

Cattanach Charitable Trust/ Cattanach SCIO Annual Report & Financial Statements

Registered Number SC020902 (Trust)/SC049833 (SCIO)

31st December 2020

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Administrative details

Reference and administrative information

Trustees	Alastair Wilson (Chair to 31 st December 2020) Steven Murray (Chair from 1 st January 2021) Ian McLaughlan (Vice-Chair) Gordon Humphries (resigned 20 th March 2020) Mafe Marwick Duncan McEachran (resigned 3 rd September 2020) Andrew Millington Rhoda Reid (resigned 3 rd September 2020) Dr Patricia Jackson OBE (since 1 st August 2020) Heather Coady (since 1 st August 2020) Caroline Murray (since 1 st January 2021) Jennifer Corrigan (since 1 st January 2021) Rory Marsh (since 1 st January 2021)
Co-Opted Members	Michael Barr (co-opted as Finance and Audit Chair from 20 th March 2020)
Key management	Dr Sophie Flemig (Chief Executive)
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 Weatherbys Private Bank 2 Rutland Square Edinburgh EH1 2AS
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	Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC4M 8BU
Registered Charity Number	SC020902 (Cattanach Charitable Trust) SC049833 (Cattanach SCIO)

Chair's Report

It is with pleasure that I introduce Cattanach's annual report and financial statements for 2020. 2020 marks my last year as Chair and I would like to take the opportunity to reflect on the last year and some of the last decade of our early years funding.

Clearly, the events and the world changed in 2020 unexpectedly and in more ways than we could have foreseen. The COVID-19 pandemic changed life for everyone, including the early years' experience of children and their families and carers. There are some rays of sunshine, but it is clear that lockdown experience has reflected the pre-pandemic inequalities associated with childhood in Scotland, with many children not receiving the support they deserve to flourish and develop their full potential. Families have been stretched in unprecedented ways and our ambition to create better futures through better starts is both more necessary but also more challenging to achieve than in the past.

COVID-19

Cattanach responded to the challenges that arose over the year, both internally and even more so externally. As soon as the first lockdown was announced, we initially arranged for monthly board meetings to keep abreast of the fast-changing developments. Our team adapted to remote working overnight and made sure that our operations were continuing as before, without any adverse consequences for our grantees. We also reviewed our financial situation, to ensure that whatever financial pressures followed we could ensure that we could continue and support Scotland's children. We used capital raised from the investment portfolio to support early years work through additional grants. We also collaborated with new and old partners to support early years children and their carers, be it through play equipment packs, additional virtual support, or devices to stay connected. We would like to thank The Life Changes Trust, The Corra Foundation and YouthScotland for working with us to alleviate the consequences of the pandemic, as well as our existing partners, the William Grant Foundation and the Charles Gordon Foundation, for driving work on the early years in Scotland with even stronger collaborations than in 2019.

Our Purpose

We as Trustees all recognise the social and economic need to look after and nurture our children, particularly in the crucial first 1,001 days. The last year has shown us clearly just how closely intertwined health, well-being, and economic growth are, and, ultimately, just how much of a barrier poverty and other forms of hardship pose. Over 2020, we have made strategic and operational changes to acknowledge these and other systemic factors. With very few exceptions, it is in everyone's nature to want the best for their children and as an asset-based funder we want to shift the conversation to addressing systemic barriers rather than talking about 'families' as the only unit of intervention. Without a doubt, we are at the beginning of a journey and have more questions than answers at this stage, but I am confident that Steven Murray, as new Cattanach Chair, the Board, and our Chief Executive, Dr Sophie Flemig, will be driving our thinking and actions over the years to come.

Changes to the Board

During 2020, we said goodbye to Gordon Humphries, Rhoda Reid and Duncan McEachran. I would like to thank them, on behalf of Cattanach, for their years of dedication, support, and being part of our journey. They have helped shape Cattanach and leave a lasting legacy in the form of our values and how we fund. We hope they will remain a part of Cattanach as 'alumni' and will enjoy following the fruits of their labour over the years to come. While farewells are always a sad occasion, we were ever so fortunate to welcome two new Trustees in Heather Coady and Dr Patricia Jackson OBE, who joined us in August 2020. Later in the year, we also recruited another three additions to the Board and I would like to welcome Caroline Murray, Jennifer Corrigan and Rory Marsh, who have started their term as Cattanach Trustees in January 2021.

Chair's report (continued)

Internal Updates

Our status as Scottish Charitable Incorporated Organisation (SCIO) was granted in late 2019 and we have been taking the steps necessary to transfer our business and assets from the Trust to the SCIO, somewhat delayed by COVID-related challenges and longer waiting times. While incorporation has not affected Cattanach in its values and activities, it has provided us with the opportunity to restructure our governance to increase efficiency and effectiveness, and it provides further assurance to Trustees when it comes to personal liability. Our new committee structure allows for closer scrutiny, stronger relationship with key partners, and a greater capacity to deliver as an organisation. In particular, the new Grants Committee has been warmly welcomed by grantees and colleagues.

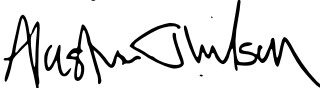
I am also pleased to see how Cattanach has grown as an organisation. It has been a pleasure to be working with Sophie as our Chief Executive, who is relentlessly dynamic and lives for her own and the wider Cattanach family. Our capacity to effect positive change for early years children in Scotland is growing and we are ready to drive this change through our internal expertise and that of our grantees and valued partners.

Outgoing Reflections

There are more highlights from my ten years as Chair than I can include here; many are detailed in this year's annual report. Personally, I have enjoyed the challenges of overseeing the growth in our value of grants. Cattanach recognised that there was probably more growth potential from a globally invested portfolio, without requirements for the funds to be invested in any particular company market or economy, and how we could then use the resulting cash flow and capital to invest back into better starts for better futures of Scottish children. We invest globally and spend our capital and income locally.

I look forward to supporting Cattanach as an Associate going forward, and seeing the work that we initiated to flourish and grow, which is more needed now than it ever was. I hope you and many others will join me in supporting our mission to give our children the best opportunity we can to thrive by recognising and encouraging nurturing relationships, kindness and rising to the challenges of poverty.

With my best wishes,



Alastair Wilson
Chair to 31st December 2020
20th May 2021

Chief Executive's Report

When I wrote our operations plan in 2019, I thought of 2020 as a year of implementing and consolidating the exciting changes the Cattanach Board had approved around who we are and want to be as an independent funder. Little about 2020 was as expected, but reflecting on the year, I was very pleased to find that we managed to follow through with these changes, if anything being more ambitious and quicker in how we implemented them than we may otherwise have been.

Our Operations

The transition to remote and digital working was relatively easy for us compared to the challenges many of our grantees working directly with children and families had to manage. While we missed personal meetings and visits to our grantees, which are so integral to Cattanach's funding approach, we were able to use video calls and reinforced our efforts to stay connected with our grantees virtually. We were able to offer additional support through grant extensions, COVID-19 microgrants, and increased grant spending, as well as through collaborative work with funders and other partners. We understand that the challenges caused by the COVID-19 pandemic did not end with 2020 and we will continue our efforts to support our grantees in any way we can.

Our Team

Remote working was tested even more as we welcomed two new staff members in 2020, Jemma Slater as our Grants & Relationships Officer and Amy Baker as our Policy & Research Officer. Despite never having set foot in our office, they have hit the ground running, and have been enriching our work and organisation through their contributions and how they are living the Cattanach values. We also took in Harry Cox as a 'virtual' intern and plan to offer such internship placements in the future.

Our Innovations in 2020

I am particularly delighted we extended our range of activities around research and policy in order to use our insights to improve the lives of early years children in Scotland. We commissioned research on the lockdown experience of the 0-2s through the First 1,001 Day Movement, and worked with the Carnegie UK Trust and Children in Scotland as co-commissioners of a report on wellbeing budgeting for children, written by Dr Katherine Trebeck.

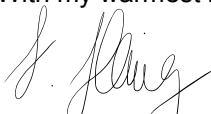
Another innovation in our operations has been the introduction of our Cattanach Associate network. Our Associates are bringing valuable early years expertise to Cattanach and our grantees, in particular through their contributions to the Grants Committee discussions and their direct support to our grantees.

Finally, we reviewed our grant-making practices to become the best grant-maker we can be: We worked with the Dartington Service Design Lab to review our evaluations strategy, co-productively with our grantees; and we started offering a wider range of funding options, including unrestricted funding, to provide more flexible support to the amazing work our grantees deliver to provide better starts for early years children in Scotland.

Outlook for 2021

We will be building on the strong foundations laid in 2020 over the coming year. Amongst other things, we will be developing our learning and improvement work, seek to involve children and families in Cattanach, and develop our Theory of Change. 2021 promises to be an important year on the journey we set out in our Stepping Stone Strategy, and it is my greatest privilege to be part of Cattanach at this time. I invite you to follow our journey, too.

With my warmest regards,



Dr Sophie Flemig
Chief Executive
20th May 2021

Trustees' annual report and strategic retrospective

We, the Trustees of Cattanach, are pleased to present our annual report and financial statements for the year ended 31 December 2020.

Objectives and activities

Our Objectives

We strongly believe that the early years of a child's life have the biggest potential to build resilience and strength and to address otherwise lifelong inequalities. We therefore support organisations that help children from pre-birth to around school age and their families to have a better start to life by supporting healthy relationships within many forms of family or care structure. Following the Charities and Trustee Investment (Scotland) Act 2005, these charitable objectives are: **to relieve poverty, advance education, support citizenship or community development and support those in need by reason of age, ill health, disability, financial hardship or other disadvantage.**



We offer three pillars of support:

- 1) Direct Grant-making
- 2) Funder Plus offers to our grantees and other organisations
- 3) Knowledge exchange around policy and research with grant-making partners, the early years sector, and governments at all levels

We constantly strive to do the best we can with the resources endowed to the Trust. This includes the following four considerations:



Our grants

We are offering reactive and strategic grants to charitable organisations of all sizes that support very young children and their families. We also provide on-going and intensive 'Funder Plus' support before and during the proposal stage, as well as once a grant has been awarded.



Relationship-based grant-making

Young children and their families are at the heart of what we do and we see our relationship with grantee organisations as a partnership – we work together to improve the lives of very young children here in Scotland: we provide financial assets while they contribute their skills, experience and expertise.



Our investment policy

Since our portfolio is our most important source of income, we are investing it in line with our values and in such a way that we can continue our grants programme at the current level or beyond.



Co-production and partnership work

We understand that we are part of a wider community and will actively seek to work with others for the good of very young children – this includes grantees and other funders as well as sector bodies or policy makers. We want to build meaningful and equal relationships between us and our partners.

Through our work, we aim to make a significant contribution to the [National Performance Framework's](#) focus on children, in particular 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)

Our Values

Values are guiding principles that we live by and are the basis for our overall approach and any decision-making. As part of the reflection and restructuring exercise undertaken in 2018, it was decided that the Trust should adopt a set of values that reflect its desired ethos and behaviours, and that stand at the core of all activities we perform as a Trust, Board, as individual Trustees and members of staff.

We have four Cattanach values, which guide our strategy and operations, but also how we interact with each other, our grantees and partners. These are:



INTEGRITY

We strive to be fair, ethical and accountable.



LOVE

We recognise the importance of nurturing relationships, with kindness and compassion at the heart of all our work.



CONSIDERATION

We are mindful of the challenges, hopes and aspirations of others.



HOPE

We are passionate about enabling change through our work with partners and the organisations we support.

These values underpin our actions on all levels and have influenced our response to the unprecedented events of 2020. We also use our values in our recruitment exercises, for staff and for Trustees. Visually, they form the basis of our logo, which itself is formed of four hearts – one for each value – while also representing the targeted focus of our work on very young children and the principle of working together to achieve our ambitions.

Our Activities

The biggest and most significant part of our work is the awarding of grants, which in turn allows funding to filter through to the families we look to support. However, we also work towards raising the profile of our organisation to be visible to potential grantees and attract proposals for high quality and impact work. We chair the Funders for the Early Years Group Scotland and are also represented in other grant maker groups, such as the Scottish Grantmakers, the Scotland Funders' Forum, the SCVO Funders' Group and the UK Early Years Funders Group. We attend funding events across the country, in person and virtually, and contribute to events relevant to the Early Years sector.



Pillar 1 - Grant-making

In making grants, we follow a philosophy based on trust and meaningful relationships:



We give clear guidance about what and how we fund.

We are doing our best to combine easily understandable criteria for funding with reasonable flexibility and prioritise relationship-building from the first interaction with those wishing to send us a proposal. This is also reflected in our feedback irrespective of whether a proposal was successful or not and offers of capacity building support through our Associates. Going forward, we will critically review our funding philosophy and processes regularly.



We allocate multi-year funding whenever we can.

Cattanach understands that when it comes to making a difference to very young children, relationships are what matter most. And to build trust with families, organisations need stability and staff that are well supported, including stable employment. To this end, we are offering multi-year funding of currently three years with the option for tapered funding in years four and five. We continue to critically discuss how we can balance multi-year commitments with new grants at each funding meeting.



We aim to minimise funding restrictions.

We minimise restrictions on funding as much as we can and are allocating unrestricted funding if possible. In most cases, we broadly restrict funding to any expenditure, including core costs, that relates to work with early years children within a grantee organisation. Cattanach believes that organisations know best how they can best support children and their families and want to make sure our grants do not create a barrier to be agile and responsive to needs and opportunities.



We ask grant holders to think in outcomes and evidence the impact they are making.

When working with potential grantees, we encourage them to be 'SMART' about the outcomes they want to achieve: specific, measurable, achievable, realistic and timeous. We also take this into account when advising on budgets, and encourage organisations to include costs for robust evidencing in their budgets. Our goal is to use evaluations as a tool to support grantee learning, making sure that any data gathered are proportionate and contribute to continuous self-improvement.



We take due diligence on organisational finances, governance, child protection and safeguarding seriously.

As part of the proposal process, one of our staff members scrutinises relevant documents and policies and discusses finances, governance and in particular child protection with organisations. Our staff have been trained in child protection and play the role of a critical friend to organisations as part of the proposal process. Our Trustees take due diligence into account as much as outcomes when coming to their funding decisions.

Trustees' annual report and strategic retrospective (continued)

Our funding process is designed so that Cattanach staff can be part of 'Team Charity', offering honest feedback and supporting organisations to reflect their great work in their proposals. We strongly believe in the importance of a relationship-focused approach to grant making. Since 2020, we offer an introductory virtual call to any organisation interested in submitting a proposal to give advice about the proposal process and the kind of work we fund. Our staff made every effort to visit every organisation with eligible proposals; sadly, due to the COVID-19 pandemic, personal visits were not possible and we offered video-calls instead.

In 2020, we improved the way we grant by creating a Grants Committee, which consists of three Trustees and at least two Associates. Cattanach Associates are experts from various early years fields who support the Grants Committee in making often difficult choices about prioritisation and the allocation of funding. Including Associates has two great advantages: we are gaining invaluable frontline experience from various early years fields, and addressing some of the power imbalance between funders and funded organisations, giving the sector a voice in our grant-making. Fairness and transparency are key to how we work, and we manage any potential or perceived conflicts of interests proactively and clearly.

The Grants Committee had its inaugural meeting for the Q3 2020 funding rounds and has added valuable insights to our grant-making practice and the feedback we can provide to our grantees.



Pillar 2 – Funder Plus Offers

We had planned an ambitious programme of learning and networking events for 2020, however, the COVID-19 pandemic redirected our plans and we had to adjust to a new way of working and changed priorities. Our main Funder Plus offer in 2020 was provided by our Associate network. In addition to ad-hoc co-option to the Grants Committee, Associates were providing capacity building support to grantees directly. Since Q3 2020, when we launched the Associate network, Cattanach Associates supported two grantees and one organisation that we did not grant to. This included service design, strategic reviews, and facilitation of partnership work.

We have shifted our Funder Plus offers to 2021 and look forward to providing a combination of learning programmes, networking events, knowledge exchange and capacity support over the year to come.



Pillar 3 - Research and Policy Knowledge Exchange

Cattanach does not only make a difference through work that supports organisations directly. We also want to use the insights gained through our early years grant-making practice to inform research and policy. We have therefore increased our internal capacity and external contacts to develop a Cattanach research and policy exchange programme. Due to COVID-19, much of this work had to be postponed, especially in-person events, such as conferences and seminars, or research involving children directly through play-based interaction. However, Cattanach is proud to have [commissioned research on the experience of infants and their families](#) through the [First 1,001 Days Movement](#), that was conducted over the course of the pandemic and published in 2021. From September 2020, Cattanach has also been an active member of the [Third Sector Research Forum](#).

In April 2020, Cattanach asked other grant-makers to join us for conversations around early years work; this loose initiative has evolved to the Funders for the Early Years Group Scotland (FEYGS). Cattanach continues to chair and coordinate FEYGS which is open to all independent grant-makers working in Scotland.

Together with the [Carnegie UK Trust](#) and [Children in Scotland](#), Cattanach commissioned Dr Katherine Trebeck of the Wellbeing Economy Alliance to produce research on how Scotland can develop a wellbeing budget for children. In addition to our Chief Executive being part of the commissioning steering group, we created a Policy and Research Officer role with a view to providing research and administrative assistance to Dr Trebeck. An [interim report](#) was published in November 2020, with the [final report](#) published in 2021.

Finally, we supported the [David Hume Institute](#) for its [Action Project](#), with our Chief Executive acting as co-lead of the Children and Young People Stream, working closely with the [Children's Parliament](#) and the [Scottish Youth Parliament](#).

Our Achievements and Performance in 2020

Our Grants – Overview and Statistics

Cattanach remains committed to the early years, with a particular focus on strengthening relationships between children from pre-birth to about 3 years of age and their carers. True to our intent to support children and their support systems, some work has also included older siblings or allowed for a smoother transition between early years and school programmes, funding services for children up to school age. We awarded 60 new grants which ranged from £500 to £100,000 per annum (2019: 25 grants ranging from £1,800 to £29,617 per annum) with a total grants programme for the year of £1,116,891 (2019: £573,973).

The table below gives more detail around the different types of grants that were awarded during 2020:

Type of grant	Number of grants	Average grant (single year awards)	Largest grant	Smallest grant	% of multi-year grants
Core grants <i>Cattanach grants as part of our main grants programme.</i>	13	10,923	27,683	8,000	77%
Strategic grants <i>Cattanach grants as part of our strategic programme.</i>	2	30,000	50,000	10,000	-
COVID grants <i>Additional grants as part of our strategic and main grants programmes drawn from capital raised at the start of the COVID-19 pandemic.</i>	10	40,010	100,000	2,202	50%
COVID microgrants <i>One-off grants to support our grantees in their COVID-19 response early on during the pandemic.</i>	11	1,818	3,400	500	-
Bridging grants <i>One-off extensions to grants that were to end at our Q2 2020 meeting, where there was no opportunity to request new or continuation funding.</i>	5	4,185	7,436	2,254	-
Other microgrants <i>Collaborations with Youth Scotland and the Life Changes Trust to support families with young children via their direct grants programmes.</i>	3	10,000	15,000	5,000	-
Community Wellbeing Fund grants <i>Collaboration with other funders to distribute Scottish Government COVID-19 response funds.</i>	15	2,000	2,000	2,000	-
Total	59	9,114	100,000	500	25%

Trustees' annual report and strategic retrospective (continued)

In addition, there were two grants from 2019 which were granted extra funds during the current year, dealt with as grant adjustments to original awards. One grant was also cancelled (2 instalments) and dealt with as a grant adjustment (2019: two grant adjustments).

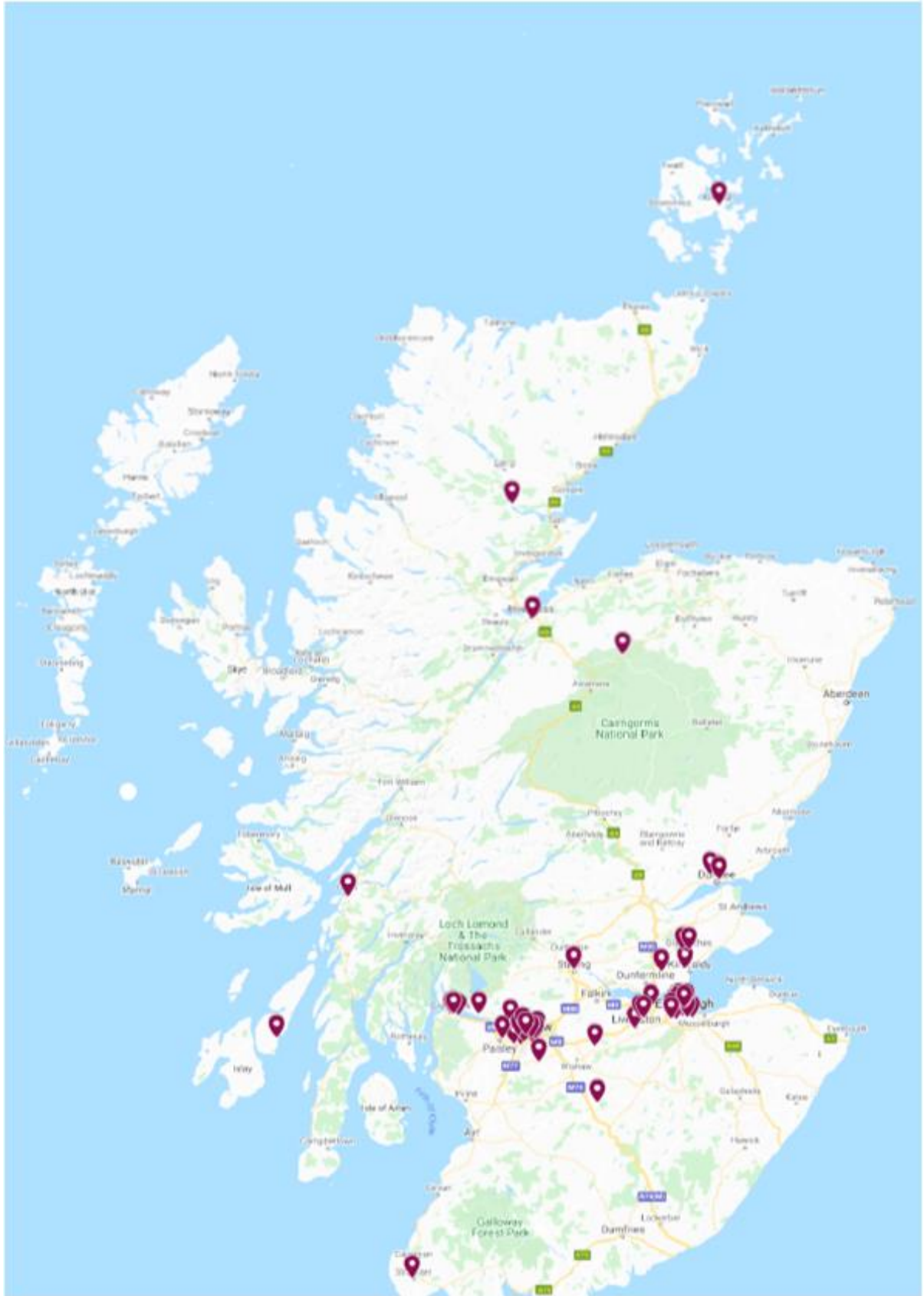
The average size of one-year grants was less than in the previous year: £9,114 (2019: £11,751) and, of those awarded, we have given out multi-year grants to 25% of grant holders, 60% excluding the one-off COVID-19 response grants made in the year: (2019: 60%). Last year, of those who applied for a grant, 42% were awarded funding. This year the figure stood at 40%.

Our Grants – Geography

This year, we wanted to illustrate both what we fund and where we fund. The map shows where our funded organisations are located across Scotland, while the list in Section 8 indicates the types of projects we have funded. In 2020, we managed to widen the spread of grants a little further. Most awards continue to reach the most populous areas in the Central Belt cities (led by Glasgow and Edinburgh) as has been the case in previous years. We continue to fund in more rural settings including the Highlands (Inverness) and Argyll and Bute (Isle of Jura). In 2020, we started to map our funding against registered charities across Scotland that would fit our criteria, and we are actively seeking to address funding 'cold spots' through partnership work, outreach, and community-led capacity building.

In 2020, we continued to support Scotland-wide projects as well. Our partnership with the Parent Infant Foundation (PIF) is going from strength to strength and we are delighted to work in close collaboration with the Scotland Coordinator to create specialised parent and infant relationship teams. This project continues to be co-funded with the William Grant Foundation (WGF) and the Charles Gordon Foundation (CGF) and we look forward to improving infant mental health provisions with and through our partners.

Trustees' annual report and strategic retrospective (continued)



Trustees' annual report and strategic retrospective (continued)

Our Grants – Thematic Focus

Our strategic theme is attachment-focused Early Years work, with a focus on asset-based funding approaches that work with families' strengths rather than highlighting any deficits. Within this remit, we have funded a multitude of different projects and organisations. In 2020, we changed our grants programme to reflect our [Stepping Stone](#) strategy for the year. The outbreak of the COVID-19 pandemic in early 2020 led to changes in how we pursued our strategy, details of which are set out below, but we continued to be guided every step of the way by our values and strategic ambitions for 2020.

Our **Main Grants** programme has supported a range of work for early years children and their families. Grants under the Main Grants programme are intended to help provide children with the best possible start in life, promoting resilience to support them through any adversities they may face. Themes in 2020 were around birth and post-natal support, especially for women without recourse to public funds; this included doula support to improve the birth experience for these mothers and their children. We also funded therapeutic infant and perinatal mental health work, ranging from play- and art-therapy to perinatal peer support and counselling. As we decided in 2019, we did not award new Dads Fund grants, making the remaining grants part of our main grant programme. However, we have continued to fund a range of fathers-focused work and will do so going forward. We also supported holistic family support in various forms, which included direct parenting support but also signposting to maximise family income, access benefits, and other wider support offers.

2020 marked the first year of our **Strategic Grants** programme, through which we fund projects that are wider in scope and focus on setting up or improving the environment in which children, families, and early years organisations live and work. Strategic grants were awarded to Parent-Infant Foundation for its Infant Mental Health Scotland Trailblazer project, as well as to a joint project on Wellbeing Budgeting for Children. While other work was planned for 2020, many projects had to be postponed to 2021 due to the on-going COVID-19 pandemic and its consequences.

Through funds raised specifically because of COVID-19, we awarded further Strategic Grants to the Wellbeing Economy Alliance Scotland (£70,000 plus in-kind research support of £30,000) and The Promise Partnership (£100,000). Trustees also reserved £10,000 for a potential collaboration on capacity building support around the early years, to be determined in 2021.

Trustees' annual report and strategic retrospective (continued)

COVID-19 Response

Cattanach was clear that, as an independent funder, we have an active duty to support organisations through the COVID-19 pandemic as best we can. As part of our COVID-19 response, we decided on the following actions:

- **Bridging Grants:** Since we did not offer a funding round in Q2 2020 to focus on our governance structure – a decision unrelated to the pandemic and preceding the first official outbreak in the UK – we offered six-month bridging grants to those grantees whose final grant instalment had just finished.
- **COVID-19 Micro-Grants:** We offered a total of £20,000 in micro-grants, for activities ranging from food and play parcel delivery to technological support for grantee organisations. The goal was to help organisations flexibly to address the acute need of the children and families they support.
- **Unrestricted funding:** As the country went into its first lockdown, we made all active grants unrestricted, allowing organisations full freedom to respond to the emerging crisis as they thought would best support children and families.
- **Relaxed reporting:** In addition to making all active instalments unrestricted, we relaxed our reporting requirements to what organisations felt was manageable, focusing on personal conversations over formal reporting.
- **Supporting partner initiatives:** We also supported two other funders' initiatives: The Life Changes Trust and Youth Scotland, who both offered bursaries for families with young children to purchase play equipment and other necessities that became more vital because of the national lockdown.
- **Community Wellbeing Fund:** Cattanach was delighted to join other independent grant-making colleagues in administering Phase II of the Community Wellbeing Fund; £30,000 were awarded to Cattanach grantees for COVID-19 response activities at a community level.
- **Additional Funds:** Events in March and April 2020 were unfolding quickly but were also unpredictable. To meet the arising uncertainty, Trustees decided to raise a total of £900,000 from capital to insulate Cattanach from potential fluctuations in income over 2020 and 2021. However, the globally diversified investment strategy led to unexpected stability in our portfolio performance, with income lower than forecast but much higher than expected given the market outlook early in the COVID-19 pandemic. The monies raised were used for the capital contribution already planned for the 2020 budget, with the remainder being allocated among main and strategic grants.

Trustees' annual report and strategic retrospective (continued)

Our Partnerships

Despite the restrictions on face-to-face meetings imposed by the pandemic, we increased our partnership work over the course of 2020. Our valued partnerships included other funders, sector bodies, and the public sector. Thus, we were, for instance, represented at roundtable events on funding during the pandemic and have used our convening power to amplify the voices of the charitable organisations we fund and the beneficiaries they serve. The following partnerships in particular have been integral for our new ambition and we are grateful to our partners:



Charles Gordon Foundation

We are delighted to continue our partnership with the Charles Gordon Foundation (CGF), with whom we co-funded the Scotland Infant Mental Health Trailblazer project. In October 2020, CGF and Cattanach agreed a more formal partnership, which will see Cattanach administer £150,000 in small grants on behalf of CGF. These new grants will be open for organisations working with children from birth to two and their families in Scotland. We also enjoyed strategic discussions throughout the year and look forward to kickstarting the CGF grants programme in 2021.



William Grant Foundation

The [William Grant Foundation \(WGF\)](#) continued to be a trusted partner. With consent of our grantees, we shared proposals sent to us with the WGF to provide an overview of early years work across Scotland. We also continue to co-fund infant mental health work through the Parent Infant Foundation for phase II of the Scotland trailblazer project. Cattanach also benefited greatly from WGF insights on funding models. The Trustees are very grateful for WGF's generosity in sharing their insights and learning and look forward to growing the relationship over the coming years.



Parent Infant Foundation

The [Parent Infant Foundation \(PIF\)](#) team are providing support to practitioners and organisations all across the UK who want to form a specialised parent infant relationship team. Currently, there are none in Scotland with the exception of the [Glasgow Infant and Family Team \(GIFT\)](#), which works exclusively with children in local authority care. Our partnership with PIF includes a dedicated Scotland coordinator whose expertise and experience, together with the entire PIF team, are a great professional source of insight for Cattanach's operations and strategy for Early Years funding in Scotland. We thank the PIF team for their continued contributions and the positive changes they have been supporting in Scotland.



Carnegie UK Trust, Children in Scotland the Wellbeing Economy Alliance

Together with the [Carnegie UK Trust](#) (CUKT) and [Children in Scotland](#) (CiS), we commissioned Dr Katherine Trebeck of the [Wellbeing Economy Alliance](#) to conduct foundational research that can set Scotland on track to creating wellbeing budgets for children. We are excited to contribute to this important debate about the systemic factors that influence children's lives and look forward to the outcomes this important work will achieve for early years children in Scotland. We greatly enjoyed the partnership and thank CUKT, CiS and WEAll for the wonderful collaboration.

How we monitor outcomes

Over the course of 2020, we have had pleasure of working with the Dartington Service Design Lab, who supported us in reviewing our evaluation and outcome practices together with our grantees. This project came to an end in December 2020 and we look forward to implementing its findings in our grant-making practice, with some aspects to be developed alongside our theory of change.

Trustees' annual report and strategic retrospective (continued)

We monitor performance of our grants 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, the report helps shape the funding given at the end of each year: in some cases, we are able to increase funding if circumstances change or support organisations through our Associates and further learning opportunities. We also seek to understand our grantees' work and the outcomes they achieve through case studies, artwork and photographs they sent to us and by visiting funded organisations and collating press and/or research about them. In 2020, we were not able to visit grantee organisations, which we very much regret. Instead, we had check-in calls with all our ongoing grantees to understand their needs, how the pandemic has affected them, their staff, and their children and families.

Results from the excellent work Dartington has conducted over the course of 2020 will be implemented in 2021. We look forward to continue working closely with our grantees to find a system that is light-touch and unbureaucratic while being as supportive as possible.

How we communicate externally

Our communications capacity and capability has grown substantially in 2020. We started the year with a stall at The Gathering, the largest voluntary sector convention in Scotland. This was a first for Cattanach and a great success, allowing us to network with colleagues and grantees, while increasing Cattanach's profile.

We also launched our [new website](#) in February 2020, in time for The Gathering. The website is adopting the new branding developed in 2019, which has our four values at its core; it was designed with users in mind and we have expanded our interactive functionalities considerably. There is now more information on our grants process, in addition to news and blogs that allow us to build relationships, especially while we cannot visit prospective or current grantees. Further innovations, such as a learning hub, will be added in 2021.

Our virtual communications activity also includes social media channels, such as Twitter ([@CattanachSCIO](#)), [Instagram](#), and [LinkedIn](#). These virtual communication channels have become key ever since lockdown set in and we are proud of how the team has grown our virtual reach, especially to areas that we otherwise would have been less present in, for instance the Highlands and Islands.

Our Structure, Governance and Management

2020 marked a year of change for the Trust. 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.

Making use of these powers, Trustees decided in 2019 to transition the Trust into a Scottish Charitable Incorporated Organisation (SCIO). We used the services of our solicitors, Brodies LLP, to support us with the transition and related arrangements. On 24th December 2019, the SCIO was officially created, with the Scottish charity number SC049833, and we have been making arrangements to transfer all operations from the Trust to the SCIO over the course of 2020. Due to the pandemic, many administrative steps were delayed, thus pushing the eventual winding down of the Trust to 2021. This has not affected the organisations operations.

At our Q2 2020 Board meeting, we signed off on a new governance structure to befit the more agile SCIO, our ambitious plans, and our newly increased staff capacity around our Chief Executive, who was appointed in May 2019. The new [Terms of Reference and Schedule of Internal Delegation](#) set out that each Trustee will be a member of at least one of our three committees, which are the Finance and Audit Committee, the Investment Committee (created in 2019) and the newly created Grants Committee. Each committee has specific responsibilities for closer scrutiny of Cattanach business, and reports to the full Board at least quarterly at our Board meetings. Committees are making recommendations for the consideration of the full Board, which retains all decision-making authority.

Trustees' annual report and strategic retrospective (continued)

We had four regular Board meetings in 2020 (February, May, September and December) to distribute grants and conduct other business. Driven by the unexpected challenge of COVID-19, we met for a further four Board meetings (March, April, October, November). The Finance and Audit Committee met quarterly, while the Investment Committee had three separate meetings, with the Q3 meeting becoming part of the main Board meeting; this allowed all Trustees to speak to our portfolio managers, Sarasin and Partners LLP, directly. The Grants Committee had its first meeting in Q3 2020 (August), followed by another meeting in Q4 2020 (November).

Trustees were supported by the Chief Executive, Dr Sophie Flemig, who is leading the operations of Cattanach.

The Trustees who served during the year ended 31 December 2020 were as follows: -



Alastair Wilson (Chair to 31st December 2020, Chair Investment Committee)



Steven Murray (Chair from 1st January 2021)



Ian McLaughlan (Vice Chair & Chair Grants Committee)



Gordon Humphries (Finance and Audit Committee Chair to 20th March 2020, retired on 20th March 2020)



Mafe Marwick (Investment Committee)



Duncan McEachran (Finance & Audit Committee, retired on 3rd September 2020)



Andrew Millington (Investment Committee)



Rhoda Reid (Finance & Audit Committee, retired on 3rd September 2020)



Dr Patricia Jackson OBE (Grants Committee, joined 1st August 2020)



Heather Coady (Grants Committee, joined 1st August 2020)

Due to the retirement of the Finance and Audit Committee Chair just before the 2019 audit, the Trustees were supported by Michael Barr as Co-Opted Chair of the Finance and Audit Committee from 20th March 2020. Michael is not a Trustee but was appointed with a specific remit; while he presents FAC recommendations to the full Board, he was not involved in Board decisions. Cattanach is enormously grateful for Michael's expert advice and guidance.

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. Cattanach is making every effort to be accessible to all and we offer dial-in options via phone call or video conference for all our Board and Committee meetings. Trustees are expected to attend most meetings. If a Trustee misses three meetings consecutively without good reason, such as illness or parental leave, the Chair will initiate a discussion with them about appropriate support for their appointment.

Trustees are asked to disclose all relevant interests and register them with the Chief Executive. Where a Trustee has any involvement, personally or through a family member, with a charity seeking funding, that Trustee makes no comment on the proposal and withdraws from the meeting for the duration of the discussion, both at the level of the Grants Committee as well as at the full Board.

Trustees' annual report and strategic retrospective (continued)

We ran two Trustee recruitment exercises in 2020. In August, we had the pleasure of welcoming [Dr Patricia Jackson OBE](#) and [Heather Coady](#) as new Trustees to add further early years' experience to the Board. In December, we recruited Trustees with an expertise in finance, accounting and wealth management; the Board is delighted to welcome [Jennifer Corrigan](#), [Caroline Murray](#), [Rory Marsh](#), who all joined the Board on 1st January 2021. Cattanach Trustees follow a thorough induction programme, consisting of dedicated sessions on our proposal process, evaluations practice, strategy, governance and partnerships. New Trustees are further supported through the Chair and Committee Chairs as well as the Chief Executive.

Despite the pandemic, our Board followed a programme of skills development throughout the year:



We met with our grantees:

While 2020 only offered minimal opportunities for engaging with grantees, our Q1 2020 meeting was kindly hosted by one of our grantees, the Glasgow Children's Hospital Charity, and we were joined by the Helping Us Grow (HUG) team from the Glasgow Royal Hospital for Children's neo-natal unit. It was a pleasure to have a long discussion with the team and learn from their many insights on attachment, bonding, and infant development. No one knew that we would enter lockdown weeks after this meeting, and we are even more grateful for the HUG team's visit.



We received specific training opportunities on the early years and foundation business:

We could not hold group learning sessions as planned, but Trustees completed online NSPCC child protection training. One Trustee attended the Association of Charitable Foundations (ACF) Investment training programme, while all Trustees were offered the opportunity to complete the Open University Attachment course and the Harvard Brain Story certification.



We valued our memberships and related briefings:

Cattanach continued its membership of the Association of Charitable Foundations, Scotland Funders' Forum, the Scottish Grant-makers, and Children in Scotland, whose journals and regular briefings we receive. In 2020, we also joined the Scottish Council for Voluntary Organisations (SCVO), and the Funders Pledge on Climate Change.



We increased our understanding of ethical investment:

In Q2, members of the Investment Committee attended a session on ethical investment and the creation of an Investment Policy Statement organised by Aberdeen Standard Capital. This prompted an interesting discussion at Committee level, which was translated into a draft investment policy statement in Q4 2020. We look forward to finalising our investment policy statement in 2021.



We benefited from briefings and discussions with partners:

At each Board meeting, Trustees were able to learn from presentations by strategic partners or grantees, including the Parent-Infant Foundation, the Wellbeing Economy Alliance, the Dartington Service Design Lab, and the Children's Parliament. Trustees also receive monthly updates, including an Early Years newsletter, by the Chief Executive.

Trustees' annual report and strategic retrospective (continued)

How we remunerate our Key Management Personnel

The Trustees consider the Board of Trustees and the Chief Executive 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. Trustees also sought the advice of a recruitment consultant, who assisted Cattanach Trustees in the recruitment of the new Chief Executive.



Trustees' annual report and strategic retrospective (continued)

Stepping Stone Strategy 2020

In November 2019, we developed our 2020 Stepping Stone Strategy based on values, strategic outcomes, and strategic themes. This was meant to provide, quite literally, a stepping stone for a full Theory of Change and related strategy development in 2020. Unfortunately, the COVID-19 pandemic first delayed our planned Strategy Day in the spring of 2020, and by autumn time, we accepted that an in-person event would simply not be possible in 2020. We look forward to working on these important developments in 2021, and will endeavour to involve our grantees, the early year sector, and children and their families, regularly and meaningfully.

In the meantime, we will follow and report on our Stepping Stone Strategy, which is explained below.

Step 1 Values



INTEGRITY

We strive to be fair, ethical and accountable.



LOVE

We recognise the importance of nurturing relationships, with kindness and compassion at the heart of all our work.



CONSIDERATION

We are mindful of the challenges, hopes and aspirations of others.



HOPE

We are passionate about enabling change through our work with partners and the organisations we support.

Step 2 Our Strategic Outcomes



STRENGTHEN ATTACHMENT

We want to nurture the attachment between a child and its carers, in particular where adversity has prevented attachment from developing or where it needs to be strengthened.



BUILD RESILIENCE

We want to increase resilience by supporting very young children and their families to build a better future through a better start in life.



SUPPORT PREVENTION

We want to encourage prevention to avoid adverse consequences of a higher order in the future, and won't ask for things to be broken before we support.

Step 3 Strategic Objective Themes



BE TRAILBLAZERS

Support organisations to lead change, focusing on encouraging innovation and promoting best practice in Early Years funding across our networks.



ADD VALUE

Award grants to promote systems change from the bottom up while also using other convening powers and standing as independent funder to amplify the needs of very young children in Scotland.



FOCUS ON STRONG RELATIONSHIPS

Strengthen our existing relationships – with grantees, other funders and wider early years stakeholders – through our way of working and our funding to the sector.



BECOME THE BEST GRANT MAKER WE CAN BE

Follow the insights from the Independent Care Review and grantee feedback to review how we fund and improve internal structures and processes accordingly.

Our Finance Review

Over the year ended 31 December 2020, the value of the investments, after allowing for the various changes, increased by £1,495,054 (2019: increased by £3,731,467). £1,116,891 (2019: £556,543) was awarded in grants. The total awarded grants figure of £1,116,891 includes Cattanach core and strategic grants of £591,807, grants in relation to the COVID-19 response to the value of £495,084, and grants made on behalf of others totalling £30,000. A number of grants have been awarded over more than one year, details of which can be found in note 8. The net income for the year was £1,600,208 (2010: net income of £3,696,265).

Our Investment Policy

The Investment Committee led the relationship with our portfolio managers Sarasin & Partners LLP. At meetings, discussions included reviewing the benchmark, asset allocation, ethical policy and investment performance. The Committee explored, in particular, what our values mean for our investment policy, and have been developing an Investment Policy Statement, following OSCR guidelines and recommendations, over the course of 2020.

The Investment Committee was chaired by Alastair Wilson, with Mafe Marwick and Andrew Millington making up the Committee's membership. Jennifer Corrigan was recruited with a particular wealth management expertise in December 2020 and will join the Committee in 2021.

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. Trustees have decided that to maximise the investment return and to grow the natural level of investment income, the portfolio be invested fully in global equities.

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. Trustees continued to place a focus on prevention over intervention and their use of the endowment reflected this philosophy and the inter-generational distribution of the fund. In the light of very good capital growth since the Trust's foundation, the decision was made to use around to 2% of capital every year to augment the Trust's operations, in particular around Funder Plus work and strategic grant making. This follows the belief that the right investments in Early Years prevention work *now* will reduce the need for intervention-based spending in the future. The willingness to use capital has been further expanded by the effects of the COVID-19 pandemic, which we are likely to be experiencing for years to come.

The portfolio returned 13.9% versus the global equity benchmark index of 12.7%. The Trust's accounts have been prepared covering the calendar year 2020. Over this period under review, the fund increased in value from £21,935,532 to £23,430,586 (2019: increase from £18,204,065 to £21,935,532). The Trust's investments generated an income of £386,211 (2019: £440,139), or a yield of 1.7% (2019: 2%). Investment management fees were £131,337 (2019: £128,434).

Risk Management

The Trust maintains a live risk register that is updated by the Chief Executive at least quarterly and discussed by Trustees at every Board meeting. Key risks for the Trust are categorised as follows:

- Risks to capital and income
- Governance and Trustees' responsibilities
- Legal risk
- Reputational risk
- Operational Risk

Trustees' annual report and strategic retrospective (continued)

In order to manage these risks, we maintain two separate 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 and Audit, Grants, and Investment Committee prior to Board meetings
 - ii) Verification of grantee accounts information via recent bank statement and OSCR register before bank transfers are actioned
 - iii) Regular review of fund manager performance
 - iv) Thorough review of investment policy scheduled

2. Governance and Trustee Responsibility
 - i) A register of Trustees' interests is maintained and reviewed at least annually 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 as part of their Trustee Appointment Letters
 - iv) Trust values have been created
 - v) Terms of Reference and Schedule of Internal Delegation for the Board were signed off in Q2 of 2020

3. Strategy and Monitoring
 - i) Host a Strategic meeting of the Board every year to form a longer-term strategy and review and revise related objectives
 - ii) Chief Executive has created an Action Tracker
 - iii) Chair to oversee the monitoring of agreed actions

4. Operations
 - i) Chair undertakes six-monthly appraisals with the Chief Executive, records of which are circulated to all Trustees
 - ii) Chief Executive undertakes six-monthly appraisals with all staff
 - iii) Trustees update their sector knowledge through regular presentations and information updates by the Chief Executive
 - iv) IT records are backed up and paper records minimised
 - v) A new bespoke grant management system was launched from Q3 2020
 - vi) Health and Safety policies and method statements are reviewed annually
 - vii) An annual budget is set and approved by the Board at the latest by Q4 of the preceding year; expenditure is monitored quarterly through the Finance and Audit Committee and the full Board through the Management Accounts
 - viii) Dual sign off on all transactions; for all grants and transactions over £10,000 dual sign off by two Trustees
 - ix) Separate expense account with oversight by Chair and accountants

Trustees' annual report and strategic retrospective (continued)

Our Reserves Policy

The total reserves at 31 December 2020 are £23,469,446 (2019: £21,869,238) of which £23,284,446 (2019: £21,829,698) are endowed reserves, £nil (2019: £nil) are designated reserves, £185,000 (2019: £nil) are restricted reserves and £nil are unrestricted reserves (2019: £39,540 surplus). The deficit for the year on unrestricted reserves was £39,540 (2019: £44,472 deficit).

While we continue to support the remaining instalments of multi-year Dads Fund awards we have not assigned further monies to a designated fund; instead, work focusing on fathers and male carers has become a subcategory of our Main Grants programme and budget (Fathers Work, see note 8).

In March and April 2020, Trustees took the decision to raise a total of £900,000 from the endowed funds. This was, in part, to meet the capital component of the 2020 budget, but also to insulate Cattanach from any potential fluctuations in the capital value of our portfolio caused by the COVID-19 pandemic. The portfolio benefitted from its global investment perspective, in particular by being invested in some of the companies that benefitted from the rapid changes in economic activity as the pandemic advanced; as a result, we were able to allocate the funds to additional grants (reactive and strategic) in the second half of the year.


Our Approval of this 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.

Our Auditor

We originally appointed Chiene + Tait LLP as auditor 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 20 May 2021 and are signed on behalf of the Trustees by:



Alastair Wilson
Trustee

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 Cattnach

Opinion

We have audited the financial statements of Cattnach for the year ended 31 December 2020 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 2020, 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

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

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

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

Other information

The 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 Cattanach (continued)

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. This included but was not limited to the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the Trustees;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Independent auditor's report to the Trustees Cattanach (continued)

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

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

14 June 2021

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 2020

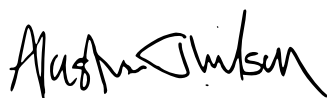
	Note	Unrestricted Fund £	Restricted Fund £	Endowment Fund £	Total 2020 £	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Endowment Fund £	Total 2019 £
Income										
Donations		863	-	-	863	-	-	-	-	-
Grants		-	228,783	-	228,783	-	-	77,000	-	77,000
Income from investments	3	386,211	-	-	386,211	440,139	-	-	-	440,139
Total income and endowments		387,074	228,783	-	615,857	440,139	-	77,000	-	517,139
Expenditure										
Expenditure on raising funds	4	-	-	(131,337)	(131,337)	-	-	-	(128,434)	(128,434)
Expenditure on charitable activities	5	(1,389,382)	(30,000)	-	(1,419,382)	(647,240)	(114,371)	-	-	(761,611)
Total expenditure		(1,389,382)	(30,000)	(131,337)	(1,550,719)	(647,240)	(114,371)	-	(128,434)	(890,045)
Net (expenditure)/income before gains and losses on investments		(1,002,308)	198,783	(131,337)	(934,862)	(207,101)	(114,371)	77,000	(128,434)	(372,906)
Net gains on investments		-	-	2,535,070	2,535,070	-	-	-	4,069,171	4,069,171
Net (expenditure)/income		(1,002,308)	198,783	2,403,733	1,600,208	(207,101)	(114,371)	77,000	3,940,737	3,696,265
Transfer between funds		962,768	(13,783)	(948,985)	-	162,629	114,371	(77,000)	(200,000)	-
Net movement in funds		(39,540)	185,000	1,454,748	1,600,208	(44,472)	-	-	3,740,737	3,696,265
Total funds held at 1 January 2020	13,14	39,540	-	21,829,698	21,869,238	84,012	-	-	18,088,961	18,172,973
Total funds held at 31 December 2020		-	185,000	23,284,446	23,469,446	39,540	-	-	21,829,698	21,869,238

All activities relate to continuing operations.

Balance sheet
at 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	9		23,430,586		21,935,532
Current assets					
Debtors	10	4,647		2,428	
Cash at bank		895,049		375,193	
		<hr/>		<hr/>	
			899,696	377,621	
Current liabilities					
Creditors	11	(612,905)		(355,386)	
		<hr/>		<hr/>	
Net current assets			286,791		22,235
			<hr/>		<hr/>
Total assets less current liabilities			23,717,377		21,957,767
Creditors: Amounts falling due after more than one year					
	11		(247,931)		(88,529)
			<hr/>		<hr/>
			23,469,446		21,869,238
			<hr/>		<hr/>
Funds					
Unrestricted funds	13		-		39,540
Restricted funds	13		185,000		-
Endowment funds	13		23,284,446		21,829,698
			<hr/>		<hr/>
			23,469,446		21,869,238
			<hr/>		<hr/>

These financial statements were approved and authorised for issue on 20th May 2021 and are signed on behalf of the Trustees by:



Alastair Wilson
Trustee

Statement of cash flows
for the year ended 31 December 2020

	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities				
Net income		1,600,208		3,696,265
Net gains on investments		(2,535,070)		(4,069,171)
Income from equalisations, redemptions, capital distributions or accrued dividends		4,523		10,920
Income from investments		(386,211)		(440,139)
(Increase)/decrease in debtors		(2,219)		2,562
Increase/(decrease) in creditors < 1 year		257,519		(51,873)
Increase/(decrease) in creditors > 1 year		159,402		(9,711)
		<hr/>		<hr/>
Cash used in operating activities		(901,848)		(861,147)
Cash flows from investing activities				
Investment income	386,211		440,139	
Payments to acquire investments	(8,248,679)		(4,458,429)	
Receipts from sale of investments	9,249,866		4,761,631	
Movement in cash held in investment portfolio	34,306		23,582	
		<hr/>		<hr/>
Cash provided by investing activities		1,421,704		766,923
		<hr/>		<hr/>
Increase/(decrease) in cash and cash equivalents in the year		519,856		(94,224)
Cash and cash equivalents at the beginning of the year		375,193		469,417
		<hr/>		<hr/>
Total cash and cash equivalents at the end of the year		895,049		375,193
		<hr/> <hr/>		<hr/> <hr/>
Cash and cash equivalents comprise:				
Cash at bank		895,049		375,193
		<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" (October 2019) 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 including the effects of COVID-19 pandemic 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 Charity 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 Charity 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 Charity that would permit the Charity 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 Charity.
- (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 Charity 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 Charity has no complex financial instruments. The main form of financial risk faced by the Charity 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 Charity.

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

Restricted Funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes or for specifically funded projects.

Endowment fund – the endowment fund is made up of the original endowment of the Charity 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 £461 (2019: £1,604) were reimbursed to 2 Trustees (2019: 5 Trustees) during the year.

3 Income from investments

	2020	2019
	£	£
Investment income	384,419	438,236
Bank interest	1,792	1,903
	386,211	440,139

4 Expenditure on raising funds

	2020	2019
	£	£
Investment manager's fees and charges	131,337	128,434

Notes to the financial statements (continued)

5 Expenditure on charitable activities

	Grants awarded (note 8) £	Support and governance costs (note 6) £	Total 2020 £	Unrestricted 2019 £
Charitable activities	1,116,891	302,491	1,419,382	761,611

Grants were split £1,086,891 from unrestricted funds, £30,000 from restricted funds and £nil from designated funds (2019: £452,153 unrestricted, £nil restricted and £104,390 designated).

6 Support costs and governance costs

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Support costs				
Staff salaries (note 7)	130,171	-	130,171	56,249
Staff training and expenses	3,520	-	3,520	3,227
Accommodation costs	6,306	-	6,306	2,449
Administrative support	2,925	-	2,925	35,288
Legal and professional fees	16,830	-	16,830	17,550
Project costs	40,219	-	40,219	9,981
Accountancy fees	17,852	-	17,852	15,541
Subscriptions and conferences	5,174	-	5,174	638
Website/computer costs	42,524	-	42,524	37,981
Insurance	2,848	-	2,848	752
Bank and service charges	553	-	553	82
General expenses	1,386	-	1,386	800
Advertising and marketing	23,888	-	23,888	585
Travel and subsistence	1,383	-	1,383	-
Postage, freight and courier	885	-	885	-
	<u>296,464</u>	<u>-</u>	<u>296,464</u>	<u>181,123</u>
Governance costs				
Audit fee	4,068	-	4,068	3,240
Trustees' expenses	461	-	461	1,604
Recruitment costs	1,110	-	1,110	12,960
Meeting expenses	388	-	388	2,320
Trustees' strategic away day/conferences	-	-	-	3,821
	<u>6,027</u>	<u>-</u>	<u>6,027</u>	<u>23,945</u>
	<u><u>302,491</u></u>	<u><u>-</u></u>	<u><u>302,491</u></u>	<u><u>205,068</u></u>

Support costs were split £195,087 unrestricted, £9,981 designated in 2019.

Notes to the financial statements (continued)

7 Staff costs and numbers

	2020	2019
	£	£
Wages and salaries	115,595	50,338
Employers' national insurance	7,919	2,657
Pension costs	6,657	3,254
	130,171	56,249
Remuneration and benefits of key management personnel	74,318	42,496

The emoluments of one member of staff, including benefits in kind, are within the range of £60,000 to £69,999 (2019: none), not including retirement benefits which are accruing under a defined benefit scheme.

The average number of employees in the year was 5 (2019: 2).

		2020	2019
8	Grants awarded	£	£
	Project type		
	<u>Core grants</u>		
	Starcatchers – 3 year award	24,000	-
	Cottage Family Centre – 3 year award	36,000	-
	Barnardo's	45,000	-
	Sobora Young Families	9,768	-
	Mind Mosaic Child and Family Therapy – 3 year award	54,000	-
	Children 1st	15,000	-
	NSPCC – 3 year award	53,000	-
	Children's Hospices Across Scotland (CHAS) – 3 year award	82,229	-
	Amma Birth Companions – 3 year award	60,000	-
	Scottish Adoption – 3 year award	30,000	-
	Survivors of Human Trafficking in Scotland (SOHTIS) – 3 year award	55,810	-
	3D Drumchapel	75,000	-
	Isle of Jura Development Trust	-	1,800
	Home-Start Clackmannanshire	-	5,903
	Home-Start Wigtownshire ¹	2,254	4,508
	Boomerang Community Centre – 2 year award ²	-	(8,170)
	Citadel Youth Centre – 2 year award	-	30,658
	Dad's Rock – 2 year award	-	30,000
	Dean and Cauvin Trust – 3 year award	-	50,207
	Home Link Family Support – 2 year award	-	34,996
	North Edinburgh Arts	-	15,000
	The Broomhouse Centre	-	9,217
	Glasgow Children's Hospital Charity	-	16,960
	Govan HELP	-	29,617
	Home-Start Glasgow South – 3 year award	-	22,500
	Merry-Go Round Glasgow [1]	-	4,000
	Saheliya – 3 year award	-	55,983
	Toybox Lee Avenue – 3 year award	-	44,739
	Village Storytelling Centre – 3 year award ³	5,000	30,000
	Hilton Family Support	-	8,500
	Getting Better Together Ltd [1] – 2 year award	-	7,500

¹ additional grant awarded

² award was terminated

³ additional grant awarded

Notes to the financial statements (continued)

8 Grants awarded (continued)

	Project type	2020	2019
		£	£
Enterprise Childcare – 2 year award ⁴	Parent and Child Support	-	(13,768)
Home-Start Renfrewshire & Inverclyde	Dads Fund	-	10,417
Agape Wellbeing	Parent Support	-	19,632
Healthy Valleys	Toddler Group	8,000	16,091
Project 31 – 3 year award	Toddler Group	-	29,700
Rock community Church – 2 year award	Child support	-	34,137
Family and Community Development West Lothian – 3 year award ⁵	Dads Fund	(23,254)	34,905
Home-Start West Lothian	Parent Support	-	3,945
Parent Infant Foundation	Child Support	-	27,566
		<hr/>	<hr/>
<i>Total Core grants</i>		531,807	556,543
		<hr/>	<hr/>
<u><i>Strategic grants</i></u>			
Children in Scotland		10,000	-
Parent Infant Foundation		50,000	-
		<hr/>	<hr/>
<i>Total Strategic grants</i>		60,000	-
		<hr/>	<hr/>
<u><i>Community Wellbeing Fund grants</i></u>			
Getting Better Together Ltd.		2,000	-
Dean and Cauvin Trust		2,000	-
South Glasgow Childcare Partnership		2,000	-
Family Mediation Central Scotland		2,000	-
Scottish Adoption		2,000	-
Merry Go Round Glasgow		2,000	-
Saheliya		2,000	-
CrossReach		2,000	-
confab		2,000	-
Kyle of Sutherland Hub		2,000	-
Govan H		2,000	-
Boomerang Community Centre		2,000	-
Dundee United Community Trust		2,000	-
The Village Storytelling Centre		2,000	-
One Parent Families Scotland		2,000	-
		<hr/>	<hr/>
<i>Total Community Wellbeing Fund grants</i>		30,000	-
		<hr/>	<hr/>
<u><i>COVID grants</i></u>			
Aberlour – 3 year award		75,000	-
Granttown on Spey YMCA		2,780	-
Stepping Stones Edinburgh North – 3 year award		76,500	-
CrossReach		17,271	-
Craigmillar Literacy Trust – 3 year award		30,000	-
Reidvale – 2 year award		6,606	-
Circle – 3 year award		36,000	-
Community of Practice Collaboration Infant Mental Health – Strategic Grant		10,000	-
Wellbeing Economy Alliance – Strategic Grant		70,000	-
The Promise – Strategic Grant		100,000	-
		<hr/>	<hr/>
<i>Total COVID grants</i>		424,157	-
		<hr/>	<hr/>

⁴ award was terminated

⁵ award was terminated (2 instalments)

Notes to the financial statements (continued)

8 Grants awarded (continued)

	2020 £	2019 £
<i>COVID micro-grants</i>		
Family Mediation Scotland	1,000	-
Craigmillar Literacy Trust	500	-
Starcatchers	2,000	-
3D Drumchapel	3,000	-
PEEK	500	-
Children 1st	2,500	-
Home-Start Glasgow North & North Lanarkshire	500	-
Home-Start West Lothian	2,500	-
Healthy Valleys	2,100	-
The Broomhouse Centre	3,400	-
Kyle of Sutherland Hub	2,000	-
	20,000	-
<i>Bridging grants</i>		
Craigmillar Literacy Trust – Books for Babies	2,936	-
Fife Gingerbread	7,436	-
Home-Start Wigtownshire	2,254	-
The Space and Broomhouse Centre	4,608	-
Church of Scotland	3,693	-
	20,927	-
<i>Other grants</i>		
Youth Scotland	5,000	-
Life Changes Trust	10,000	-
Parent Infant Foundation	15,000	-
	30,000	-
Total grants programme	1,116,891	556,543

9 Investments

	Investments £	Cash held for reinvestment £	Total £
Market value at 1 January 2020	21,663,449	272,083	21,935,532
Purchases at cost	8,248,679	(8,248,679)	-
Disposal proceeds	(9,249,866)	9,249,866	-
Dividends and interest accrued movement	-	390,151	390,151
Dividends and interest remitted	-	(395,181)	(395,181)
Investment management fees	-	(130,663)	(130,663)
Accrued dividends	(4,523)	-	(4,523)
Other movements	-	(899,800)	(899,800)
Realised gain on disposal	234,428	-	234,428
Unrealised gain on revaluation	2,300,642	-	2,300,642
	23,192,809	237,777	23,430,586
	23,192,809	237,777	23,430,586
Historical cost at 31 December 2020			17,749,334

Notes to the financial statements (continued)

9 Investments (continued)

	2020	2019
Investments at fair value comprise:	%	%
Equities	99.0	98.8
Cash held within the investment portfolio	1.0	1.2
	<hr/>	<hr/>
	100	100
	<hr/> <hr/>	<hr/> <hr/>

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 Charity, the investment portfolio is key to the ongoing financial sustainability of the Charity 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 Charity from financial instruments lies in the combination of uncertain investment markets and volatility to yield. The Charity 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 Charity 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.

10 Debtors

	2020	2019
	£	£
Prepayments	3,795	2,428
Other debtors	852	-
	<hr/>	<hr/>
	4,647	2,428
	<hr/> <hr/>	<hr/> <hr/>

11 Creditors

	2020	2019
	£	£
<i>Amounts due within one year</i>		
Grants payable	559,696	292,976
Accruals	44,024	49,897
Other creditors	9,185	12,513
	<hr/>	<hr/>
	612,905	355,386
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements (continued)

11 Creditors (continued)

	2020	2019
	£	£
<i>Amounts due after more than one year</i>		
Grants payable	247,931	88,529
	<u> </u>	<u> </u>
<i>Analysis of movement in grant commitments</i>		
Grant commitments at the start of the year	381,505	462,801
Grants awarded in the year	1,056,891	556,543
Grants paid	(630,769)	(637,839)
	<u> </u>	<u> </u>
Grant commitments at the end of the year	807,627	381,505
	<u> </u>	<u> </u>

12 Financial instruments

	2020	2019
	£	£
<i>Carrying amount of financial assets</i>		
Financial assets measured at fair value	23,430,586	21,935,532
	<u> </u>	<u> </u>

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

13 Funds

	Balance at 1 January 2020	Income	Expenditure	Gains	Transfers	Balance at 31 December 2020
2020	£	£	£	£	£	£
Unrestricted	39,540	387,074	(1,389,382)	-	962,768	-
<i>Restricted:</i>						
William Grant Foundation - Trailblazer Project	-	48,783	-	-	(13,783)	35,000
Scottish Government Community Wellbeing Fund	-	30,000	(30,000)	-	-	-
Charles Gordon Foundation	-	150,000	-	-	-	150,000
Endowment	21,829,698	-	(131,337)	2,535,070	(948,985)	23,284,446
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	21,869,238	615,857	(1,550,719)	2,535,070	-	23,469,446
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes to the financial statements (continued)

13 Funds (continued)

William Grant Foundation Co-Funding of Parent Infant Foundation Trailblazer Project. This is made up of two grants for Phase I and Phase II of this project. Phase I was a 50% contribution from WGF and Phase II was jointly funded by Cattanach, the WGF and the CGF all towards a jointly funded project on infant mental health. The transfer from this fund to unrestricted covers the grant that was paid out during the 2019 financial year but was recouped from WGF in the current year.

Scottish Government Community Wellbeing Fund via the Corra Foundation: We were delighted to support the Scottish Government Community Wellbeing Fund by identifying 15 organisations from amongst our existing grantees, who were each awarded £2,000 towards their community COVID-19 response.

Charles Gordon Foundation via PRISM Charitable Trust: This is a pilot collaboration which will see Cattanach distribute small grants to organisations in Scotland that support children from 0-2 and their families on behalf of the Charles Gordon Foundation.

	Balance at 1 January 2019	Income	Expenditure	Gains	Transfers	Balance at 31 December 2019
	£	£	£	£	£	£
2019						
Unrestricted	84,012	440,139	(647,240)	-	162,629	39,540
Designated	-	-	(114,371)	-	114,371	-
Restricted	-	77,000	-	-	(77,000)	-
Endowment	18,088,961	-	(128,434)	4,069,171	(200,000)	21,829,698
	<u>18,172,973</u>	<u>517,139</u>	<u>(890,045)</u>	<u>4,069,171</u>	<u>-</u>	<u>21,869,238</u>

14 Analysis of net assets by fund

2020	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Endowment Fund £	Total £
Investments	146,140	-	-	23,284,446	23,430,586
Current assets	714,696	-	185,000	-	899,696
Current liabilities	(612,905)	-	-	-	(612,905)
Creditors falling due > one year	(247,931)	-	-	-	(247,931)
	<u>-</u>	<u>-</u>	<u>185,000</u>	<u>23,284,446</u>	<u>23,469,446</u>
2019	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Endowment Fund £	Total £
Investments	105,834	-	-	21,829,698	21,935,532
Current assets	279,865	83,765	13,991	-	377,621
Current liabilities	(290,862)	(50,533)	(13,991)	-	(355,386)
Creditors falling due > one year	(55,297)	(33,232)	-	-	(88,529)
	<u>39,540</u>	<u>-</u>	<u>-</u>	<u>21,829,698</u>	<u>21,869,238</u>

Notes to the financial statements (continued)

15 Analysis of changes in net cash during the year

	As at 1 January 2020 £	Cashflows £	As at 31 December 2020 £
Cash at bank and in hand	375,193	519,856	895,049
	<u> </u>	<u> </u>	<u> </u>

16 Financial commitments

There are no financial commitments which have been entered into during the year (2019: none).

17 Related party transactions

There were no related party transactions during the year (2019: none)

18 Ultimate controlling party

The Scottish Charitable Incorporated Organisation is constituted by Trust Deed and is controlled by its appointed Trustees.