ANNUAL REPORT & FINANCIAL STATEMENTS
31 December 2019

Corra Foundation
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(The) Corra Foundation is a charity registered in Scotland (No SC009481) and is also a company limited by guarantee (No SC096068). Fortify Social Enterprise CIC is a community interest company registered in Scotland and is also a company limited by guarantee (No SC507457).

(The) Corra Foundation SC096068
Year ended 31 December 2019

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CHAIR'S REPORT

It gives me great pleasure to introduce Corra's annual review for 2019.

The past year was another where Corra has had the privilege of witnessing the amazing response of charities and communities in times of uncertainty, challenge and change. Nowhere was this more evident than at our Parliamentary Reception in September, which reflected the work of Corra's People in Place team in 2019 alongside nine communities. At the reception, people from across these communities joined guests to share inspiring stories about what they are doing locally to enable residents to come together and create the change that matters to them.

Through Corra's Henry Duncan Grants we continue to see the crucial role that grassroots groups play in supporting people's mental health and wellbeing, social connections and ability to participate in all aspects of life. In this context, the team was delighted to be invited to deliver the #ShiftThePower Scotland Comic Relief Programme, which supports small organisations with passionate people to make meaningful change in their communities.

#ShiftThePower reflects a growing emphasis on the need to listen to, and support, people with lived experience. This principle has continued to develop as a central pillar of Corra's approach and last year saw the launch of the Listening Fund, delivered in partnership with The National Lottery Community Fund, Comic Relief, The Gannochy Trust, and William Grant Foundation. The Fund will invest in charities' capacity to listen to children and young people so that they can enjoy their right to be heard, listened to and involved in decisions that affect their lives.

Lived experience was also a strong theme of last year's Change Convention. The event sought to create conversations between people affected by a range of issues and those who hold power to make systemic change. Corra has continued to build on its commitment to children and young people's voice and participation. The *Everyone Has a Story* exhibition in the Spring brought together artwork created by children and young people to powerfully tell their stories of the impact of drugs and alcohol on their lives. Corra is also enormously grateful to the children and young people who have shared their expertise over the past year as part of the decision-making processes within PDI and the Listening Fund.

Corra strives to be a reflective organisation, a particularly important aspiration as we approached the conclusion of our most recent strategy which ran from January 2017 to December 2019. The past year was a thoughtful one for staff and Trustees as we worked together to develop Corra's strategy, not least in the context of a decision for this to run not merely for the next three years in line with recent precedent, but as announced at the beginning of 2020 for the next ten years, reflecting the scale of our ambition. We are extremely grateful to everyone who helped to inform this work, whether through one-to-one conversations or responding to surveys, interviews and focus groups.

Perhaps the most important reflection has been in relation to the pivotal role of collaboration. Experience has shown us again and again that partnership is the most powerful way to maximise impact and learning. On behalf of Corra, I would like to thank all those with whom we have worked over the past year, including the many organisations we fund as well as those we fund on behalf of others, such as the Scottish Government. All of our partners are mentioned throughout this report and it has been a privilege to work with each of you.

CHAIR'S REPORT (cont.)

I would like to conclude by extending a sincere thanks to my fellow Trustees who have given up their own time to contribute to Corra and whose wisdom has been invaluable in developing the new strategy. Particular thanks to Charles Abram who retired as a Trustee in July after six years with Corra. I know that they in turn would want to join me in also thanking the staff team for their hard work, dedication and skill, and to Fiona and Carolyn for their excellent leadership. On a personal note, I would like to acknowledge what an absolute privilege it has been to serve as a Trustee since 2013, and as Chair for the past two years. As my term comes to an end in 2020, I look back on a period during which the organisation introduced and then developed further a new strategy, rebranded to become Corra, and is now embarking on its next decade.

At the time of writing we are of course facing incredibly challenging times. The coronavirus pandemic has impacted enormously on people, communities and charities throughout Scotland and will do so for some time to come. The role of civil society is more crucial than ever in providing practical and emotional support and tackling the risk of isolation during this time. Our Community Co-ordinators are finding new, safe ways to support people, help them to stay connected and bolster their responses to the pandemic. Since the start of the crisis Corra has worked closely with Scottish Government, SCVO and others to help mobilise funding quickly to people, communities and charities. This partnership work to distribute emergency funding has resulted in significantly increased levels of activity since March 2020, the financial impact of which will be assessed in coming months.

When Corra launched its new ten year strategy in March 2020, we said it was a response to the world we live in, and to the one we want to play a part in building. At the strategy's heart is the belief that when people find their voice, they unlock the power to make change happen. Making sure that people who have historically been marginalised are heard and have power to shape change will be crucial to efforts to 'build back better' after the current crisis. There will be brighter days ahead, and when they come we will all need to work together to make sure the good things that have come from these difficult times are sustained, that deep lasting changes are made and that we are even more focused than ever on creating a fair, inclusive and thriving society.

TREVOR CIVVAL
Chair

11 June 2020

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT

The Trustees, who are also directors for the purposes of company law, are pleased to present their Annual Report together with the consolidated financial statements of The Corra Foundation group (Corra) for the year ended 31 December 2019, which are prepared to meet the requirements for Companies Act purposes.

The financial statements comply with:

- the Charities and Trustee Investment (Scotland) Act 2005.
- the Charities Accounts (Scotland) Regulations 2006 (as amended).
- the Companies Act 2006.
- The Corra's Articles of Association.
- Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities. (FRS 102) (Effective 1 January 2019)

The financial statements are in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The requirement for consolidated accounts remains due to ongoing trading undertaken by Corra's subsidiary company, Fortify Social Enterprise CIC. The subsidiary was established as a community interest company, limited by guarantee, on 3 June 2015 to undertake commercial trading activities as part of Corra's strategy. All profits generated by the subsidiary are asset locked for social good that will further the charitable objectives of Corra. The Trustees have now decided to cease operations under the CIC from 31 December 2019 and all contracts and clients under the CIC have been notified.

STRATEGIC REPORT

Corra's mission is to make a difference to people and communities by encouraging positive change, opportunities, fairness and growth of aspirations, which improve quality of life. 2019 was the final year of delivery under a strategic plan (2017 – 2019) which aimed to deliver Corra's mission through four objectives:

- Be the best grant maker we can be – grant making is at the heart of what we do, and we want to do it as well as possible with an open and accessible approach.
- Get alongside communities – we are working differently, including with communities we do not historically reach and others with a big appetite for change.
- Share expertise – we will use our 30+ years' experience in grant making to support others.
- Partnership – we want to make a difference to people by working together with others.

During 2019 a new strategy was developed, taking into consideration the effectiveness and impact of past work, current and ongoing contracts and partnerships, financial investments and the wider context. The new strategy was approved by Trustees in December 2019 and launched in March 2020.

1. Delivery in 2019

In 2019 Corra continued to give grants to charities across Scotland and to work alongside communities, supporting vital work and helping people create positive change.

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)

Highlights in 2019 included:

- Distributing £20.4m to charities and groups across Scotland and internationally.
- Making 392 new grants to charities and groups.
- Contributing £30k to community led ideas through the People in Place programme.
- Collaborating with 13 fellow funders in offering support for charities, people and communities.
- Hosted the second Change Convention, focussing on people with lived experience challenging people who hold power.

1.1 Be the best grant-maker we can be

- Delivered 12 different funding programmes.
- Made 229 grants totalling £981k through Henry Duncan Grants.
- Funded £2.3m helping support people affected by drugs or alcohol.

Corra conducted a customer satisfaction survey to ask applicants their views of grant-making processes and where improvements could be made. The feedback was very positive and 96% of respondents felt Corra's application material was easy to understand. The findings also highlighted some areas for improvement and Corra has responded by:

- Revising the online application forms making them easier to complete.
- Providing dedicated technical support running up to and on application closing dates.

1.2 Getting alongside communities

- Getting alongside communities was supported by Corra, Esmée Fairbairn Foundation, Lankelly Chase, Joseph Rowntree Foundation and Tudor Trust.
- 65 people engaged per month on average in local community-led activities, supported by the People in Place team.
- 2,078 hours of support was provided by local people in their communities.
- A proposition was developed with Participatory City for Participatory Scotland, a model working alongside communities, public bodies and business to achieve a shared positive vision for a town or city.

In Fernhill community members are leading the way with a participatory budget programme 'Community Kitty'. Local people have been at the heart of the design, development and decision-making process. Over 300 local people cast their vote on what should be funded with £10,000 distributed across 10 different projects delivering in the area, nine of which were fully funded. Corra contributed £5,000 of the funds available with South Lanarkshire Council contributing the other 50%.

"It was positive to see how many people were engaged. I would love to see this run next year – I think it could go much further..."
Jayde Morton, Chairperson Fernhill Community Kitty

1.3 Share expertise

- Expanded the Housing First Fund with a commitment of £4m from the Scottish Government.

- Assisted with a review of the Humanitarian Emergency Fund on behalf of the Scottish Government International Development Team.
- Successfully secured the tender to deliver Scottish Government Families and Communities Fund.
- Continued delivery of the Scottish Government's International Small Grants programme and the Climate Justice Innovation Fund distributing £1.02m during the year.

In 2019 Corra continued to offer grant-making support services to independent trusts, foundations and other organisations. This has included providing grant management support to the Cattanach Trust during the transition of a new Chief Executive being appointed.

In 2019 Corra began work as Comic Relief's intermediary partner in Scotland. This involved the launch of #ShiftthePower, a Comic Relief programme which will distribute money to grassroots charities and community groups across the country with the aim of helping people across the following four themes: children survive and thrive; mental health matters; a safe place to be; and fighting for gender justice. As well as making grants and supporting groups, being an intermediary partner means working with Comic Relief and others across the UK to understand and learn about relational approaches to grant-making.

1.4 Partnership

The experience of working in partnership has continued to demonstrate how collaborative approaches can have greater impact for people and communities. Last year Corra worked with 34 partners including fellow funders, local authorities, third sector organisations and researchers on shared areas of interest offering greater influence and wider learning.

- Along with the Scottish Funders Forum invited the Institute of Voluntary Action Research (IVAR) to 'The Gathering' as a way of discussing the changing role and relationship funders have with applicants and grant recipients.
- One of the co-convening funders exploring feasibility and interest in an inquiry into civil society in Scotland.
- Worked with the Tudor Trust to pilot a streamlined application process for organisations, testing ways of reducing the burden of form-filling and reporting.

During the year Corra has worked alongside Comic Relief, The National Lottery Community Fund, The Gannochy Trust and William Grant to deliver the Listening Fund. The Listening Fund supports 12 charities who shared £169k to help build the capacity of their organisations to listen, reflect and act on the views of children and young people.

2. The difference being made

Communities and charities supported by Corra made a difference in peoples' lives in a wide range of ways, including:

- 70% of charities funded through Henry Duncan Grants helped improve health and wellbeing.
- 78% of ideas developed by communities aimed to reduce isolation and inequalities by connecting people who had experience of poverty (in and out of work).
- 5,273 children, young people and families were helped by PDI funded charities.

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)

2019 saw a further increased ambition to support people with first-hand experience to be at the heart of Corra's work. In grant-making this included:

- People with experience of alcohol and drug services making funding recommendations for the Scottish Government's Challenge Fund.
- Expanding the Partnership Drugs Initiative (PDI) young people's advisory panel, which offers feedback to charities on their applications to the programme.
- Involvement of young people in the design and development of application materials for the Listening Fund. This panel of young people also helped make the funding decisions.

The importance of community members being able to share their experiences and views is at the heart of Corra's place-based work, delivered by the People in Place team. Community members have led and shaped a wealth of local activity, as well as sharing their experiences in written blogs and through speaking at national and local events.

In 2019 Corra sought to create spaces for people whose voices are seldom heard to share their views and experiences. These were designed to enable people to share their stories, whilst encouraging others to listen and respond.

- The *Everyone Has a Story* exhibition displayed artwork and experiences of children and young people who are impacted by alcohol and/or other drugs.
- At the Change Convention, for people who have faced domestic violence, seeking asylum, and poverty challenged leaders.

Ruth Ibegbuna from The Reclaim Project, speaking for the first time in Scotland, was inspirational in challenging the inequality in leadership.

"I think it is the kind of event I will continue to think back to. We all need to continue to have conversations about changing life in Scotland for the better." Change Convention participant

Across its work Corra has continued to see the importance of small grants and the significant positive impact these have for people. For example, Corra delivered the Scottish Government Families in Recovery Initiative Fund alongside Scottish Families Affected by Drugs and Alcohol. Insights from the groups receiving a grant highlighted how a small amount of money can make a substantial difference to reducing isolation and improving health and wellbeing.

"The café provides a safe and welcoming, family friendly space for anyone in the community and promotes health and wellbeing... People in recovery from alcohol and drugs have the opportunity to volunteer within the café and there is a large number of volunteers already filling the various roles available. People who visit the café tell us it has helped them with their mental health, to meet new people and it gets them out the house." Community Wellbeing Café in Forfar
Families in Recovery Initiative Fund grant of £1500

Capacity building support was given to 1,276 groups and organisations who had a relationship with Corra. These connections provided a range of opportunities for capacity building to support groups to progress their ambitions. 95% of people who reported on the capacity building received felt that it was beneficial.

The Children, Young People and Families Early Intervention (CYPFEIF) and ALEC Fund delivered four bespoke sessions during 2019, from fundraising to cyber resilience as well as the annual conference focused on aspiration, attainment and wellbeing. *Conference attendees said:*

"Networking and being able to discuss our ideas for new projects with other like-minded charities. I was buzzing when I left."

"This was the best of the conferences so far and shows that Corra listens to attendees and takes on improvements and suggestions..."

Another key way in which Corra contributed to change is through communicating learning, contributing to public policy discussion, and using collated evidence and observations to help shape policy and practice. In 2019 this included:

- Contributing to New Philanthropy Capital's guidance for funders looking to adopt a place-based approach.
- Presentations to national and international conferences on place-based approaches.
- Presenting at academic/practitioner conferences on PDI's research on the importance of relationship-based practice in bringing about positive outcomes for children and young people.
- 25 blogs, and significant social media activity offering comment and insight on a wide range of issues.

FINANCIAL REVIEW
The financial statements reflect the reporting requirements of Financial Reporting Standard 102 (FRS 102) and the Charities SORP (FRS 102) (Effective 1 January 2019).

In 2019, total charitable grant expenditure amounted total of £20.4m (2018: £19.48m). This included £0.92m for the Challenge Fund, £0.7m for the #ShiftthePower Comic Relief Fund, £1m (2018: £1.1m) for International Development Funds and £13.9m (2018: £14.9m) for the CYPFEIF & ALEC Fund.

Charitable activity also included grant payments of £1m (2018: £1m) for the Henry Duncan Grants, £1.3m (2018: £1.4m) for the Partnership Drugs Initiative and £1.3m (2018: £1.2m) for the Housing First Scotland Fund. A full breakdown of Corra's charitable expenditure is shown in Note 8.
Total support costs amount to £2.4m for the year (2018: £2.0m). At the end of the year, Corra's group funds, including Fortify Social Enterprise CIC, stood at £27.7m (2018: £24.1m) of which £24.5m was unrestricted (2018: £21.8m) and £3.2m restricted (2018: £2.3m).

Income
Total income for 2019 was £22.3m (2018: £26.6m). The decrease in income, compared to the 2018 financial year, is due to the receipt of non-recurring £6.6m covenant payment from Lloyds Banking Group in 2018. Since it was originally established in 1985 as the TSB Foundation for Scotland and subsequently as the Lloyds TSB Foundation for Scotland, Corra had received covenanted income from Lloyds Banking Group based on a percentage of its pre-tax profits. The Deed of Covenant terminated in February 2019 (one year after the final payment was paid in February 2018). This decrease in income was mitigated by an increase in grant income.

Corra's subsidiary, Fortify Social Enterprise CIC, generated an operating surplus of £69k and carried forward total reserves of £82k. This surplus is asset-locked for social good and is to be allocated to a qualifying project chosen by the Trustees of Fortify Social Enterprise CIC.

Corra received income from the following principal sources during the year:

- CYPFEIF & ALEC Fund - from the Scottish Government £13.9m (2018: £14.9m)
- PDI – from the Scottish Government £0.6m (2018: £0.6m).
- Maternal & Child Wellbeing - £0.42m. This is a new project for 2019 funded by the Scottish Government.
- #ShiftthePower – also a new project for 2019, funded by Comic Relief, £1m.
- Housing First – £2m new income from the Scottish Government for 2019, and £132k from Social Bite (2018: £1.35m)
- Challenge Fund – £1.3m from the Scottish Government (2018: £36k)
- International Development Grants - £1m from the Scottish Government (2018: £1.1m)

Balance Sheet
At the year-end Corra held Total Net Assets of £27.7m (2018: £24.1m), which includes investment funds of £24.9m (£22.8m) with CCLA Investment Management Limited (CCLA) and £82k (2018: £12k) of reserves held in Fortify Social Enterprise CIC.

Going Concern
The Trustees are satisfied that the organisation is able to operate for the foreseeable future on the basis of unrestricted reserves of investments and cash, as well as continuing success in managing various partner funded contracts. The going concern basis of accounting is therefore appropriate. The Trustees regularly reviewed Corra's cash flow forecasts during the year and the cash flow forecasts provided Trustees with the confidence to continue with grant-making activities.

Cash Flow
The cash flow increased by £1m mainly due to funding received for new projects and increased activity. The group cash at bank as at 31 December 2019 was £7.2m (2018: £6.2m), see Note 22.

Investment Policy & Performance
CCLA took up the role of Corra's Investment Managers on 1 February 2018.

During the year, Corra's investment portfolio including funds held in short term deposits yielded dividend returns and interest amounting to £854k. In November 2019, Corra realised a profit of £257k from the sale of 786,999 units from the portfolio. Overall, Corra's investment portfolio as at 31 December 2019 was £24.9m which is an increase in value of £2.1m compared with the value at 31 December 2018 of £22.8m.

The portfolio is maintained in accordance with the principles established by the Trustees, including the ethical investment policy, with a focus on longer term growth.

In March 2020, in the wake of the Coronavirus pandemic, Corra received a statutory notice from CCLA stating that the fund had fallen in value by about 10%. The value of the fund at 31 March 2020 was £21.9m. The value of the fund at 14 May 2020 was £23.7m.

Risk Policy
The Trustees have examined the major strategic and operational risks facing Corra and its subsidiary, Fortify Social Enterprise CIC, and confirm that systems have been established to produce regular reports so that any necessary steps can be taken to mitigate or find an appropriate response to these

risks. The Trustees consider both the likelihood and potential impact arising from risks to the Corra group and in 2019 gave special attention to key risks such as sustainability of funding into the future, governance, loss of leadership/key management personnel as well as reputational risk. All these risks are monitored, managed and regularly reviewed through the risk register.

In response to the global coronavirus COVID-19 pandemic, Corra updated its risk register and has produced a separate business continuity plan as an appendix to the risk register. A separate business continuity plan was also prepared in readiness for the UK's exit from the EU.

There are policies, procedures and contingencies in place to minimise and address all the risks identified. Staff members are made aware during induction and training, of the key risks already identified and are required to review these and other potential risks when undertaking new projects.

In relation to the key financial risks identified above, the Trustees are confident that Corra's financial security is sound for the foreseeable future due to a combination of the investment portfolio and Corra's record of successful tendering for contracts. Trustees continue to examine and appraise a range of options to ensure long term financial sustainability as part of Corra's new strategic plan, which was launched in March 2020.

Reserves Policy

The Reserves Policy is reviewed each year and the Trustees are satisfied that adequate reserves are in place. Total funds held at the year-end were £27.7m (2018: £24.1m). After taking into consideration the fund restrictions £3.2m (2018: £2.3m) and designations of £1.5m (2018: £1.9m) the Corra group holds £22.9m (2018: £19.9m) of unrestricted funds at the end of the 2019 financial year. (Statement of Financial Activities, Page 21).

Within the £22.9m funds held at year-end, the Trustees require Corra to have a cash-backed reserve of 6 months' running costs. This amounts to £1.2m in 2019 (2018: £0.95m).

The purpose of the trading subsidiary, Fortify Social Enterprise CIC, is to maximise donations for social good. Furthermore, the Fortify Social Enterprise CIC has no employees and all costs incurred are contingent on the level of activity in the CIC, therefore in the opinion of the Trustees minimal reserves are required. At the year end the CIC held funds of about £82k, this is asset-locked for social good and will be allocated to a qualifying project chosen by the Trustees of Fortify Social Enterprise CIC.

All movements on funds are shown on the Statement of Financial Activities on page 19. In 2019, the Trustees further designated a total of £1.9m (2018: £2m) from the general reserves, £0.5m (2018: £0.78m) being funds for the Partnership Drugs Initiative programme, £0.2m (2018: £0.1m) for Getting Alongside Communities, £1m (2018:£1m) for the Henry Duncan Grants programme, £0.1m (2018:£0.1m) for the Appetite for Change project and £0.1m for the Civil Society Initiative. In total £1.5m (2018:1.9m) of designated funds have been carried forward at the year-end for commitments in 2020 and 2021.

Restricted funds include funds received from the Scottish Government for the Partnership Drugs Initiative, Maternal and Child Wellbeing Fund, Challenge Fund, Family Recovery Initiative Fund, CYPFEIF & ALEC Fund, Families and Communities Fund, International Development Schemes and the Housing First Fund. Other restricted funds include funds received from Social Bite for the Housing First Scotland Fund, funds received from CLIMB and South Lanarkshire Council for activities within the

Getting Alongside Communities programme, funds received from Comic Relief for the #ShiftthePower programme, and the Big Lottery Fund for the Listening Fund.

These restricted funds are set out in Note 24 to the financial statements.

Pay policy for staff
Corra's Trustees and the Senior Management Team comprise the key management personnel responsible for directing and controlling, running and operating Corra on a day-to-day basis. All Trustees give of their time freely and no Trustee received any remuneration in the year. Details of Trustees' expenses are disclosed in Note 11 to the Accounts.

Corra is a Living Wage Foundation accredited employer with every member of staff, as well as all contractors to Corra's head office, earning at least the Living Wage, as defined by the Living Wage Foundation. The Living Wage is an hourly rate set independently and updated annually, based on the cost of living in the UK. The Trustees believe that every member of staff deserves at least the Living Wage. Corra values the wellbeing of its staff and is a Bronze Award Healthy Working Lives employer. Staff are currently working towards attaining the Silver Award status.

The pay of all staff, including the key management personnel, is reviewed annually by the Nominations and Remuneration Committee.

PLANS FOR FUTURE PERIODS
2019 was the final year of a three-year strategy for Corra which covered the period 2017 to 2019. During 2019 a new strategy was developed, taking into consideration the effectiveness and impact of past work, current and ongoing contracts and partnerships, financial investments and the wider context. The new strategy was approved by Trustees in December 2019. It anticipates the continuation of a mixed approach to funding Corra's activities from investments, grants and contracts.

Corra will increase its focus on building strategic relationships, which may see it gain further collaborative funding in future years. Such relationships may include national and local government, private individuals, businesses and other trusts and foundations. These approaches are expected to enable the continuation and development of Corra's work supporting charities throughout Scotland and working alongside communities.

In 2019, during the Strategic Planning process, the Trustees decided to cease trading under the subsidiary Fortify Social Enterprise CIC and to transfer all its current clients and contracts to Corra. This took effect from 1 January 2020; the CIC will formally be made dormant with Companies House and HMRC as soon as the external audit of the group accounts is completed.

TRUSTEES' RESPONSIBILITIES
The Trustees (who are also directors of Corra for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of those resources including the income and expenditure of the charitable company in that period.

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)

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 (FRS 102) (Effective 1 January 2019).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Statement as to disclosure to the auditors
In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought reasonably to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DIRECTORS AND TRUSTEES

The directors of the charitable company (Corra) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trevor Civval, Chair
Luke McCullough, Deputy Chair
Joy Barlow MBE
Elizabeth Y Carmichael CBE
Claire A Gibson
David R Johnson
Richard Martin
Elaine McKean
Fiona Sandford
Judith Turbyne
Christine McLaughlin *(appointed 11 June 2020)*
Mildred Zimunya *(appointed 11 June 2020)*
Michaela Collins *(appointed 11 June 2020)*
H Charles Abram *(retired 31 July 2019)*
David Urch *(retired 31 March 2020)*
Company Secretary, Natalia Best *(appointed 12 December 2019)*
Company Secretary, Karen Brown *(resigned as Company Secretary 12 December 2019)*

TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)

CORRA KEY MANAGEMENT PERSONNEL

The key management personnel of Corra are the Senior Management Team comprising:

Chief Executive, Fiona Duncan *(seconded as Chair of the Independent Care Review for 50% of her time)*
Deputy Chief Executive, Carolyn Sawers
Head of Core Operations, Karen Brown
Head of External Relations, Shelley Gray *(maternity leave from 9 January 2019 to 16 July 2019)*
Head of External Relations, Susan Murray *(maternity cover from 9 January 2019 to 25 July 2019)*
Head of Grants, Connie Williamson
Head of Learning and Development, Elaine Wilson
Head of Place, Allan Farmer

FORTIFY SOCIAL ENTERPRISE CIC

The board of directors of Fortify Social Enterprise CIC are as follows:

Luke McCullough, Chair *(appointed 31 July 2019)*
Karen Brown
Fiona Duncan
Carolyn Sawers
Connie Williamson
H Charles Abram, Chair *(retired 31 July 2019)*

Company Secretary, Natalia Best *(appointed 12 December 2019)*
Company Secretary, Karen Brown *(resigned as Company Secretary 12 December 2019)*

REFERENCE AND ADMINISTRATION DETAILS

Company number:	SC096068
Scottish Charity Number:	SC009481
Registered Office and Principal Address:	Riverside House 502 Gorgie Road Edinburgh EH11 3AF

Our advisers:

Banker:	Santander Corporate & Commercial Bank 5th Floor, Capital Building 2-13 St Andrews Square Edinburgh EH5 2GS
Auditor:	French Duncan LLP Chartered Accountants and Statutory Auditors 56 Palmerston Place Edinburgh EH12 5AY

Investment Adviser:	CCLA Investment Management Limited Exchange Place Two 5 Semple Street Edinburgh EH3 8BL
Legal Adviser:	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Corra was incorporated on 20 November 1985 as a Company Limited by Guarantee. On 1 January 1997, it became known as the Lloyds TSB Foundation for Scotland, after the merger between Lloyds Bank plc and the Trustee Savings Bank. On 29 August 2017 the Lloyds TSB Foundation for Scotland changed its name to The Corra Foundation, following the termination of the relationship with Lloyds Banking Group. It is governed by Articles of Association, which were originally adopted in 1985 and amended in 2018. Lloyds TSB Foundation for Scotland was one of four foundations created to preserve in a permanent framework the TSB's traditional role of contributing to the life of the community. Its income was derived from an established Deed of Covenant, the final payment of which was made in February 2018. Corra is a Charitable Company Limited by Guarantee and does not have share capital. The liability of the members is limited by the Articles of Association to £1 each. The members are the trustees.

Appointment of Trustees

The recruitment of new Trustees is conducted through a process of open advertising except in exceptional circumstances where co-opting may be necessary. When a vacancy for a Trustee arises, a skills audit of the Board is undertaken to identify any gaps and to enable Corra to maximise the contribution that its Trustees can make. Trustees are appointed for an initial three-year term and can make themselves available to be considered for up to two further period of three years.

Trustee induction and training

On appointment, Trustees are provided with a Trustee Handbook and undertake an induction process, including meetings with senior management and accompanying staff members on field visits to organisations Corra works with. New Trustees are also able to attend Board meetings as observers before assuming their position.

Organisation

The Board of Trustees, which can have up to 12 members, administers Corra. The Trustees meet regularly during the year and there are sub-committees covering audit, nominations and remuneration, finance and investments, and communications and engagement. The Finance & Investment Committee meets before each board meeting and is responsible for monitoring Corra's financial position as well as the performance of the investment portfolio. In addition, some Trustees sit on steering groups which exist to advise the Partnership Drugs Initiative team as well as our place-based team. The Chief Executive is appointed by Trustees to manage the day-to-day operations of Corra. To facilitate effective operations, the Chief Executive has delegated authority with terms approved by the Trustees, for operational matters including grant administration, finance and employment.

Board effectiveness review

A board effectiveness review, conducted in 2017, concluded that Corra's governance structures were fit-for-purpose with only minor alterations, which were implemented during 2017, such as improvements to Board agendas and papers, Trustee skills audits, election processes, and the timing of meetings. This is kept under regular review. Previously the Board met bi-monthly; since 2019 the Board has met quarterly.

Related parties and co-operation with other organisations

None of the Trustees receive remuneration or other benefit from their work with Corra. Any connection between a Trustee or senior manager of Corra with any charity that is funded must be disclosed to the full Board of Trustees in the same way as any contractual relationship with a related party. Since June 2015, Indigo (PR) Ltd (the Account Director & Head of CPD Training of which has been a Trustee since October 2018) has been providing Corra with pro-bono support plus additional advice and guidance on ad-hoc issues as and when required. The value of this is included in the Accounts.

Corra's subsidiary is Fortify Social Enterprise CIC (Fortify) that was established in 2015 to perform training and other services for the sector. Fortify is a Community Interest Company whose profits are donated for use in charitable activities to further Corra's objectives. Fortify is a company limited by guarantee and does not have a share capital. The liability of the members is limited by the Articles of Association to £1 each. Fortify is controlled by a board of directors appointed by Corra.

Auditors

A resolution to reappoint French Duncan LLP as auditors will be put to the members at the Annual General Meeting.

The Trustees' Report, incorporating the Directors' Report and Strategic Report, was approved by the Board on 11 June 2020.

By order of the Board,

TREVOR CIVVAL
Chair

11 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE CORRA FOUNDATION

Opinion

We have audited the financial statements of the Corra Foundation Group which includes Corra, the parent charitable company and its subsidiary (Fortify CIC) for the year ended 31 December 2019. This comprises the consolidated statement of Financial Activities, the statement of financial activities of The Corra Foundation, the consolidated and Corra Foundation Statements of Financial Position, the consolidated and Corra Foundation Statement of Cash Flow 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 group's and parent charitable company's affairs as at 31 December 2019, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE CORRA FOUNDATION (contd.)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; and
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE CORRA FOUNDATION (contd.)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company'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 group or the parent charitable company 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 under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company'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 charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Antony J. Sinclair (Senior Statutory Auditor) ______________

For and on behalf of French Duncan LLP Chartered Accountants and Statutory Auditors
56 Palmerston Place
Edinburgh EH12 5AY
11 June 2020
French Duncan LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income & expenditure account)

	Note	Unrestricted Funds 2019 £000s	Restricted Funds 2019 £000s	Total 2019 £000s	Total 2018 £000s
Income and Endowments from:					
Donations and legacies	3	2	20,793	20,795	18,682
Charitable activities	4	475	-	475	307
Income from other trading activities	5	206	-	206	123
Investments	6	854	-	854	7,504
Other	7	14	-	14	7
Total Income		1,551	20,793	22,344	26,623
Expenditure on:					
Charitable activities	8	(3,047)	(19,879)	(22,926)	(21,496)
Total expenditure		(3,047)	(19,879)	(22,926)	(21,496)
Net gains/(losses) on investments	16b	4,176	-	4,176	(642)
Net income/(expenditure) and net movement in funds		2 ,680	914	3,594	4,485
RECONCILIATION OF FUNDS					
Total funds brought forward		21,821	2,315	24,136	19,651
Total funds carried forward		**24,501**	**3,229**	**27,730**	**24,136**

The Notes on pages 23 to 42 form part of these financial statements.

There are no recognised gains or losses other than those shown above. All activities relate to continuing operations. The Trustees decided in 2019 that all operations, clients and contracts under Fortify Social Enterprise CIC, Corra's trading subsidiary will be transferred to Corra from 1 January 2020, and the CIC made dormant.

STATEMENT OF FINANCIAL ACTIVITIES OF CORRA
(incorporating the income and expenditure account)

	Note	Unrestricted Funds 2019 £000s	Restricted Funds 2019 £000s	Total Funds 2019 £000s	Total Funds 2018 £000s
Income and Endowments from:					
Donations and legacies	3	15	20,793	20,808	18,679
Charitable activities	4	475	-	475	307
Investments	6	854	-	854	7,504
Other	7	11	-	11	4
Total income		1,355	20,793	22,148	26,494
Expenditure on:					
Charitable activities	8	(2,920)	(19,879)	(22,799)	(21,379)
Total expenditure		(2,920)	(19,879)	(22,799)	(21,379)
Net gains/(losses) on investments	16b	4,176	-	4,176	(642)
Net income /(expenditure) and net movement in funds		2,611	914	3,525	4,473
RECONCILIATION OF FUNDS					
Total funds brought forward		21,809	2,315	24,124	19,651
Total funds carried forward		**24,420**	**3,229**	**27,649**	**24,124**

The Notes on pages 23 to 42 form part of these financial statements.

There are no recognised gains or losses other than those shown above. All activities relate to continuing operations.

(The) Corra Foundation SC096068
Year ended 31 December 2019

CONSOLIDATED AND CORRA STATEMENT OF FINANCIAL POSITION

		GROUP		CORRA	
	Note	**2019**	**2018**	**2019**	**2018**
		£000s	**£000s**	**£000s**	**£000s**
Fixed assets					
Tangible assets	14	39	23	39	23
Intangible assets	15	48	60	48	60
Investment in subsidiary	16a	-	-	-	-
Investments	16b	24,968	22,792	24,968	22,792
Total fixed assets		25,055	22,875	25,055	22,875
Current assets					
Receivables	17	2,720	2,874	2,720	2,888
Cash	22	7,292	6,265	7,226	6,189
Total current assets		10,012	9,139	9,946	9,077
Current liabilities					
Grants awarded and payable	18	7,034	7,624	7,034	7,624
Payables due within one year	19	303	254	318	204
Total current liabilities		7,337	7878	7352	7,828
Net current assets		2,675	1,261	2,594	1,249
Net assets		**27,730**	**24,136**	**27,649**	**24,124**
The funds of the Foundation					
Restricted funds	24a	3,229	2,315	3,229	2,315
Unrestricted funds:					
- General fund	25	22,951	19,925	22870	19,913
- Designated fund	24b	1,550	1,896	1,550	1,896
Total unrestricted funds		24,501	21,821	24,420	21,809
Total funds		**27,730**	**24,136**	**27,649**	**24,124**

The financial statements constitute the annual financial statements required by the Companies Act 2006 and are for circulation to the members. The notes on pages 23 to 42 form part of these financial statements which were approved and authorised for issue by the Trustees on 11 June 2020 by:

Judith Turbyne (Jun 11, 2020 14:12 GMT+1)

TREVOR CIVVAL
Chair

JUDITH TURBYNE
Audit Committee Chair

CONSOLIDATED AND CORRA STATEMENT OF CASH FLOWS

	Note	GROUP 2019 £000s	2018 £000s	CORRA 2019 £000s	2018 £000s
Net cash generated from operating activities	23	(1,795)	5,086	(1,785)	5,114
Cash flows from investing activities					
Investment income	23	854	859	854	859
Purchase of tangible assets		(32)	(23)	(32)	(23)
Proceeds of sale of fixed assets		-	(39)	-	(39)
Proceeds of sale of investments		2,000	4,948	2,000	4,948
Purchase of investments		0	(23,196)	0	(23,196)
Net cash provided by/ (used in) investing activities		2,822	(17,451)	2,822	(17,451)
Net change in cash	22	1,027	(12,365)	1,037	(12,337)
Cash at start of period		6,265	18,630	6,189	18,526
Cash at end of period		7,292	6,265	7,226	6,189

The Notes on pages 23 to 42 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) General Information

Corra is a Company Limited by Guarantee, incorporated in the UK and registered in Scotland, company registration number SC096068. It is also a registered charity with the Office of the Scottish Charity Regulator, SC009481. The address of Corra's registered office and principal place of business is:

Riverside House
502 Gorgie Road
Edinburgh EH11 3AF

Corra's principal activities and nature of its operations are outlined in the Trustees' report.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (the Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are stated in Corra's functional currency of £ sterling.

Corra meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(c) Going concern

Financial Reporting Standard 102 requires that, if appropriate, Corra's financial statements are prepared on the going concern basis, which means that the organisation is able to operate for the foreseeable future on the basis of known and reasonable projected resources. Cash flow projections over the 12-month period from the approval of the accounts have provided the Trustees with the confidence to continue with the Foundation's charitable activities and be satisfied that the going concern basis of accounting is appropriate.

(d) Group Financial Statements

The consolidated Statement of Financial Activities and Statement of Financial Position include the financial statements of Corra and its wholly controlled trading subsidiary, Fortify Social Enterprise CIC, as stated in Note 16(a). The results and assets and liabilities of the subsidiary have been consolidated into these financial statements on a line by line basis with effect from 1 January 2016.

(e) Fund accounting

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of Corra and which have not been designated for any other purpose. Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in Note 24 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

1. Accounting policies (cont.)

(f) Grant income
Grant income is recognised when Corra has entitlement to the funds, any conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

(g) Income from the rendering of services
Income from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when the income can be measured reliably, and it is probable that it will be received.

(h) Donated services and facilities
Donated professional services are recognised as income when Corra has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by Corra is probable and that economic benefit can be measured reliably. On receipt, donated professional services are recognised on the basis of the value of the gift to Corra, which is the amount Corra would have been required to pay to obtain the services on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Note 27 to the Accounts gives the detail of where volunteers' expertise is being used.

(i) Income from interest and dividends
Interest on funds held on deposit and dividends on funds held in the investment portfolio are included when receivable and the amount can be measured reliably by Corra; this is normally upon notification of the interest paid or payable by the bank or the dividend paid is notified by the investment managers.

(j) Expenditure
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is all considered as expenditure on charitable activities which are subdivided into the costs of the strategic activities as laid out in the Trustees' Annual Report and include the costs of running Corra as well as grants. Grants payable are charged in the year when the offer is conveyed, and a valid expectation created with the recipient that the grant will be paid. Where the grant offer is conditional, such grants will not be recognised as expenditure until the conditions attached are fulfilled when a constructive obligation arises. Grants offered subject to conditions, which have not been met at the year end, are noted as a contingent liability, but not accrued as expenditure. All costs are inclusive of any irrecoverable VAT.

(k) Allocation of support costs
Support costs consist of direct and indirect costs expended to facilitate Corra's charitable activities. Support costs include grant administration, trust administration, finance, personnel, payroll, governance and other costs, which all support Corra's grant and community-based programmes.

(l) Cost allocation
All expenditure for Corra is allocated according to the direct programme of work for which it was incurred, or the amount of staff time spent on these activities. Costs allocated to restricted funds are limited to the levels and nature of expenditure allowable under the terms of the specific awards. Intra-group cost allocations are governed by a service level agreement.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

1. Accounting policies (cont.)

(m) Operating leases
Operating lease rentals are charged to the statement of financial activities account on a straight-line basis over the period of the lease. Where a rental holiday is negotiated, the benefit is spread over the period of the lease.

(n) Post-retirement benefits
Corra operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Corra in an independently administered fund. The amount included within expenditure represents the contributions payable to the scheme in respect of the accounting year.

(o) Tangible fixed assets & depreciation
Fixed assets comprise office furniture and equipment, motor vehicles, and leasehold improvements and are depreciated on a straight-line basis. All additions costing more than £800 are capitalised at cost on acquisition. Amounts below the capitalisation limit are charged to the Statement of Financial Activities in the year. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Equipment:	33% straight line
Leasehold improvements:	10% straight line (being the period of the lease)

(p) Intangible fixed assets & amortisation
Intangible fixed assets comprise computer software. Software costs are capitalised on the basis of the cost incurred to acquire and bring into use specific software developments provided that:

- the asset created is separately identifiable;
- it is probable that the asset will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Intangible assets are amortised in equal annual instalments over their estimated useful lives from the date the asset is available for use as follows:

Computer software: 20% straight line.

Computer software integral to the related hardware equipment is accounted for as equipment.

(q) Investments
Investments are stated at market value. Gains and losses are recognised in the Statement of Financial Activities in the year in which they arise. Realised gains and losses during the year are calculated as the difference between sales proceeds and the average cost. Unrealised gains and losses are calculated as the difference between the market value at the year end and the average cost. Any gains and losses on revaluation or disposal are combined in the Statement of Financial Activities.

(r) Financial Instruments
Corra only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

1. Accounting policies (cont.)

(s) Financial Assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Cash

Cash is defined as cash at bank and funds held by the Investment Advisor as cash.

(t) Financial Liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

(u) Taxation

Corra is registered by OSCR as a Charity for the purposes of the Charities and Trustee Investment (Scotland) Act 2005 and is entitled under section 13(2) of the Act to describe itself as a Scottish Charity and is exempt from Corporation Tax on income and gains to the extent that these are applied to its charitable objects.

The wholly controlled trading subsidiary, Fortify Social Enterprise CIC, is subject to Corporation Tax. However, any profits generated in the trading subsidiary, over and above those that have been identified as required for that company's own needs, are donated for social good. Corra is registered for VAT on a group basis with its subsidiary company, Fortify Social Enterprise CIC, and therefore charges and reclaims VAT on business activities.

2. Legal status of Corra

Corra is a company limited by guarantee and has no share capital. The liability of the members is limited by the Articles of Association to £1 each.

3. Income from donations and legacies

	Group		Corra	
	2019 £000s	**2018 £000s**	**2019 £000s**	**2018 £000s**
Grants received:				
The Scottish Government	19,572	16,569	19,572	16,569
Other	1,221	2,106	1,221	2,106
Total grants received	20,793	18,675	20,793	18,675
Donation from subsidiary	-	-	13	-
Contribution to Rent (Cattanach Trust)	-	3	-	-
Donated services	2	4	2	4
Total income from donations and legacies	**20,795**	**18,682**	**20,808**	**18,679**

Corra's income from donations was £20.8m (2018: £18.7m) all of which was restricted except for £15k (2018: £4k) which includes £1,800 of unrestricted donation of free public relations services from Indigo (PR) Ltd.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

as well as £12,891 gift aid income from Corra's subsidiary, Fortify Social Enterprise CIC. Corra is extremely grateful to Indigo (PR) Ltd, which has been providing Corra with pro-bono support plus additional advice and guidance on ad-hoc issues as and when required. The estimated value of these services is recognised within incoming resources as a donation, and an equivalent charge included within expenditure.

FRS 102 requires Corra to term most of its income as 'donations', although Corra receives the monies on the basis that it will principally be distributed to charities in the form of grants.

4. Income from charitable activities

Total income during the year from charitable activities is detailed below:

	Group		Corra	
	2019	2018	2019	2018
	£000s	£000s	£000s	£000s
Income from contracted services	475	307	475	307
	475	**307**	**475**	**307**

5. Income from other trading activities

Other trading activities are undertaken by Corra's subsidiary company, Fortify Social Enterprise CIC (Company number: SC507457). All profits generated by the subsidiary are asset locked for social good. Corra has decided to make the CIC dormant, however all trading activities remain the same and are now carried out as part of Corra from 1 January 2020.

	Group		Corra	
	2019	2018	2019	2018
	£000s	£000s	£000s	£000s
Consultancy Fees	85	84	-	-
Administration Fees	121	39	-	-
	206	**123**	-	-

The summary financial performance of the subsidiary alone for the year was:

	2019	2018
	£000s	£000s
Turnover	206	133
Cost of sales	(109)	(105)
Gross profit	97	28
Other operating income	3	6
	100	34
Administration and other costs	(18)	(21)
Net profit	82	13
Donation to parent charity	(13)	(1)
Retained in subsidiary	69	12

The assets and liabilities of the subsidiary were:

	2019	2018
Current assets	105	116
Current liabilities	(23)	(104)
Net assets	82	12

NOTES TO THE FINANCIAL STATEMENTS (cont.)

6. Income from investments

Total income during the year from investments is detailed below:

	Group and Corra 2019 £000s	Group and Corra 2018 £000s
Lloyds Banking Group covenant	-	6,645
Dividend and interest income	854	859
	854	**7,504**

The final covenant payment from Lloyds Banking Group of £6.6m was received in February 2018. This is non-recurring income, therefore not applicable in 2019 and subsequent years.

7. Other income

	Group 2019 £000s	Group 2018 £000s	Corra 2019 £000s	Corra 2018 £000s
Other income	**14**	**7**	**11**	**4**

This is made up the refund of expenses from the Care Review (Fortify) as well as reimbursement of salary costs for a member of staff on the Community Jobs Scheme.

8. Charitable expenditure

The group's charitable expenditure was £22.9m (2018: £21.5m) of which £19.9m was restricted (2018: £18.68m) and £3.1m unrestricted (2018: £2.82m) Corra's charitable expenditure was £22.8m (2018: £21.38m) of which £19.9m was restricted (2018: £18.68m) and £2.9m unrestricted (2018: £2.7m).

All expenditure for Corra, once incurred, is considered a charitable activity cost and is allocated according to the amount of staff time spent on these activities. Charitable activities are those resources applied in the delivery of services to meet Corra's charitable objectives, and include grants approved, management and accommodation costs, staff employment and development, and information and marketing.

Governance costs are those associated with the general running of Corra including activities that provide Corra's governance infrastructure. We have described within the Trustees' report the three strategic objectives and related achievements. The implementation of the strategy continued to be resource-intensive over the past year with the conclusion of changes to our infrastructure, systems, processes and structure, the development of the grants database and the creation of a single overarching monitoring and evaluation framework for Corra. These are all central costs, retained in the development heading.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

8. Charitable expenditure (cont.)

Strategic objective	Analysis	Group Grants £000s	Group Support costs £000s	Group Total £000s	Corra Grants £000s	Corra Support costs £000s	Corra Total £000s
One	**Grant making**						
	Henry Duncan Awards	981	258	1,239	981	258	1,239
	Partnership Drugs Initiative	1,327	218	1,545	1,327	218	1,545
	Maternal and Child Wellbeing	-	-	-	-	-	-
	Family Recovery Initiative Fund	30	5	35	30	5	35
	Challenge Fund	924	109	1,033	924	109	1,033
	Comic Relief	702	100	802	702	100	802
	FAC Fund	-	29	29	-	29	29
	sub-totals	3,964	719	4,683	3,964	719	4,683
	2018	*2,410*	*451*	*2,861*	*2,410*	*451*	*2,861*
Two	**Place-based programme**						
	8 areas in operation at 31 December 2019	30	539	569	30	539	569
	Enabling Framework	-	-	-	-	-	-
	Appetite for Change	-	51	51	-	51	51
	sub-totals	30	590	620	30	590	620
	2018	*11*	*663*	*674*	*11*	*663*	*674*
Three	**Maximising expertise**						
	International Grants	1,012	178	1,190	1,012	178	1,190
	Listening Fund	169	39	208	169	39	208
	CYPFEIF & ALEC	13,937	302	14,239	13,937	302	14,239
	Housing First	1,320	311	1,631	1,320	311	1,631
	Civil Society	-	57	57	-	57	57
	Other	-	13	13	-	13	13
	sub-totals	16,438	900	17,338	16,438	900	17,338
	2018	*17,056*	*522*	*17,578*	*17,056*	*522*	*17,578*
	Development & sustainability	-	285	285	-	158	158
Overall	sub-totals	-	285	285	-	158	158
	2018	*3*	*380*	*266*	*3*	*263*	*266*
	Total charitable expenditure 2019	**20,432**	**2,494**	**22,926**	**20,432**	**2,367**	**22,799**
	Total charitable expenditure 2018	*19,480*	*2,016*	*21,496*	*19,481*	*1,899*	*21,379*

Total resources expended include grants approved, direct costs, governance costs and support costs (see Note 9).

NOTES TO THE FINANCIAL STATEMENTS (cont.)

8. Charitable expenditure (cont.)

Split of charitable expenditure between funds:

	Group		Corra	
	2019	**2018**	**2019**	**2018**
	£000s	**£000s**	**£000s**	**£000s**
Restricted	19,879	18,679	19,879	18,679
Unrestricted	3,047	2,817	2,920	2,700
	22,926	21,496	22,799	21,379

NOTES TO THE FINANCIAL STATEMENTS (cont.)

9. Analysis of support costs by strategic strand - Corra

	Henry Duncan	PDI	Other**	International	CYPFEIF &ALEC	FAC	FRIF	HFIRST	Challenge Fund	Listening Fund	Comic Relief	People in Place	App for Change	Civil Society	Corra Retained	Total 2019	Total 2018
	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	**£000s**	**£000s**
Staff costs	144	127	50	76	148	25	0	0	36	30	25	405	46	34	63	**1209**	**975**
Accommodation Costs												2			0	**2**	**3**
Investment & bank charges							0	0	0	0	0	0	0	0		**0**	
Communication, PR, printing & stationery	2	5	1	1	5	2	0	0	1	4	1	24	1	0	0	**47**	**64**
Professional & consultancy fees	29	3	0	5	5	2	0	311	0	3	0	11	0	6	0	**375**	**234**
Travel & subsistence	4	6	1	0	2	0	0	0	1	1	1	17	4	0	0	**37**	**35**
Miscellaneous/Other Expenses	0	0	0	0	0	0	5	0	0	1	2	0	0	0	12	**20**	**-**
Total Office Recharge	57	57		69	102	0	0	0	51	0	51	57	0	11	112	**567**	**406**
Total Governance Recharge	22	22		27	40	0	0	0	20	0	20	23	0	6	47	**227**	**180**
Less Recharges to Fortify CIC		-2	-39												-76	**-117**	**2**
TOTAL SUPPORT COSTS	**258**	**218**	**13**	**178**	**302**	**29**	**5**	**311**	**109**	**39**	**100**	**539**	**51**	**57**	**158**	**2367**	**1899**

The total support costs for the year were £2.4m(2018: £1.9m).

**This includes support costs spent on grants, paid for by Corra Foundation.

The total support costs for Corra were £2.4m (2018: £1.9m). The total staff support costs for the subsidiary, Fortify Social Enterprise CIC were £120k (2018: £118k). This is the total of seconded staff, management and support costs recharged to Fortify Social Enterprise CIC from Corra. Other expenses include Audit & Accountancy fees £3k. Governance and Office Recharge costs recharged to Fortify Social Enterprise CIC in 2019 amount to £5k (2018: £6k). Project costs recharged to Fortify Social Enterprise CIC are shown in Note 9 above.

Group Support Costs

Total Corra Support Costs	£2,367k
Total Fortify Support Costs	£127k
Total Group Support Costs	**£2,494k**

NOTES TO THE FINANCIAL STATEMENTS (cont.)

10. Analysis of expenditure on governance and office recharge costs – Group & Corra

	Office recharge costs £000s	Governance costs £000s	2019 Totals £000s	2018 Totals £000s
Staff costs (split 60:40 office/ governance)	316	211	**527**	**392**
Accommodation costs	97	-	**97**	**72**
Investment & bank charges	-	2	**2**	**2**
Communication, PR, printing & stationery	38	-	**38**	**19**
Professional & consultancy fees	50	13	**63**	**54**
Total depreciation	28	-	**28**	**13**
Travel & subsistence	5	-	**5**	**8**
Governance – Trustees & Advisory Groups	-	1	**1**	**2**
Miscellaneous/Other Expenses	33	-	**33**	**24**
	567	**227**	**794**	**586**

11. Analysis of staff costs, Trustee remuneration and expenses and the cost of key management personnel

	Group 2019 £000s	Corra 2019 £000s	Group 2018 £000s	Corra 2018 £000s
Wages and salaries	1,374	1,374	1,159	1,159
Social security costs	137	137	113	113
Other pension costs	171	171	138	138
Trustee remuneration	-	-	-	-
Other staff costs	54	54	61	61
Recharge to Fortify	-	(109)	-	(104)
Total Staff & Trustee Remuneration Costs	**1,736**	**1,627**	**1,471**	**1,367**
Key Management Personnel Costs		**480**		**444**

Fortify Social Enterprise CIC has no employees. The key management personnel of Corra comprise the Trustees and Senior Management Team as set out in the Trustees' Report.

Salary band disclosure, excluding pension contributions are as follows:

Salary Bands	**2019 No of employees**	**2018 No of Employees**
£90,000-£100,000	1	1
£80,000-£90,000	-	-
£70,000-£80,000	-	-
£60,000 - £70,000	1	1
Defined contribution pension Employer contributions	£17.7k	£17.7k

NOTES TO THE FINANCIAL STATEMENTS (cont.)

11. Analysis of staff costs, Trustee remuneration and expenses and the cost of key management personnel (cont.)

The Trustees received no remuneration during the year (2018: £nil) and no Trustee received payment for professional or other services supplied to the charity (2018: £nil). Trustees received aggregate expenses totalling £1k (2018: £2k) during the year for travel, accommodation and subsistence in connection with their duties.

During the year, Indigo (PR) Ltd, whose Account Director & Head of CPD Training has been one of our Trustees since October 2018, has continued to provide Corra with up to one day a month of pro-bono support plus additional advice and guidance on ad-hoc issues as and when required. The value of this is estimated at £2k (2018: £4k), which is included in the financial statements.

12. Staff numbers

The average number of full-time equivalent employees in the year was:

	Group and Corra	
	2019	2018
	FTE	FTE
Grant making: Henry Duncan	2.30	2.16
Grant Making: Partnership Drugs Initiative	2.80	2.37
Grant Making: CYPFEIF & ALEC	3.72	2.84
Grant Making: Int'l	1.15	1.72
Grant Making: Other	2.62	0.31
Place- based programme	10.86	10.23
Maximising our expertise	1.30	1.00
Governance	1.50	1.40
Support	4.67	4.90
Development of our impact and future	4.69	4.20
Total staff numbers	**35.61**	**31.13**
	Headcount	**Headcount**
Average number of employees during the year	44	36

13. Auditor's remuneration

	Group		Corra	
	2019	2018	2019	2018
	£000s	£000s	£000s	£000s
Audit services	16	16	13	13
Non-audit services	-	-	-	-
Total auditor's remuneration	**16**	**16**	**13**	**13**

Auditor's remuneration is included within governance costs.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

14. Tangible fixed assets – Group and Corra

All fixed assets are held for charitable purposes.

	Equipment	Leasehold Improvements	Total
	£000s	£000s	£000s
Cost			
At beginning of year	187	5	192
Additions	27	5	32
Disposals	-	-	-
At end of year	214	10	224
Depreciation			
At beginning of year	168	1	169
Charge for year	14	2	16
On disposals	-	-	-
At end of year	182	3	185
Net Book Value			
As at 31 December 2019	**32**	**7**	**39**
As at 31 December 2018	*19*	*4*	*23*

15. Intangible fixed assets – Group and Corra

	Computer software
	£000s
Cost	
At beginning of year	60
Additions	-
Disposals	-
At end of year	60
Amortisation	
At beginning of year	-
Charge for year	12
On disposals	-
At end of year	12
Net Book Value	
As at 31 December 2019	**48**
As at 31 December 2018	*60*

NOTES TO THE FINANCIAL STATEMENTS (cont.)

16. Fixed asset investments – Group and Corra

(a) Corra's subsidiary is Fortify Social Enterprise CIC (Fortify), a company limited by guarantee. Fortify undertakes certain trading activities and donates any profits arising for social good.

(b) During the year, Corra's investment portfolio was managed by CCLA. The portfolio was valued at £24.97m at 31 December 2019 (2018: £22.79m).

	Group and Corra	
	2019	2019
Movement in investment portfolio	£000s	£000s
Market value at 1 January		22,792
Purchases		-
Sales		(2,000)
Gain on sale	257	
Gain on revaluation	3,919	
Net gain		4,176
Market value at 31 December		**24,968**

17. Receivables

	Group			Corra
	2019	2018	2019	2018
	£000s	£000s	£000s	£000s
Trade debtors	-	144	-	104
Prepayments and accrued income	2,294	2,500	2,294	2,500
Grants receivable	426	230	426	230
Due from group company	-	-	-	54
Total receivables	**2,720**	**2,874**	**2,720**	**2,888**

18. Grants awarded and payable

	Group and Corra	
	2019	2018
	£000s	£000s
Payable in less than one year:		
Grants awarded in current year	6,983	7,498
Grants awarded in previous years	51	126
Total grants awarded and payable	**7,034**	**7,624**

A reconciliation of the grants awarded in the year is shown below:	£000s	£000s
Balance at 1 January 2019		7,624
Grants approved in the year	20,446	
Grants returned in the year	(94)	
		20,352
Grants paid in the year		(20,942)
Balance at 31 December 2019		**7,034**

A full list of grants paid during the year is detailed on Corra's website at www.corra.scot.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

19. Payables due within one year

	Group		Corra	
	2019	**2018**	**2019**	**2018**
	£000s	**£000s**	**£000s**	**£000s**
Trade creditors	19	22	19	22
Deferred income	-	36	-	-
Accruals	249	171	245	167
Due to group company	-	-	39	-
Other taxation and social security	35	25	15	15
Total Payables	**303**	**254**	**318**	**204**

20. Contingent liabilities

In addition to the grants accrued in Note 18, the Trustees have authorised certain grants (conditional awards) which are subject to recipients fulfilling certain conditions. These conditional grant awards are:

	Group and Corra	
	2019	**2018**
	£000s	**£000s**
Payment possible, due within one year	1,775	1,264
Payment possible, due in more than one year	299	679
Total contingent liabilities	**2,074**	**1,943**

21. Commitments

The total commitments under non-cancellable operating leases are as follows:

	Group and Corra	
	2019	**2018**
	£000s	**£000s**
Land and building leases which expire:		
Within 1 year	36	36
Between 2 - 5 years	36	72
Total lease commitments	**72**	**108**

NOTES TO THE FINANCIAL STATEMENTS (cont.)

To support being the best grant maker Corra can be, the Trustees designated £1m for the Henry Duncan Grants programme and £0.5m to fund the Partnership Drugs Initiative.

In addition, for 2019, £200k was designated to support Getting Alongside Communities, £100k towards Appetite for Change as well as £100k for the Civil Society Initiative.

This is a total of £1.9m designated from Corra's general reserves in 2019.

25. Analysis of net assets between funds

		Group 2019	
	Fixed assets £000s	Net current assets £000s	Totals £000s
Restricted funds	-	3,229	3,229
Unrestricted funds	39	22,912	22,951
Designated funds	-	1,550	1,550
Totals	**39**	**27,691**	**27,730**

		Corra 2019	
	Fixed assets £000s	Net current assets £000s	Totals £000s
Restricted funds	-	3,229	3,229
Unrestricted funds	39	22,831	22,870
Designated funds	-	1,550	1,550
Totals	**39**	**27,610**	**27,649**

26. Capital commitments There were no capital commitments contracted in 2019 or 2018

27. Volunteer time

Corra places great value on the contribution that volunteers make to the organisation.

Over the course of 2019, we benefitted greatly, not only from the considerable time, energy and expertise given by the committed Board of Trustees, but other volunteers as well as those listed below.

- Euan Wright – Volunteer Member of Corra's Core Operations Team
- Partnership Drugs Initiative Steering Group
- Partnership Drugs Initiative Young Peoples Group
- Partnership Drugs Initiative Relationships are Key Research Advisory Group
- Partnership Drugs Initiative Challenge Fund Panel
- People in Place Observers Group
- People in Place Investors Group
- Cumnock Action Plan Group

NOTES TO THE FINANCIAL STATEMENTS (cont.)

28. Related Party Transactions

Since June 2015, Indigo (PR) Ltd, the Account Director & Head of CPD Training of which has been one of Corra's Trustees since October 2018, has been providing Corra with approximately one day per month of pro-bono support plus additional advice and guidance on ad-hoc issues as and when required. The estimated value of this is £1,800 (2018: £4,050) is included in the financial statements as donated services (see Note 3).

Trustees were not paid for their work with Corra as shown in Note 11. However, a total of £1.2k (2018: £2k) of travel and subsistence expenses was paid to Trustees in 2019.

29. Post Balance Sheet Events

Since the year end, the Covid-19 pandemic has had a significant impact on everyday life. The charity has a strong balance sheet, and this is represented by a portfolio of listed investments. Since the year end the pandemic has caused significant falls in international stock markets that impact directly on the value of the charity's investments. As at 31st March 2020 the charity's investments had fallen by 12%, representing a reduction of approximately £3.04m in asset value. However, as at 14th May 2020 the markets had experienced a partial recovery raising the value of the charity's investments to £23.7m.

Corra is a Living Wage accredited employer, a member of the Association of Charitable Foundations (ACF), the Scottish Grant Makers, and the Scottish Funders Forum, and is a holder of the Healthy Working Lives Bronze Award.

This publication can be made available in large print on request.

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