

The Cattnach Charitable Trust

**Annual report and financial
statements**

Registered number SC020902

31 December 2018

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Administrative details

Reference and administrative information

Trustees	Alastair Wilson (Chair) Ian McLaughlan (Vice-Chair) Helen Healy Gordon Humphries (Finance Committee Chair) (<i>from 28 February 2019</i>) Mafe Marwick Duncan McEachran Andrew Millington (Finance Committee Chair) (<i>to 28 February 2019</i>) Steven Murray Rhoda Reid Neil Wood (<i>resigned 16 May 2019</i>)
Key management	Rachel Campbell (Trust Manager) (<i>to 31 July 2018</i>) Tom Baughan (Interim Trust Manager) (<i>from 1 August 2018 to 5th May 2019</i>) Dr Sophie Flemig (Chief Executive) (<i>from 6th May 2019</i>)
Principal address	Mansfield Traquair Centre 15 Mansfield Place Edinburgh EH3 6BB
Solicitors	Brodies LLP 110 Queen Street Glasgow G1 3BX
Bankers	Clydesdale Bank 83 George Street Edinburgh EH2 3ES
Independent Auditor	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Accountants	MHA Henderson Loggie 11 – 15 Thistle Street Edinburgh EH2 1DF
Investment Advisors	Cazenove Capital Management (<i>until November 2018</i>) 18 Charlotte Square Edinburgh EH2 4DF Sarasin & Partners LLP (<i>from November 2018</i>) Juxon House 100 St. Paul's Churchyard London EC4M 8BU
Registered Charity Number	SC020902

Chair's Report

I am delighted to introduce the Cattanach Charitable Trust's annual report for 2018. It has been a year full of change and redirection and I am pleased that I speak for all Trustees when I say that we very much look forward to the new opportunities this restructuring will bring in 2019.

First of all, I would like to begin by thanking Rachel Campbell, who has supported us as Trust Manager from 2014 until her departure in August 2018. During this time, she has grown with us as a Trust to establish Cattanach as a source of positive change and expert funder in the early years field. We are forever grateful for her contribution to the Trust's work and wish her all the very best in her new role at another funder.

Rachel's departure has allowed us to dedicate some time for reflection and a certain amount of introspection before committing to a restructuring of how we work. During this time, we were supported by Tom Baughan from the Corra Foundation's Fortify SCIO and we would like to extend our sincere thanks to Tom and the Corra team for helping us deliver on our grantmaking goals in 2018.

The Trustees decided to keep our successful model of a dedicated Trust member of staff to lead on our operational business and the assessment and evaluation of grant applications; however, we felt that it was time to take the next step in the Trust's strategic development, exploring the option of becoming a SCIO, deepening our partnerships and reviewing our grant making approach to best serve our beneficiaries – families with young children in Scotland. To reflect this important step, we opted to recruit a Chief Executive who will be supporting us on our strategic journey in 2019.

This year saw the third year of our Dads Fund, which we created as designated fund to celebrate the Year of the Dad in 2016. Our collaboration with the Fathers Network has proven successful and we have been delighted to see a high level of support for our thirteen dedicated Dads Fund projects over the course of the year. While we review our strategic grantmaking themes, we remain firmly committed to the Dads Fund and look forward to supporting projects and organisations working with fathers, grandfathers, uncles and any other male carer.

The Cattanach Trust feels like a family and I would like to recognise the fantastic work that the Trustees do on behalf of the Trust, whether it is at our quarterly meetings, when we make decisions on the grants we give out, or at visits to grantees throughout the year. As this is my first Chair's Report in addition to our Trustee Report, I will use the opportunity to thank those who have left us over the last few years. Anne Houston OBE retired from the Board in 2017 after ten years of dedicating her time to the Trust, of which she served six as Vice Chair. Anne has been instrumental in our strategic development so far and has left a lasting legacy at the Trust. I would also like to welcome, somewhat belatedly, Gordon Humphries, who joined us as a Trustee in 2017 and brings a wealth of experience to the board. With his background as a Chartered Accountant, Gordon will add an important skill set to our group of Trustees and we look forward to working with him over the years to come.

Finally, I am delighted that our Trustee Ian McLaughlan was appointed as Vice Chair of the Trust in May 2017. Ian's wide-ranging experience within and beyond the Third Sector and his passion for working with children of all ages are invaluable assets to the Trust. I look forward to working with him as Vice Chair during this important time of change and new opportunities for Cattanach.

Chair's Report (*continued*)

Amidst a changing political landscape and in a time of austerity politics, our beneficiaries are facing tremendous challenges, maybe more so than ever. As a Trust, we have the privilege of alleviating some of the pressure and supporting those at the frontlines that can change the lives of families, in particular of their small children, for the better. Often, this can be challenging, and we are committed to improving our own operations to be the best funder we can be. This will include a continued focus on the early years as research is clear that any investment in the first three years of a child's life is met with up to a twentyfold return over its lifetime. We will also seek to develop our relationships, with our grantees, our partners and other grantmakers within and beyond Scotland. Above all, we will continue to strive for a Scotland that is a great place to grow up in for all of our children, irrespective of their background or geographical location.

To conclude, I would like to thank all of our partners, the charities we have funded and those that supported us in the process. We look forward to the opportunities that 2019 will bring for the Cattanach Trust and will report our progress to you in a year's time.



Alastair Wilson
Chair

29 August 2019

Trustees' annual report and strategic retrospective

We, the Trustees of the Cattanach Charitable Trust, are pleased to present our annual report and financial statements for the year ended 31 December 2018.

Objectives and activities

Cattanach seeks to help overcome the negative consequences relative deprivation has on children from birth to three years of age and improve their start to life by supporting healthy relationships within any form of family or care structure. In distributing grants to meet this aim, we will support objectives set out in our original Trust Deed: **to support the relief of poverty and to be beneficial to communities.**

Our strategies for achieving our stated aims and objectives include:

- 1. Supporting our annual grant programme**
- 2. Maximising the value of our available income to benefit our client group**
- 3. Supporting grant applicants to ensure best value is achieved from our grants awarded**
- 4. Working in partnership with other funders as appropriate in the aims of the Trust**

We measure our success against our objectives by continually reviewing the progress made by our grant holders. Each grant holder must give us a full update on their progress after 12 months, or shorter intervals if Trustees feel this would be beneficial for the organisation. Furthermore, we collate and monitor information on our portfolio of grant holders, understanding their geographic distribution, the size of their organisation, who else funds them and the type of work they undertake.

The most significant activity we undertake is the awarding of grants, which in turn allows funding to filter through to the families we look to support. However, we also help raise the profile of our organisation to encourage good levels of grant applications from qualitative applicants, through representation at meetings of grant makers and at funding events.

Our grant making policy incorporates the following:

- **Clear guidance about what we seek to fund**
- **Parameters for who is eligible to apply**
- **A commitment to multi-year funding to allow projects to maximise the difference they can make**
- **Requirements for outcomes and the ability to collate them from grant holders**
- **A financial assessment and due diligence on governance of applicants**

Furthermore, we assess applications with a full and cooperative dialogue with applicants, even before submission. Our application process also allows Trustees to review applications. In doing so, we can be confident in meeting our aims of reducing the effects of poverty for young children in Scotland, by allocating the funds available to the projects most able to make an impact, in the areas where deprivation is evidenced.

Since the launch of a new interactive website in July 2012, the Early Years theme has been stated as follows:

'The Cattanach Trust seeks applications for projects which support children from pre-birth to three years old, who are affected by levels of relative deprivation. There is good evidence that supporting children during the first years of a child's life has the greatest positive impact on their developmental progress. Good quality services improve not only a child's life during these years, but also have substantial benefits into adolescence and adulthood. Projects should be working from a strengths-based model; the existing and potential strengths of the child, the family and the community should be recognised and should form the basis of the work. Projects must actively involve the parent(s)/main carers of the children. The Trust's view is that prioritising this age group values children in Scotland appropriately, and will make a significant contribution to Scotland's National Outcome - 'Our children have the best start in life and are ready to succeed.'

Trustees' annual report and strategic retrospective *(continued)*

Achievements and performance

Grants - amount and nature

As with 2017, the range of grants awarded this year has been focussed on work with families who have children under three, usually related to parenting skills and relationships within the family, with the aim of benefiting the child. We awarded 33 new grants which ranged from £3,710 to £24,117 per annum (2017: £1,550 to £24,094 per annum) with a total grants programme for the year of £672,306 (2017: £522,148). In addition, there were four grants from last year which were granted extra funds during the current year dealt with as grant adjustments to original awards. There were two awards cancelled during the year; one project could not attract sufficient numbers of beneficiaries, whereas the other could not attract beneficiaries that fit our funding criteria.

The average size of one-year grants was higher than in the previous year: £12,612 (2017: £9,770) and, of those awarded, we have given out multi-year grants to just under three quarters grant holders: 73% (2017: 67%). Last year, of those who applied for a grant, 54% were awarded funding. This year the figure stood at 66%.

Geographical spread of grant making

To illustrate the spread of where we are funding, projects are listed by local authority rather than by type. We have allocated grant funds across Scotland, including awards to Central Belt cities, but also to more rural settings including Moray and Sutherland. The local authority listed refers to the area where the work is being carried out, rather than where the organisation is based.

Our assessment staff visited a proportion of eligible applications for assessment or review purposes and, as with last year, at the point of application advice is offered to applicants where possible to ensure the grant application process is a supported one. Some of these activities had to be adjusted during our period of reflection and restructuring from August to December 2018.

What have we funded?

Despite all of our applicants being funded to work with a client base of families with young children affected by deprivation, it has been a wide spread of projects who have received grants this year. We offered two grant programmes, as we did last year, under our early years strategy.

Our **Main Grants** programme has supported a range of work for vulnerable families. A number of successful applications this year recognised the importance of mental health for the entire family and improving parent skills for play. We have also supported projects that use the arts to engage parents and young children. All the grants under this programme are given to help ensure children have the best possible start in life, promoting security despite any adversities their lives may face.

We have also continued to make grants under our **Dads Fund**, established in 2016. This is in recognition of the specific role that Dads play in their child's early life and the need to promote Dad-child engaged relationships within the communities we support. Nine additional grants have been awarded under this fund, to both pilot new work and enhance existing projects, of which two were for one year, six were for two-year funding and one for three-year funding. Total funds awarded to Dads Fund projects in 2018 amounted to £181,421. Projects have tended to focus on supporting fathers in building and maintaining a strong relationship with their children, no matter the family context. One of our grantees thus offers direct support to fathers whose children are subject to the Scottish Children's Reporter Administration or general social work involvement, offering parenting skills classes, playgroups and one-to-one family support.

All our Dads Fund grant holders benefit from a partnership that the Cattanach Trust has established with the national support organisation Fathers Network Scotland. Through this partnership our grant holders can access mentoring and training opportunities, as well as having the opportunity to share their work with fathers and families, benefit from peer support, and explore best practice. We thank our Dads Fund partners for their ongoing involvement with us.

Trustees' annual report and strategic retrospective *(continued)*

Achievements and performance *(continued)*

Monitoring Achievement

The performance of our grants is monitored using reports from each charity we fund. These progress reports provide feedback against the nominated outcomes on the charity's application form. For those who have been awarded a two- or three-year grant, this report helps shape the funding given at the end of each year. We also monitor achievement by receiving case studies, photographs, from visiting funded organisations and collating press and/or research about them.

We had planned a strategic review this year and had therefore collated information about all of our grants: where our funding had been distributed in relation to local authorities, mapped against the distribution of children aged 0-3 and the levels of deprivation in each area. This provides an overview of our grant allocation against our current funding theme. Due to the resignation of our Trust Manager in August 2018, we chose to alter these plans. We made the strategic decision to increase our profile and become more strategic in our grantmaking, in particular when it comes to partnership working based on our expertise in the Early Years field in Scotland. As a result, Trustees agreed to create the position of a Chief Executive, augmenting the Trust Manager role, which we will fill in 2019. Trustees therefore decided to wait with a full strategic review until the new Chief Executive is in position.

Structure, governance and management

The Trust is a registered charity, number SC020902, and was set up by Miss Phyllis Mary Cattanach in 1992. The Trust Deed gives us, as Trustees, wide scope for making grants to charitable projects throughout Scotland and elsewhere. The Deed itself was amended to comply with the Charities and Trustee Investment (Scotland) Act 2005 and remains very wide in scope, with us adopting a themed approach, currently supporting work with families who have children under three and facing relative deprivation.

Under our current strategy, Cattanach funds charities registered in Scotland with the Office of the Scottish Charity Regulator, for work which benefits children in Scotland. It maintains certain governance conditions for funding, which include a level of free reserves not exceeding six months expenditure, a management committee of at least three people, and a separation between paid staff and the management committee.

We met four times as a Board in 2018 (February, May, August and November) to distribute grants and conduct other business. The grants programme derived from income from the investments, which are in turn reviewed by the Finance Committee. Our employed Trust Manager, Rachel Campbell, left the Trust in August 2018. We opted to take some time to review our operations and have been supported by Tom Baughan from Fortify SCIO, the social enterprise arm of the Corra Foundation in our grant making activities.

The Trustees who served during the year ended 31 December 2018 were as follows:-

Alastair Wilson (Chair)
Ian McLaughlan (Vice-Chair from 25th May 2018)
Helen Healy
Gordon Humphries
Mafe Marwick
Duncan McEachran
Andrew Millington (Finance Committee Chair)
Steven Murray
Rhoda Reid
Neil Wood

Trustees' annual report and strategic retrospective *(continued)*

Structure, governance and management *(continued)*

Since October 2017, Trustees are appointed initially for a period of three years with an option to stand for a total of three 3-year terms. Office bearers may serve for up to 6 years in addition to any time served as an ordinary Trustee and may be re-appointed for additional terms at the request of the Board. Trustees are not paid, but travel and other expenses may be reimbursed. Trustees are expected to attend most meetings; if a Trustee misses three meetings consecutively, they will be asked to re-consider their appointment. Trustees are asked to disclose all relevant interests and register them with the Trust's dedicated staff. Where a Trustee has any involvement, personally or through a family member, with a charity seeking funding, that Trustee makes no comment on the application and withdraws from the meeting for the duration of the discussion. In 2018, Ian McLaughlan thus withdrew from the consideration of one application at the February 2018 meeting.

While we did not recruit any new Trustees in 2018, our Board followed a programme of skills development throughout the year, which included:

- a. Meeting our grantees:
One of our grantee organisations kindly gave a presentation about the charity's work in the community to Trustees at the May 2018 Board meeting, which also took place on their premises. One of our Trustees, together with our Interim Trust Manager, attended the Fathers Network AGM 2018.
- b. Governance Training offered by our legal advisors:
Our legal advisors provided the Trustees with a briefing on GDPR in February 2018. Two trustees attended a set of governance sessions organised and hosted by our legal advisors, Brodies, to further their skills and keep abreast of changes in charity law and regulations.
- c. Memberships, briefings
We receive regular briefings and the quarterly journal from the Association of Charitable Foundations. Cattnach continued to be members of the Scotland Funders' Forum, Funders Forum Frontline and Scottish Grantmakers. We continued our membership of Children in Scotland and receive its journals and regular briefings. This year, the Trustees also received briefings on the Rogare Report (Critical Fundraising Report Scotland) and the Joseph Rowntree Foundation Report on Poverty. Our Interim Trust Manager also attended a Scottish Government briefing on "Progressing ACEs and Resilience Work: Working with Independent Funders" and reported to Trustees in 2018.
- d. We were involved in a range of promotional and other activities:
We continue to link with other grant-making bodies established to help our grantees benefit from a more connected funding landscape; for instance, our Chair met with colleagues from the Kilfinan Trust in Argyll and Bute, resulting in a co-funded multi-year grant. Our Chair, accompanied by one Trustee, also reached out to the Northwood Trust. We are continuing to work in partnership with Fathers Network Scotland in relation to our Dads Fund.

At quarterly meetings, Trustees consider financial matters including investment, risk management, grant making and reports and overall performance. Assisting the board, the Finance Committee meets prior to the main Trustees' meeting to review the investment performance. Last year, it convened two official meetings, accompanied by a number of ad hoc meetings that focused on identifying and recruiting new investment management partners. The Trust Manager, and later the Interim Trust Manager, managed the administrative affairs of Cattnach, and this has also been supported through agency staff as required through the year. The financial servicing of Cattnach continued to be carried out by Henderson Loggie, Chartered Accountants.

Trustees' annual report and strategic retrospective *(continued)*

Key management personnel remuneration

The Trustees consider the board of Trustees and the Trust Manager as comprising the key management personnel of the charity in charge of directly controlling Cattanach's day to day operations. All Trustees give their time freely and no Trustee remuneration was paid in the year. Trustee expenses are disclosed in the accounts.

The pay and remuneration for our key management personnel was set following a review of industry comparators, having mapped out the key duties and responsibilities of the post holder.

Plans for the future

Strategic Review

In October 2017 the Trustees spent time reviewing our strategy. At the time, they considered three main areas:

- governance and management within the board, including a review of the skills matrix and succession planning
- investment strategy
- operational review

From this meeting, the Trustees agreed to a number of reviews, including setting out the roles and responsibilities of the Trustees, a review of our investment policy and a commitment to setting out the values we work to and embedding this throughout our work.

Progress on these projects has been partially delayed because of the departure of the dedicated Trust Manager in August 2018, temporarily limiting the Trust's capacity for strategic change. Trustees agreed that a similar set up, with a dedicated member of staff and additional agency support, would be the best fit for the Trust. However, the decision was made to recruit a Chief Executive instead of a Trust Manager, growing the role commensurate to the Trust's intention to become a more strategic grantmaker. A full strategic and operational review was hence postponed to 2019, by which time a new Chief Executive will be in position.

The Trust's values, led by a Trustee, were discussed at the November board meeting and finalised in 2019.

The review of our investment strategy prompted Trustees to put out a new tender for our portfolio managers, which was managed by the Finance Committee. Sarasins were the successful candidates and the portfolio move was concluded on 31st December 2018.

Operationally, the review concluded with an ongoing commitment to our current funding theme, and our two grant programmes, acknowledging the importance of allowing the projects under our Dads fund time to mature and learn about this new work.

Financial review

Over the year ended 31 December 2018, the value of the investments, after allowing for the various changes, decreased by £1,965,872. £672,306 (2017: £517,392) was awarded in grants. A number of grants have been awarded over more than one year, details of which can be found in note 8. The net expenditure for the year was £2,060,925 (2017: net income of £1,237,927).

Investment policy

The Finance Committee had two official meetings during the calendar year to discuss the investment portfolio and other financial matters pertaining to the Trust. Due to the investment management recruitment, the committee also had a number of additional ad-hoc meetings. At meetings, discussions included reviewing the benchmark, asset allocation, ethical policy and investment performance. The Finance Committee was chaired by Andrew Millington. Alastair Wilson and Gordon Humphries made up this Committee's membership.

Trustees' annual report and strategic retrospective *(continued)*

Investment policy *(continued)*

The Trust's investment policy is to provide a balanced return combining capital and income growth to protect the real value of the capital and also the income streams. The investment mandate seeks to achieve this by investing in a range of assets that are suitable for the investment of charitable monies which also take account of the Trust's income requirements and ethical view.

Until October 2018 the Finance Committee worked alongside Cazenove Capital Management, who managed the portfolio, to ensure the Trust maintained sufficient income to distribute to charitable projects, while preserving the capital value. Towards the end of 2018 the Trust appointed new investment managers, Sarasin & Partners LLP. Whilst previously the portfolio invested broadly across bonds and equities, the Trustees have decided that to maximise the investment return, and to grow the natural level of investment income, that the portfolio be invested fully in global equities.

Since the appointment of Sarasin & Partners in the autumn of 2018, the portfolio returned -3.1% versus the global equity benchmark index of -4.2%

The Trust's accounts have been prepared covering the calendar year 2018. Over this period under review, the fund decreased in value from £20,169,937 to £18,204,065. The Trust's investments generated an income of £716,498 (2017: £656,543), or a yield of 3.9% (2017: 3.3%). Investment management fees were £88,437 (2017: £84,027).

Risk management

In 2017, we launched a revised risk register. We then identified key risks for the Trust that we review at our quarterly Board meetings. These are categorised as follows:

- The funds to invest and income stream
- Governance and Trustees' responsibility
- Legal risk
- Reputational risk
- Operations

In order to manage these risks, we have issued two risk registers, a Strategic Risk Register and an Operational Risk Register. Each are circulated for review and comment at our Board meetings.

Systems in place to mitigate our risks include:

1. Funding and Investment
 - i) Operate a Finance Committee prior to Board meetings
 - ii) Regular review of fund manager performance
 - iii) Review investment policy annually
2. Governance and Trustee Responsibility
 - i) A register of Trustees' interests has been drawn up and any changes to Trustees' interests are formally declared at each meeting
 - ii) Inductions and regular briefings for Trustees, access to professional training on governance
 - iii) Trustees are issued with a Code of Conduct
3. Strategy and Monitoring
 - i) Host a Strategic meeting of the Board every two years to set and review objectives
 - ii) Chair to oversee the monitoring of agreed actions
4. Operations
 - i) Chair undertakes appraisal with key staff
 - ii) Trustees update their sector knowledge through regular presentations and information updates
 - iii) IT records are backed up and paper records minimised
 - iv) Health and Safety policies and method statements, reviewed annually
 - v) Budgeting and review of expenditure quarterly

Trustees' annual report and strategic retrospective *(continued)*

Reserves policy

The total reserves are £18,172,973 (2017: £20,233,898) of which £18,088,961 (2017: £20,097,499) are endowed reserves, £nil (2017: £128,438) are designated reserves and £84,012 (2017: £7,961) are unrestricted reserves.

While outcomes are still in the early stages for our Dads Fund, they are encouraging, and we have assigned further monies into our designated funds account this year. We are planning to review the Dads Fund in 2019. The purpose of the designation is to support more charities under the Dads Fund, while retaining our main grants funding programme at its current levels.

Cattanach's Trust Deed allows for payments to be made out of the endowment fund up to a maximum of 10% of the market value of the Trust Funds at the close of the accounts for the immediately preceding financial year.

Approval of the report

At the time of approving the report we, the Trustees, are aware of no relevant audit information of which the charity's auditors are unaware and have taken all steps that we ought to have taken as Trustees in order to make ourselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

Auditor

We have appointed Chiene + Tait LLP as auditors with effect from 1 October 2014 and that appointment will continue until otherwise confirmed by the Board of Trustees.

The financial statements were approved and authorised for issue on 29 August 2019 and are signed on behalf of the Trustees by:



Alastair Wilson
Chairman

Statement of Trustees' responsibilities

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

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

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

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

The Trustees are responsible for the maintenance and integrity of the charity and financial information 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.

Independent auditor's report to the Trustees of The Cattanach Charitable Trust

Opinion

We have audited the financial statements of The Cattanach Charitable Trust (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018, 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.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 appear 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 this fact.

We have nothing to report in this regard.

Independent auditor's report to the Trustees of The Cattanach Charitable Trust

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 Trustees' responsibilities statement 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.

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

Use of our report

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

Chiene + Tait LLP

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor

61 Dublin Street
Edinburgh
EH3 6NL

13 SEPTEMBER 2019

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2018

	Unrestricted Fund	Designated Fund	Endowment Fund	Total 2018	Unrestricted Fund	Designated Fund	Endowment Fund	Total 2017
	£	£	£	£	£	£	£	£
Income								
Income from investments	716,498	-	-	716,498	656,543	-	-	656,543
Total income and endowments	716,498	-	-	716,498	656,543	-	-	656,543
Expenditure								
Expenditure on raising funds	-	-	(88,437)	(88,437)	-	-	(84,027)	(84,027)
Expenditure on charitable activities	(576,367)	(192,518)	-	(768,885)	(570,628)	(36,562)	-	(607,190)
Total expenditure	(576,367)	(192,518)	(88,437)	(857,322)	(570,628)	(36,562)	(84,027)	(691,217)
Net income/(expenditure) before gains and losses on investments	140,131	(192,518)	(88,437)	(140,824)	85,915	(36,562)	(84,027)	(34,674)
Net gains and losses on investments	-	-	(1,920,101)	(1,920,101)	-	-	1,272,601	1,272,601
Net income/(expenditure)	140,131	(192,518)	(2,008,538)	(2,060,925)	85,915	(36,562)	1,188,574	1,237,927
Transfer between funds	(64,080)	64,080	-	-	(90,000)	90,000	-	-
Net movement in funds	76,051	(128,438)	(2,008,538)	(2,060,925)	(4,085)	53,438	1,188,574	1,237,927
Total funds held at 1 January 2018	7,961	128,438	20,097,499	20,233,898	12,046	75,000	18,908,925	18,995,971
Total funds held at 31 December 2018	84,012	-	18,088,961	18,172,973	7,961	128,438	20,097,499	20,233,898

All activities relate to continuing operations.

Balance sheet
at 31 December 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	9		18,204,065		20,169,937
Current assets					
Debtors	10	4,990		5,249	
Cash at bank		469,417		472,537	
		<u>474,407</u>		<u>477,786</u>	
Current liabilities					
Creditors	11	(407,259)		(321,337)	
Net current assets			<u>67,148</u>	<u>156,449</u>	
Total assets less current liabilities			<u>18,271,213</u>	<u>20,326,386</u>	
Creditors: Amounts falling due after more than one year	11		<u>(98,240)</u>	<u>(92,488)</u>	
			<u>18,172,973</u>	<u>20,233,898</u>	
Funds					
Unrestricted funds	13		84,012		7,961
Designated funds	13		-		128,438
Endowment funds	13		18,088,961		20,097,499
			<u>18,172,973</u>	<u>20,233,898</u>	

These financial statements were approved and authorised for issue on 29 August 2019 and are signed on behalf of the Trustees by:



Alastair Wilson
Chairman

Statement of cash flow
for the year ended 31 December 2018

	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities				
Net (expenditure)/income		(2,060,925)		1,237,927
Net losses/(gains) on investments		1,920,101		(1,272,601)
Income from equalisations, redemptions, capital distributions or accrued dividends		(11,349)		4,120
Income from investments		(716,498)		(656,543)
Decrease in debtors		259		85
Increase in creditors < 1 year		85,922		77,326
Increase/(decrease) in creditors > 1 year		5,752		(22,437)
		<hr/>		<hr/>
Cash used in operating activities		(776,738)		(632,123)
Cash flows from investing activities				
Investment income	716,498		656,543	
Payments to acquire investments	(17,408,136)		(4,051,346)	
Receipts from sale of investments	17,661,225		3,956,999	
Movement in cash held in investment portfolio	(195,969)		209,677	
		<hr/>		<hr/>
Cash provided by investing activities		773,618		771,873
		<hr/>		<hr/>
Decrease/(increase) in cash and cash equivalents in the year		(3,120)		139,750
Cash and cash equivalents at the beginning of the year		472,537		332,787
		<hr/>		<hr/>
Total cash and cash equivalents at the end of the year		469,417		472,537
		<hr/> <hr/>		<hr/> <hr/>
Cash and cash equivalents comprise:				
Cash at bank		469,417		472,537
		<hr/> <hr/>		<hr/> <hr/>

Notes to the financial statements

1 Accounting policies

(a) **Accounting convention**

The financial statements are prepared under the historical cost convention as modified by revaluation of investments and in accordance with applicable accounting standards. The charity is a Public Benefit Entity. The financial statements are compliant with the charity's constitution, Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" and FRS 102.

(b) **Going concern**

The financial statements have been prepared on a going concern basis. The Trustees have assessed the charity's ability to continue as a going concern and have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(c) **Income**

Incoming resources comprise: investment income, which is accounted for on receipt by the Fund Manager, dividends are recognised once the dividend has been declared and notification has been received of the dividend due; and voluntary income, recognised when the Trust has entitlement to the income, when it is probable the income will be received and when the amount can be measured reliably.

(d) **Expenditure**

Expenditure is accounted for on an accruals basis inclusive of VAT. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to the expenditure and it is probable that settlement will be made. Costs of raising funds consist of investment management fees. Expenditure on charitable activities include grants made and an allocation of support and governance costs. Grants are recognised in full in the year in which they are approved. Where material, the provision for multi-year grants is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payments, settlement is probable and the effect of discounting is immaterial. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

(e) **Allocation of support and governance costs**

Support costs are allocated between governance costs and other support costs. Governance costs comprise those costs involving the public accountability of the charity and its compliance with regulations and good practice. They therefore include the costs of statutory audit and legal fees, together with the costs of Trustees' meeting and the strategic away-day. Other support costs relate to the administrative costs of running the Trust and are allocated to charitable activities accordingly.

(f) **Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing market price. Realised and unrealised gains and losses are charged or credited in the statement of financial activities and are allocated to the endowment fund. The Trust has no complex financial instruments. The main form of financial risk faced by the Trust is that of volatility in the investment markets due to wider economic conditions.

(g) **Debtors**

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

(h) **Creditors and provisions**

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

(i) **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

(j) **Fund accounting**

General reserve – the general reserve is an unrestricted fund which the Trustees are free to use in accordance with the charitable objects of the Trust.

Designated fund – the designated fund forms part of unrestricted reserves but represents amounts set aside by Trustees for particular purposes.

Endowment fund – the endowment fund is made up of the original endowment of the Trust as adjusted for realised and unrealised gains and losses on investments, and the costs of managing the investment portfolio. The income from the fund is treated as unrestricted income in line with the terms of the Trust Deed.

2 Trustees remuneration and expenses

No Trustee received any remuneration during the year. Travel and meeting expenses of £284 (2017: £365) were reimbursed to 5 Trustees (2017: 6 Trustees) during the year.

3 Income from investments

	2018	2017
	£	£
Investment income	713,702	656,342
Bank interest	2,796	201
	<u>716,498</u>	<u>656,543</u>

4 Expenditure on raising funds

	2018	2017
	£	£
Investment manager's fees and charges	<u>88,437</u>	<u>84,027</u>

Notes to the financial statements (continued)

5 Expenditure on charitable activities

	Grants awarded (note 8)	Support and governance costs (note 6)	Unrestricted 2018	Unrestricted 2017
	£	£	£	£
Charitable activities	672,306	96,579	768,885	607,190

Grants were split £490,885 from unrestricted funds and £181,421 from designated funds (2017: £493,068 unrestricted and £24,324 designated).

6 Support costs and governance costs

	Unrestricted	Designated	Total 2018	2017
	£	£	£	£
Support costs				
Staff salaries (note 7)	23,421	-	23,421	33,066
Staff expenses	3,949	-	3,949	5,312
Accommodation costs	2,800	-	2,800	4,800
Administrative support	16,445	-	16,445	2,644
Legal and professional fees	9,000	-	9,000	3,344
Project costs	-	11,097	11,097	7,482
Accountancy fees	12,049	-	12,049	10,105
Subscriptions and conferences	668	-	668	704
Website costs	11,868	-	11,868	9,655
Insurance	863	-	863	783
Bank and service charges	(26)	-	(26)	367
	81,037	11,097	92,134	78,262
Governance costs				
Audit fee	3,099	-	3,099	2,680
Trustees' expenses	284	-	284	365
Recruitment costs	-	-	-	3,600
Meeting expenses	1,062	-	1,062	642
Trustees' strategic away day/conferences	-	-	-	4,249
	4,445	-	4,445	11,536
	85,482	11,097	96,579	89,798

Support costs were split £82,316 unrestricted and £7,482 designated in 2017.

7 Staff costs and numbers

	2018	2017
	£	£
Wages and salaries	22,517	32,274
Employers national insurance	73	-
Pension costs	831	792
	23,421	33,066
Remuneration and benefits of key management personnel	23,421	33,066

No employee received emoluments of more than £60,000. The average number of employees in the year was 1 (2017: 1).

Notes to the financial statements (continued)

8	Grants awarded	Project type	2018 £	2017 £
	Argyll and Bute			
	Home Start Lorn	Core Costs	7,500	-
	Home Start MAJIK ¹	Core Costs	10,000	-
	Ayrshire			
	Nordoff Robbins Music Therapy – 2 year award	Music for Parents and Toddlers	-	21,100
	St Peter's Children's Centre – 2 year award	Toddler Group	36,034	-
	Dumfries and Galloway			
	Home-Start Wigtownshire	Dads Fund	4,508	9,516
	Home-Start Wigtownshire – 3 year award ²	Parent Support	8,250	-
	Relationships Scotland Dumfries and Galloway	Dads Fund	-	9,900
	Dundee			
	Boomerang Community Centre – 2 year award	Toddler Group	19,440	9,622
	Boomerang Community Centre – 2 year award	Dads Fund	8,750	-
	Dundee United Community Trust – 3 year award	Child Support	22,500	-
	Home-Start Dundee	Dads Fund	16,413	14,496
	East Lothian			
	Circle Supporting Families in Scotland – 3 year award	Parent Support	-	30,000
	Edinburgh			
	Children 1 st – 2 year award	Dads Fund	33,543	(4,756)
	Citadel Youth Centre	Parent Support	16,500	-
	Craigmillar Literacy Trust – 2 year award	Speech and Language Support	-	1,100
	Craigmillar Literacy Trust – Books for Babies – 2 year award	Parent Support	11,475	-
	Dad's Rock	Dads Fund	11,542	-
	Granton Youth Centre	Early Years Practice	-	3,500
	North Edinburgh Arts	Parent and Toddler Art Group	-	14,937
	One Parent Families Scotland – 3 year award	Dads Fund	50,828	-
	Scottish Adoption – 3 year award	Post Adoption Support	-	21,228
	Fife			
	Cottage Family Centre – 2 year award	Dads Fund	20,000	-
	Fife Gingerbread – 2 year award ³	Dads Fund	32,837	-
	Forth Valley			
	Aberlour Childcare Trust ⁴	Dads Fund	(13,190)	-
	Family Mediation Central Scotland – 3 year award	Parent Support	11,130	-
	Glasgow			
	3D Drumchapel – 3 year award	Parent Support	-	34,454
	Bridging the Gap – 2 year award	Parent and Toddler Group	-	10,500
	confab – 3 year award	Young Mothers	22,500	-
	Cranhill Parish Church – 2 year award	Parent Support	10,000	-
	Geeza Break – 3 year award	Parent Support	41,973	-
	Glasgow Sculpture Studios	Dads Fund	5,000	-
	Helenslea Community Hall Committee	Parent and Toddler Group	-	30,000
	Hidden Garden Trust – 2 year award	Parent Support	-	22,534
	Merry-Go-Round Glasgow – 3 year award	Parent Support	29,610	-
	Merry-Go-Round Glasgow	Parent Support	9,735	-
	PEEK – 3 year award	Parent and Child Support	-	30,000

¹ awarded further amount in relation to original 2015 application

² reduced from original award

³ awarded a further amount in relation to original application

⁴ award was terminated

Notes to the financial statements *(continued)*

8	Grants awarded <i>(continued)</i>	Project type	2018 £	2017 £
	Glasgow <i>(continued)</i>			
	Reidvale Adventure Play Association	3 year award	-	26,425
	South Glasgow Childcare Partnership	Child Support	-	9,000
	South Glasgow Childcare Partnership (Bookbug) – 2 year award	Toddler Group	7,000	-
	South Glasgow Childcare Partnership (Bookbug) – 2 year award	Toddler Group	20,790	-
	Toybox Lee Avenue	Dads Fund	15,000	-
	Tron Theatre – 2 year award	Child Support	20,630	1,550
	Wallacewell New Charge Development	Parent and Child Support	-	72,610
	Highland			
	Home Start East Highland – 2 year award	Parent Support	-	6,826
	Kyle of Sutherland Hub – 3 year award	Toddler Group	14,000	-
	Inverclyde			
	Inverclyde Family Contact Centre ⁵	Parent Support	2,000	1,000
	Mind Mosaic Counselling and Therapy – 3 year award	Parent Support	72,351	-
	Inverness			
	Enterprise Childcare – 2 year award	Parent and Child Support	-	27,536
	Trinity Church of Scotland – 2 year award	Dads Fund	-	(5,000)
	Lanarkshire			
	CrossReach	Parental Mental Health	-	20,316
	CrossReach Lanarkshire	Parent Support	14,774	-
	Midlothian			
	Play Midlothian	Parental Mental Health	-	16,632
	Moray			
	Earthtime For All Ltd	Outdoor Activity	-	8,210
	Step by Step in Moray – 2 year award	Parent and Toddler Group	-	2,500
	Step by Step in Moray ⁶	Parent Support	6,000	-
	North Lanarkshire			
	Glenboig Neighbourhood House – 2 year award	Parent and Toddler Group	-	5,218
	Perth and Kinross			
	Home-Start Perth ⁷	Parent Support	9,844	-
	Scottish Borders			
	Hawick Congregational Community Church ⁸	Parent Support	1,000	-
	Hawick Congregational Community Church – 3 year award	Parent and Baby Group	-	15,000
	Hawick Congregational Community Church – 2 year award	Parent and Toddler Group	-	7,000
	Healthy Valleys	Toddler Activity Classes	-	16,938
	West Dunbartonshire			
	Rock Community Church	Child Support	17,039	-
	West Lothian			
	Family and Community Development West Lothian – 3 year award	Parent Support	45,000	-
	St Andrews Children Society – 2 year award	Concurrent Care Project	-	20,000
	Scotland			
	Starcatchers – 2 year award	Parent and Child Support	-	7,500
			672,306	517,392

⁵ awarded a further amount in relation to original application

⁶ reduced from original award

⁷ awarded a further amount in relation to original application

⁸ awarded a further amount in relation to original application

Notes to the financial statements *(continued)*

9 Investments

	Investments £	Cash held for reinvestment £	Total £
Market value at 1 January 2018	20,070,241	99,696	20,169,937
Purchases at cost	17,408,136	(17,408,136)	-
Disposal proceeds	(17,661,225)	17,661,225	-
Dividends and interest accrued movement	11,349	703,255	714,604
Dividends and interest remitted	-	(673,974)	(673,974)
Investment management fees	-	(86,401)	(86,401)
Loss realised on disposal	(722,374)	-	(722,374)
Loss on revaluation for the year	(1,197,727)	-	(1,197,727)
Market value at 31 December 2018	17,908,400	295,665	18,204,065
Historical cost at 31 December 2018			18,310,594
		2018	2017
Investments at fair value comprise:		%	%
Equities		99.6	93.9
Alternatives		-	5.6
Cash held within the investment portfolio		0.4	0.5
		100	100

No individual investments make up more than 5% of the portfolio.

All investments are carried at their fair value. Investments in equities and bonds are traded in quoted public markets. Holdings in multi-asset funds are at bid price. The basis of fair value for quoted investments is equivalent to market value, using the bid price. Asset sales and purchases are recognised at the date of trade at their transaction value.

As the main source of income to the Trust, the investment portfolio is key to the ongoing financial sustainability of the Trust as set out in the financial review and investment policy sections of the Trustees' Annual Report. All investment income is allocated to the unrestricted fund.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility to yield. The Trust is reliant on dividend yield to fund its grant-making activities and this leads to a high exposure to the equity markets, not only in the UK but also overseas. Liquidity risk is anticipated to be low as all assets are traded in markets with good liquidity and high trading volumes and this is expected to continue.

The Trust manages these investment risks by retaining expert advisors and monitoring investment performance through its Finance Committee. The investment policy is reviewed annually to ensure the correct balance is maintained between dividend yield and capital growth to protect the real value of the portfolio in the longer term.

Notes to the financial statements (continued)

10	Debtors		
		2018	2017
		£	£
	Prepayments	4,990	5,249
		<u> </u>	<u> </u>
11	Creditors		
		2018	2017
		£	£
	<i>Amounts due within one year</i>		
	Grants payable	364,561	283,093
	Accruals	34,720	36,517
	Other creditors	7,978	1,727
		<u> </u>	<u> </u>
		407,259	321,337
		<u> </u>	<u> </u>
	<i>Amounts due after more than one year</i>		
	Grants payable	98,240	92,488
		<u> </u>	<u> </u>
	Analysis of movement in grant commitments		
	Grant commitments at the start of the year	375,581	325,033
	Grants awarded in the year	672,306	257,950
	Grants paid or written back in the year	(585,086)	(207,402)
		<u> </u>	<u> </u>
	Grant commitments at the end of the year	462,801	375,581
		<u> </u>	<u> </u>
12	Financial instruments		
		2018	2017
		£	£
	Carrying amount of financial assets		
	Financial assets measured at fair value	18,204,065	20,169,937
	Carrying amount of financial liabilities		
	Measured at amortised cost	(505,499)	(413,825)
		<u> </u>	<u> </u>
		17,698,566	19,756,112
		<u> </u>	<u> </u>

Debt instruments measured at fair value comprises listed investments and capital cash balances.

Liabilities measured at amortised cost comprises accruals and other creditors.

Notes to the financial statements (continued)

13 Funds

	Balance at 1 January 2018 £	Income £	Expenditure £	Gains and losses £	Transfers £	Balance at 31 December 2018 £
Unrestricted	7,961	716,498	(576,367)	-	(64,080)	84,012
Designated	128,438	-	(192,518)	-	64,080	-
Endowment	20,097,499	-	(88,437)	(1,920,101)	-	18,088,961
	<u>20,233,898</u>	<u>716,498</u>	<u>(857,322)</u>	<u>(1,920,101)</u>	<u>-</u>	<u>18,172,973</u>

Designated funds represent amounts set aside to support further Dads projects in the coming year.

	Balance at 1 January 2017 £	Income £	Expenditure £	Gains and losses £	Transfers £	Balance at 31 December 2017 £
Unrestricted	12,046	656,543	(570,628)	-	(90,000)	7,961
Designated	75,000	-	(36,562)	-	90,000	128,438
Endowment	18,908,925	-	(84,027)	1,272,601	-	20,097,499
	<u>18,995,971</u>	<u>656,543</u>	<u>(691,217)</u>	<u>1,272,601</u>	<u>-</u>	<u>20,233,898</u>

14 Analysis of net assets by fund

2018	Unrestricted Fund £	Designated Fund £	Endowment Fund £	Total £
Investments	115,104	-	18,088,961	18,204,065
Current assets	393,979	80,428	-	474,407
Current liabilities	(344,775)	(62,484)	-	(407,259)
Creditors falling due > one year	(80,296)	(17,944)	-	(98,240)
	<u>84,012</u>	<u>-</u>	<u>18,088,961</u>	<u>18,172,973</u>
2017	Unrestricted Fund £	Designated Fund £	Endowment Fund £	Total £
Investments	82,134	-	20,087,803	20,169,937
Current assets	335,233	132,857	9,696	477,786
Current liabilities	(316,918)	(4,419)	-	(321,337)
Creditors falling due > one year	(92,488)	-	-	(92,488)
	<u>7,961</u>	<u>128,438</u>	<u>20,097,499</u>	<u>20,233,898</u>

Notes to the financial statements *(continued)*

15	Financial commitments	2018	2017
		£	£
	Financial commitments	10,070	10,070
		<u> </u>	<u> </u>

16 **Related party transactions**

There were no related party transactions during the year.

17 **Ultimate controlling party**

The charity is constituted by Trust Deed and is controlled by its appointed Trustees.