

Scottish

Grantmakers

Scottish Grantmakers

A Scottish Charitable Incorporated Organisation

Registered charity SC050813

FIRST REPORT AND ACCOUNTS OF THE SCIO

For the period 3 March 2021 – 31 December 2021

TRUSTEES' REPORT

Administrative Information

<i>Legal name:</i>	Scottish Grantmakers
<i>Working name:</i>	SGM
<i>Registered charity number:</i>	SC050813
<i>Address:</i>	The Signet Library, Edinburgh EH1 1RF
<i>Website:</i>	www.scottishgrantmakers.org
<i>Legal form:</i>	Scottish Charitable Incorporated Organisation (SCIO)
<i>Governing document:</i>	SCIO Constitution (as at date of incorporation: 3 March 2021)
<i>Trustees (as at date of these accounts):</i>	Ali MacLachlan (Chair) Elected 20 April 2021 Jo Elliot (Vice-Chair) Elected 20 April 2021; re-elected 28 Oct 2021 Dr Gareth Morgan (Treasurer) From 3 March 2021; re-appointed 20 April 2021 and 28 October 2021 Nick Ferguson - Appointed 8 December 2021
<i>Other trustees serving during the period of these accounts:</i>	Colin Liddell WS (Chair) 3 March 2021 – 20 April 2021 Pauline Radcliffe (Vice-Chair) 3 March 2021 – 20 April 2021
<i>Method of appointment of trustees:</i>	Under the Constitution of the SCIO, the Board comprises up to 7 trustees (minimum 3). Of these, up to 6 are authorised representatives of full members, elected by members, with one third retiring each year. Elected trustees may serve for a maximum of three terms. The Treasurer is appointed annually by the other trustees. The trustees may also appoint additional trustees to fill vacancies.
<i>Charitable objects:</i>	The Charitable Purposes of the SCIO are the promotion of the voluntary sector and the effectiveness or efficiency of charities, by: (1) fostering and informing good practice in the administration, governance and leadership of trusts and foundations which are grantmakers in Scotland, (2) affording opportunities to members for discussion, liaison, collaboration, education and networking, and (3) engaging in projects and activities designed to enhance and promote the foregoing Purposes.
<i>Co-ordinator:</i>	Anna Bennett WS, The WS Society
<i>Bankers:</i>	Royal Bank of Scotland (Client account in the name of Scottish Grantmakers, administered by The WS Society)
<i>Independent Examiner:</i>	Alison Franks CA Cornerstone Accounting Ltd 11 Erngath Road, Bo'ness EH51 9DP

Objective and activities

Scottish Grantmakers is a leading membership organisation for grantmaking charities working in Scotland. Established in 1993 by a group of 12 Scottish grantmakers, we now consist of over 45 members. Through regular opportunities to engage, learn, reflect and share, Scottish Grantmakers exists to promote the voluntary sector and the effectiveness or efficiency of charities across Scotland. Now operating as a SCIO, our charitable objects are as set out above.

Membership

Scottish Grantmakers is structured as a two-tier SCIO: the members of the SCIO are trusts and foundations that undertake grantmaking in Scotland.

There are three categories of membership, though *only the Full and Associate members are voting members of the SCIO*. The precise criteria are set out in the SCIO Constitution but in summary:

- *Full members* are grantmakers registered as charities in Scotland and awarding at least £50K of grants per year.
- *Associate members* are grantmakers awarding at least £10K of grants per year, but not necessarily registered as charities in Scotland.
- *Affiliate membership* is a category for organisations which are not themselves grantmakers but which administer or support other grantmaking bodies.

As at 31 December 2021, Scottish Grantmakers had:

- 48 Full members
- 6 Associate members
- 1 Affiliate member.

Formation of the SCIO and Transfer from Former Association

Scottish Grantmakers was incorporated as a Scottish Charitable Incorporated Organisation (SCIO) on 3 March 2021 following extensive discussions and consultation with members of the former non-charitable unincorporated organisation: *The Scottish Grant-Making Trusts Group* – see below.

Initially the SCIO was formed with just the three initial trustees as members. On 20 April 2021 an inaugural Special Members Meeting of the SCIO took place at which the founding members resigned, all members of the former Group became members of the SCIO in the categories shown on the previous page and new trustees were elected.

The present Report and Accounts covers the period from 3 March 2021 when the SCIO was formed up to 31 December 2021.

The trustees intend that accounts will in future be prepared to 31 December each year, though, because of the restructure as explained below, it will take a couple more years until normal 12 month comparisons from one year to the next are available.

Transfer from the former Scottish Grant-Making Trusts Group

The Scottish Grant-Making Trusts Group (“the Group”) was established in 1993 as an unincorporated association and by the end of 2020 it had 46 full members and 7 associate members. Following a constitutional review of the Group chaired by Colin Liddell WS, members agreed in principle in autumn 2020 that the Group should be re-established as a SCIO and a consultation with members followed on the details of the SCIO constitution. The SCIO was registered by OSCR on 3 March 2021 with the charitable objects as shown on page 2.

Members of the Group resolved that all resources of the Group should be transferred to the SCIO with effect from 20 April 2021. The officers of the Group executed a deed transferring all moveable property, assets and funds of the Group to the SCIO with effect from that date. A final set of accounts for the Group was approved by its officers covering a period of approximately 16 months up to 20 April 2021, and the Group was then dissolved.

Trustees' Report on the Activities of the SCIO for the Period

Organisation

The trustees reflect upon the progress made in this inaugural year of the new SCIO, while also recognising the significant contributions of our members in getting us to this point.

Our transition from a voluntary organisation to becoming a formalised Scottish Charitable Incorporated Organisation has brought significant benefits to the membership. Under our new structure we are subject to formal reporting obligations, giving a transparency and reassurance to the membership of our internal good practices. The governance structure we have introduced and the legal personality of SGM as a SCIO furthers the rigour under which we now operate and aligns with our ambition of professionalising our network, and appropriately representing a sector marked by diligence, effectiveness and impact.

Significant thanks, on behalf of the trustees and wider membership, must be extended to Colin Liddell of Dunard Trust who ably chaired the organisation through the transition period and into this new chapter with energy and integrity at all junctures.

Activities and Achievements

It goes without saying that the last year continued to present unprecedented challenge across Scotland, transcending industries, sectors, communities and demographics. Our members were not immune to this and the need for our organisation, as an umbrella body, to provide reassurance, structure and a safe collegiate space was acute.

Over the year, we have brought members together virtually, and in person when possible, to create space for discussion, liaison, collaboration and networking. Indeed, a small window in the public health restrictions afforded us the opportunity to host our Annual Conference in person in September 2021.

Input was rich and varied, promoting best practice in participatory grantmaking, posing challenging questions around diversity, collaboration, climate change and more. Shona Robison MSP, Cabinet Secretary for Social Justice, Housing and Local Government, provided a key note which recognised the significant annual contribution that our membership make to Scottish communities and society and the continued learning and intelligence that we bring to the fore.

With this as the backdrop of the day, our evaluation indicated that 76% of those present valued the opportunity for networking lunch most highly of all. This is stark, but not surprising. If the word 'philanthropy' originates in 17th century Greek, meaning the love of humankind, then it is logical that those members committing time, resource and intelligence to making a difference in society, were invigorated by connection with their peers.

And so, as much as possible, we have facilitated those opportunities to continue engaging with colleagues formally and informally. We have supported financial planning and rigour through inputs from professional services partners. We have delivered training from sector leaders in cyber security and resilience. We have sought to profile our collective learning through powerful partnerships, such as with the Chartered Institute of Fundraising (Scottish Trusts Group) with whom we collaborated to amplify our dual perspectives and identify opportunities for the future.

Most importantly we have sought to hear the voices of members, to understand what motivates the network to connect and ensure that we continue as a collective with opportunity for challenge and debate, healthy cohesion and respectful dissent in a positive, professional environment.

Operational Support

A key partner in supporting Scottish Grantmakers to realise our ambition for a connected, effective and impactful network is The WS Society. Having successfully tendered for our Coordinator Services with the former unincorporated group in autumn 2020 The WS Society started providing the service from January 2021 and this continued with the transition to the SCIO. Our communications activity and engagement has evolved significantly as a result, delivering a new website and social media channels alongside first-class professional support.

In autumn 2021 the trustees sought further proposals for this work and are delighted to have agreed a multi-year support contract with The WS Society team to carry us forward for the period 2022-2024 (subsequently transferred to Signet Mercantile Ltd as explained in note 5 of the accounts).

Plans for the Future

The year ahead is full of promise. The membership has provided great questions, wonders and curiosity that have informed our programme of education, training and engagement events across the coming twelve months.

We continue to support new members to join the organisation and welcome new conversation and connection with peers and leaders from across the third sector to realise our ambitions and support sector growth and resilience moving forward.

This position would not be possible were it not for the support of a small group of volunteers who are so very committed to the Scottish Grantmakers and believe in our work. And to our members: we look forward to continuing in learning and collaboration with you all.

Financial Review and Reserves Policy

The accounts on page 7 onwards set out the resources and financial position of the SCIO for the initial period of around nine months up to 31 December 2021.

The trustees are encouraged that the very modest reserves of £3,420 transferred from the unincorporated Group to the SCIO at 20 April 2021 were increased to £8,645 by 31 December 2021. This is partly due to a more systematic approach to invoicing and following up members' subscription.

Most of the SCIO's income will normally be received by way of subscriptions received in the first quarter of the year which must then cover much of the expenditure for the rest of the year. The level of reserves thus varies substantially during the year. However, at year end (31 December) the trustees consider that sufficient reserves should be held to support at least the first quarter's activity in the following year plus a small margin for any unexpected costs: accordingly they consider the minimum appropriate reserves at year end would be around £6,000. At 31 December 2021 reserves totalled £8,645 which is slightly ahead of this.

Approval

The trustees acknowledge their responsibility for maintaining appropriate accounting records and for preparing a Report and Accounts complying with the requirements of Scottish charity law.

This Report was approved by the trustees on 20 May 2022 and is signed on their behalf by

A MacLachlan

Gareth Morgan

Alison MacLachlan (Chair)

Gareth Morgan (Treasurer)

INDEPENDENT EXAMINER'S REPORT

To the trustees of Scottish Grantmakers (a SCIO) ("the charity").

I report on the accounts of the charity for the period ended 31 December 2021 which are set out on pages 7 to 11.

Respective responsibilities of trustees and examiner

The Charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Alison Franks

Alison Franks CA
Director

Cornerstone Accounting Ltd
Chartered Accountants

11 Erngath Road
Bo'ness
EH51 9DP

Date: 25 May 2022

ACCOUNTS FOR THE PERIOD 3 MARCH 2021 – 31 DECEMBER 2021

STATEMENT OF FINANCIAL ACTIVITIES

	Period ending 31 Dec 2021	
<u>Income</u>	£	£
<i>Subscriptions</i> (Note 3)		
Full membership subscriptions for 2021 (9 months)	12,763	
Associate membership subscriptions for 2021 (9 months)	3,187	
Affiliate membership subscriptions for 2021 (9 months)	150	
Late full member subscription received for 2020	50	
Total subscription income		16,150
Event income (including sponsorship) (Note 4)		2,916
Bank interest		1
<i>TOTAL NORMAL INCOME</i>		19,067
<i>Extraordinary income:</i>		
Funds transferred from Unincorporated Group 20 April 2021		3,420
TOTAL INCOME		22,487
<u>Expenditure</u>		
Co-ordinator Service (9 months) (Note 5)		10,800
Cost of events (Note 4)		1,961
Independent examination fee (Note 6)		600
Website costs		480
Bank/card processing fees		1
TOTAL EXPENDITURE		13,842
NET INCOME FOR PERIOD		8,645
Total funds brought forward 3 March 2021		-
Total funds carried forward 31 December 2021		8,645

All funds are unrestricted.

BALANCE SHEET

	31 Dec 2021	20 April 2021*	3 March 2021
<u>Assets and Liabilities</u>	£	£	
<i>Current assets</i>			
Debtors – subscriptions or event fees invoiced but not yet paid	175	2,875	-
Cash at bank	9,070	18,432	-
	9,245	21,307	-
<i>Liabilities: Creditors - amounts falling due within one year</i>			
Professional fees payable (Note 6)	(600)	(1,800)	-
Deferred income (Notes 2 & 3)	-	(16,087)	-
	(600)	(17,887)	-
 NET ASSETS	 8,645	 3,420	 0
 <u>Represented by</u>			
 GENERAL FUND OF THE SCIO	 8,645	 3,420	 0

*The column at 20 April 2021 shows the funds transferred from the former Group at that date.

These accounts were approved by the trustees on 20 May 2022 and are signed on their behalf by

A MacLachlan

Gareth Morgan

Alison MacLachlan (Chair)

Gareth Morgan (Treasurer)

NOTES TO THE ACCOUNTS

1. Accounting Policies

- (a) Accounting standards. These accounts are prepared on an accruals basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice on Accounting and Reporting by Charities (FRS102) (second edition 2019) (SORP FRS102) including requirements of the general purpose accounting standard FRS102.

As Scottish Grantmakers is a “small charity” within the SORP definition (under £500,000 income) the Trustees have opted to make use of the simplifications permitted by SORP FRS102 for smaller charities. In particular, the allocation of income and expenditure on the Statement of Financial Activities uses natural classifications appropriate to the work of the charity rather than following the precise functional classification specified in the current SORP.

- (b) Other accounting policies. For the purposes of FRS102, the charity is a public benefit entity and accounting policies are applied accordingly. However, the trustees do not consider that these accounts depend on any material estimates or judgements, and the charity has only basic financial instruments.
- (c) Subscriptions for members and event fees are recognised when receivable with any amounts outstanding at year end shown as debtors. See note 3 for further details of subscription income and note 4 regarding events.
- (d) Investment income comprises bank interest only and is recognised when received.
- (e) Expenditure is recognised at the date when the Trustees consider that a firm commitment was made to a third party in accordance with the principles in the SORP.
- (g) Fund accounting. All funds of the charity are unrestricted: no restricted or endowment funds are held.
- (h) Debtors are valued at cost at the year-end as adjusted for any amounts considered to be irrecoverable (though there were no amounts considered irrecoverable at 31 Dec 2021).
- (i) Creditors are valued at cost at the year-end. There were no amounts payable in more than one year (but see note 5 regarding future commitments).
- (j) Going concern. The Trustees have reviewed the financial position of the charity and are satisfied that it has sufficient resources to continue for at least 12 months beyond that date of approval of these accounts (this view is based in part on subscriptions already received for 2022 after the balance sheet date). These accounts are therefore prepared on a going concern basis.
- (k) VAT. The charity is not registered for VAT and all expenditure therefore includes VAT where applicable.

2. Accounting Period

As explained in the Trustees’ Report, Scottish Grantmakers was registered as a SCIO on 3 March 2021 and received a transfer of assets from the former unincorporated body, the Scottish Grant-Making Trusts Group on 20 April 2021.

The present Accounts thus cover the period from 3 March 2021 when the SCIO was formed up to 31 December 2021, though for the reasons explained in the previous paragraph there was no formal activity in the SCIO until 20 April 2021. In practice, therefore, these Accounts relate to an operational period of just under 9 months.

3. Subscriptions

The main income of the charity is from the subscriptions paid by members. Subscriptions are charged on a calendar year basis, and are generally invoiced early in the year.

The rates payable by members are set in bands, depending on the total income or total grants awarded in the most recent year for which the member's accounts are available. Slightly different rates apply to full members and associate members with a fixed fee for affiliate members. Full details are available at www.scottishgrantmakers.org

In most cases, members' subscriptions for 2021 were paid to the former unincorporated Group; one quarter (3 months) of the 2021 subscriptions were recognised in the final accounts of the Group and the remaining 9 months have been recognised in these Accounts (except in the case of new members joining after 20 April 2021 where the full amount is recognised).

The income figures thus include approximately 75% of the subscription income that would be expected in a full year.

4. Event Income and Expenses

Most meetings and activities of the charity during this period occurred while Scotland was still emerging from the coronavirus pandemic and took place as Zoom meetings online.

The event income thus relates solely to the Scottish Grantmakers Annual Conference which took place in September 2021 as an in person event at the Signet Library, Edinburgh. The event expenses relate primarily to this event but also include an amount billed by the caterers for drinks to be served at the Chairs' reception originally scheduled for November 2021 but postponed to 24 March 2022.

The amounts shown as event expenses are solely for catering costs, but a significant amount of the Co-ordinator's work (see note 5) was also related to the Conference.

The trustees wish to acknowledge the generous sponsorship of abrdn which helped to increase the Conference income.

5. Co-ordinator Service and Commitments

Scottish Grantmakers does not employ any staff but contracts with an external organisation to provide the "Co-ordinator" service – this includes providing the central point of contact for the charity, administration of events, communication with members, website co-ordination and day to day financial management. From 1 January 2021 the former Group entered into a 12 month contract with The WS Society at a fixed fee of £1,200/month (£1,000 plus VAT) to provide the Co-ordinator Service and the transfer of all obligations of the Group to the SCIO meant that this arrangement was able to continue smoothly with the SCIO.

The present Accounts show 9 months expenditure on this service.

In autumn 2021 the trustees sought further proposals for provision of this service, and agreed a fresh contract with The WS Society on the same terms as above for the years 2022-24 (with a break clause at the end of each year). Following year end, but prior to the payment of the first invoice in 2022, The WS Society requested the trustees to transfer this contract to Signet Mercantile Ltd, a wholly-owned subsidiary of The WS Society, and this was agreed.

At the balance sheet date, the SCIO had an obligation of £14,400 (inc VAT) to Signet Mercantile Ltd for the continuation of this service throughout 2022.

6. Independent Examination Fees

The only professional fees incurred relate to the independent examination of the charity's accounts for this period.

No other amounts were payable to the independent examiner or her firm beyond the independent examination fee shown.

7. Transactions with Trustees and Connected Persons

No trustee expenses were payable during the year (this was largely as a result of most meetings taking place online this year) and there was no remuneration or benefits payable to trustees or connected persons.

All the trustees of the SCIO serve as trustees or members of staff with charities that are themselves members of Scottish Grantmakers and these charities each paid a subscription to the SCIO as explained in note 3 and benefited from the activities of Scottish Grantmakers in support of their own charitable work.