinical outcomes for patients.



Improved staff wellbeing and professional development

Summary Statement: 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

Summary Statement: our vision of making healthcare better for everyone 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, forcing us to reconsider the way care is delivered, and prioritising community health needs and 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.

Highlights 2022-23

Priority Objective 1: Enhanced patient and carer experience

- Supported Scotland's first Summer Youth Volunteering Programme enabling young people who required a little more support to volunteer within an NHS setting.
- Completed our Tonic Arts environmental enhancements at East Lothian Community Hospital, creating an inclusive, people-centred healthcare environment.

Priority Objective 2: Improved clinical outcomes for patients

- Funded the new extended Simulation Suite at St John's Hospital.
- Supported Scotland's first Clinical Academic Research Gateway Awards for healthcare professionals.

Priority Objective 3: Improved staff wellbeing and professional development

- Funded NHS Lothian's Staff Psychological Support service (Year 2 of 3).
- Supported a discreet Staff Cost-of-Living Response Fund to offer practical support for those facing crisis.

Priority Objective 4: Improved community health and reduced health inequality

- Launched a Hospital Income Maximisation Service at six hospitals across the region.
- Published evidence of our successful model for Green Health Prescribing in Midlothian.

Enabling Factor 1: Effective relationships

- Engagement at multiple NHS Lothian boards to ensure we are aware of and are up to date on NHS Lothian's position and any potential projects we can support.

Enabling Factor 2: Impact evaluation

- Awarded NHS Charities Together development grant for an Evaluation Manager (appointment during 2023/24).

Enabling Factor 3: Increased resources

- Investment income paid to General Fund to build strategic spending power over the long term.
- Engagement Team recruitment complete.
- Annual Secret Santa Appeal saw 127% increase in donations.

Enabling Factor 4: Engaged, effective staff

- Annual staff satisfaction survey continued its upward trend (79% employee engagement).
- Staff appraisal and mandatory training >90%.

Enabling Factor 5: Raised profile

- New name, brand and website launched in June 2022, crossing all digital and print media.
- Flagship Charity Hub opened at St John's Hospital, first of a series of Hubs and touchpoints.

Enabling Factor 6: Effective governance and management

- Funded research into the Royal Infirmary of Edinburgh's historical ties to Transatlantic slavery.



A Portrait of East Lothian © Simon Crofts & Sylwia Kowalczyk, photo by cro+kow

General Fund Spend in the Year:

£363k

Tonic Arts

£329k

Volunteering Well

£200k

Psychological Therapies (Staff)

£200k

Income Maximisation

£195k

Greenspace and Health

£186k

Capital Projects

£182k

Work Well (Staff Wellbeing)

£164k

Small Grants

£72k

Patient Wi-Fi

£50k

Research Gateway Awards



Strategic Programmes

Our strategic programmes have been carefully selected to address our four priority objectives, with each programme designed and implemented to enable impact across these objectives. The programmes frequently work together to maximise that impact.

Our multi-year commitment and close working relationships with NHS Lothian colleagues ensure these programmes also contribute to our strategic goals of having

the maximum positive impact both on health and wellbeing in the Lothians, and enhancing experience and care for patients in hospitals and communities.

Our strategic programmes are:

- ◆ Arts in Health
- ◆ Green Health
- ◆ Volunteering
- ◆ Staff Wellbeing
- ◆ Income Maximisation
- ◆ Research, Innovation and Development



© Artlink, photo by Albie Clark

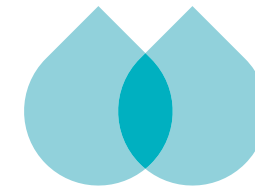
Arts in Health

Tonic Arts is NHS Lothian Charity's award-winning arts in health programme. Tonic Arts enhances the healthcare environment and enriches experiences through a diverse programme accessed by patients, families and staff. Working in partnership with NHS Lothian colleagues, specialist arts organisations and artists, Tonic Arts delivers a comprehensive creative programme including; high quality Art and Therapeutic Design, maintaining and displaying a diverse art collection, developing engaging exhibitions of professional, patient and staff art in seven exhibition sites across Lothian, and an innovative participatory and live-arts programme.

Highlights in 2022/23 include:

- 125 live music performances across acute and community hospitals.
- 551 visual art, ceramic and craft workshops for patients.
- 25 cinema screenings via pop up cinemas in wards and communal spaces.
- Pilot of 20 group dance, seated dance and bedside movement for long stay elderly patients.

- The launch of 'Havens'; a photography and creative writing project supporting and raising awareness of staff wellbeing (over 50 portraits completed so far).
- 2,551 collection works on display across 30 sites.
- 15 exhibitions including 'By Leaves We Live' and 'Plants that Heal' and six corresponding staff workshops.
- The display of a sculpture 'Our Common Humanity' at the Scottish Parliament, co-created by professional artist Juli Bolaños-Durman and patients at the Royal Edinburgh Hospital.
- Provided Art and Therapeutic Design to East Lothian Community Hospital
- Winning the national 'Building Better Healthcare Award' for arts and enhancement development at the Edinburgh Haematology Centre, Western General Hospital.
- Launch of the Spring Fling festival at the Royal Edinburgh Hospital – including 30 art workshops, 4 music performances, a book reading by Alexander McCall Smith and a final festival parade.
- 500 free tickets for staff for the Edinburgh International Festival launch performance at Murrayfield Stadium.



Art is an excellent therapy for your mental health and wellbeing, it keeps me focussed and makes me happy. The group are like a family."

How we make a difference:

- Patients participating in visual arts and craft workshops noted the positive difference it made to their mood, confidence and isolation.

"The art group relieves boredom on the ward. I enjoy the atmosphere of the group. I have been trying new things in the group starting with drawing and painting, working with plasticine to make relief work."

"I feel good to be back at the Glasshouses enjoying the company again. Doing art makes me feel relaxed."

"Art is an excellent therapy for your mental health and wellbeing, it keeps me focussed and makes me happy. The group are like a family."
- Patients taking part in the dance and music sessions gave equally positive feedback.

"I wasn't too sure when I first came in and wasn't so up for it, I didn't know what to expect, but this is really good, I wasn't expecting to be doing this, it gets you moving!" said a patient taking part in a dance session.

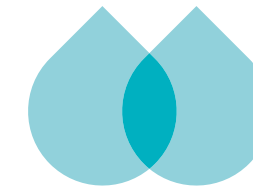
A patient taking part in a music session said: *"It is what my hearing needed"*.



The Sanctuary © Lindsay Perth, photo by Rebecca Milling

- Staff noted the benefits of participatory arts with one Occupational Therapist noting: *"It is so important to have really skilled artists coming to work with us. This means we can observe improved dexterity and confidence which is important for us to be able to observe and record as it supports the patient's recovery journey."*

A Speech and Language Therapist commented during a musical performance: *"I noticed some patients who struggle with language due to their brain injury tried to sing along and engage in the music when otherwise have not done."* She also noted the difference in a patient who is frequently very distressed in the ward: *"someone who tends to try and leave the ward, but he sat with a member of staff listening and singing along and at one point he smiled and gave a thumbs up."*
- Our NHS colleagues provide equally positive feedback on the Art and Therapeutic Design input. A senior physiotherapist describes the impact of the outdoor art installation at East Lothian Community Hospital *"from a physiotherapy perspective we've been delighted. [...] It is both ideal functionally and infinitely more interesting than something off the shelf [...] allowing us to present appropriate challenges to our patients for balance and lower limb rehabilitation or simply exercise groups."*



We would not have known what was available if we had not been part of the project. Learning about the green health options has meant we can give this information to our patients."



Green Health

NHS Lothian is in a unique position with 81 hectares, 46% of its estate, made up of greenspace. This provides huge potential to use these spaces to improve the health and wellbeing of patients, staff and the local community, and also tackle the climate emergency. Our Green Health programme is leading the way strategically and operationally to unlock the potential of greenspaces to enhance patient and carer experience and improve health in the Lothians.

The Green Health programme takes a person-centred approach that combines enhancing spaces, improving accessibility, and increasing participatory activity to maximise benefit for patients, families, staff and local communities. The Grounds for Health workstream combines greenspace enhancements on NHS Lothian sites with participatory activity to improve accessibility, quality and engagement. Our work on embedding Green Social Prescribing in sustainable models of care uses the interaction between people and healthcare services to identify those who could benefit most and connect them with nature.

Overall, our programme is a catalyst for long-term impactful and sustainable change to greenspace use and management across Lothian.

Highlights in 2022/23 include:

- Supported NHS Lothian to achieve a gold rating for greenspace in the National Sustainability Assessment Tool.
- Awarded Best Practice in Property and Asset Management Award for Biodiversity and Natural Capital Assessment of the NHS Lothian Estate.
- Started a 3-year project with The Conservation Volunteers to create green health opportunities for staff and patients at St John's Hospital and the surrounding communities.
- Enhanced and created greenspaces in Blackford Ward, Royal Edinburgh Hospital Courtyard and the Access Place.
- Commissioned the Astley Ainslie Greenspace Management Plan, working closely with NHS Lothian staff and patients to produce a realistic deliverable plan for the historic grounds and gardens.

- Launched our Green Health microsite to share advice, guidance and resources for NHS staff and partners as well as updates on projects that are having a positive impact on health and wellbeing across Lothian.
- Completed and evaluated a systems test of change pilot to embed green social prescribing in Midlothian health and social care system.

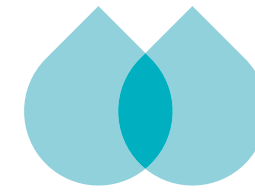
How we make a difference:

- Our work to improve the condition of the courtyard spaces in the Blackford Ward Intensive Psychiatric Care Unit has been very well received with special thanks coming from the Senior Charge Nurse who told us that the space is now being used more often by patients.
- Feedback from the volunteer buddying run by the Cyrenians at the Royal Edinburgh Hospital has highlighted the importance of supporting more people to access the community garden. For example, one member of the hospital community has endeavoured to keep regularly coming, even if just for 10 - 15 minutes, which has had a measurable positive impact on both physical and mental health. They stated that they

really enjoy the social aspect, which they find lacking from life on the wards.

- Independent evaluation of the Midlothian Green Prescribing project found that it has had a positive impact for people and on the wider health system. A GP Advanced Physiotherapy Practitioner explained: *"We would not have known what was available if we had not been part of the project. Learning about the green health options has meant we can give this information to our patients."*
- Our strategic work to provide leadership and co-ordination was recognised following a Green Exercise Partnership board visit to the Western General Hospital where one of the members commented on how very impressed they were with our collaborative working.





I was widowed very suddenly in 2019 and have had to rebuild my life. Volunteering has helped with this."



Volunteering Well

With our support, NHS Lothian Voluntary Services continues to be an exemplar of best practice through the implementation of its ambitious strategy 'Volunteering Well'. Volunteering Well recognises the importance of mutually beneficial volunteering for patients, families, staff and volunteers which results in demand-led, impactful roles in acute and community hospitals and the community.

Highlights of the year include:

- 1,250 NHS Lothian Volunteers have made a contribution in 2022/23.
- Every week of 2022/23, 500+ volunteers have made a contribution of 2 or more hours to support patients and their families, with the number of volunteers peaking at 778 active volunteers in any one week.
- During 2022/23, several new roles were developed to support patients and their families as well as paid colleagues. These included Emergency Department Volunteers who support patients on their own or in distress as well as completing practical tasks; Clothes Bank Volunteers at the Royal Infirmary of Edinburgh who sort, store and distribute clothes that are

donated for patients in need; Volunteer Drivers supporting the Flow Centre. These roles complement the ever-popular Ward Helpers, Welcome Guides and Meaningful Activity Volunteers.

- Volunteers continued to be supported in their personal and career development through an optional training and social events programme which included the opportunity to participate in dementia awareness, manual handling training, carer awareness, stress management and understanding grief and grieving as well as festive fun sessions. In addition, Voluntary Services has partnered with YMCA to offer the opportunity to gain independent accreditation for volunteer induction and for six months of volunteering. Volunteers can now complete and submit a digital reflective workbook for assessment and secure two different awards.
- Volunteering Well continues to support the work of Volunteer Edinburgh at the Royal Edinburgh Hospital. In 2022/23, 27 inpatients benefitted from the opportunity to volunteer at the hospital and in the grounds and 57 public volunteers supported patients.

How we make a difference:

- Patients and their families consistently comment on the support provided by volunteers. A parent of a child in the Royal Hospital for Children and Young People said: "thank you to you and the volunteers who have sat with our little one over the last while. It has given me a break and he has really enjoyed his time with Julie and Daisy. Thank you all so very much."
- A patient said: "it is the highlight of my day to have a chat with a volunteer everyone else is so busy."
- Staff in the Emergency Department reported: "we had an HIS [Healthcare Improvement Scotland] inspection this week and the inspectors said that the volunteers have been absolutely fantastic. They spoke so highly of them and their communication and care with patients. They said they were a credit to the team!"
"We are so grateful to have them and know how much difference they make to patients and to us."
- 83.4% of volunteers reported an increase in confidence as a result of volunteering.

"Before, I did little and was not connected to the world. I am more so now – it's good to get out!" Female, 51-65, Carer.

"I've gained a lot of self-confidence and personal self-worth by helping in the busy wards." Male, 51-65, Retired

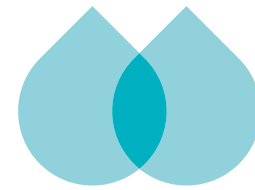
- 62.1% of volunteers reported an improvement in their mental wellbeing and 30.4% reported an improvement in their physical wellbeing as a result of volunteering.

"I was in poor mental health before volunteering – I'm much better now." Male, 51-65, Retired.

"I was widowed very suddenly in 2019 and have had to rebuild my life. Volunteering has helped with this." Female, 65+, Employed part-time.

"Being active and got a purpose in life as a cancer sufferer, it has improved my life." Male, 65+, Retired.

- 91 volunteers who left volunteering left to take up employment or study in a field related to their volunteering e.g. employment with NHS Lothian or the study of medicine.



Helpful and realistic tips, psychology bit was fascinating, wish I had access to this 40 years ago!"



Staff Wellbeing

NHS Lothian employs 24,000 staff. Supporting their mental and physical health and wellbeing at work is an important factor in helping us to deliver our mission of improving health in the Lothians. In 2022/23, we have continued to support the implementation of 'Work Well' NHS Lothian's wellbeing strategy for staff, and continued to invest in both wellbeing spaces for staff across all sites, and the staff psychological support service.

Highlights of year include:

- Development of Work Well awareness and infrastructure through talks and presentations to leaders and managers and with staff through roadshows.
- Creation of a suite of health and wellbeing job descriptions to help establish a community of wellbeing champions, who are ambassadors for staff wellbeing across teams, sites and services.
- 36 wellbeing coaches and 170 peer supporters have been trained and are providing support to staff across NHS Lothian.
- Planning and delivery of monthly 'Energise You' and 'Reading for Wellbeing

Book Club' meetings, 'Lets Talk about Menopause' sessions, promotion and distribution of wellbeing microgrants up to £500 and a period products pilot.

- Work Well Nutrition and Hydration Campaigns acknowledged the challenges of eating and drinking well for the staff team and raised awareness of the impact of dehydration on concentration and cognitive function. 10,000 staff benefited directly from the campaigns and many more indirectly.
- 56 wellbeing spaces for staff created or enhanced in both hospital and community locations.
- More than 700 staff have received support from the Staff Psychological Support Service including 513 who contacted the dedicated Here 4 U helpline.
- A dedicated income maximisation service was offered to staff throughout the winter to address the cost-of-living crisis. The helpline, which was open 9-5, five days a week, offered staff support with welfare rights, debt management and budgeting. Follow up appointments were available on site if required.

How we make a difference:

- 79% of staff completing psychological treatment through the staff psychological support service had reduced psychological distress. 68% were considered to have made a recovery.
- One staff member accessing the income maximisation helpline accessed over £3,000 per annum in welfare benefits that they were previously unaware they were entitled to.
- 95% of staff taking part in the 'Energise You' programme reported the programme had improved their wellbeing.

"Helpful and realistic tips, psychology bit was fascinating, wish I had access to this 40 years ago!"

Income Maximisation

Addressing our mission of improving health in the Lothians and complementing the work of our public health colleagues to prevent disease, prolong healthy life and promote health and wellbeing, we have invested in support to address the financial issues faced by patients and their families.

We have funded Third Sector partners who provide high quality and accredited advice and information services to employ specialist Income Maximisation Advisors who will visit patients in hospital, often at their bedsides, to discuss and review their financial situation and provide practical support to address issues such as welfare rights applications, debt management or budgeting support. Support is offered across NHS Lothian's acute and community hospitals with relationships often continuing in the community after discharge.

The Income Maximisation Service is complemented by our investment in a Hardship Fund that can be accessed by patients and family members to address an immediate crisis or financial hardship intensified by hospital admission. Small grants of up to £200 are used to fund visitor travel or accommodation costs, food and essentials for patients going home, or fuel bills.

2022/23 saw the successful procurement of four accredited advice providers, the launch of services in late 2022 and an intensive promotional campaign to raise awareness among both patient-facing staff, and patients and visitors.

How we make a difference:

A patient undergoing chemotherapy and dialysis as an outpatient at St John's Hospital contacted the service and an advisor visited her while she was at the hospital for her treatment. Nursing staff were able to find a room for them to meet to provide some privacy. The Advisor worked with her to complete an Adult Disability Payment application form for herself and a Child Disability Payment application for her son who also had health issues.

During the appointment it was clear the patient was struggling with other issues and was concerned about her electricity costs especially as she was due to commence home dialysis soon. She was also struggling emotionally with her health and other concerns. The Advisor was able to provide a listening ear to understand her needs, and signpost her to other services for support.



Poverty causes ill health, drives inequality in health outcomes and increases use of health services."

(*'Poverty and the health care system' King's Fund 2022*).



Research, Innovation and Development

Alongside the significant investment in research, innovation and development through funds and grants, we have made a multi-year commitment to invest in the development of both Simulation and Clinical Academic Research Gateway Awards.

Simulation is a technique of safely replicating 'real life' skills, drills and experiences in an effort to realistically rehearse and train in an environment that is safe for both patients and learners. Our investment in Simulation is supporting NHS Lothian's vision to see and support simulation-based education in every acute department in Lothian. This enhances patient care and improves health in the Lothians.

During 2022/23, we have supported the purchase of a variety of equipment and the development of a new simulation suite at St John's Hospital.

The Clinical Academic Research Gateway Awards are unique in Scotland. This innovative programme, offered in partnership with six of Scotland's leading universities, offers Nurses, Midwives, Pharmacy Professions, Psychologists and Allied Health Professionals employed by NHS Lothian five different funded research opportunities.

During 2022/23, 14 staff from a broad section of disciplines received awards and commenced their research. Research topics include sexual health promotion, intervention for people with severe mental illness, psychological interventions for complex PTSD and Schizophrenia Spectrum Disorder, Evaluation of effectiveness of Physiotherapy screening for Axial Spondylarthritis and the delay to diagnosis and much more.



Grants and Funds

Complementing the delivery of strategic programmes, we award sums of money through a variety of different mechanisms to support frontline, site and service management colleagues. Funding from £50 to £250k can be sought from restricted

and designated funds or through small grants to have a positive impact on health in Lothians and enhance patient experience and care for those in our hospitals and their communities.

Restricted and Designated Funds

We hold specific funds for wards, clinical departments and areas of research. Supported by Fund Stewards, we receive and respond to applications from NHS Lothian colleagues seeking to access money to improve patient care and meets the funds' purpose (such as purchasing equipment, patient amenities, refurbishment, or staff development). Most of our supporters direct their donations and fundraising towards a particular area due to a personal link and, in 2022/23, £1.9m was received to the restricted and designated funds in voluntary income with £2.07m being spent from these funds.

Examples of activities funded include:

- £6k was awarded to support Wellbeing Wednesdays, an innovative programme of wellbeing activities providing support to substance users who are homeless or at risk of homelessness over the winter months. The initiative provided a safe and warm place and access to health and other support facilitating both preventative and immediate health interventions.
- £38k was awarded from several designated funds to support the purchase and installation of mobile phone charging lockers for patients in the Emergency Departments and Minor Injuries Units. Visits to Emergency Departments are rarely planned and can take some time. Patients and families can often find themselves with mobile phones which run out of charge. The secure charging lockers reduce patient and family stress as rapid charging enables them to stay in touch, give updates and provide distraction.
- £22k was awarded through a combination of two cardiac funds to create and equip Edinburgh Heart Seminar Room. The development allows for more effective education and communication improving staff development and patient care.

- £12k purchased two specialised gaming carts for the Critical Care Unit at the Royal Hospital for Children and Young People. The gaming carts are specially designed for hospital use and provide young people and their families with a little normality in very difficult times, distraction, opportunity to connect with friends and ensure that their lives are less interrupted by illness.
- £350k was given to support a range of clinical research including, hypertension clinical trials, treatment of age-related macular degeneration (the leading cause of registerable blindness in aging), and support for a number of cancer studies.
- Fund stewards placed 213 orders for low cost items such as text books for department reference libraries, books and cuddly toys for bereaved children, garden furniture for ward gardens and comfortable chairs for relatives rooms.



Small Grants

Our Small Grants programme invites any staff member to apply for a grant of up to £5,000 to implement an idea that will have direct patient benefit. In 2022/23, we distributed £164k through 60 grants, of which 31 were Climate Challenge Grants specifically designed to support NHS Lothian's sustainability programme. Grant amounts ranged from £200 to £5,000 and benefitted a wide spectrum of patients including those visiting GP practices, patients who are acutely ill and those receiving rehabilitation support.

Examples of activities funded include:

- £2k for toys, beanbags, DVD players, DVDs and Tablets to make the Paediatric Clinical Research Facility a more welcoming and pleasant experience for children and young people.
- £2k to create patient journey information boards in the Emergency Department. The boards represent the patient journey in graphics and use colour coding to help everyone understand the different steps reducing patient and carer stress.
- £5k for a pilot of staff using pedal and electric bikes to provide health care services to people living near East Lothian Community Hospital, removing the use of cars for low mileage journeys and improving staff health.
- £10k was awarded through 17 grants to support patients to have the most positive festive period possible during their hospital stay. Funding was spent on decorations, gifts, pampering and food treats.





Plans for 2023/24

During 2023/24, we will be continuing to deliver on our five-year Strategic Plan

Priority Objectives:

specific changes we want to see for our beneficiaries

- **Enhanced patient and carer experience**

We will continue to invest in the physical environment through Art and Therapeutic Design, Greenspace initiatives and capital programmes, and we will expand our provision of non-clinical services including Patient Wi-Fi and Volunteering. We will embark on a wayfinding audit across NHS Lothian's main sites, to inform a planned programme of improvements across the hospital estate.

- **Improved clinical outcomes for patients**

Our investment in state-of-the-art equipment and clinical innovation will continue through NHS Lothian's Capital Pipeline programme, and specifically through our support of NHS Lothian's Simulation Strategy.

- **Improved staff wellbeing and professional development**

We are committed to the workforce of NHS Lothian and will continue to invest in their wellbeing through the Staff Psychological Support Service, and their sector-leading Wellbeing Strategy, 'Work Well'.

- **Improved community health and reduced health inequality**

After launching a hospital-based Income Maximisation Service across the four partnership areas in 2022, we plan to embed advice to staff in crisis, and to review further opportunities for support, such as Hardship Grants and discharge food parcels.





Fundraising



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

Through our appeals, fundraising challenges and donations, our supporters have helped ensure that the experience of being a patient matches the high level of care delivered by staff; whether that's through providing therapeutic environments and activities that reduce anxiety and stress and improve recovery, investing in clinical research and innovation that can improve, change and save lives, funding specialist equipment that has the potential to transform the way that care is delivered, or supporting staff wellbeing activities that help ensure that those who care for us are cared for too.

Our supporters continued to show their commitment, motivation, and enthusiasm by setting their own fundraising challenges or taking part in a variety of events such as the Kiltwalk, Edinburgh Marathon, Scottish 10K, and NHS Big Tea. Our fundraising groups Eyecare, Fighting Against Cancer Edinburgh (FACE) and Breast Cancer Institute (BCI) also continued their amazing work, raising money and awareness for the

specific health conditions they support, helping to achieve our vision of making healthcare better for everyone. We have had the privilege of sharing many stories and case studies of the people, projects and activities that this support has helped make possible.

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

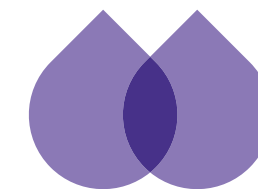
With special thanks to:

- Amazon
- Birchbox UK
- Breast Foot Forward
- Coco Chocolatier
- Fletcher Bequest Trust
- John Lewis
- Morrisons
- Motability Operations
- NHS Charities Together
- RMF Health
- Shore Group
- Starbucks

Highlights this year include:

- Winning an award for best partner relationship at the Chartered Institute of Fundraising Scotland Awards.
- Delivering our most successful non-emergency appeal to date in the 2022 Christmas appeal.
- Securing the highest number of Charity sign ups for organised fundraising events.
- Raising the profile of the Charity through speaker sessions at sector specific conferences.
- Launching our free Wills product, inspiring supporters to leave a gift in their will to NHS Lothian Charity.
- Nurturing our relationships with our historic donors.
- Launching a new supporter database enabling us to more effectively report and analyse fundraising activities and gain deeper insights into our audiences. Integrated products will also bring improved efficiencies to data management.

- Implementing our Policy for Treating Supporters in Vulnerable Circumstances Fairly providing robust guidelines to ensure we are always acting in the best interests of our supporters.
- Starting our corporate partnership with Starbucks and securing charity of the year partnership with FreeAgent in support of our FACE Fund.
- Launching activities to celebrate the NHS' 75th Birthday.



Keep up your amazing work. I am a regular patient, and your incredible care has transformed my life."

Secret Santa Appeal Donor 2022

Financial Review

Overview

The Charity's fund balances at 31 March 2023 were £85.683m (2021/22 £90.587m). The investment portfolio struggled for most of 2022 due to the fall in markets in the early part of the year but had a positive final quarter to 31 March 2023.

The Charity's income in 2022/23 was £4.017m (2021/22 £3.641m), and expenditure was £4.930m (2021/22 £3.831m).

The Charity's net assets decreased to £85.683m (2021/22: £90.587m).

Income

Income in 2022/23 showed an increase overall on 2021/22 income levels. Voluntary income of £1.985m (2021/22 £1.619m) does not reflect the general pattern of voluntary income throughout the year. We have continued to see reduced levels of donations and legacies throughout the year as the cost-of-living crisis has an effect on people's disposable income. Voluntary income did however benefit from a one off donation of £750,000 in March 2023 which bolstered the voluntary income position.

The Charity's net outgoing resources, after investment losses of £3.907m were £4.820m (2021/22 net incoming resources were £3.108m).

Expenditure

In 2022/23 Trustees approved £3.658m in charitable grants. Some highlights are described across pages 12-28 with further examples on nhslothiancharity.org

Costs of Raising Funds

Investment management costs of £0.345m were slightly lower (2021/22 £0.350m). This aligns with the lower portfolio balance as fees are linked to the fund value.

Fundraising costs of £0.382m (2021/22 £0.361m) as a percentage of income were 19%. We are in a critical phase of developing our fundraising capacity in order to create sustainable income levels and maintain charitable expenditure over the long term; however we remain in line with the industry average.

Balance Sheet

The Charity's net assets decreased to £85.683m (2021/22: £90.587m) mainly as a result of the losses suffered on the

investment portfolio. During the year the Charity (together with NHS Lothian) concluded the joint sale of the land at Stenhouse Market Gardens. The sale completed on 31 March 2023 and, following a review of the Charity's cash flow position, the majority of the proceeds were invested with our investment managers.

Prior Year Adjustment

During the year a review of all Designated Funds (formerly Ward Funds) and Restricted Funds (formerly Specific Funds) was carried out to determine if the classification of all funds was correct. It was found that a number of funds classified as restricted were in fact designated due to either: a) the source of the original funds could not be established or b) that the restriction had been self imposed by the Charity as the result of a request to set up a separate fund by a Fund Steward. This has resulted in £25,870k of funds being reclassified from restricted (formerly Specific Funds) to designated funds (formerly Ward Funds).

Performance Going Forward

We will continue to build on the progress the Fundraising team has already made in order to expand our reach to further donors. The Investment Committee will continue to work with Cazenove to ensure we receive the best return on our money.

Our internal audit reviews in 22/23 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 Charity to support expenditure on grants.

During the year total reserves reached a peak of 35%, however, this was right at the start of the year and since then reserve levels have dropped to 30% for the most part of the year. Due to the ongoing uncertainty in the markets the Investment Committee agreed that it was not the right time to make a distribution of reserves during the year.

The balance of investment reserves (realised and unrealised) at 31 March 2023 was £26.082m (31 March 2022: £29.989m),

at 32% slightly above the Charity's acceptable risk threshold of 20% of the valuation of the portfolio. We will continue to review the situation in the markets and the Investment Committee will consider a distribution later in the year.

The Charity commits to spending 5% of the general fund every year, based on a rolling average of the last 3 years general fund balance. This ensures that the general fund will not be fully spent down and allows the Charity to continue in operation.

Investment Performance

Investment valuations were on a downward trajectory for the majority of the year which was driven by central bank policy given the challenging inflation situation, causing repricing of interest rate expectations. In addition, the new Government fiscal package was poorly received in September

by markets and hence sent sterling to an all time low versus the US dollar. The final quarter of 2022/23 was however a positive one for global equities driven by companies exhibiting higher growth and quality characteristics.

The portfolio generated a return of -2.6%, just above the benchmark of -3.4% for the year; and is 3.3% above the benchmark over 3 years. Since inception, the portfolio is ahead of the benchmark by 5.1%.

The Responsible Multi-Asset Fund (RMAF) has returned 35.1% 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 74% less carbon emissions than the global equity index.

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 Charity's share of the Common Investment Scheme assets is included in the balance sheet under investments.

The Common Investment Scheme portfolio was valued at £84.773m at 31 March 2023 (2021/22: £89.982m) of which £79.837m related to the Charity (2021/22: £84.412m).

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 Charity'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 2022/23 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 Charity's objectives:

- No direct investments in companies involved in tobacco production, distillers of alcoholic beverages, armaments or fossil fuels. Screened at 10% of revenue.
- Underlying securities of pooled funds are screened prior to acquisition for exposure to tobacco, alcohol, armaments and fossil fuels 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 Charity 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 all meetings of the Investment Committee.

Table 1: NHS Lothian Charity Investment Performance Summary FY2023

	Benchmark asset allocation (%)	Allocation as at 31 March 2023 (%)	Performance as at 31 March 2023 (%)	Allocation as at 31 March 2022 (%)	Performance as at 31 March 2022 (%)
Portfolio	100	100	-2.6	100	6.2
CPI + 4%			13.7		10.3
Benchmark*			-3.4		6.3
Equities	60	65	4.7	66	5.2
Composite Equity Benchmark*			-1.0		12.3
Bonds	20	10	-12.3	12	-5.9
FTA Gov All Stocks			-16.3		-5.1
Multi-Asset Funds			-		-
Alternatives (exc. Multi-Asset)	20	23	-14.4	21	14.5
UK 3-month LIBOR			2.3		0.2
Cash	-	2	4.0	1	4.0

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

Policies

The Charity is a sector leader in good governance and transparency and has developed an extensive framework of policies and procedures which are published on our website.

The **Trustee Code of Conduct** sets out the Charity'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 NHS Lothian Charity, and ensures consistent application of the values and ethos of the Charity by all Trustees.

Complaints Policy and Procedure

The Charity 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 Charity depends. During 2022/23 we received no complaints.

The **Conflict of Interest Policy** helps the Charity 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 Charity. Such conflicts can result in decisions or actions which are not in the best interests of the Charity, thereby damaging its reputation. A Register of Interests is updated annually, and declarations of interest are recorded at all Trustee and Committee meetings. During 22/23 there were no material Conflicts of interest.

The **Ethical Fundraising Policy** gives stakeholders confidence in our decision-making when deciding when to accept or refuse a donation that could be deemed as potentially detrimental to the Charity or be contrary to our charitable objectives. Potential detrimental impacts to the Charity 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 Charity is exempt under the Freedom of Information Act (Scotland) 2002 (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 Charity 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 (internal) Incorporating Retention and Destruction of Records Procedure

NHS Lothian is the data controller for the Charity, 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 Charity is in line with current legislation, regulation and guidance.

Whistleblowing Statement

The Public Interest Disclosure Act 1988 provides protection for individuals (employees) 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 cover all NHS providers. NHS Lothian is the employer of all staff who are engaged in activities relating to the operation of the Charity; the Charity is not an employer in its own right.

The Charity's full suite of governance documents are reviewed every two years, and were last reviewed by Trustees in December 2022.

Principal Risks and their Management

Trustees aim to adopt best practice in the identification, evaluation and effective control of risk, to ensure they are either eliminated or reduced to an acceptable level.

The Trustees' risk management objectives are to:

- Integrate risk management into the culture of the Charity
- 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 activity is linked to the Charity's risk universe and periodically reviews risk management systems and controls (most recently in 2016/17)

The principal risks and management strategies are summarised below.

The Corporate Risk Register, approved in March 2023, considers risk in four categories: Governance & Management, Economic & Financial, Operational & External, and Compliance & Regulatory, across the six enablers that support the successful delivery of the 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 using a 5x5 Likelihood x Impact matrix, and Trustees' level of assurance anchors assurance to the controls and risk scoring and tracking. The Corporate Risk Register currently contains eleven risks; four highest scoring risks and management strategies are summarised below:

● Risk Description: Failure of governance or management

This broad risk combines the effectiveness of the Trustees and Committees, the longstanding risk associated with the corporate trustee model, and activities outside its powers. In mitigation we maintain an extensive framework of governance policies (listed on page 41), Trustee induction and ongoing development. In addition, tight operational management of programmes and funds ensure no activities are authorised outside our objects or powers, or grant restrictions.

Trustee Assurance: Medium
Residual Risk: Medium

● Risk Description: Do not deliver key elements of the corporate strategy

External factors such as Scottish Government's capital position could have an impact on NHS Lothian and the Charity's operational or strategic delivery of capital projects where these are delayed or deprioritised. In mitigation, we have strategically reprioritised service delivery programmes over capital projects for the short and medium term.

Trustee Assurance: Medium
Residual Risk: Medium

● Risk Description: Ineffective impact evaluation systems

For impact evaluation to be meaningful, it needs to be aligned to our strategic objectives and final goal, and reporting needs to be evidence-based and provide learning for programme improvement. A new specialist post (funded in part by an NHS Charities Together development grant) will be appointed in 2023/24 to develop a framework and embed evaluation and learning into the culture of the Charity.

Trustee Assurance: Medium
Residual Risk: Medium

● Risk Description: Fundraising

While no programmes are wholly dependent on fundraised income, increased resources including fundraising are a key enabler to future funding commitments, meeting our strategic objectives and final goal. A specialist fundraising team with embedded infrastructure to diversify our income base provides sustainability and reduces reliance on one income source.

Trustee Assurance: Medium
Residual Risk: Medium

Structure, Governance and Management

Objects

NHS Lothian Charity, formerly known as Edinburgh and Lothians Health Foundation, is registered as a charity in Scotland SC007342. Our registered office is Waverley Gate, 2-4 Waterloo Place, Edinburgh, EH1 3EG.

The Charity, 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 Charity.

The Charity'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 charitable 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 Charity Trustees.

Trustee Appointment

All members of Lothian Health Board are appointed by Scottish Ministers. Board members become Trustees of the Charity 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 Charity 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 2023, except where otherwise disclosed, are listed on page 47.

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

Powers of Investment

The Lothian Health Board's powers of investment in its capacity as corporate Trustee of NHS Lothian Charity are principally derived from the Charity's 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 Charity 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 Charity is also a member of the Scotland Funders Forum 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 Charity and of the incoming resources and application of resources of the Charity.

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 charity 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 charity 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 Charity and to prevent and detect fraud and other irregularities.

Approved by the NHS Lothian Charity Trustees at their meeting held on 21 June 2023.

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/they has taken all steps that he/she/they ought to have taken as a Trustee to make himself/herself/themselves 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:



Andrew Fleming
21 June 2023



Craig Marriot
21 June 2023

Organisation

Trustee Board

Jock Encombe (Chair from 8/12/21 until 31/1/23)
Andrew Fleming (from 11/4/22 Chair from 1/2/23)
Shamin Akhtar
Nadin Akta (from 1/4/22)
Philip Allenby (from 1/4/22)
Calum Campbell
Harry Cartmill (from 30/5/22)
Prof Siddharthan Chandran
Prof John Connaghan CBE
Martin Connor
Dr Patricia Donald (until 31/7/22)
Tracy Gillies
Susan Goldsmith (until 31/5/22)
Elizabeth Gordon (from 1/4/22)
George Gordon (until 6/4/22 re-joined 16/5/22)
Fiona Ireland
Stephen Jenkinson (from 9/6/22)
Katharina Kasper
Peter Knight (from 1/4/22)
Alison MacDonald (from 22/6/22)
Craig Marriot (from 1/6/22)
Gillian McAuley (from 4/4/22 until 3/7/22)
Angus McCann
John McGinty (until 30/4/22)
Bill McQueen CBE
Tracy Ann Miller
Derek Milligan (until 30/4/22, re-joined 9/6/22)
Dona Milne
Peter Murray
Val de Souza (from 1/4/22)
Dr Richard Williams (until 31/7/22)
Pat Wynne (until 3/4/22)

Decision Making and Committees

Trustees are responsible for the general control and management of the administration of the Charity, 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 2022/23.

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 Charity'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 Charity'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 Charity'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 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 Charity, 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
Jane Greenacre Head of Programmes
Patricia Irving Head of Finance
Nicola Sinclair Head of Engagement

Auditor's Report and Financial Statements

Independent Auditor's Report to the Trustees of NHS Lothian Charity for the year ended 31 March 2023

Opinion

We have audited the financial statements of NHS Lothian Charity (the 'charity') for the year ended 31 March 2023 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 charity's affairs as at 31 March 2023 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 charity 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 (FRC's) Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees Report 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 46, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 is located on the FRC'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 charity, 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 charity that were contrary to applicable laws and regulations, including fraud.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with management, 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 charity, including the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the management 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 actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the charity's legal advisors.

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

- making enquiries of management 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 charity'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 charity's trustees, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

21 June 2023

Azets Audit Services, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Financial statements

Statement of financial activities for the year ended 31 March 2023

		Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Restated Unrestricted funds 2022	Restated Restricted funds 2022	Restated Total funds 2022
	NOTE	£000	£000	£000	£000	£000	£000
Income and endowments from:							
Donations and legacies	2	1,038	947	1,985	1,385	234	1,619
Charitable activities	3	-	30	30	-	156	156
Investments	4	2,002	-	2,002	1,800	66	1,866
Total		3,040	977	4,017	3,185	456	3,641
Expenditure on:							
Raising funds	5	706	21	727	679	32	711
Charitable activities	6	4,062	141	4,203	2,724	396	3,120
Total		4,768	162	4,930	3,403	428	3,831
Net (loss)/gain on investments		(3,907)	-	(3,907)	2,908	390	3,298
Net (expenditure)/ income		(5,635)	815	(4,820)	2,690	418	3,108
Transfers between funds		314	(314)	-	-	-	-
Other recognised gains/(losses):							
Gain on revaluation of fixed assets		-	-	-	25	-	25
Other loss - sale of investment property		(84)	-	(84)	(163)	-	(163)
Net movement in funds		(5,405)	501	(4,904)	2,552	418	2,970
Reconciliation of funds							
Total funds brought forward	16	85,763	4,824	90,587	57,341	30,276	87,617
Prior year adjustment	21	-	-	-	25,870	(25,870)	-
Total funds brought fwd restated		85,763	4,824	90,587	83,211	4,406	87,617
Total funds carried forward		80,358	5,325	85,683	85,763	4,824	90,587

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 55–69 form part of these accounts.

Financial statements

Balance sheet as at 31 March 2023

		Total funds 2023	Total funds 2022
	NOTE	£000	£000
Fixed assets			
Investments			
Securities	10	79,837	84,412
Cash awaiting investment	13	457	299
Investment property	10	1,215	3,715
Total fixed assets		81,509	88,426
Current assets			
Debtors	12	218	314
Cash at bank and in hand	13	6,146	4,372
Total current assets		6,364	4,686
Current liabilities			
Creditors: amounts falling due within one year	14	(2,190)	(2,525)
Net current assets		4,174	2,161
Total assets less current liabilities		85,683	90,587
Financed by – charity fund total	19	85,683	90,587
Represented By:			
Unrestricted – General Funds		47,705	52,460
Unrestricted – Designated Funds		32,653	33,303
Restricted Funds		5,325	4,824
Charity fund total	16	85,683	90,587

Notes 1 – 21 on pages 55–69 form part of these accounts.

NHS Lothian Charity Accounts for the year ended 31 March 2023 were approved by the Trustees at their meeting held on 21 June 2023.

Craig Marriott

Mr Craig Marriott
Trustee

A. Fleming

Mr Andrew Fleming
Chairman of Trustees

Financial statements

Statement of cash flows for the year ended 31 March 2023

	Total funds 2023	Total funds 2022
NOTE	£000	£000
Cashflows from operating activities		
Net cash (used in) operating activities	(3,113)	(15,310)
Cash flows from investing activities		
Dividends, interest and rents from investments	2,002	1,866
Proceeds from sale of property	2,416	7,452
Proceeds from sale of investments	11,087	26,355
Purchase of investments	(10,460)	(23,868)
Net cash provided by investing activities	5,045	11,805
Change in cash and cash equivalents in the reporting period	1,932	(3,505)
Cash and cash equivalents at the beginning of the reporting period	4,671	8,176
Cash and cash equivalents at the end of the reporting period	13	4,671

Reconciliation of net (expenditure)/income to net cash outflow from operating activities

	2023	2022
	£000	£000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(4,820)	3,108
Adjustments for:		
Revaluation loss/(gains) on investments	3,948	(4,197)
Dividends, interest and rents from investments	(2,002)	(1,866)
Decrease in debtors	96	59
(Decrease) in creditors	(335)	(12,414)
Net cash (used in) operating activities	(3,113)	(15,310)

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 Charity's transactions are denominated. They comprise the financial statements of NHS Lothian Charity. The objective of NHS Lothian Charity is the advancement of health and the promotion of physical and mental health and wellbeing of the people of Scotland. NHS Lothian Charity 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. The Charity changed its legal name to NHS Lothian Charity on 26 September 2022. The Charity was named Lothian Health Board Endowment Fund from 1 January 1992 to 26 September 2022. Details of the principal address can be found on page 45 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 charity's constitution.

NHS Lothian Charity 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 Charity's financial statements unless otherwise stated.

Going concern

The Trustees are of the opinion that the Charity 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 Charity 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 Charity.

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 Charity 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 Charity 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 Charity. 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 Charity. 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 disabled may be zero-rated for VAT purposes when purchased wholly from charitable funds.

The Charity 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 Charity has an inventory of artworks and other minor collectables. Acquisitions and gifts of historical or other heritage value to the Charity are not generally made. The Trustees do not have any plans to dispose of heritage assets. The management of the heritage assets of the Charity are overseen by its Board of Trustees. The details of heritage assets are in note 11.

1.7 Pensions

The Charity is a grant making charity and has no employees (Charity 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 Charity 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 Charity 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 Charity 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 Charity 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 Charity 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 Charity 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 Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Charity makes judgements in applying accounting policies.

2. Donations & Legacies

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Unrestricted funds 2022	Restricted funds 2022	Restated Total funds 2022
	£000	£000	£000	£000	£000	£000
Donations	762	762	1,524	592	118	710
Legacies	272	185	457	642	116	758
Grants	4	-	4	151	-	151
Total donations and legacies	1,038	947	1,985	1,385	234	1,619

3. Charitable Activities

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£000	£000	£000	£000	£000	£000
Stage 2 grant - NHSCT	-	-	-	-	156	156
Development grant - NHSCT	-	30	30	-	-	-
Total charitable activities	-	30	30	-	156	156

In 2022/23, the Charity received a Development Grant for the purposes of appointing an Evaluation and Learning Manager. In 2021/22, the Charity received grants from the NHS Charities Together (NHSCT) COVID-19 emergency appeal.

4. Investment Income

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Unrestricted funds 2022	Restricted funds 2022	Restated Total funds 2022
	£000	£000	£000	£000	£000	£000
Listed equity investments	1,950	-	1,950	1,695	65	1,760
Schroder	3	-	3	-	-	-
Bank interest	14	-	14	1	1	2
Rental property	35	-	35	104	-	104
Total investment income	2,002	-	2,002	1,800	66	1,866

5. Raising Funds

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Unrestricted funds 2022	Restricted funds 2022	Restated Total funds 2022
	£000	£000	£000	£000	£000	£000
Investment management	345	-	345	337	13	350
Fundraising costs	361	21	382	342	19	361
Total raising funds	706	21	727	679	32	711

6. Charitable Activities

The Charity did not undertake any direct charitable activities on its own account during the year. Grants were approved in favour of beneficiaries and the Charity 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 investment 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 2023	Restricted funds 2023	Total funds 2023	Unrestricted funds 2022	Restricted funds 2022	Restated Total funds 2022
	£000	£000	£000	£000	£000	£000
Grant Making						
Grant funding of activities (note 7)	3,547	111	3,658	2,116	362	2,478
Support costs (Note 8)	398	23	421	482	27	509
Governance (Note 8)	117	7	124	126	7	133
Total charitable activities	4,062	141	4,203	2,724	396	3,120

7. Analysis of Grants Expenditure

The Charity does not make grants to individuals. The total cost of making grants is disclosed on the face of the Statement of Financial Activities. Restricted and Designated 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 £3,658k of this the following institutions received grant funding above £100,000:

	£000
Institutional Grants	
NHS Lothian	1,991
University of Edinburgh	493
Other Organisations	1,174
Total	3,658

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

8. Analysis of Support & Governance Costs

	Charitable Activities	Governance costs	Total 2023	Charitable Activities	Governance costs	Total 2022
	£000	£000	£000	£000	£000	£000
Salaries and related costs	354	62	416	450	79	529
External Audit	-	21	21	-	12	12
Rent/post/phone	67	41	108	59	42	101
Total	421	124	545	509	133	642

The Charity Office costs in 2022/23 totalled £545,000 (2021/22: £642,000). The majority of costs are salary related.

Azets Audit Services received £420 for fees for non-audit activities in 2022/23 (2021/22: £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

	2023	2022
	£000	£000
Wages and salaries	663	622
Social security costs	74	66
Employer pension contribution	141	130
Total	878	818

Staff costs relate to costs of seventeen NHS Board employees (2021/22 – sixteen). They work exclusively for the Charity, providing a service Lothian-wide.

Two senior employees earned an emolument of more than £60,000 per annum during 2022/23, one being in receipt of salary in the band £90,000 to £100,000 (2021/22 – £90,000 to £100,000) and one being in receipt of salary in the band £60,000 to £70,000 (2021/22 – two employees £60,000 to £70,000). Employer pension contributions for the highest paid senior employee during 2022/23 were £19,777 (2021/22 – £19,358). Total employee benefits of key management personnel were £358,597 (2021/22 £354,872).

No Trustee received any remuneration or expenses from the Charity during the year (2021/22 – none).

10. Investments

	Investment Property 2023	Market Investment 2023	Total 2023	Investment Property 2022	Market Investments 2022	Total 2022
	£000	£000	£000	£000	£000	£000
Cost or valuation at 31 March 2022	3,715	84,412	88,127	11,305	82,702	94,007
Acquisitions	-	10,460	10,460	-	23,868	23,868
Disposals	(2,416)	(11,087)	(13,503)	(7,615)	(26,355)	(33,970)
Revaluation (loss)/gain	(84)	(3,948)	(4,032)	25	4,197	4,222
Valuation at 31 March 2023	1,215	79,837	81,052	3,715	84,412	88,127

The historic cost of market investments is £61,337k (2021/22 £67,156k).

The investment property at Hatton Place was revalued by DVS chartered surveyors in March 2022 in accordance with RICG guidelines, on an open market value basis. The revaluation gain in the previous year relates to this property. During the year the Charity (together with NHS Lothian) concluded the joint sale of the land at Stenhouse Market Gardens. The sale completed on 31 March 2023. The disposal proceeds of £2.416m is included above.

11. Heritage Assets

The Charity 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 2023 the latest available valuation (April 2009) of the inventory was approximately £1,551,000. Valuations are ongoing by the Royal Scottish Academy and National Galleries.

12. Debtors

	2023	2022
	£000	£000
Tax recoverable	-	1
Prepayment & accrued income	218	313
Total	218	314

13. Cash and Cash Equivalents

	2023	2022
	£000	£000
Cash at bank	6,146	4,372
Cash at investment manager	457	299
Notice deposits < 3 months	-	-
Total cash and cash equivalents	6,603	4,671

14. Creditors

	2023	2022
	£000	£000
Creditors due within 1 year		
Trade payables	3	7
Accruals	2,187	2,518
Total	2,190	2,525

15. Financial Assets and Liabilities at Fair Value Through Net (Expenditure)/Income

	2023	2022
	£000	£000
Investments at fair value (note 10)	79,837	84,412

16. Analysis of Restricted Funds

Hospital Restricted Funds >£100k	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/ (Losses)	Balance at 31/03/2023
	£000	£000	£000	£000	£000	£000
St John's Hospital at Howden:						
Martha Ritchie Cancer Care Fund	191	17	(4)	-	-	204
Western General Hospital:						
WGH Neurological Surgery Fund	548	1	(21)	-	-	528
Astley Ainslie Hospital:						
Edinburgh Physio Rehab Service Fund	127	-	(9)	-	-	118
Roodlands Hospital:						
Harriet Connolly Fund	132	-	(4)	-	-	128
Simpson Centre for Reproductive Health:						
G & J Bassett Legacy Fund	289	-	(17)	-	-	272
Royal Hospital for Children and Young People:						
SCRH Neonatal Unit Refurb. Fund	-	750	-	-	-	750
Royal Infirmary of Edinburgh:						
CEG Wright Renal Scanner Fund	307	-	(5)	-	-	302
Brown & Ireland Estate Arthritis Fund	152	-	(4)	-	-	148
Total Hospital Restricted Funds >£100,000	1,746	768	(64)	-	-	2,450

Division-wide Restricted Funds >£100,000	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/ (Losses)	Balance at 31/03/2023
	£000	£000	£000	£000	£000	£000
Share of Undistributed Investment Reserves	2,008	-	-	(5)	-	2,003
Total Division-wide Restricted Funds >£100,000	2,008	-	-	(5)	-	2,003
Other Restricted Funds less than £100,000	1,070	209	(98)	(309)	-	872
Total Hospital & Division-wide Restricted Funds	4,824	977	(162)	(314)	-	5,325

16. Analysis of Unrestricted Funds

Hospital Designated Funds >£100k	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/ (Losses)	Balance at 31/03/2023
	£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	198	20	(12)	-	-	206
Breast Cancer Fund	151	1	(3)	-	-	149
Laser Fund	354	-	(8)	-	-	346
Western General Hospital:						
Edinburgh Cancer Centre Fund	438	14	(61)	56	-	447
Stroke Research and Amenities Fund	115	-	(3)	-	-	112
Rheumatic Diseases Unit Fund	227	-	(6)	-	-	221
Respiratory Medicine Unit Fund	58	100	(1)	-	-	157
Edinburgh Centre For Neuro-Oncology	155	19	(8)	-	-	166
Microbiological Research Fund	111	-	(4)	-	-	107
J. King Urological Cancers Research	160	3	(3)	-	-	160
Head & Neck Cancer Research Fund	208	1	(5)	-	-	204
General Oncology Department Fund	677	1	(13)	-	-	665
Fighting Cancer In Edinburgh	191	43	(97)	-	-	137
Colorectal Research Fund	173	11	(8)	-	-	176
Haematology Research Fund	629	6	(17)	-	-	618
Paul Abraham Molecular Laboratory Fund	248	-	(5)	-	-	243
Edinburgh Neurology Fund	442	1	(19)	-	-	424
Breast Cancer Institute Fund	672	33	(369)	1	-	337
Haematology Ward Fund	248	9	(20)	-	-	237
Oncology Ward Funds	149	2	(3)	-	-	148
Edinburgh Breast Unit Fund	100	5	(4)	67	-	168
Colorectal & Urology Wards	-	67	(1)	67	-	133
Royal Victoria Building:						
The Edinburgh Parkinson's Service Fund	157	-	(7)	-	-	150
Royal Hospital for Children and Young People:						
Calderwood Paediatric Cardiology Fund	216	-	(3)	-	-	213
Trastevere Fellowship Paediatric Pathology	159	-	(45)	-	-	114
Endocrine and Diabetes Fund	111	-	(10)	-	-	101
Leukaemia & Cancer Fund	534	1	(15)	-	-	520
RHCYP (Gen Purposes) Site Fund	368	56	(115)	-	-	309
Royal Infirmary of Edinburgh:						
Kidney Transplant	326	-	(47)	17	-	296
Coronary Care Unit Fund	394	1	(9)	-	-	386
Scottish Liver Transplant Unit	235	94	(11)	-	-	318
Dermatology	109	-	(3)	-	-	106
Edinburgh Vascular Research Fund	182	3	(15)	-	-	170
Medical Renal Unit Fund	1,277	7	(54)	-	-	1,230
Renal Research Fund	249	-	(40)	-	-	209
Edinburgh Orthopaedics Funds	-	-	(4)	303	-	299
Princess Alexandra Eye Pavilion:						
Treatment of Blindness & Research Fund	147	15	(28)	-	-	134
Eye Research Fund	377	26	(85)	-	-	318
Total Hospital Designated Funds >£100,000	10,658	542	(1,164)	511	-	10,547

Division-wide Designated Funds >£100K	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/ (Losses)	Balance at 31/03/2023
	£000	£000	£000	£000	£000	£000
Dorothy Melville Bequest – Edi	137	-	(4)	-	-	133
Camhs Eat Diso, Rsrc&Selfhelp	346	9	(9)	-	-	346
Edin Cancer Centre Rsrch Fund	771	13	(70)	153	-	867
Edinburgh Heart Centre Fund	775	4	(31)	-	-	748
Edinburgh Spiritual Care Services Fund	-	-	(3)	131	-	128
Share of Undistributed Investment Reserves	13,738	-	-	-	-	13,738
Total Division-wide Designated Funds >£100,000	15,767	26	(117)	284	-	15,960
Other Designated Funds less than £100,000	6,878	366	(629)	(469)	-	6,146
Total Hospital & Division-wide Designated Funds	33,303	934	(1,910)	326	-	32,653

Unrestricted Funds – General Fund	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/ (Losses)	Balance at 31/03/2023
	£000	£000	£000	£000	£000	£000
General Fund	52,460	2,106	(2,858)	(12)	(3,991)	47,705
Total Unrestricted Funds	85,763	3,040	(4,768)	314	(3,991)	80,358

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 and Designated (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 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 ninety-nine transactions in the year in relation to transfers between Restricted and General (Designated funds), mainly in relation to closure of funds.

16. Analysis of Restricted Funds – Year Ended 31 March 2022 – Restated

Hospital Restricted 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:						
Martha Ritchie Cancer Care Fund	188	5	(2)	-	-	191
Western General Hospital:						
WGH Neurological Surgery Fund	550	15	(17)	-	-	548
Astley Ainslie Hospital:						
Edinburgh Physio Rehab Service Fund	125	6	(4)	-	-	127
Roodlands Hospital:						
Harriet Connolly Fund	133	3	(4)	-	-	132
Simpson Centre for Reproductive Health:						
G & J Bassett Legacy Fund	355	9	(75)	-	-	289
Royal Infirmary of Edinburgh:						
CEG Wright Renal Scanner Fund	305	7	(5)	-	-	307
Brown & Ireland Estate Arthritis Fund	152	4	(4)	-	-	152
Total Hospital Restricted Funds >£100,000	1,808	49	(111)	-	-	1,746

Division-wide Restricted Funds >£100,000	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/ (Losses)	Balance at 31/03/2022
	£000	£000	£000	£000	£000	£000
Unidentified Income Fund	36	159	-	-	-	195
Share of Undistributed Investment Reserves	1,618	-	-	-	390	2,008
Total Division-wide Restricted Funds >£100,000	1,654	159	-	-	390	2,203
Other Restricted Funds less than £100,000	944	248	(317)	-	-	875
Total Hospital & Division-wide Restricted Funds	4,406	456	(428)	-	390	4,824

16. Analysis of Unrestricted Funds – Year Ended 31 March 2022 – Restated

Hospital Designated 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
Breast Cancer Fund	151	9	(9)	-	-	151
Laser Fund	354	-	-	-	-	354
Western General Hospital:						
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	132	(124)	-	-	672
Haematology Ward Fund	250	18	(20)	-	-	248
Oncology Ward Funds	145	5	(1)	-	-	149
Edinburgh Breast Unit Fund	93	8	(1)	-	-	100
Royal Victoria Building:						
The Edinburgh Parkinson's Service Fund	156	9	(8)	-	-	157
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
RHCYP (Gen Purposes) Site Fund	307	74	(13)	-	-	368
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
Medical Renal Unit Fund	1,209	103	(35)	-	-	1,277
Renal Research Fund	183	76	(10)	-	-	249
(RIE) Orthopaedics Department Funds	252	6	(6)	-	-	252
Princess Alexandra Eye Pavilion:						
Treatment of Blindness & Research Fund	136	16	(5)	-	-	147
Eye Research Fund	318	72	(13)	-	-	377
Total Hospital Designated Funds >£100,000	10,484	1,082	(614)	-	-	10,952

Division-wide Designated 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	108	(315)	-	-	775
Share of Undistributed Investment Reserves	11,046	-	-	-	2,692	13,738
Total Division-wide Designated Funds >£100,000	13,604	147	(676)	-	2,692	15,767
Other Designated Funds less than £100,000	6,702	424	(546)	4	-	6,584
Total Hospital & Division-wide Designated Funds	30,790	1,653	(1,836)	4	2,692	33,303

Unrestricted Funds – General Fund	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains/(Losses)	Balance at 31/03/2022
	£000	£000	£000	£000	£000	£000
General Fund	52,421	1,532	(1,567)	(4)	78	52,460
Total Unrestricted Funds	83,211	3,185	(3,403)	-	2,770	85,763

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
			£000
Lothian Health Board	Coldstones Charitable Trust	SCRH Neonatal Unit Fund	750
Lothian Health Board	Action on Asbestos	Respiratory Medicine Unit Fund	100
Lothian Health Board	M. Pentland	Scottish Liver Transplant Unit	70
Lothian Health Board	Susanne Watson Buchart, deceased	Edinburgh Breast Unit Fund	67
Lothian Health Board	Duncan Patrick Bowman, deceased	Colorectal & Urology Wards Fund	63
Lothian Health Board	Dorothy Gibson, deceased	General Fund	53
Lothian Health Board	Thomas Falconer, deceased	Edinburgh Cancer Centre Fund	51
Lothian Health Board	Thomas Falconer, deceased	Cardiac Surgical Fund	51
Lothian Health Board	Action on Asbestos	Chest Fund	50
Total			1,255

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 Charity's grant making transactions remitted to Lothian Health Board during the financial year amounted to £1,991,000 (2021/22 £1,292,000) (breakdown shown below). Included within income is rental income of £30,000 (2021/22 £99,275) from Lothian Health Board. As stated in note 9 the Charity staff costs consist of staff on Lothian NHS Board employment contracts with a cost of £878,924 (2021/22 £818,583) which was charged by the Health Board. At 31 March 2023 there was a balance outstanding of £366,274 (2021/22 £483,458) payable to NHS Lothian.

Expenditure with NHS Lothian:	Amount £000
General Funds	
Work Well	374
Volunteering	329
Capital Projects	187
Patient Wi-Fi	72
Research, Development and Innovation	70
Small Grants	68
Other NHSL – small projects	126
Designated Funds	
PHD Project Proposal	149
Research Infrastructure Project	138
Utility of cardiovascular biomarkers	108
Fast onset drusen model for mac. degeneration	66
Paediatric asthma digital dashboard	52
Various other small projects	163
Restricted Funds	
Hardship Funding	55
Other specific fund expenditure	34
Total grant making expenditure with NHSL	1,991

19. Analysis of Net Assets Across Funds

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£000	£000	£000	£000	£000	£000
Investment property	1,215	-	1,215	3,715	-	3,715
Investments	75,681	4,613	80,294	79,819	4,892	84,711
Net current assets less long term creditors	3,462	712	4,174	2,229	(68)	2,161
Net assets	80,358	5,325	85,683	85,763	4,824	90,587

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	4,671	1,932	-	-	-	6,603
Total	4,671	1,932	-	-	-	6,603

21. Post Balance Sheet Event

As referred to on page 37 of the Trustees Report, a review of all Designated Funds (formerly Ward Funds) and Restricted Funds (formerly Specific Funds) was carried out to determine if the classification of all funds was correct. It was found that a number of funds classified as restricted were in fact designated due to either: a) the source of the original funds could not be established or b) that the restriction had been self imposed by the Charity as the result of a request to set up a separate fund by a Fund Steward. This has resulted in £25,870k of funds being reclassified from restricted (formerly Specific Funds) to designated funds (formerly Ward Funds).

“Sometimes I have a few appointments in a day at the Western General Hospital, and in the in between times I seek out space and comfort and peace in different nooks of the hospital. When my walking is up to it I love discovering the art in the Anne Ferguson Gallery.”



Registered Office

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Scottish Registered Charity Number SC007342

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