



**CORRA**  
**FOUNDATION**  
voice • power • change

# **ANNUAL REPORT & FINANCIAL STATEMENTS**

## **31 December 2020**

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).

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## CHAIR'S REPORT

It gives me great pleasure to introduce Corra's annual review for 2020.

This has been the first year of Corra's new ten-year strategy, launched in early March. The strategy is a response to the world we live in, and to the one we want to play a part in building. It is long term because making a difference on the big challenges will take time. At its heart is the strong belief that when people find their voice, they unlock the power to make change happen.

The strategy's themes – voice, power and change – have proven to be more critical than ever as we've experienced what, for most of us has been the most challenging year of our lifetime.

Coronavirus has impacted every aspect of life and, even once the crisis subsides, the effects will be felt for some time to come. While everyone has been touched by the pandemic, it is clear that it has been felt most acutely by people who were already furthest from their rights; people living in poverty, experiencing discrimination, poor health or lack of decent housing. The voices of those who have been hardest hit must be at the heart of efforts to recover and reshape society in the months and years ahead. Corra has begun to try to contribute to this by gathering stories from communities who are seldom heard and seeking to understand and amplify people's experiences.

In the midst of such a difficult year, the response by communities and charities has been incredible. Groups across the country have come together, understood what people needed and demonstrated creativity, flexibility and kindness. Through its role in helping to manage coronavirus funding, Corra has had the privilege of seeing how the voluntary and community sector has made sure that people's practical needs are met, isolation is reduced, mental health is supported, and existing services are still available, albeit often delivered differently. Corra's place-based work has had to adapt, with the team's community coordinators finding new ways to continue to work alongside communities and helping connect them to sources of funding for immediate responses to the crisis. I would like to recognise the hard work of Corra's team, who supported the distribution of over £56m in funds to the third sector, whilst coping with the impact of the pandemic on their own lives.

During the past year Corra has continued to support grass roots activity through its Henry Duncan Grants. These were relaunched in 2020 with changes in response to feedback from charities. This included a move to longer term funding, greater flexibility and new micro grants with a very light touch process to make it easy to access small amounts of funding.

Under its new strategy, Corra has also further developed its approaches to ensuring lived experience is central to grant making. This has included setting up lived experience panels as part of The Challenge Fund (on alcohol and drugs) and the #ShiftThePower Comic Relief programme. It has also focused on developing participatory grant making approaches, including a new programme, funded through a donation from Stewart Investors, working alongside Black, Asian and Minority Ethnic communities impacted by the pandemic. The past year has seen a renewed call for action against racism, as well as equity in funding. In July Corra published a statement on anti-racism and has begun a new process of working to be an anti-racist organisation.

Corra has also focused on human rights more broadly, and on International Human Rights Day (10<sup>th</sup> December) announced an investment in a new organisation called Making Rights Real. This followed work which will continue into 2021 to support independent funders' understanding of, and engagement with, human rights in Scotland.

**CHAIR'S REPORT (cont.)**

The pandemic has reinforced the need for people and organisations to work together. Corra is deeply grateful to all of its partners, including communities, charities, national and local government and other trusts and foundations. There are too many to name here, but they are listed later in this report and on behalf of the team I would like to extend a sincere thanks to every one of them.

I would like to also thank the team at Corra. Both the staff and my fellow Trustees have demonstrated unwavering commitment to making a positive difference, along with great resilience during what was an extremely busy and challenging year. That was only possible due to the excellent and thoughtful leadership and support provided by Fiona Duncan and Carolyn Sawers. Fiona has continued to split her time between Corra and the Independent Care Review and everyone at Corra warmly welcomed the launch of the Review's findings in February 2020. Fiona ensured that the Review belongs to children and young people and that it was powered by the voices of care experienced people. Corra is committed to playing its role in delivering The Promise. The team will continue to support Fiona as she chairs The Promise Oversight Board, and Corra will host 'The Promise Partnership' which will invest in work that demonstrates the change the Review called for.

I would like to extend particular thanks to Trevor Civval who retired as Chair of Corra this year after playing a significant role in developing the ten-year strategy, and also to Elaine McKean and David Urch who stepped down from the board after invaluable contributions over a number of years. I am also delighted that Jude Turbyne became Deputy Chair in June and that Corra welcomed three new Trustees; Michaela Collins, Christine McLaughlin and Mildred Zimunya who have already enriched the Board.

It is often the most difficult of times that, ultimately, provide the impetus for deep and lasting change. Corra will keep working hard to make a difference, focusing on our vision of a society in which people create positive change and enjoy fulfilling lives.

Here's to more hopeful and brighter days ahead.

A handwritten signature in black ink, appearing to read 'Luke McCullough', with a large, sweeping flourish underneath.

**LUKE MCCULLOUGH**

Chair

*11<sup>th</sup> June 2021*

## **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 financial statements of Corra Foundation for the year ended 31 December 2020, 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.
- Corra Foundation'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).

### **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. 2020 was the first year of Corra's new ten-year strategy designed to offer boldness and flexibility. The coronavirus pandemic has required Corra to test the new strategy and ways of working, adapting to the changing and difficult environment for the people and communities Corra seeks to serve.

#### **1. Key Milestones**

- On 5<sup>th</sup> March 2020 Corra launched its new ten-year strategy. The strategy aims to bring about three big changes:
  - The power to create change rests with people themselves.
  - People with ideas for radical change are supported, skilled, connected and confident.
  - People are working together to respond to the big challenges facing Scotland.
- As part of the new strategy Corra redesigned and relaunched one of its core grant-making programmes, Henry Duncan Grants, offering more flexible, multi-year funding and micro grants for small charities.
- Corra worked alongside other funders and partners in responding to the coronavirus pandemic by distributing Scottish Government emergency response and recovery funding. Corra also developed two additional funds; microgrants for international development organisations; and a programme that works alongside people from Black, Asian and Minority Ethnic Communities through a donation from Stewart Investors.

**TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)**

**2. Activities**

In 2020 Corra:

- Distributed over £56m in funds to third sector organisations across Scotland.
- Reached over 1,191 third sector organisations and community groups new to Corra.
- Received ongoing investment of £368,000 for People in Place from Lankelly Chase and the Tudor Trust.
- Provided 1,116 days of pro bono support to help respond to the coronavirus pandemic.
- Responded to the pandemic.  
Flexible approaches were adopted during the year to meet the needs of communities and third sector organisations. Corra provided additional grants to existing grant holders and reduced reporting requirements or burdens. Collaborating with the Scottish Government and other funding partners, Corra helped to administer: The Third Sector Resilience Fund; Food Fund; Wellbeing Fund; Supporting Communities Fund; and Community Recovery Programme. Corra's pro bono support to administer these funds amounted to an additional investment of just over £250,000 to the third sector.
  - Administered 4,240 funding applications and distributed 2,771 grants in emergency funding.
  - Released over £4.1m in small £2,000 grants as part of the Scottish Government's immediate response to coronavirus.
  - Distributed funding across all 32 local authority areas in Scotland.
  - Provided an additional £59,500 to Corra's existing PDI and international development grant holders.

*"The grant was very helpful to be able to very quickly meet the needs of our Malawian team in what was a stressful and fast-developing situation. It was particularly reassuring for the team at a time when their daily income was uncertain, to know that allowances for project work would still be paid."*

Children's Medical Care Malawi

- Delivered grant programmes.  
Corra managed 22 grant programmes in 2020 which included:
  - £980,779 distributed through Henry Duncan Grants to 77 charities working with families affected by poverty, 38 received multi-year grants. Of this amount £412,000 was disbursed in 2020, with the balance to be disbursed in subsequent years per grant conditions.
  - £4.2m distributed to organisations supporting individuals and families impacted by drugs and alcohol.
  - £14.6m distributed through the Scottish Government's International Development Fund and Children, Young People, Families and Early Intervention and Adult Learning and Empowering Communities Fund (CYPFEIF & ALEC Fund).
  - Eight of the funds Corra administered were new funds.

The Equity Programme set-up in September 2020 was identified as a direct result of the impact of coronavirus with funding from Stewart Investors. Corra distributed £47,000 to 31 invited groups supporting Black, Asian and Minority Ethnic communities who had been adversely affected by the coronavirus pandemic.

### **TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)**

Following the recommendations from the Henry Duncan Grants Review in 2019, multi-year and unrestricted funding were introduced as part of the 2020 revised programme. A total of 164 applications were received, 24% from charities looking for a micro grant.

Collydean Community Centre received a five-year grant of £40,000 in August 2020. The funding will help families affected by the impacts of poverty in the Glenrothes area of Fife through the We Stand Better Together project. The project aims to help individuals and families with food and healthy eating. As a result of the coronavirus pandemic, the organisation has seen an increase in the number of families accessing support.

- Worked alongside communities.  
In the early part of 2020 Corra published insights into achievements made by community members in nine local areas Corra works directly alongside (Getting Alongside Communities). Key findings highlighted increased community confidence, local people building connections and using their voice to create change. During 2020:
  - Approximately 37 hours per month of support was given by local people to community activities in the nine local communities.
  - An average of 23 people were regularly engaging in activities in their community before the first lockdown and from August to December 2020.
  - Corra funded locally led community ideas totaling £7,437 pre and during the coronavirus pandemic. An additional £974,806 through the Supporting Communities Fund helped communities during the pandemic.

The restrictions as a result of the coronavirus pandemic presented challenges to the communities, including increased financial pressures and limited social connections. Corra supported local community members to use online spaces to stay connected.

In Blacklands, North Ayrshire, Corra supported a group to regularly meet in the local library for chair-based exercise. Lockdown stopped the group meeting up, but with support from the Corra community coordinator the group were able to meet online. The group has been able to remain connected, discuss concerns about the pandemic and support each other during lockdown and restrictions.

Corra continued to progress plans for a Participatory Scotland programme based on learning from Participatory City in Barking and Dagenham. In 2020 Corra:

- Hosted a feasibility weekend in February with 20 participants from five local authorities and other public sector partners.
- Hosted an ongoing community of practice for six local authorities committed to taking forward the Participatory Scotland programme following the coronavirus pandemic.

Corra is a grant-making foundation and the impact of grant-making and the way it delivers Corra's strategy is described in the following sections, with details of Corra's grant-making policy provided in the financial review. Short descriptions of each of the grant programmes Corra has delivered in 2020 are on page 42.

## TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)

### 3. Impact of Corra's Work

- Improving lives  
Funded organisations and communities continued to report on positive changes that individuals, families and communities were making, even through difficult times.
  - 61% of organisations supported by Corra aimed to improve health and wellbeing for people and communities.
  - 1,096 people with substance issues have received meaningful support from the 41 projects funded through PDI managed Challenge Fund.
  - 6,080 people in communities connected with activities in the nine areas Corra works alongside.
- Ensuring supportive, accessible and equitable approaches  
Corra received 437 responses to its annual customer satisfaction survey which hears directly from applicants and grant holders about funding processes, support, and advice.
  - 81% of applicants to Corra's funds felt Corra understood the priorities of their organisation.
  - 87% of applicants felt the application material was very clear.
  - 96% of organisations supported through CYPFEIF & ALEC Fund felt that fund information was good / excellent.

*"Corra is a funder at the forefront of leading a new way of engagement with the third sector. It is open to learning and it has the courage to be bold about how it uses its funds."* Feedback Corra annual customer satisfaction survey October 2020

In 2020 Corra committed to reaching people and communities that felt further left behind, particularly as a result of the coronavirus pandemic. From organisations who applied through Comic Relief, Henry Duncan Grants and PDI programmes:

- 88% of organisations which successfully received a grant were led by people with lived experience.
- 29% supported work at a local neighbourhood/community level.
- 9% was specifically supporting work with Black, Asian and Minority Ethnic communities.

### 4. Delivering against Corra's Three Big Changes

- Power to create change rests with people themselves.  
Over the course of the year Corra has increased opportunities for people and communities to take active roles locally and nationally.
- Increased participatory approaches:
  - Community members involved in decision-making for three Scotland-wide programmes; Comic Relief #ShiftThePower, the Challenge Fund and the Equity Programme.
  - Eleven communities have participated in community-led grant-making. To date £33,847 has been distributed to communities through this route.

**TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)**

Corra supported a group of Bengali Women to develop grant funding for their community. Time was spent building relationships with the women to understand local needs and opportunities. The women identified increased pressures for some families due to the coronavirus. Corra provided a small grant of £400 to assist families with shopping vouchers to help them cope over the festive holiday period.

- Amplifying the experiences and expertise of people, communities and charities:
  - Twenty-two community stories, seven project stories and nine insight pieces have been published, all focusing on responses to the pandemic.
  - Responded to five national consultations.
  - Published 'Connections are Key' research on relationships to help families affected by substance issues.
- People with ideas for radical change are supported, skilled, connected, and confident. Throughout 2020 Corra offered different ways to build capacity and support development opportunities for individuals and communities.
- Provided 'the space' for people to develop and lead their own learning and ideas:
  - 64% of ideas funded through People in Place were community led (identified, designed, and delivered by people in the community).
  - Facilitated three communities of practices to offer peer support to organisations working on similar themes.

In November 2020 Corra played a key role in bringing together community members for facilitated events run by David Hume Institute with the UK-wide Roots Programme. The community conversations were held in Buckhaven, Fife and Castlehill, West Dunbartonshire. The conversations focused on actions people from across their community could do to bring cohesion, pride and connections to people who live and work in the areas.

- Connected people through online opportunities to maintain relationships and learn together:
  - 17,698 Facebook connections in the nine communities Corra works alongside.
  - 258 third and public sector organisations accessed online training or networking event delivered by Corra.

*"We found the Corra annual conference very inspiring and was surprised at the level of enthusiasm and excitement there was for an online event".* Feedback participant CYPFEIF & ALEC Fund conference

- People are working together to respond to the big challenges facing Scotland:  
Corra worked closely with over 40 partners during 2020 focusing on the impact of the coronavirus pandemic, the importance of human rights, and streamlining grantmaking processes. Corra's partnerships included:
  - Scottish Council for Voluntary Organisations (SCVO), STV Children's Appeal and Inspiring Scotland. (Wellbeing Fund shared assessment and application process.)
  - The Hunter Foundation and Scottish Government. (Exploring shared information platform for children and young people.)
  - Making Rights Real and Human Rights Consortium Scotland (facilitated conversations in human rights).

## **TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)**

- Homeless Network Scotland, Scottish Government, Social Bite, Heriot Watt University and local authority and third sector partners across six local authorities. (scaling up the Housing First model to tackle homelessness).
- Carnegie UK Trust, Corra Foundation, the Royal Society of Edinburgh, SCVO, The National Lottery Community Fund, Foundation Scotland and The Robertson Trust. (Progressing a Social Action Inquiry in Scotland.)

### **FINANCIAL REVIEW**

The financial statements reflect the reporting requirements of Financial Reporting Standard 102 (FRS 102) and the Charities SORP (FRS 102) (effective 1<sup>st</sup> January 2019).

In 2020, total charitable grant expenditure amounted to £56.1m (2019: £20.4m). This included a total of £34m of COVID emergency funds received and disbursed by Corra on behalf of the Scottish Government and £22.1m under other grant programmes. The COVID emergency funds were made up mainly of £21.5m Wellbeing Phase 3 Fund, £6.4m Third Sector Resilience Fund, £4.1m Community Wellbeing Fund and £975k Supporting Communities COVID-19 Fund. Corra also disbursed £533k of the Comic Relief COVID Emergency Funds.

Charitable expenditure under the grant programmes included Henry Duncan Grants annual commitments of £1m (2019: £1m) with £412k being disbursed in 2020, and the balance due in future years. £1.3m (2019: £1.3m) for the Partnership Drugs Initiative and £1.6m (2019: £1.3m) for the Housing First Scotland Fund. A full breakdown of Corra's charitable expenditure is shown in Note 8.

Total support costs remained at £2.4m for the year (2019: £2.4m). At the end of the year 2020, Corra's total funds stood at £30.2m (2019: £27.6m) of which £24.9m was unrestricted (2019: £24.4m) and £5.3m restricted (2019: £3.2m).

### **Income**

Total income for 2020 was about £60m (2019: £22.1m). The £38m variance to income in the previous year is due mainly to the receipt of £34.8m COVID Emergency Funds, £34m of which was funded by the Scottish Government and £0.8m by Comic Relief. These funds were immediately disbursed.

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

- Scottish Government COVID Emergency Funds, £34.8m.
- CYPFEIF & ALEC Fund - from the Scottish Government £13.8m (2019: £13.9m.)
- Drugs Death Task Force Innovation Fund – a new fund from the Scottish Government, £3.57m.
- Housing First – £2.12m from the Scottish Government (2019: £2m.)
- Comic Relief #ShiftthePower, £1m (2019: £1m).

A full breakdown of all programmes and funders is shown in Note 24.

### **Balance Sheet**

At the year-end Corra held Total Net Assets of £30.2m (2019: £27.7m), which includes investment funds of £24.2m (£24.9m) with CCLA Investment Management Limited (CCLA).

### **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

## **TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.).**

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. Further details are given in the Going Concern accounting policy 1(c).

### **Cash Flow**

The cash flow increased by £3m mainly due to funding received for new projects and increased activity. Cash at bank as at 31 December 2020 was £10.2m (2019: £7.2m).

### **Investment Policy & Performance**

Corra's Trustees have a duty to manage the investment portfolio in the best interests of Corra Foundation and in line with the legal duties conferred on charity trustees by the Charities and Trustee Investment (Scotland) Act 2005.

These duties include a requirement to take professional advice if required; to select investments which are suitable for Corra Foundation; and to consider the need for adequate diversification, meaning that there should be a wide spread of complementary investments because this is less risky than relying significantly on any one asset or one type of asset.

The Trustees also refer to guidance published by OSCR and other relevant bodies such as the Association of Charitable Foundations (ACF) to ensure compliance with recommended good practice.

Corra aims to deliver its mission in an ethically responsible way; ensuring that all our activities remain equitable, fair and accessible to charities and communities, and will not have a negative impact or prohibit opportunities for the people or communities Corra serves. This is the basis of Corra's ethical policy which is underpinned by an ethical operational decision matrix which serves as a reference point for staff.

Trustees will not knowingly appoint, partner, invest or seek income from companies whose activities are inconsistent with the organisation's ethical position and ability to deliver its mission. In line with these principles, Trustees have appointed CCLA as manager of the portfolio, under an investment management agreement which gives CCLA the discretion to select the investments it believes are best suited to meet Corra Foundation's stated requirements. CCLA is empathic and understanding of Corra's values and mission, and has demonstrable skills in managing funds in keeping with Corra's ethical position. Trustees monitor the operation and effectiveness of Corra's ethical policy through annual reviews.

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. The portfolio is currently invested entirely in the COIF Charities Ethical Investment Fund ('Ethical Fund'). The Ethical Fund targets financial objectives which are aligned with Corra's requirements: income and capital growth for long term charity investors, from a diversified portfolio of selected assets.

The Trustees understand that these objectives can only be met by investing primarily in assets which can go down as well as up in value, such as company shares, and are therefore willing to accept a degree of volatility including falls in the portfolio's market value at times. However, they do not wish to accept any more of this investment risk than is necessary, and the Ethical Fund aims to deliver the

**TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.).**

targeted level of returns with no more than 75% of the volatility associated with the UK stock market.

Trustees receive detailed quarterly reports and meet with the manager at least three times a year to deepen their understanding and question CCLA on the investment strategy, performance, and the outlook and risks for forthcoming periods.

The Trustees believe it is important that their investment policy is aligned with Corra's ethical policy. CCLA's responsible investment approach, and the Ethical Fund's ethical policies, are viewed by the Trustees as supportive of Corra's aims, values and mission.

The Trustees are encouraged by CCLA's proactive approach to responsible stewardship: using the power of investment asset owners to bring about positive social, organisational and environmental change.

On behalf of its investors CCLA makes full use of the corporate voting rights that come with share ownership. For example they work to tackle inequality at investee companies, with a particular focus on voting against excessive and poorly aligned pay for company directors. They also support efforts to increase diversity of company boards and senior management, and dissenting votes are applied where a lack of progress in this area is identified.

CCLA reports to the Trustees on its stewardship work and the impact that it is having, through its regular quarterly reports on Corra's portfolio and in regular update meetings with the Finance and Investment Committee and the Board. Corra welcomes the opportunity to participate in CCLA's client consultation on stewardship priorities and the policies of the Ethical Fund as a member of the Ethical Fund's client advisory committee.

The Ethical Fund screens out investment in 'fossil fuel' companies, and also avoids businesses with significant activity in tobacco, gambling, armaments, alcohol or high interest rate lending ('payday' lenders). Meanwhile, the Fund's managers actively seek opportunities to invest in assets with a positive social or environmental benefit, where these are consistent with the fund's financial objectives. Among the fund's holdings are investments in social housing, energy efficiency and solar and wind power.

Corra Foundation's investment in the CCLA Charities Ethical Investment Fund was valued at £24.19m as at 31 December 2020. In the period January to December 2020, £2.3m of cash was realised from the sale of units in the fund to cover ongoing operational costs and future grant payment commitments. A realised gain of £377k was made on the sale of these units, and there were also unrealised gains of £1.15m on the remainder of the units due to an increase in market value since the start of the year.

In total, Corra's investment portfolio including funds held in short term deposits yielded dividend returns and interest amounting to £817k, of this amount dividends from CCLA amounted to £763k, which was below forecast by £6k. Dividend distribution from the CCLA COIF Ethical Investment Fund is made up of about 25% of capital from the fund in order to provide a forecast steady income stream for investors.

Overall, Corra's investment portfolio as at 31 December 2020 was £24.2m which is a decrease in value of £0.7m compared with the value at 31 December 2019 of £24.9m.

## **TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.).**

### **Risk Policy**

The Trustees have examined the major strategic and operational risks facing Corra 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 Corra and in 2021 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. Actions to mitigate key risks include wellbeing policies and practices, conservative annual budgeting and cashflow management, and clear governance arrangements. 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.

### **Grant-making policy**

Grant-making is a significant activity of Corra Foundation in pursuit of its mission. Corra reflects its vision, mission and its Articles of Association in designing, delivering and making decisions on grant-making programmes. Corra undertakes a wide range of grant-making through programmes which may have differing target beneficiaries, priorities, criteria and processes as appropriate. All grant-making involves: promoting grants available, receiving applications, undertaking due diligence, assessment with reference to published criteria, decision making, payments, and collection of monitoring information. Trustees make decisions on grants made with income from Corra's investments and may delegate these decisions to Corra employees, other organisations or groups. Grantees receive a statement of the terms and conditions of awards. Corra Foundation shares and adopts good grant-making practice through membership of bodies such as the Scottish Grantmakers, Scotland Funders' Forum and Association of Charitable Foundations.

### **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 £30.2m (2019: £27.7m). After taking into consideration the fund restrictions £5.3m (2019: £3.2m) and designations of £2.1m (2019: £1.5m); Corra held total unrestricted reserves of £23m (2019: £22.9m).

In 2020 designated funds had an opening balance of £1.55m (2019: £1.89m) and total in-year designation amounted to £2.28m, made up of £0.4m (2019: £0.2m) for Getting Alongside Communities (People in Place), £1.15m (2019: £1m) for the Henry Duncan Grants programme, 60k for

**TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.).**

Appetite for Change (2019: £100k) and £100k for the Civil Society Initiative (2019: £100k). Total designated expenditure was £1.66m and a total of £2.17m was carried forward at the year end to cover commitments in 2021 and future years.

The unrestricted reserves are part of Corra's long-term investment portfolio held with CCLA. This investment portfolio is held in support of the future strategic aims of the Corra Foundation and is the proceeds from Corra's sale of its Lloyds Banking Group shares, received when its relationship with the bank ended in 2018.

A full breakdown of funds is 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 day-to-day operational management of Corra. 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 everyone deserves to be paid 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 as well as becoming a Cycle Friendly Employer. The pay of all staff, including the key management personnel, is reviewed annually by the Nominations and Remuneration Committee.

**PLANS FOR FUTURE PERIODS**

2020 was the first year of a new ten-year strategy for Corra Foundation, which covers the period up to 2030. This long-term approach to strategic planning, coupled with flexibility in operational delivery, is expected to ensure Corra has the agility and sense of purpose to achieve its mission in the years ahead.

Corra's income is expected to continue to come from a mix of investments, grants and contracts. Variance in income sources, such as investments and public funds, will be closely monitored. The Trustees and senior staff continue to pursue a diverse range of partnerships and to develop new opportunities based on these, with a preference for longer term approaches. The overall turnover in 2020 was unusually high due to the significant redistribution of Scottish Government funding related to the coronavirus pandemic, this is not expected to continue at the same scale in 2021.

In 2020 Corra embarked on a range of cross-organisational projects to ensure it was fit for purpose and able to maximise the potential of the new strategy. This included reviews of Corra's skills base, organisational structure and financial modelling. Work to develop Corra's commitments to diversity, equity and inclusion, to transparency, and to tackling climate change were also integral to this. This work will continue in 2021, ensuring that Corra is the best foundation it can be.

**TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.).**

**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 finances of the charitable company, of the incoming resources and the application of those resources including the income and expenditure of the charitable company in that period.

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.

**TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)**

**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:

Luke McCullough, Chair (*from 11 June 2020, Trustee since 6 August 2015*)  
Judith Turbyne, Deputy Chair (*from 11 June 2020, Trustee since 4 October 2018*)  
Joy Barlow MBE  
Elizabeth Y Carmichael CBE  
Michaela Collins (*appointed 11 June 2020*)  
Claire A Gibson  
David R Johnson  
Richard Martin  
Christine McLaughlin (*appointed 11 June 2020*)  
Fiona Sandford  
Mildred Zimunya (*appointed 11 June 2020*)

David Urch (*retired 31 March 2020*)  
Trevor Civval, Chair (*retired 11 June 2020*)  
Elaine McKean (*resigned 9 December 2020*)

Company Secretary, Natalia Best

**CORRA KEY MANAGEMENT PERSONNEL**

Chief Executive, Fiona Duncan (*seconded as Chair of the Independent Care Review / The Promise for 50% of her time until 5 April 2021. From 6 April 2021 Fiona has been released to The Promise Scotland for 12 months, excepting agreed time reserved for Corra activities including liaison with the Acting Chief Executive and Corra Chair*)

Acting Chief Executive, Carolyn Sawers (*from 6 April 2021 for 12 months, Deputy Chief Executive since 1 August 2017*)

Head of Core Operations, Karen Brown  
Head of External Relations, Shelley Gray  
Head of Grants, Connie Williamson  
Head of Learning and Development, Elaine Wilson  
Head of Place, Allan Farmer

**TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)**

**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  
5<sup>th</sup> 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  
Senator House  
85 Queen Victoria Street  
London EC4V 4ET

Legal Adviser: Turcan Connell  
Princes Exchange  
1 Earl Grey Street  
Edinburgh EH3 9EE

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

Corra was incorporated on 20<sup>th</sup> November 1985 as a Company Limited by Guarantee. On 1<sup>st</sup> 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<sup>th</sup> 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

## **TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)**

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 periods 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. A buddying scheme has been setup and is offered to new Trustees.

### **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 and 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 a steering group which exists to advise the Partnership Drugs Initiative team. Two Trustees sit on the Corra Anti-racism Group. 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 and 2018 such as adaptations to Board agendas and papers, Trustee skills audits, election processes, and the timing of meetings. This is kept under regular review. The Board meets quarterly, and a board effectiveness review is being carried out at the beginning of 2021. The Board will review the recommendations when the process has completed.

### **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.

### **Website**

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

### **Auditors**

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

**TRUSTEES' REPORT AND INCORPORATED STRATEGIC REPORT (cont.)**

The Trustees' Report, incorporating the Directors' Report and Strategic Report, was approved by the Board on 11<sup>th</sup> June 2021.

By order of the Board,

A handwritten signature in black ink, appearing to read 'Luke McCullough', written in a cursive style.

**LUKE MCCULLOUGH**  
Chair

*11<sup>th</sup> June 2021*

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

**Opinion**

We have audited the financial statements of the Corra Foundation for the year ended 31 December 2020. This comprises the statement of financial activities, the statement of financial position and the 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 charitable company'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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 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 Corra Foundation, 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**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 during 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 charitable company and its environment obtained during 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**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.

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

In preparing the financial statements, the trustees are responsible for assessing Corra'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 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**

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:

The company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the company and the environment it operates within, we identified that the principal risks of non-compliance with laws and regulations related to general legislation, breaches of health & safety regulations and employment law. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to manipulate results and management bias in key accounting estimates such as revenue recognition. Audit procedures performed by the engagement team included:

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations including fraud;
- enquiring of management as to actual and potential litigation and claims;
- identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- challenging assumptions and judgements made by management, in their significant accounting estimates, particularly in relation to revenue recognition;
- performing analytical procedures to identify any unusual or unexpected relationships, investigating the rationale behind significant or unusual transactions and agreeing financial statement disclosures to underlying supporting documentation;

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

- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries posted by unexpected users, backdated journals and journals with unusual descriptions; and
- reviewing minutes of Board meetings;

There are inherent limitations in the audit procedures described above 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. Also, 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 or intentional misrepresentations, or through collusion.

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](http://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<sup>th</sup> June 2021

French Duncan LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

	Note	Unrestricted Funds 2020 £000s	Restricted Funds 2020 (Note 24) £000s	Total Funds	
				2020 £000s	2019 £000s restated
<b>Income and Endowments from:</b>					
Donations and legacies	3	79	58,176	58,255	20,808
Charitable activities	4	426	-	426	475
Investments	6	817	-	817	854
Other	5/7	98	-	98	11
<b>Total income</b>		<u>1,420</u>	<u>58,176</u>	<u>59,596</u>	<u>22,148</u>
<b>Expenditure on:</b>					
Charitable activities	8	<u>(2,446)</u>	<u>(56,082)</u>	<u>(58,528)</u>	<u>(22,799)</u>
<b>Total expenditure</b>		<u>(2,446)</u>	<u>(56,082)</u>	<u>(58,528)</u>	<u>(22,799)</u>
Net gains on investments	16	<u>1,527</u>	<u>-</u>	<u>1,527</u>	<u>4,176</u>
<b>Net income/(expenditure)</b>		<u>501</u>	<u>2,094</u>	<u>2,595</u>	<u>3,525</u>
<b>Net movement in funds</b>		<u>501</u>	<u>2,094</u>	<u>2,595</u>	<u>3,525</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		24,420	3,229	27,649	24,124
<b>Total funds carried forward</b>		<u><u>24,921</u></u>	<u><u>5,323</u></u>	<u><u>30,244</u></u>	<u><u>27,649</u></u>

There are no recognised gains or losses other than those shown above. All activities relate to continuing operations. All operations, clients and contracts under Fortify Social Enterprise CIC, Corra's trading subsidiary were transferred to Corra from 1 January 2020, and the CIC made dormant, per the Trustees' decision.

The notes on pages 26 to 45 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020

	Note	2020 £000s	2019 £000s
<b>Fixed assets</b>			
Tangible assets	14	32	39
Intangible assets	15	36	48
Investments	16	24,195	24,968
<b>Total fixed assets</b>		<b>24,263</b>	<b>25,055</b>
<b>Current assets</b>			
Receivables	17	196	2,720
Cash	22	10,264	7,226
<b>Total current assets</b>		<b>10,460</b>	<b>9,946</b>
<b>Current liabilities</b>			
Grants awarded and payable	18	4,190	7,034
Payables due within one year	19	289	318
<b>Total current liabilities</b>		<b>4,479</b>	<b>7,352</b>
<b>Net current assets</b>		<b>5,981</b>	<b>2,594</b>
<b>Net assets</b>		<b>30,244</b>	<b>27,649</b>
<b>The funds of the Foundation</b>			
<b>Restricted funds</b>	24	5,323	3,229
<b>Unrestricted funds:</b>			
- General fund	24	22,751	22,870
- Designated fund	24	2,170	1,550
<b>Total unrestricted funds</b>		<b>24,921</b>	<b>24,420</b>
<b>Total Foundation funds</b>		<b>30,244</b>	<b>27,649</b>

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 26 to 45 form part of these financial statements which were approved and authorised for issue by the Trustees on 11<sup>th</sup> June 2021 by:



**LUKE MCCULLOUGH**  
Chair



Judith Turbyne (Jun 11, 2021 15:27 GMT+1)

**JUDITH TURBYNE**  
Audit Committee Chair

**STATEMENT OF CASHFLOWS**

	Note	<b>2020</b> <b>£000s</b>	<b>2019</b> <b>£000s</b>
Net cash generated from operating activities	23	<u>(64)</u>	<u>(1785)</u>
Cash flows from investing activities			
Investment income		817	854
Purchase of tangible assets		(15)	(32)
Proceeds of sale of fixed assets		-	-
Proceeds of sale of investments		2,300	2,000
Purchase of investments		<u>-</u>	<u>-</u>
Net cash provided by/ (used in) investing activities		<u>3,102</u>	<u>2,822</u>
Net change in cash	22	3,038	1,037
Cash at start of period		<u>7,226</u>	<u>6189</u>
Cash at end of period		<u><u>10,264</u></u>	<u><u>7,226</u></u>

The notes on pages 26 to 45 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. As Fortify Social Enterprise CIC is no longer trading, the accounts and comparatives are for Corra only.

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.

Going concern is considered by Trustees on an ongoing basis, by regularly reviewing cashflow projections, CCLA investment reports, future grant commitments and contingent liabilities including the impact of the ongoing Covid-19 pandemic. The charity has a strong Balance Sheet supported by its investment portfolio. The Trustees are satisfied that it is appropriate for Corra's financial statements to be prepared on a going concern basis.

#### **(d) 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 specific 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 also set out in the notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**1. Accounting policies (cont.)**

**(e) 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.

**(f) 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.

**(g) 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.

**(h) 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.

**(i) 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. All costs are inclusive of any irrecoverable VAT.

**(j) Grant Expenditure**

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.

**(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.

**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. However, Fortify CIC ceased trading at the end of the 2019 financial year and did not trade in 2020.

**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**

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Grants received:		
The Scottish Government	55,538	19,572
Other	2,638	1,221
<b>Total grants received</b>	<u>58,176</u>	<u>20,793</u>
Donation from subsidiary	79	13
Donated services	-	2
<b>Total income from donations and legacies</b>	<u><u>58,255</u></u>	<u><u>20,808</u></u>

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

Corra's income from donations was £58.3m (2019: £20.8m) all of which was restricted except for £79k (2019: £15k) which was a gift aid payment from Fortify CIC, Corra's subsidiary. In previous years, Corra received about £2k income in kind from the donation of free public relations services from Indigo (PR) Ltd, for which Corra is grateful to Indigo (PR) Ltd. However, Corra did not receive any donated services from Indigo (PR) Ltd in 2020.

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:

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Income from contracted services	426	475
	<b>426</b>	<b>475</b>

**5. Income from other trading activities**

In 2020, other trading activities were undertaken by Corra because the subsidiary company, Fortify Social Enterprise CIC (Company number: SC507457) was made dormant. All trading activities remain the same and are now carried out as part of Corra from 1 January 2020. The income from consultancy earned through Fortify CIC in 2019 was £85k.

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Consultancy Fees	84	
Administration Fees	-	-
	<b>84</b>	-
	<b>84</b>	-

**6. Income from investments**

Total income during the year from investments is detailed below:

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Dividend and interest income	817	854
	<b>817</b>	<b>854</b>

**7. Other income**

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
<b>Other income</b>	<b>14</b>	<b>11</b>
	<b>14</b>	<b>11</b>

This is made up from the refund of expenses from the Care Review and The Promise, as well as the Scottish Government's contribution to the costs of the CYPFEIF & ALEC Conference.

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**8. Charitable expenditure**

Corra's charitable expenditure was a total of £58.5m (2019: £22.8m) of which £56.1m was restricted (2019: £19.9m) and £2.4m unrestricted (2019: £2.9m). The variance, compared to the 2019 figures is due to the COVID Emergency funds previously referred to in Note 3, which were received and disbursed in 2020.

All expenditure incurred by Corra is considered a charitable activity. 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.

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

**Split of charitable expenditure between funds:**

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Restricted	56,082	19,879
Unrestricted	2,446	2,920
	<u>58,528</u>	<u>22,799</u>

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**8. Charitable expenditure (continued)**

Projects/Funds	Grants £000s	Support costs £000s	2020 Total £000s	2019 Total £000s
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**Grant-making**

Henry Duncan Grants	412	208	620	1,239
Partnership Drugs Initiative	1,304	182	1,486	1,545
Everyone Has a Story	-	23	23	-
Maternal and Child Wellbeing	-	14	14	-
Whole Family Approach	53	2	55	
Drugs Death Innovation Task Force	1,560	62	1,622	
Challenge Fund	1,289	47	1,336	1,033
Family Recovery Initiative Fund	6	2	8	35
Comic Relief	848	113	961	802
Comic Relief COVID Emergency Funds	533	26	559	-
Scottish Government COVID Emergency Funds	33,597	46	33,643	-
STV Children's Appeal	-	-	-	-
Equity Programme	47	-	47	-
<b>2020 Sub-totals</b>	<b>39,649</b>	<b>725</b>	<b>40,374</b>	<b>4,654</b>

**Place-based programme**

8 areas in operation at 31 December 2020	7	548	555	569
Appetite for Change	-	71	71	51
<b>2020 Sub-totals</b>	<b>7</b>	<b>619</b>	<b>626</b>	<b>620</b>

**Maximising expertise**

International Grants	807	115	922	1190
Listening Fund	155	42	197	208
CYPFEIF & ALEC	13,821	254	14,075	14,239
Families and Communities Fund	-	38	38	29
Housing First	1,571	179	1,750	1,631
3rd Sector Homelessness Fund		13	13	-
Social Action Inquiry	-	44	44	57
The Promise	-	82	82	-
Vanguard Cities	20	2	22	-
<b>2020 Sub-totals</b>	<b>16,374</b>	<b>769</b>	<b>17,143</b>	<b>17,354</b>

**Development & Sustainability**

Corra Retained	26	329	355	171
Fortify Gift Aid	30	-	30	-
<b>2020 Sub-totals</b>	<b>56</b>	<b>329</b>	<b>385</b>	<b>171</b>

<b>2020 Total</b>	<b>56,086</b>	<b>2,442</b>	<b>58,528</b>	<b>22,799</b>
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**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**9. Analysis of support costs by strategic strand – Corra Projects / Funds**

<b>Projects/Funds</b>	<b>Total Operating Costs</b>	<b>Overhead Recharge Allocation</b>	<b>TOTAL SUPPORT COSTS 2020</b>	<b>TOTAL SUPPORT COSTS 2019</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
*Corra (Retained)	899	(570)	329	158
Vanguard Cities	-	2	2	-
Whole Family Approach	-	2	2	-
Henry Duncan Grants	129	79	208	258
Partnership Drugs Initiative	103	79	182	218
PDI EHAS	21	2	23	13
Maternal and Child Wellbeing	14	-	14	
Drug Deaths Innovation Task Force	-	62	62	-
International	80	35	115	178
CYPFEIF &ALEC	166	88	254	302
FAC	36	2	38	29
FRIF	2	-	2	5
Housing First	109	70	179	311
3rd Sector Homelessness Fund	13	-	13	-
Challenge Fund	47	-	47	109
Listening Fund	42	-	42	39
Comic Relief	75	38	113	100
Comic Relief - COVID Emergency Funds	4	22	26	-
Scottish Government COVID Emergency Funds	46		46	-
People in Place	469	79	548	539
Appetite for Change	66	5	71	51
Civil Society/Social Inquiry	39	5	44	57
The Promise	82	-	82	-
Equity Fund	-	-	-	-
<b>Total</b>	<b>2442</b>	<b>0</b>	<b>2442</b>	<b>2367</b>

Total support costs for the year £2.4m (2019: £2.4m)

\*Includes total operating costs for Head Office, Ext Relations, L&D and Grants Central.

\*\*£47k operational costs for the challenge fund have been charged directly to Corra's unrestricted general reserves.

The total support costs are the total operational costs for Corra including Audit & Accountancy fees shown in Note 13.

They also include Governance and Office Recharge costs which are shown separately in Note 10.

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**10. Analysis of expenditure on governance and office recharge costs**

	Office recharge costs £000s	Governance costs £000s	2020 Totals £000s	2019 Totals £000s
Staff costs (split 60:40 office/ governance)	320	214	534	527
Accommodation costs	79	-	79	97
Investment & bank charges	-	2	2	2
Communication, PR, printing & stationery	25	-	25	38
Professional & consultancy fees	43	28	71	63
Total depreciation and amortisation	35	-	35	28
Travel & subsistence	1	-	1	5
Governance – Trustees & Advisory Groups	-	2	2	1
Miscellaneous/Other Expenses	32	-	32	33
	<b>535</b>	<b>246</b>	<b>781</b>	<b>794</b>

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

	2020 £000s	2019 £000s
Wages and salaries	1,472	1,374
Social security costs	151	137
Other pension costs	170	171
Trustee remuneration	-	-
Other staff costs	65	54
Recharge to Fortify	-	(109)
<b>Total Staff &amp; Trustee Remuneration Costs</b>	<b>1,858</b>	<b>1,627</b>
<b>Key Management Personnel Costs</b>	<b>488</b>	<b>480</b>

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:

<b>Salary Bands</b>	2020 No of employees	2019 No of Employees
£90,000-£100,000	1	1
£80,000-£90,000	-	-
£70,000-£80,000	1	-
£60,000 - £70,000	-	1
Defined contribution pension Employer contributions	£17.9k	£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 2020 (2019: £nil) and no Trustee received payment for professional or other services supplied to the charity 2020 (2019: £nil). Four trustees received aggregate expenses totalling just under £1k (2019: £1k) during the year mainly for travel, in connection with their duties.

In previous years, Indigo (PR) Ltd, whose Account Director & Head of CPD Training was one of our Trustees from October 2018 to December 2020, provided 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 was estimated at £2k for 2019, which was included in the financial statements. In 2020, no pro-bono work was undertaken by Indigo for Corra Foundation.

**12. Staff numbers**

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

	<b>2020</b>	<b>2019</b>
	<b>FTE</b>	<b>FTE</b>
Grant making: Henry Duncan Grants	2.30	2.30
Grant Making: Partnership Drugs Initiative	2.03	2.80
Grant Making: CYPFEIF & ALEC	2.78	3.72
Grant Making: International	1.38	1.15
Grant-making: COVID-19 Emergency Funds	7.78	-
Grant Making: Other	2.35	2.62
Place- based programme	7.72	10.86
Maximising our expertise	0.80	1.30
Governance	1.40	1.50
Support	4.33	4.67
Development of our impact and future	4.15	4.69
<b>Total staff numbers</b>	<b>37.02</b>	<b>35.61</b>
	<b>Headcount</b>	<b>Headcount</b>
<b>Average number of employees during the year</b>	<b>43</b>	<b>44</b>

**13. Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Audit services	13	13
Non-audit services	-	-
<b>Total auditor's remuneration</b>	<b>13</b>	<b>13</b>

Auditor's remuneration is also included within governance costs.

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**14. Tangible fixed assets**

All fixed assets are held for charitable purposes.

	Equipment £000s	Leasehold Improvements £000s	Total £000s
<b>Cost</b>			
At beginning of year	214	10	224
Additions	15	-	15
Disposals	-	-	-
At end of year	229	10	239
<b>Depreciation</b>			
At beginning of year	182	3	185
Charge for year	20	2	22
On disposals	-	-	-
At end of year	202	5	207
<b>Net Book Value</b>			
<b>As at 31 December 2020</b>	<b>27</b>	<b>5</b>	<b>32</b>
<i>As at 31 December 2019</i>	32	7	39

**15. Intangible fixed assets**

	Computer software £000s
<b>Cost</b>	
At beginning of year	60
Additions	-
Disposals	-
At end of year	60
<b>Amortisation</b>	
At beginning of year	12
Charge for year	12
On disposals	-
At end of year	24
<b>Net Book Value</b>	
<b>As at 31 December 2020</b>	<b>36</b>
<i>As at 31 December 2019</i>	48

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**16. Fixed asset investments**

During the year, Corra's investment portfolio was managed by CCLA. The portfolio was valued at £24.20m at 31 December 2020 (2019: £24.97m).

	<b>2020</b>	<b>2020</b>
	<b>£000s</b>	<b>£000s</b>
<b>Movement in investment portfolio</b>		
Market value at 1 January		24,968
Purchases		-
Sales		(2,300)
Gain on sale	377	
Gain on revaluation	1,150	
Net gain	<u>1,527</u>	<u>1,527</u>
<b>Market value at 31 December</b>		<b><u>24,195</u></b>

**17. Receivables**

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Prepayments and accrued income	196	2,294
Grants receivable	-	426
<b>Total receivables</b>	<b><u>196</u></b>	<b><u>2,720</u></b>

**18. Grants awarded and payable**

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Payable in less than one year:		
Grants awarded in current year	4,099	6,983
Grants awarded in previous years	91	51
<b>Total grants awarded and payable</b>	<b><u>4,190</u></b>	<b><u>7,034</u></b>

A reconciliation of the grants awarded in the year is shown below:

	<b>£000s</b>	<b>£000s</b>
Balance at 1 January 2020		7,034
Grants approved in the year	56,108	
Grants returned in the year	<u>(109)</u>	
		55,999
Grants paid in the year		<u>(58,843)</u>
<b>Balance at 31 December 2020</b>		<b><u>4,190</u></b>

A full list of grants paid during the year is detailed on Corra's website at [www.corra.scot](http://www.corra.scot).

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**19. Payables due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Trade creditors	23	19
Deferred income	19	-
Accruals	222	245
Due to group company	-	39
Other taxation and social security	25	15
<b>Total Payables</b>	<b><u>289</u></b>	<b><u>318</u></b>

**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:

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Payment possible, due within one year	2,101	1,775
Payment possible, due in more than one year	597	299
<b>Total contingent liabilities</b>	<b><u>2,698</u></b>	<b><u>2,074</u></b>

**21. Commitments**

Corra's total commitments under non-cancellable operating leases are as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Land and building leases which expire:		
Within 1 year	36	36
Between 2 - 5 years	-	36
<b>Total lease commitments</b>	<b><u>36</u></b>	<b><u>72</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**22. Cash flow statement**

Analysis of net funds:

	At beginning of year 1 January 2020 £000s	Cash flow £000s	At end of year 31 December 2020 £000s
Cash at bank	7,226	3,038	10,264
Cash at Investment Advisors	-	-	-
<b>Total net funds</b>	<b>7,226</b>	<b>3,038</b>	<b>10,264</b>

As the charity has no borrowings or obligations under finance leases, a reconciliation of net debt has not been disclosed.

Reconciliation of net cash flow to movement in net funds:

	2020 £000s	2019 £000s
Net funds at 1 January	7,226	6,189
Movement in the year	3,038	1,037
<b>Net funds at 31 December</b>	<b>10,264</b>	<b>7,226</b>

**23. Reconciliation of net movement in funds to net cash flow from operating activities**

	2020 £000s	2019 £000s
Cashflow from operating activity		
Surplus for the year	2,595	3,525
Adjustments for:		
Depreciation	22	16
Amortisation	12	12
Investment income	(817)	(854)
Gain on sale of fixed assets	-	-
Unrealised (gain)/loss on investments	(1150)	(3919)
Realised (gain)/loss on investments	(377)	(257)
	285	(1,477)
Decrease/(Increase) in receivables	2523	168
(Decrease)/Increase in grants payable	(2844)	(590)
(Decrease)/Increase in payables	(28)	114
<b>Net cash generated from operations</b>	<b>(64)</b>	<b>(1,785)</b>

(The) Corra Foundation SC096068  
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**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**24. Statement of Funds**

**(a) Restricted Funds**

	PDI/EHAS	Maternal & Child Wellbeing	Whole Family Approach	Drug Deaths Task Force Innovation	FRIF	Inter-national	The Listening Fund	The Promise	People in Place	CYPFEIF & ALEC	Challenge Fund	Housing First	Comic Relief	Comic Relief COVID Emergency Funds	Vanguard Cities	STV Children's Appeal Fund	BAME Equity Fund	Cycling Scheme	2020	2019
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance at 1 January 2020</b>	1,112	421			38	254	164		46	-	375	637	182						3,229	2,315
Scottish Government	600			3,572		623	-	250		13,821	913	2,000							21,779	19,572
Tudor Trust									100										100	
J Rowntree Foundation																			-	
Esmée Fairbairn Foundation																			-	
Lankelly Chase									275										275	
Comic Relief													950	790					1,740	1,000
Social Bite												128							128	132
National Lottery Fund								9											9	50
William Grant Foundation								9											9	-
Gannochy Trust																			-	25
CLIMB																			-	5
South Lanarkshire Council																			-	5
Other	(100)		100																-	3
Hollywood Trust																			-	1
Heriot Watt University																50			50	
STV Children's Appeal	100																75		175	
Stewart Investors																	150		150	
Cycling Friendly Dev Scheme																			3	3
<b>Total Income In-Year</b>	<b>600</b>	<b>-</b>	<b>100</b>	<b>3,572</b>	<b>-</b>	<b>623</b>	<b>18</b>	<b>250</b>	<b>375</b>	<b>13,821</b>	<b>913</b>	<b>2,128</b>	<b>950</b>	<b>790</b>	<b>50</b>	<b>75</b>	<b>150</b>	<b>3</b>	<b>24,418</b>	
<b>Total resources</b>	<b>1,712</b>	<b>421</b>	<b>100</b>	<b>3,572</b>	<b>38</b>	<b>877</b>	<b>182</b>	<b>250</b>	<b>421</b>	<b>13,821</b>	<b>1,288</b>	<b>2,765</b>	<b>1,132</b>	<b>790</b>	<b>50</b>	<b>75</b>	<b>150</b>	<b>3</b>	<b>27,647</b>	<b>23,108</b>
Charitable activities expenditure	(900)	(14)	(55)	(1,622)	(9)	(877)	(160)	(82)	(272)	(13,821)	(1,288)	(1,750)	(961)	(559)	(22)	-	(47)	-	(22,439)	(19,879)
<b>Balance at 31 December 2020</b>	<b>812</b>	<b>407</b>	<b>45</b>	<b>1,950</b>	<b>29</b>	<b>-</b>	<b>22</b>	<b>168</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>1,015</b>	<b>171</b>	<b>231</b>	<b>28</b>	<b>75</b>	<b>103</b>	<b>3</b>	<b>5,208</b>	<b>3,229</b>
Scottish Government COVID Emergency Funds (see separate analysis)																			115	-
<b>Total</b>																			<b>5,323</b>	<b>3,229</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**24. Statement of Funds (continued)**

*(a) Restricted Funds – Scottish Government COVID Emergency Funds*

	3rd Sector Resilience Fund	Community Wellbeing Fund	Food Fund	Supporting Communities COVID 19 Fund	Wellbeing Phase 3 Fund	Communities Recovery Fund	2020	2019
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance at 1 January 2020</b>							-	-
Scottish Government	6435	4139	225	975	21572	413	33759	-
<i>Total Income In-Year</i>	<i>6435</i>	<i>4139</i>	<i>225</i>	<i>975</i>	<i>21572</i>	<i>413</i>	<i>33759</i>	<i>-</i>
<b>Total resources</b>	6435	4139	225	975	21572	413	33759	-
Charitable activities expenditure	(6435)	(4139)	(225)	(975)	(21572)	(298)	(33644)	-
<b>Balance at 31 December 2020</b>	-	-	-	-	-	115	115	-

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

**24. Statement of Funds (continued)**

(b) *The designated funds are as follows:*

							2020	2019
	Partnership Drugs Initiative	People in Place	Henry Duncan Grants	Appetite for Change	Listening Fund	Civil Society	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020	615	19	778	53	42	43	1550	1896
							0	
Transfer from general funds	570	400	1150	60	0	100	2280	1900
							0	
Charitable activities expenditure	(609)	(283)	(620)	(66)	(38)	(44)	(1660)	(2246)
							0	
Balance at 31 December 2020	576	136	1308	47	4	99	2170	1550

To support being the best grant maker Corra can be, the Trustees designated a total of £1.15m for the Henry Duncan Grants programme and £570k to fund the Partnership Drugs Initiative.

In addition, £400k was designated to support People in Place, £60k towards Appetite for Change as well as £100k for the Civil Society Initiative.

This is a total of £2.28m designated from Corra's general reserves in 2020.

(c) *Unrestricted general funds*

	2020	2019
	£000s	£000s
Balance at 1 January 2020	22,870	19,913
Income	1,420	1355
Expenditure	(786)	(674)
Investment gains	1,527	4176
Transfers	(2,280)	(1900)
<b>Balance at 31 December 2020</b>	<b>22,751</b>	<b>22,870</b>

Please find below a description of all funds held at Corra in 2020.

**Corra Funds:**

- **Henry Duncan Grants** focuses on different themes each year, with enabling families to cope with the impacts of poverty the theme for 2020. This fund is fully funded by Corra Foundation.
- **The Partnership Drugs Initiative (PDI)** is part-funded by the Scottish Government to assist in the purpose of supporting the voluntary sector in working with children and young people affected by drugs and alcohol. Corra provides additional funding.
- **Everyone Has A Story (EHAS)** aims to progress recommendations from the Everyone Has a Story report published in 2016. Specifically work on developing a digital platform.
- **Family Recovery Initiative Fund** where Corra Foundation works in partnership with Scottish Families Affected by Drugs (SFAD) to distribute Scottish Government Funds for the purpose of helping small groups in developing programmes for family support and sustainable recovery.

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

- **Challenge Fund** is a Scottish Government funded programme aimed at improving services for people affected by drugs and alcohol.
- **Drugs Death Innovation Task Force Fund** The Scottish Government Drug Death Task Force (DDTF) seeks to reduce the number of deaths from drugs in Scotland. Corra Foundation is administering the DDTF Innovation Fund which seeks to support rapid and innovative changes to service delivery which will reduce death and harm.
- **Maternal & Child Wellbeing Project** is a restricted fund from the Scottish Government. It is a programme of work with the aim of supporting mothers and their babies who are impacted by drug and alcohol issues.
- **Whole Family Approach** the Scottish Government Whole Family Approach Systemic Change fund aims to support the testing, development and restructuring of the system which surrounds children and families affected by alcohol and drugs.
- The **Scottish Government International Development grants schemes**, whose purpose is to fund charities providing aid to developing countries.
- The **People in Place programme** works alongside communities supporting local people to connect, collaborate on ideas and take action to create positive change. The programme is primarily funded by the Tudor Trust, Lankelly Chase Foundation and the Corra Foundation.
- **Appetite for Change** looks at how learning from the Place Team's 'getting alongside communities' work can be developed for larger-scale communities in Scotland.
- The **Scottish Government CYPFEIF & ALEC programme** whose purpose is to fund Scottish charities to deliver improvements for Scotland's children, young people and families.
- The **Listening Fund** (TLF) started as a partnership with Corra, Comic Relief, The Gannochy Trust, The National Lottery Community Fund and The William Grant Foundation. It aims to advance the ability of organisations working with children and young people to actively listen and respond to their core constituents.
- **Housing First Scotland Fund** is a joint project between Social Bite, Merchant's House Glasgow and the Scottish Government aimed at tackling the root causes of homelessness.
- **#ShiftthePower** is a **Comic Relief** funded project for community led grassroots organisations and charities that are passionate about early years, empowering women, and girls, supporting people affected by homelessness, or tackling stigma around mental health.
- **Comic Relief COVID Emergency Funds** provided grants to community-based organisations in Scotland who were responding to the impact of the COVID 19 pandemic on vulnerable individuals, families, and communities. The Fund was co-funded between Comic Relief (using funds raised from the public through 'Big Night In') and the Department of Digital, Culture, Media and Sport.
- **Scottish Government COVID Emergency Funds.** These are funds which the Scottish Government set up in the wake of the COVID 19 Pandemic. Corra Foundation worked with the Scottish Government and partners to ensure the timely disbursement of funds donating staff time in-kind to the effort.
- **The Promise Partnership** is an investment of £4m from The Scottish Government intended to deliver change in line with Scotland's commitment to creating capacity in the 'care system' to **#KeepThePromise** and provide holistic family support.
- **Vanguard Cities**  
This is a global research project on homelessness being run by Heriot Watt University, for which Corra is a grantmaking partner responsible for reviewing and finalising financial commitments to all research partners.
- **STV Children's Appeal Fund** is an invite only programme for small local community groups to help them sustain their activities for children and families to feel connected.
- **The Equity Programme** works alongside Black, Asian and Minority Ethnic communities in Scotland affected by the impact of the coronavirus pandemic. The fund is an initiative of Stewart Investors

**NOTES TO THE FINANCIAL STATEMENTS (cont.)**

who donated £150,000.

- **Cycling Scotland** this fund has been provided through the Cycling Friendly Development Fund to install cycle racks at Riverside House.
- **Civil Society Initiative** now called the Social Action Enquiry, a collaboration with Carnegie UK Trust, the Royal Society of Edinburgh, SCVO, The National Lottery Community Fund, Foundation Scotland and The Robertson Trust to invest in social action led by communities and support them to generate actionable insights into what conditions support, and hinder, social action.

**25. Analysis of net assets between funds**

	<b>2020</b>		
	<b>Fixed assets</b>	<b>Net current assets</b>	<b>Totals</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Restricted Funds	-	5,323	5,323
Unrestricted Funds	24,263	(1,512)	22,751
Designated Funds	-	2,170	2,170
<b>Totals</b>	<b>24,263</b>	<b>5,981</b>	<b>30,244</b>

  

	<b>2019</b>		
	<b>Fixed assets</b>	<b>Net current assets</b>	<b>Totals</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Restricted Funds	-	3,229	3,229
Unrestricted Funds	25,055	(2185)	22,870
Designated Funds	-	1550	1,550
<b>Totals</b>	<b>25,055</b>	<b>2,594</b>	<b>27,649</b>

**26. Capital commitments** There were no capital commitments contracted in 2020 or in the previous year.

**27. Volunteer time**

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

Over the course of 2020, 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

**28. Related Party Transactions**

There were no related party transactions in 2020.

Expenses paid to Trustees in the course of performing their duties are shown in Note 11.

**29. Post Balance Sheet Events**

Since March 2020, and continuing until the date of signing of these financial statements and beyond, the UK and the world has faced unprecedented uncertainty and disruption as a result of COVID-19. The Trustees have considered the effects of this pandemic on the operations and any going concern implications for the charity post year-end with details noted in the going concern policy in note 1 (c).