NHS Forth Valley Endowment Fund

Annual Report & Financial Statements

2025-26

Charity registration number SC035953

Forth Valley GIVING

Supporting local patient, hospitals and staff

NHS Forth Valley Endowment Fund

Annual Report & Financial Statements 2025/26

Contents

1. Foreword

This document presents the annual report and financial statements of the NHS Forth Valley Endowment Fund for the year ended 31 March 2026. The financial statements have been prepared in line with the accounting policies outlined in note 1 and comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) for charities preparing their accounts in accordance with the Financial Reporting Standards (FRS 102) applicable in the UK and Republic of Ireland.

The NHS Forth Valley Endowment Fund is a registered charity which administers voluntary donations received from individuals, organisations, and other sources to support a wide range of enhanced services and activities designed to benefit the local population beyond what is routinely delivered through core NHS service provision. The charity is commonly referred to as Forth Valley Giving.

As outlined in the NHS Forth Valley Endowment Fund Charter, the key purpose of the charity is the "advancement of health" through:

- The improvement in the physical and mental health of Forth Valley NHS Board's local population;
- the prevention, diagnosis and treatment of illness;
- the provision of services and facilities in connection to the above; and
- research into any matters relating to the causation, prevention, diagnosis or treatment of illness.

In accordance with sections 82, 83 and 84A of the National Health Service (Scotland) Act 1978, Forth Valley NHS Board holds all funds and property of the charity on Trust, and acts as a Corporate Trustee. As such, all members of Forth Valley NHS Board are appointed as Trustees of the NHS Forth Valley Endowment Fund by virtue of their appointment to the NHS Board. The Trustees who served in the reporting period and up to the date of approval of the financial statements are listed on page 3.

In administering the fund, Trustees must observe, insofar as practicable, the wishes of donors. All funds and property of the charity are held and managed separately from Forth Valley NHS Board's core NHS exchequer funds.

2. Legal and Administrative Information

Trustees	Executive Members Mr Ross McGuffie, Chief Executive Mr Scott Urquhart, Director of Finance Mr Andrew Murray, Medical Director Prof Frances Dodd, Executive Nurse Director (until 15 July 2025) Prof Karen Goudie, Executive Nurse Director (from 16 July 2025) Dr Graham Foster, Director of Public Health and Strategic Planning (until 30 June 2025) Dr Jennifer Champion, Director of Public Health (from 10 September 2025) Non-Executive Members Ms Neena Mahal, Chair Mr Allan Rennie, Non-Executive Director Mr Stephen McAllister, Non-Executive Director Mr Gordon Johnston, Non-Executive Director Mr Martin Fairbairn, Non-Executive Director Mr John Stuart MBE, Non-Executive Director Ms Alison Jaap, Non-Executive Director (from 21 July 2025) Dr Clare McKenzie, Non-Executive Director (from 21 July 2025) Mr Finlay Scott, Non-Executive Director (from 21 July 2025) Mrs Kirstin Cassells, Non-Executive Director Cllr Fiona Collie, Non-Executive Director Cllr Fiona Law, Non-Executive Director Cllr David Wilson, Non-Executive Director (until 30 November 2025) Cllr Scott Farmer, Non-Executive Director (from 26 January 2025) Mr Robert Clark, Non-Executive Director and Employee Director (until 27 February 2026) Mrs Karren Morrison, Non-Executive Director and Employee Director (from 2 March 2026)
Registered Charity Number	SC035953
Principal address	Carseview House Castle Business Park Stirling FK9 4SW
External Auditor	Dickson Middleton Chartered Accountants and Statutory Auditors 20 Barnton Street Stirling FK8 1NE
Bankers	The Royal Bank of Scotland plc 2 Newmarket Centre Falkirk FK1 1JX
Investment Advisors	Rathbones Investment Management George House 50 George Square Glasgow G2 1EH

3. Trustees Report

3.1. Operational performance

The Board of Trustees wish to express their gratitude to the many individuals and organisations who generously donated monies to support a wide range of services, projects and activities to enhance patient care and staff well-being during 2025/26. The following key projects were funded during the year:

Community Wellbeing Social Cafes Project: “The Papermill Café” is a social enterprise initiative operated by Strathcarron Hospice in the Bellfield Centre at Stirling Health and Care Village. The Café opened in September 2025 and was supported by the Endowment Fund to purchase essential equipment as part of the initial set up. The Café provides an inclusive, welcoming space where patients, families, carers and staff can connect in a relaxed, supportive environment. By reducing social isolation, encouraging meaningful interaction and offering accessible refreshments, the Café contributes positively to patients’ emotional wellbeing and their overall experience of care. By choosing to visit the Café, customers are supporting their local Hospice, as every penny made from the service is reinvested into Strathcarron, helping them to improve financial sustainability and continue to deliver compassionate, high-quality hospice services that enhance dignity, comfort and community wellbeing.

Staff Support and Wellbeing Fund: this fund enables all NHS Forth Valley wards and/or departments to submit applications to secure funding for various staff wellbeing initiatives. The majority of the applications approved during the year related to the Winter Wellness Programme. This was a seasonal programme of events designed to support staff wellbeing throughout January and February 2026. It offered a wide range of practical, creative and reflective activities focused on mental, emotional, physical and financial wellbeing. Sessions include mindfulness, napping, journaling, self-care, breathing space and dog therapy, alongside creative workshops such as decoupage crafts. The programme also provided financial guidance, digital self-care resources, and opportunities for social connection through quizzes and pop-up stalls. Spaces for Listening were available to offer confidential peer support, creating inclusive, supportive environments where staff can pause, recharge and feel valued during the winter months.

The Patient Clothing Project: provides essential, clean clothing and toiletries to patients who are experiencing hardship or have no available support during hospital admission or discharge. Additional top-up funding from the Endowment Fund during 2025/26 enabled the project to maintain adequate stock levels and meet increasing demand across acute, emergency and elderly care settings. By ensuring patients have access to appropriate daywear, nightwear and weather-suitable clothing, the project helped preserve dignity, comfort and self-respect at a vulnerable time and improved wellbeing, patient-centred care and safe, dignified discharge for those most in need.

Creation of a Dual-Purpose Space for Adult Psychological Therapies (APTS): funding was provided to enable additional delivery of group therapies—a core component of stepped-care mental health services—through flexible use of the existing estate. The Endowment Fund provided non-core investment for equipment to deliver direct patient benefit, increase service capacity, and support earlier intervention. This represents a sustainable, low-cost improvement designed to strengthen service resilience and improve mental health outcomes across Forth Valley.

Therapeutic arts: working in conjunction with Artlink Central, an independent charity and leading participatory art organisation, funding was used to support a range of local therapeutic art projects intended to improve the patient experience and environment through creative collaborations with patients and staff. The patients attending the projects included those with learning disabilities, mental health issues, older people and children and young people.

Research and Development: during the year the Trustees also awarded small grants to fund the cost of publishing local academic research in appropriate peer-reviewed, open-access journals, ensuring robust review and wide dissemination. This enabled evidence generated within the NHS to be accessible to practitioners, policymakers and the public, supporting improved practice and contributing to the advancement of health and prevention of illness.

3.2. Financial performance

3.2.1. Overview

The charity's total fund balance as at 31 March 2026 was £3,185,050 (2024/25: £3,151,672).

The Charity's income during the 2025/26 financial year was £241,325 (2024/25: £409,466) compared to expenditure of £371,608 (2024/25: £454,937). When taken with the net gain on disposal and the net gain on revaluation of investments, a net favourable movement of £33,378 was reported for the year (compared to a net adverse movement of £137,180 in the previous year).

3.2.2. Income

The charity's total income for the year decreased by £168,141 or 41% compared to the previous year. The majority of the income received (72%) was obtained through voluntary donations and legacies (see note 4) with the remaining balance coming from investments and interest on cash deposits (see note 10) as summarised below.

Income	2025/26	2024/25	Difference Better/(Worse)	% change
Donations	£163,273	£223,316	(£60,043)	(27%)
Legacies	£10,000	£45,478	(£35,478)	(78%)
Charitable activities	£0	£63,920	(£63,920)	(100%)
Investments	£66,529	£74,223	(£7,694)	(10%)
Interest on cash deposits	£1,523	£2,529	(£1,006)	(40%)
Total	**£241,325**	**£409,466**	**(£168,141)**	**(41%)**

The overall 41% decrease in income levels reflects two significant changes, specifically, the impact of the national Charities Together grant funding coming to an end (2024/25:

£54,851) and the fact that the previous year included a large one-off donation of £82,465 from the former Friends of Forth Valley charity which dissolved in 2024/25.

3.2.3. Expenditure

Total expenditure incurred during 2025/26 totalled £371,608 which represents a decrease of £83,329 (18%) compared to the previous year (largely due to the planned end of the Charities Together projects). The majority of the expenditure incurred during the year (£250,061 or 67%) related to the cost of charitable activities, including the projects referred to in section 3.1, together with a range of other initiatives including Christmas gifts for the Children's Ward at Forth Valley Royal Hospital and a contribution toward the running costs of Radio Royal, the local hospital radio broadcasting service.

Whilst overall expenditure was lower than the previous year, costs relating to raising funds and administering the charity increased by £11,320 (equivalent to 10%) which reflects nationally agreed pay uplifts and additional non-recuring costs to cover maternity leave.

3.2.4. Investment Policy & Performance

The primary objective of the charity's investment policy is to strike an appropriate balance between (a) capital security and (b) scope for long term growth in capital and income returns. The Endowment Fund's investment portfolio is managed by Rathbones Investment Management. With the Trustees agreement, Rathbones has adopted its risk level 5 mandate, indicating a long-term investment objective of CPI+4%. Rathbones operates risk levels from risk 1 (lowest) to risk level 6 (highest). The risk levels indicate asset allocations of the portfolio and thereby portfolio volatility.

Rathbones divide asset classes into three building blocks: liquidity, equity type risk, and diversifiers (also known as the Rathbones LED framework). Investments are allocated to each base building block depending on typical performance during normal market conditions and in times of financial crisis. The three blocks will behave differently, therefore the allocation sizes between blocks spreads the risk to achieve specific overall goals.

The allocation to the equities block is designed to drive growth in the portfolio, with monies invested into individual equity holdings and other securities which behave in a similar way to equities. The remaining monies are invested into liquidity and diversifying investment blocks. Liquidity investments are assets that can be sold easily under normal market conditions and during periods of uncertainty, potentially performing positively if market participates are more nervous on the economic outlook. While diversifying holdings have lower correlations with other assets, aiming to perform 'differently' to global equity markets as they are exposed to different risk factors. Within the direct equity investments, Rathbones seeks to establish a balance between leading UK and international shares covering longer term growth areas.

As part of the investment policy, the charity will not invest in companies whose main activity is the sale of tobacco, alcohol, armaments, or gambling. Economic sanctions to cease trade and investment activity with Russia also remain in place as advised by the Scottish Government. The Trustees routinely review the investment portfolio performance and the types of investment to ensure they are consistent with the approved investment policy in terms of social and ethical considerations.

Asset allocation

As of 31st March 2026, 80.4% of the portfolio was allocated to equity type risk (87.2% as at end March 2025). The allocation being 3.7% in corporate bonds (5.5% in 2025) and 76.7% in equities (81.7% in 2025). A total of 51.4% was allocated to direct equities (66.9% in 2025) and 25.3% (14.8% in 2025) in collective funds. These holdings provide exposure to UK and overseas markets. 5.4% was invested in diversifiers (5.3% in 2025) and 14.2% in liquidity and cash (7.6% in 2023/24). The fixed income investments are allocated to both UK and overseas holdings spread across index linked, conventional government bonds and high-quality corporate bond funds.

Investment Performance

The portfolio achieved a gain of 7.1% on a total return basis after all charges over the twelve month period ending 31st March 2026. The income yield from the investments was slightly lower at 2.2% compared to 2.5% in the prior year.

The twelve months were a volatile period for the markets beginning with President Trump's announcement of tariffs on the 2nd April 2025 at a level far higher than had been anticipated. The following weeks witnessed pauses, hikes and reductions to threatened tariffs with economic growth forecast reduced due to the uncertainty. However, through this period corporate profit growth remained robust, with excitement over the potential from artificial intelligence and the associated investment cycle into this driving market returns, particularly over the in July to September period. Into the final three months of 2025 more questions were asked on the likely returns on the scale of investments into AI with equity market returns broadening rather than being as concentrated in a handful of technology giants as in preceding months. Elsewhere easing inflation allowed central banks to implement further interest rate cuts supporting the markets. Global markets were unsettled by the Iran conflict, which lifted oil and gas prices and reignited inflation concerns. Higher energy costs threatened growth, prompting expectations that central banks may delay or reverse rate cuts. The US economy remained resilient but showed cracks: hiring stalled, consumer spending weakened, and confidence fell as petrol prices surged. The Federal Reserve and Bank of England held rates, while markets priced tighter policy for longer. Europe faced rising inflation and slowing manufacturing, Japan grappled with fiscal loosening risks, and China's growth stayed subdued. Equity markets turned volatile late in the quarter, bond yields rose, and gold retreated amid risk-off moves.

Resilient consumer spending, the potential for further interest rate reductions and continued solid profit growth looked set to drive markets over the first few months of 2026, unfortunately this was interrupted by a series of events. In financial markets a fear that AI disruption may result in significant damage to business segments – particularly software – and emerging concerns in private credit resulted in market weakness in certain sectors. The commencement of military operations by the US and Israel in Iran resulted in a sharp upward move in the oil price and broad equity market weakness. Post the end of the year markets have recovered at time of writing on hopes that a ceasefire will result in an enduring peace, while concerns remain on the free movement of shipping through the Strait of Hormuz.

The market value of the portfolio as at 31st March 2026 was £3,035,901 (£2,928,901 in 2024/25). This valuation includes net unrealised gains of £420,771 (£397,506 in 2024/25) on the initial purchase price of these investments. Unrealised gains or losses are a technical accounting adjustment that reflect movements in value of the Investment Portfolio over time. As an unrealised gain, this does not generate funds that can be utilised by the charity.

Rathbones have advised an indicative income yield of 2.1% for 2026/27, suggesting annual income over the coming year of approximately £65,250. Geopolitical events could impact on the direction of equity markets as could further developments in artificial intelligence, in terms of both the pace of investments into this technology and anticipated returns. While the Strait of Hormuz remains closed to shipping the oil price will remain elevated, even when reopened time will be required to re-establish supply chains and these issues will reduce potential global growth over the coming year. This underscores the importance of remaining invested across a range of assets and sectors. Rathbones will retain an investment focus targeting quality businesses with naturally higher margins, lower debt, and more robust earnings streams.

3.2.5. Reserves

The Trustees have adopted a formal reserves policy in respect of the charity's unrestricted general reserves. Unrestricted general reserves are generated from investment income, legacies and donations whose purpose is not specified by the donor. In determining the reserves policy, the Trustees acknowledged the variability of unrestricted income, particularly legacies and other windfall receipts. As such, the reserves policy is subject to annual review. Note that Restricted Funds and Permanent Funds are excluded from this Policy as they are required to be spent in accordance with the donor's wishes. Unrealised Revaluation Reserve balances are also excluded. Further information on fund balances by category and their movement in year is provided at note 15.

As at 31st March 2026, the Unrestricted General Reserve balance amounted to £1,183,185 (2024/25 £1,150,334). Unrestricted General Reserves are utilised at the discretion of the Trustees and cover a wide range of patient and staff actives and amenities as well as the management costs of administering the charity.

3.3. Governance matters

3.3.1. Board of Trustees

The Board of Trustees are legally responsible for the governance, control, and proper administration of the Charity. The Board of Trustees oversee the governance framework comprised of the key systems, rules, structures and controls to ensure the charity is managed lawfully, transparently, and in line with its charitable purpose. There were several changes to the membership of the Board of Trustees during 2025/26 following the appointment of a number of new Non-Executive Directors to NHS Forth Valley (see section 2). There were no changes to the Standing Orders of the Board of Trustees or to the Fund Charter during the year.

3.3.2. Endowments sub-committee

The Endowments sub-committee reports directly to the Board of Trustees and provides operational oversight of the use of endowment funds in line with the agreed charitable purpose. There was one change to the membership of the Endowments sub-committee during 2025/26 to align the skills of NHS Forth Valley's new Non-Executive Director appointments to relevant governance committees. As a result, the membership of the Endowments sub-committee is now comprised of 5 Non-Executive Directors and 2 Executive Directors as summarised below:

- Kirstin Cassells, Non-Executive Director
- John Stuart, Non-Executive Director
- Andrew Murray, Medical Director
- Finlay Scott, Non-Executive Director (joined the sub-committee on 24 February 2026)
- Fiona Collie, Non-Executive Director (Chair of Endowments sub-committee)
- Allan Rennie, Non-Executive Director
- Scott Urquhart, Director of Finance

3.3.3. Risk Management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. A risk register is maintained and regularly reviewed and the Trustees remain satisfied that effective systems are in place to mitigate exposure to major risk and provide reasonable assurance against fraud and error.

The Trustees deem that the most significant risk relates to the investment of funds and the potential for a significant and sustained fall in the value of the investment portfolio which would result in a material decrease in the level of investment income that is currently used to provide recurring funding for a number of the charity's key activities.

The Trustees have approved an investment policy and appointed Investment Advisors to mitigate this risk as far as possible (including approval of a Discretionary Portfolio Management Agreement with the Investment Advisors which adopts a medium/high degree of risk with regard to the management of the portfolio).

The Investment Advisors provide regular advice and reports on the performance of the investment portfolio and attend at least one Endowments sub-committee meeting per year to discuss the performance of the portfolio and review investment objectives.

3.4. Forward look

The NHS Forth Valley Endowment Fund will continue to support a range of initiatives in 2026/27 and beyond in pursuit of its charitable purpose and will continue to strive to ensure that expenditure is contained within the anticipated level of donations and investment returns, whilst maintaining a baseline capital sum for ongoing income generation.

The following immediate priorities will be taken forward during 2026/27:

- A review of the investment management strategy to consider potential options to generate a better return on investment and reduce management costs.

- Consideration of new innovative ways of expanding our reach to new and repeat donors.
- Implementation of the new Charities SORP for financial year 2026/27 which will result in a number of changes to the format and content of the Annual Report and Financial Statements.

To date, no progress has been made nationally to implement the recommendations of the independent Review of Governance of NHS Endowment Funds which was published in 2021. The review was followed by a public consultation exercise during 2024/25 which was to inform the development of a wider assessment of charity regulation in Scotland. The Trustees await further advice from the Scottish Government on the scope of any forthcoming review and will continue to monitor the situation and update future plans accordingly.

3.5. Disclosure of Information to the Auditor

So far as the Board of Trustees are aware at the time the report was approved:

- there is no relevant audit information of which the charity's auditor is unaware, and
- the Board of Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 16th June 2026 and signed on its behalf:

Neena Mahal
Neena Mahal (Jun 18, 2026 09:26:42 GMT+1)

Neena Mahal
Chairperson of the NHS Forth Valley Endowment Fund Board of Trustees
Date: 16th June 2026

4. Statement of Trustees Responsibilities

The Board of Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Endowment Fund and of the incoming resources and application of resources of the Endowment Fund for that period. In preparing these financial statements, the Board of Trustees are required to:

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

The Board of Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Endowment Fund and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Endowment Fund's constitution.

The Board of Trustees are also responsible for safeguarding the assets of the Endowment Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Annual report and Financial Statements for the year ended 31st March 2026 were adopted and approved by the full meeting of the Board of Trustees on 16th June 2026.

5. Independent Auditors' Report

To the Trustees of NHS Forth Valley Endowment Funds

Opinion

We have audited the financial statements of NHS Forth Valley Endowment Funds (the 'charity') for the year ended 31st March 2026 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2026, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

During the course of our audit we did not identify any incidents where the following was not true for the year ended 31st March 2026:

- all funds allocated have been awarded and used appropriately in furtherance of the charitable purposes of the charity;
- that there were no retrospective awards.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 the report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 11, the Trustees are responsible for the preparation of financial statements which 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 regulations made under that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant unusual transactions and challenging judgements and estimates;

- Reviewing minutes of meetings held by management and those charged with governance to identify any matters including actual or attempted fraud, litigation and noncompliance with laws and regulations;

- Inspecting expenditure incurred in the year while making sure this has been appropriately categorised in the financial statements. This included agreeing a sample from the nominal ledger to purchase invoice while also reviewing post year end transactions and invoices to confirm the completeness of the expenditure was disclosed.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Robert Taylor (Senior Statutory Auditor)
For and on behalf of Dickson Middleton, Chartered Accountants, Statutory Auditors,
20 Barnton Street, Stirling. FK8 1NE.
Date: 16 June 2026

6. Statement of Financial Activities

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Funds £	2026 Total Funds £	2025 Total Funds £
Income and Endowments from:						
Donations and Legacies	4	29,306	143,967	0	173,273	268,794
Charitable activities	4	0	0	0	0	63,920
Investments	10	68,052	0	0	68,052	76,752
Total		97,358	143,967	0	241,325	409,466
Expenditure on:						
Raising Funds		(119,772)	(1,775)	0	(121,547)	(110,227)
Charitable activities	6	(130,752)	(119,309)	0	(250,061)	(344,710)
Total		(250,524)	(121,084)	0	(371,608)	(454,937)
Net income/(expenditure) before gains/(losses) on investments		(153,166)	22,883	0	(130,283)	(45,471)
Net gains/(losses) on disposal of investments		49,350	0	0	49,350	(28,963)
Net income/(expenditure)		(103,816)	22,883	0	(80,933)	(74,434)
Transfers between funds		53	(53)	0	0	0
Other recognised gains/(losses)						
Gains/(Losses) on revaluation of investments		114,311	0	0	114,311	(62,746)
Net Movement in funds		10,548	22,830	0	33,378	(137,180)
Reconciliation of funds:						
Total Funds brought forward		1,798,003	1,343,389	10,280	3,151,672	3,288,852
Total Funds carried forward		1,808,551	1,366,219	10,280	3,185,050	3,151,672

The notes on page 20 – 29 form part of the financial statements.

7. Balance Sheet

NHS FORTH VALLEY ENDOWMENT FUNDS

Balance Sheet as at 31 March 2026

	Note	2026 £	2025 £
Fixed Assets			
Investments	9	3,035,901	2,928,901
Current assets			
Debtors	11	45,378	57,252
Cash at bank	12	162,149	265,044
		207,527	322,296
Liabilities			
Amounts falling due within one year	13	(58,378)	(99,525)
Net current assets/(liabilities)		149,149	222,771
Net Assets		3,185,050	3,151,672
Charitable Funds	15		
Permanent funds		10,280	10,280
Restricted funds		1,366,219	1,343,389
Unrestricted Funds		1,387,780	1,400,497
Revaluation reserve		420,771	397,506
		3,185,050	3,151,672

Approved by the Board of Trustees on 16th June 2025 and signed on its behalf:

Neena Mahal
Neena Mahal (Jun 18, 2026 09:26:42 GMT+1)

Neena Mahal
Chairperson of the NHS Forth Valley Endowment Fund Board of Trustees
Date: 16th June 2025

The notes on page 20 – 29 form part of the financial statements.

8. Statement of Cash Flows

NHS FORTH VALLEY ENDOWMENT FUNDS

Statement of Cash Flows

for the year ended 31st March 2026

	Note	2026 £	2025 £
Cash flows from Operating Activities			
Net cash used in operating activities	17	(227,608)	(201,419)
Cash flows from investing activities			
Dividend income		66,860	75,608
Proceeds from the sale of investments		1,575,344	846,764
Purchase of investments		(1,517,491)	(732,670)
Net cash provided by investing activities		124,713	189,702
Change in cash in year		(102,895)	(11,717)
Cash brought forward		265,044	276,761
Cash carried forward		162,149	265,044

The notes on page 20 – 29 form part of the financial statements.

9. Notes to the financial statements

1. Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investments and reflect the appropriate Accounting and Financial Reporting Standards, i.e. Financial Reporting Standard 102 (FRS 102) together with all appliable legislation including the Charities Statement of Recommended Practice (SORP), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Endowment Fund constitutes a public benefit entity as defined by FRS 102 and the financial statements have been prepared on a going concern basis. The Trustees are content that the rationale for the going concern basis remains appropriate given the clear expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

(b) Funds structure

In accordance with recommended practice, the funds held are identified as restricted or unrestricted. As the title suggests, restricted funds are subject to specific conditions as outlined by the donor. Unrestricted funds are available for use at the discretion of the Trustees to further the endowment fund's charitable objectives. The Trustees may ring fence sums forming part of total unrestricted funds for a particular purpose in the future; these are classified as designated funds. The purpose of designation is to detail those parts of the accumulated funds that have been non-contractually committed. Permanent endowment funds refer to restricted funds where the capital sum must be held permanently although its constituent assets may change from time to time. Where a balance remains in a fund whose purpose can no longer be fulfilled (e.g. due to hospital or ward closure) the Committee should contact the original donor to determine an alternate use for the fund. If the original donor cannot be contacted then the Committee may transfer the funds to an alternate project that is in keeping with the intent of the original donation.

(c) Incoming Resources

All incoming resources are recognised once the charity is legally entitled to it after any conditions have been met, it is probable that the resources will be received and the monetary value can be measured with sufficient reliability.

Cash donations from the public are recognised on receipt. Other donations are recognised once the charity has been notified of the donation (unless specified conditions require deferral of the amount). Income tax recoverable in respect of Gift Aid or deeds of covenant is recognised at the time of donation. Investment income is recognised on an accruals basis. Income received for specific purposes not applied at the year-end is carried forward within restricted fund balances and expended in future years as instructed by the donor.

Gifts in kind are goods and services which are provided to the charity as a donation that would normally be purchased from suppliers; this contribution is included in the financial statements at an estimate based on value of the contribution to the charity.

(d) *Incoming resources from legacies*

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable; this will be following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

(e) *Incoming resources from endowment funds*

The Trustees treat the incoming resources receivable from the investment of endowment funds as accruing to the accumulated funds. These funds are then utilised as a central resource for allocating funds against bids for expenditure made to the Endowment Committee.

(f) *Incoming resources from grants*

Where entitlement to grants is not conditional on the delivery of a specific performance by the charity, they are recognised when the charity becomes unconditionally entitled to the grant. Where income from grants is related to performance and specific deliverables, they are accounted for as the charity earns the right to consideration by its performance.

(g) *Resources expended*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure.

(h) *Irrecoverable VAT*

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

(i) *Allocation of overhead and support costs*

Overhead and support costs have been apportioned between the categories of charitable expenditure. The analysis of overhead and support costs and the bases of apportionment applied are shown in note 5.

(j) *Costs of raising funds*

The costs of generating funds are those costs attributable to generating incoming resources for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity’s objects including investment management fees.

(k) Charitable activities

Costs of charitable activities comprise all costs 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 the direct costs. The total costs of each category of charitable expenditure therefore include support costs and an apportionment of overheads, as shown in note 6.

(l) Capital expenditure

Capital expenditure is defined as expenditure on acquisitions of new tangible fixed assets and additions, extensions, improvements or replacements to such existing assets. There is no record of capital assets in the balance sheet, apart from those fixed assets disclosed, for any such assets purchased are immediately donated to Forth Valley NHS Board.

(m) Fixed Asset Investments

Investments are stated at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the balance sheet at mid-market price, excluding dividends.

(n) Realised 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 opening market value (or purchase cost if later). Unrealised gains and losses are calculated as the difference between the carrying value at the year-end and opening market value (or purchase cost if later).

(o) Continuation of funds

In accordance with the reconfiguration of the NHS in Scotland, NHS Trusts were abolished from 1st April 2004. As such endowment funds held by the former Forth Valley Acute Hospital NHS Trust (FVAH) and Forth Valley Primary Care NHS Trust (FVPC) as at 31 March 2004 were transferred to the single successor organisation, namely Forth Valley NHS Board on 1st April 2004. In view of the terms of these transfers, NHS Forth Valley Endowment Fund has been treated for accounting purposes as a continuation of the predecessor FVAH and FVPC endowment funds.

(p) Pensions

The charity is a grant making charity and has no employees and any pension contribution liabilities that may arise are solely the responsibility of the grant recipient.

2. Funds structure

The nature and purpose of each fund is as follows:

Restricted

(a) Permanent endowment funds

- Shennen Bequest - this fund is to be applied in providing an annual holiday prize draw for nursing staff of Lochview Houses 1 to 3.

- Bellsdyke Nurses Scholarship - this fund is to be applied for the professional development of nursing staff at Bellsdyke Hospital.

(b) Ward Funds
Ward funds are comprised of donations received by specific wards and spent in accordance with the wishes of donors and management subject to the discretion of Trustees.

(c) Specific funds
These are funds that have been received and applied for specific projects and activities.

Accumulated

(d) Accumulated funds
These funds are representative largely of:

i) accumulated gains and losses on realisation and revaluation of investments made over the years including those made by the predecessor endowment funds.

ii) investment income and bank interest offset by authorised expenditure.

These funds must be used for the purposes specified in the National Health Services (Scotland) Act 1978, which is for any purpose for which Forth Valley NHS Board was established. The Trustees allocate the unrestricted accumulated income for the use of hospitals and the community on an annual basis.

(e) D G Cochrane Fund
This fund is solely for the use of Falkirk Community Hospital and comprises a single legacy.

(f) Unrealised gains on investments fund
When the former FVAH NHS Trust Endowment Fund and FVPC NHS Trust Endowment Fund were dissolved and replaced by the NHS Forth Valley Endowment Fund, the investments held were re-based to reflect the valuation at 1st April 2004 as historical cost. These funds comprise the unrealised gains and losses, arising since that date. The unrealised gains/losses are transferred to accumulated funds when they have actually been realised.

3. Taxation
The Endowment Fund has charitable status and is exempt from taxation. Covenanted donations, gift aid and legacies attract taxation relief for the donor. The Endowment Fund is not registered for value added tax and accordingly any such irrecoverable tax is included in expenditure incurred.

4. Analysis of income

	2026	2025
	£	£
Donations	163,273	223,316
Legacies	10,000	45,478
	173,273	268,794

	£	£
Charitable Activities		
NHS Charities Together Grants Programmes	0	54,851
R S McDonald Charitable Trust Grant	0	0
Tesco Community Grant	0	375
MacMillan Grant	0	8,694
	0	63,920

5. Allocation of support costs and overheads

	2026	2025
	£	£
Financial Management Salaries	71,734	58,058
Bank charges	78	129
External audit	7,980	8,820
	79,792	67,007

The support costs have been allocated to charitable activities based on time spent. The subsequent apportionment across activity is disclosed in note 6.

6. Analysis of charitable expenditure

The charity pursued its charitable activities by making grants and direct charitable activities. Support costs have been apportioned across the categories of charitable expenditure on the basis of the number of individual transactions and the associated transaction cost incurred by the charity.

		2026	
	SOFA section totals	Total Support Costs	Revised SOFA Totals
Activity	£	£	£
Raising Funds	95,449	26,098	121,547
Medical research	0	0	0
Staff Education & Training	67,117	18,352	85,469
Patient's Welfare & Amenities	129,250	35,342	164,592
	196,367	53,694	250,061
Total support costs to be split	291,816	79,792	371,608

		2025	
	SOFA section totals	Total Support Costs	Revised SOFA Totals
Activity	£	£	£
Raising Funds	93,992	16,235	110,227
Medical research	33,434	5,775	39,209
Staff Education & Training	70,387	12,158	82,545
Patient's Welfare & Amenities	190,117	32,839	222,956
	293,938	50,772	344,710
Total support costs to be split	387,930	67,007	454,937

7. Grant Awarded

	2026	2025
	£	£
Grant Awarded	0	30,000

8. Auditors Remuneration

	2026	2025
	£	£
Annual Audit	7,980	8,820

9. Fixed Asset Investments

	2026	2025
Movement in Fixed Asset Investments	£	£
Market value of investments as at 01.04.24	2,928,901	3,133,560
Acquisitions at cost	1,518,683	733,814
Disposals at opening book value	(1,525,994)	(875,727)
Net gain/(loss) on revaluation in year	114,311	(62,746)
Market value as at 31.03.25	3,035,901	2,928,901
Historical cost as at 31.03.25	2,615,130	2,531,399
Analysis of Fixed Asset Investments (Market Value)	£	£
Listed equity investments and unit trusts	2,549,481	2,574,304
Fixed interest bonds	486,420	354,597
	3,035,901	2,928,901

10. Gross Income from Investments

	2026	2025
	£	£
Gross income earned from all types of investment		
Listed equity investments	61,538	57,862
Fixed interest bonds	3,841	15,579
Interest on Cash Deposits	2,673	3,311
	68,052	76,752

11. Debtors

	2026	2025
	£	£
Prepayments & accrued income	17,147	4,500
Sums due by Forth Valley Health Board	28,231	52,752
	45,378	57,252

12. Cash at bank

	2026	2025
	£	£
Cash at Bank	83,435	218,223
Cash held by Investment Managers	78,714	46,821
	162,149	265,044

13. Current Liabilities

	2026	2025
	£	£
Creditors & Accruals	22,390	40,562
Sums due to Forth Valley Health Board	35,988	58,963
	58,378	99,525

14. Provision for Liabilities and Charges

There were no provisions made in the current or previous year.

15. Analysis of charitable funds

15. Analysis of charitable funds

	Fund balances 31.03.25 £	Income £	Expenditure £	Fund Transfers £	Realised Gain on sale of Investments £	Unrealised Gains on revaluation of investments £	Fund balances 31.03.26 £
Unrestricted funds							
General Funds	1,150,334	97,358	(250,524)	136,667	49,350	0	1,183,185
Designated funds:							
D.G. Cochrane	194,287	0	0	0	0	0	194,287
Non-contractual commitments	55,876	0	0	(45,568)	0	0	10,308
	1,400,497	97,358	(250,524)	91,099	49,350	0	1,387,780
Unrealised revaluation reserve	397,506	0	0	(91,046)	0	114,311	420,771
	1,798,003	97,358	(250,524)	53	49,350	114,311	1,808,551
Permanent Funds	10,280	0	0	0	0	0	10,280
Restricted Funds	1,343,389	143,967	(121,084)	(53)	0	0	1,366,219
	3,151,672	241,325	(371,608)	0	49,350	114,311	3,185,050

16. Analysis of fund balances over the net assets

Year ended 31 March 2026	Permanent £	Restricted £	Unrestricted £	Unrealised gain on Revaluation of investments £	Total £
Investments	0	1,297,328	1,317,802	420,771	3,035,901
Cash at bank	10,280	79,550	72,319	0	162,149
Debtors	0	17,147	28,231		45,378
Liabilities	0	(27,806)	(30,572)		(58,378)
	10,280	1,366,219	1,387,780	420,771	3,185,050

Year ended 31st March 2025	Permanent £	Restricted £	Unrestricted £	Unrealised Gains on revaluation of investments £	Total £
Investments	0	1,239,355	1,292,040	397,506	2,928,901
Cash at bank	10,280	129,973	124,791	0	265,044
Debtors	0	31,936	25,316	0	57,252
Liabilities	0	(57,875)	(41,650)	0	(99,525)
	10,280	1,343,389	1,400,497	397,506	3,151,672

17. Reconciliation of net expenditure to net cash flow from operating activities

	2026 £	2025 £
Net movement in funds per Statement of Financial Activities	33,378	(137,180)
Adjustments for:		
Investment income	(68,052)	(76,752)
Losses/(Gains) on disposal of investments	(49,350)	28,963
Losses/(Gains) on revaluation of investments	(114,311)	62,746
Decrease/(Increase) in debtors	11,874	(27,298)
(Decrease)/Increase in creditors	(41,147)	(51,898)
Net cash used in operating activities	(227,608)	(201,419)

18. Trustees remuneration and reimbursement of expenses

No Trustee or person connected to a Trustee has received any remuneration or reimbursement of expenses directly or indirectly from the Endowment Fund during the year.

19. Connected Bodies/Related Party Transactions

In terms of the Charities Accounts (Scotland) Regulations 2006 (as amended), the NHS Forth Valley Endowment Fund and Forth Valley NHS Board are deemed to be connected bodies. The related party transactions are summarised below:

	2026 £	2025 £
Administrative support	71,734	58,058
Fundraising support	69,065	65,034
	140,799	123,092
The balances due to Forth Valley NHS Board at 31st March are	35,988	58,963
The balances due from Forth Valley NHS Board at 31st March are	28,231	52,752

20. Consolidation

The financial results of the charity have been consolidated into the accounts of Forth Valley NHS Board on the basis that they are related parties and effectively operate under common control for accounting purposes.

Annual Report & Financial Statements Endow 2026

Final Audit Report 2026-06-18

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