

Companies House

# London Catalyst

## TRUSTEES' REPORT AND ANNUAL ACCOUNTS

FOR THE YEAR ENDED

31<sup>ST</sup> DECEMBER 2020

Registered Charity No. 1066739

Registered Company No. 03460296



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**LONDON CATALYST**

(formerly the Metropolitan Hospital Sunday Fund)

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Charity Registration No. **1066739**

Registered Company No. **03460296**

**PATRON**

Her Majesty the Queen

**PRESIDENT**

The Right Hon the Lord Mayor of London (ex officio)

**VICE-PRESIDENTS**

The Rt. Reverend & Rt. Honourable The Lord Bishop of London

His Eminence the Cardinal Archbishop of Westminster

The Rt. Reverend the Lord Bishop of Chelmsford

The Rt. Reverend the Lord Bishop of Southwark

The Rt. Reverend the Bishop of Stepney

The Most Reverend the Archbishop of Southwark

The Rt. Reverend the Lord Bishop of Rochester

The Very Reverend the Dean of St. Paul's

The Very Reverend the Dean of Westminster

The Chief Rabbi

The Venerable the Archdeacon of London

The Free Churches Moderator

**BOARD OF DIRECTORS (TRUSTEES)**

Dr Sarah Divall (Chair)

Charles Davidson

Joan Major

Philippe Granger

Dr Muhammad Bari MBE, DL

Mark Palframan

Danny Daly

Emma Whitby

Margaret Elliott (retired December 2020)

Yasmin Hussain

**SUB-COMMITTEES OF THE BOARD**

**Grants Scrutiny Committee**

Dr Sarah Divall (Chair)

Dr Muhammad Bari MBE, DL

Philippe Granger

Danny Daly

Emma Whitby

Yasmin Hussain

Mark Palframan

**Finance Committee**

Charles Davidson (Chair)

Joan Major

Rebecca Shepherd

Danny Daly

**Sundial London Catalyst Liaison Committee**

Dr Sarah Divall (Chair)

Sally Codling (Sundial Centre Manager)

John Pulford

Victor Willmott

## MEMBERS OF THE CHARITY

## REPRESENTATION

Dorothy Martin	
Dr Caroline Vaughan	
Dr Ruth Kosmin	
Dr Steve Mowle	Medical Profession
Heather Williams	Church of England
John Pulford	
Judy Jones	
Revd Adrian McKenna-Whyte	Roman Catholic
Rick Holland	
Robert Buckland	
Robin Holland-Martin	Life Member
Sarah Humphreys	
The Reverend Paul Wright (Retired December 2020)	Church of England
Tim Cook OBE	
Zoe Camp	
Victoria Willetts	

Members are those who in addition to the Board of Directors subscribe to the Memorandum of Association and assist in the advancement of the objects of the charity. They may, but not exclusively, represent and are nominated by a faith group or religious denomination.

## STAFF & PROFESSIONAL ADVISERS

Director and Company Secretary	Victor Willmott
Administrator	Honor Morris
Principal office	45 Westminster Bridge Road London SE1 7JB
Auditors	BUZZACOTT LLP 130 Wood Street London, EC2V 6DL
Bankers	CAF BANK LTD 25 Kings Hill Avenue, Kings Hill West Malling Kent, ME19 4JQ  ROYAL BANK OF CANADA 54 Bath Street, St Helier, Jersey, JE4 8YD
Investment Advisers	STANHOPE CAPITAL LLP 35 Portman Square London, W1H 6LR
Solicitors	WITHERS 16 Old Bailey London, EC4M 7EG

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **HISTORY**

London Catalyst, formerly the Metropolitan Hospital Sunday Fund, was established in 1873 following a meeting of religious and civic leaders hosted by the Lord Mayor of London. Appalled by the impoverished lives of many in the capital, they agreed that on one day each year, in places of worship throughout Greater London, a collection should be taken up to provide a fund to improve the health of the 'sick and poor' of London. The legacy of the original entreaty and subsequent annual appeal provides the income of the charity.

#### **ADMINISTRATION**

London Catalyst is a registered charity and company limited by guarantee. The company's governing document is its Memorandum and Articles of Association dated 4<sup>th</sup> November 1997. The charity comprises the Board of Trustees, Committees and Membership as shown on pages 3 - 4. The Board meets four times a year to conduct the formal business of the charity including recommendations and reports from its sub-committees. The day-to-day administration of the charity, including the processing of applications prior to consideration by the Grants Scrutiny Committee and the Board, is delegated to the Director of the charity who is supported by a part-time Administrator.

#### **KEY MANAGEMENT**

The trustees consider that they, together with the Director, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. The trustees do not receive any remuneration in connection with their duties as trustees.

Staff remuneration and pay is decided by the Board at the second meeting of the year. This includes a 360° review of the Director's performance by trustees as part of an annual appraisal process conducted by the Chair. The trustees refer to the rate of increase of the Consumer Prices Index and the Retail Price Index, and the percentage salary award by Peabody as benchmarks. The charity does not have a performance related pay structure and expects staff to take all holiday entitlement within the year.

#### **TRUSTEES**

Trustees are appointed by the Board and serve for three years after which they may be reappointed. A trustee may serve three consecutive terms of office before retiring. The charity is required under its constitution to have two religious and one medical or social work representative on the Board.

Potential trustees are invited to submit a CV to the Board and to meet with the Director, Chair and other trustees. They are provided with information on the charity and the report and annual accounts. Once appointed, a handbook detailing the charity's procedures is provided and visits are arranged to the Sundial Centre and projects funded by the charity. Trustee training and support is arranged as required and the availability of such is included on the agenda of Board meetings. Trustees' interests are recorded on appointment and updated annually. Any possible conflict of interest is declared at the start of each meeting, recorded in the minutes and if applicable the trustee would not participate in the decision.

A review of the membership is undertaken annually and members who have not fulfilled the requirements for membership are removed from the register. All trustees and members are volunteers and the Board greatly appreciates all the voluntary assistance given to the charity.

## **TRUSTEES (CONTINUED)**

During the year Margaret (Maggie) Elliott retired from the Board after nine years' service. Maggie served on both the Grants and Finance committee and, for six years, was the Chair of trustees. Maggie brought insight, understanding and strategic rigour to the role, gained from her experience in the financial, charitable and education sectors, and led the charity with warmth and compassion. The trustees would like to thank Maggie for her commitment to and stewardship of the charity.

During the year, Victoria Willetts joined the membership of the charity. Victoria has a professional background as a corporate legal adviser and volunteers as a charity fundraiser, specialising in quiz nights. The Revd. Dr Paul Wright retired from the membership.

The charity is fortunate to have trustees and members with a range of skills and experiences and with professional expertise in key areas; grant making, governance and finance. It is acknowledged that to truly reflect the area of benefit and the interests of beneficiaries requires a diverse and informed board of trustees and a willingness to achieve equality, diversity, and inclusion. During the year, a review of our communications, role profile and process was begun which will shape the future recruitment of new trustees.

The Board reviewed the charity's strategic plan which sets out clear pathways to achieving agreed objectives. The strategy review updated each year, identifies three broad priorities: communications, income generation and improving grant making. During 2020 in response to the Covid-19 pandemic the trustees adopted additional measures to assist grantees.

## **RISK MANAGEMENT**

Trustees have identified and assessed the various risks to which the charity is exposed. A risk matrix details the system of internal controls needed to mitigate risk factors along with an appropriate plan of action. The trustees conduct a risk management exercise annually and a 'Register of Risks' is reviewed and updated accordingly. A summary is reviewed by the Board as a standing item at each of its meetings. The principal risks are as follows:

- Loss of key staff: The charity is dependent for its day-to-day operations on its full-time Director. To mitigate the effects of any unplanned absence from office the trustees have in place a system of regular meetings between the Chair and Director, an internal audit by a trustee of documented processes, the support of a part-time Administrator, an annual appraisal system and support for professional development. A Salesforce grants management system and regularly updated office control documents are in place.
- Loss of office and services: The charity has a service level agreement (SLA) with Peabody. This is a commercial arrangement which may change in time. The SLA is agreed for two years and reviewed annually. The Director and trustees oversee all essential functions to ensure a smooth process of relocation if required.
- Investment portfolio: Stanhope Capital LLP are the investment advisers. To ensure the preservation of the charity's capital from which the income for grant-making is drawn the trustees set a target investment return of 3.25%. Any fall in income from investments will not affect expenditure on grants as the charity holds sufficient cash to cover its grant making. The Finance Committee meets quarterly and as required with the investment advisers to monitor the performance and the implementation of the investment strategy.

## **GRANT APPLICATION AND SELECTION**

Grant applications are made online via the charity's website. This allows for a seamless process by which applications are received, reviewed, managed and monitored. The website is regularly updated to provide greater detail on grant-making and improve advice and guidance to applicants. All applications are reviewed by the staff against eligibility criteria before consideration by the Grants Scrutiny Committee and the Board.

## **NETWORKS AND AFFILIATIONS**

The charity maintained its participation in grant-making sector networks as a member of London Funders and the Association of Charitable Associations and is registered with the Fundraising Regulator.

## **PEABODY**

In 1995, London Catalyst entered a management agreement with Peabody by which it could share the resources of one of London's largest social housing providers. Peabody provides office space, accountancy and other services under the management agreement.

## **SUNDIAL CENTRE**

The Sundial Centre was developed as a joint initiative between London Catalyst and Peabody to meet the health and social care needs of older people in Tower Hamlets. It was built at a cost of £1.8 million, shared between London Catalyst (then the Metropolitan Hospital Sunday Fund), Peabody, other charitable trusts and individual donors. Opened in 2000, the Sundial Centre offers a broad range of activities to day care members and to those who drop in to participate in daily health and social activities. London Catalyst remains involved in the Sundial Centre through its Liaison Committee which supports new initiatives and collaboration with other agencies including groups funded by London Catalyst.

A Grant Performance Standards Agreement (GPSA) for the Sundial Centre, made between Peabody and London Catalyst on 3<sup>rd</sup> February 1999, was set for a period of 30 years. It was reviewed in 2020 and agreed for a further five years. An event to celebrate the 20<sup>th</sup> anniversary of the opening of the Sundial due to take place in 2020 was cancelled due to social gathering restrictions as a result of the Covid-19 crisis.

## **CHARITABLE OBJECTIVES & ACTIVITIES**

### **THE OBJECT OF THE CHARITY**

'The charity is established to relieve poverty, sickness, disability and infirmity among persons resident in the area bounded by the M25 London Orbital Motorway or persons who have a real and substantial connection with such area or any part of it, particularly but without prejudice to the generality of the foregoing by supporting and working with other charitable organisations established for relief of poverty, sickness, disability and infirmity and by providing grants to assist individuals and organisations for the aforementioned purposes.'

### **AIMS**

- To improve the health and wellbeing of people living in poverty and affected by ill health, disability and social exclusion (Catalytic)
- To remove people from poverty (Compassionate)
- To raise awareness of the work of the organisations we fund and the needs of the sick and poor of London (Collaborative)

### **OBJECTIVES**

To act as a catalyst through a programme of grant making to include:

- Support for agencies best placed to distribute one-off grants to people in need.
- Projects tackling unmet health needs and the effects of poverty.
- Working with other grant givers and philanthropists.

### **PUBLIC BENEFIT**

London Catalyst makes grants to support the work of charities and voluntary, community and social enterprises operating in London that are established for public benefit. The trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance. The organisations funded by the charity are considered well placed to realise its charitable objects and to help make a difference to the lives of the sick and poor of London.

The charity ran the following grant programmes during the year:

- Project grants for initiatives tackling unmet health needs and the effects of poverty.
- Samaritan grants to social care and advice agencies for distribution to people in need.

London Catalyst continued to target funding for the relief of poverty and to tackle social and health inequalities. This is not a static approach and consideration is given to the social determinants of poverty, poor health and inequality in London.

The trustees recognise that to meet the charity's objectives and to demonstrate public benefit a balanced approach to grant-making is required. In the case of the Samaritan grants the intention is to work with effective partner agencies to assist with the distribution of funds, particularly in the most deprived boroughs, and more generally to people in need in all London boroughs. Project grants are made in response to unmet health and social needs. It remains the Board's intention to work with other grant makers when possible and where common interests exist to maximise the impact and reach of our grant-making. Unfortunately, the Covid-19 pandemic forced the cancellation of the planned 'Partners for Health' grants programme.

To encourage small groups to develop sustainable income from voluntary activities a 'Catalyst Match' is offered to selected applicants at the discretion of the trustees. This is an offer to match money raised through user led activities and is normally offered in addition to a grant. Again, restrictions on social gatherings curtailed many fundraising activities. In response the trustees authorised the unconditional release of outstanding Catalyst Match offers during the year.

At the Annual General Meeting (AGM) in September, held for the first time via Zoom, we considered what 'Opening up after Lockdown' might mean and what challenges it poses for civic society. Rose Bernstein, Tenant Voice and Campaigns Officer at Z2K, [www.z2k.org](http://www.z2k.org) spoke on the evolution of the charity's 'Life after Lockdown' campaign to reform the welfare benefit and housing systems. Kate Shurety, Executive Director, 'Campaign to End Loneliness' presented on how their campaign is reshaping thinking around tackling loneliness. Kate identified four emerging themes: the digital divide, the deeper experience of loneliness resonating across communities, the psychology of loneliness and building resilience and improving care. The AGM is used to highlight issues that impact on, and inform, the work of groups we fund and to provide an opportunity for networking.

## **ACHIEVEMENTS AND PERFORMANCE**

### **REVIEW OF ACTIVITIES**

During the year, the trustees paid or committed £302,947 (2019: £299,356) in grants to charitable, not for profit and community organisations. Highlights of the year include:

- Assisting 165 organisations in 29 London boroughs and across the M25 area.
- Participation in '360Giving' sharing grant-making data in an open format.
- Promoting the work of the charity through Twitter, Funder Fairs, networking events and a quarterly update for members.
- Working with 114 Samaritan partner agencies.
- Collaboration with and disbursing additional funds on behalf of private philanthropists
- Adapting meetings and operations to enable a swift response during the pandemic.

Reports on grants made in the previous year reveal that:

- Projects assisted >10,513 people,
- Samaritan grants helped 7,936 people in need; 1:3 beneficiaries identified as 'destitute'. The average emergency hardship payment is £21.



## **REVIEW OF ACTIVITIES (CONTINUED)**

### **IMPACT OF COVID-19**

The long-term impact of the Covid-19 pandemic on the work of the charity is difficult to predict and will resonate for many years. During the year, the trustees responded to the Covid-19 crisis in several ways, initially to reduce harm and protect the public. The AGM, Sundial anniversary celebration and 'Partners for Health' evaluation events planned for the year were cancelled and the Hospital-Sunday appeal public fundraising and project visits suspended. Adhering to restrictions on social gatherings the trustees convened their meetings via the digital platform Zoom. The trustees also responded positively to the crisis with the following measures:

- Adopted new protocols for agreeing and releasing grants between meetings. Services assisting food/emergency items to vulnerable people were prioritised and 34 grants paid between meetings, including 16 emergency food provision projects,
- Increased the allocation for the Samaritan fund; grantees could reapply for additional funds as required during the year,
- Waived all existing conditions on grants allowing grantees to reallocate the funds for core services and to assist cashflow,
- Held the AGM using video conferencing, with guest speakers offering perspectives on the effects of the virus on poverty, social isolation and mental health,
- Commissioned reusable face coverings for volunteers, funded projects and the public,
- Collaborated with other funders including private benefactors and the Sir Halley Stewart Trust to distribute additional funds to grantees.

The trustees have set as a strategic objective the intention to maximise support to funded organisations and participate in initiatives that support our charitable aims. To this end London Catalyst acted as a discrete broker for a private donor. This allowed a further £6,000 to be disbursed to selected projects, distributing vital additional resources to people in need during the winter months. The 1485 Family Foundation kindly donated £10,000 for the Samaritan Grants programme at the outset of the Covid-19 lockdown which we distributed to six organisations. The trustees welcome further collaboration with private benefactors and charitable trusts.

### **PROJECT GRANTS**

During the year, £205,157 was allocated to 82 charitable and community organisations. The trustees acknowledge the wider social determinants of health and prioritise tackling an unmet health need, a development of service or to catalyse new work. The following case studies illustrate the range of projects the trustees funded during the year:

**HAPPY BABY COMMUNITY** (Hammersmith & Fulham: £5,000) was established to support pregnant women and women who have children under the age of five, who have experienced physical or mental ill health or disability because of violations of human rights, torture, human trafficking and domestic and sexual abuse. A grant was made to help set up and run a new centre in the Hammersmith area to offer support for women seeking asylum and their children.

**ADVICE4RENTERS** (Brent: £3,600) is the only advice agency in London dedicated to the needs of low income, vulnerable private tenants; 85% of clients are from local BAME communities, and 50% have a long-standing health condition. A grant was made to develop its work with older tenants through its Senior Renters Group to include recruiting new members and to develop volunteer led activities.

**LEWISHAM REFUGEE AND MIGRANT NETWORK** (Lewisham: £4,000) LRMN's mission is to empower refugees, asylum seekers and migrants to know and exercise their rights and make a positive contribution to the community. A grant was agreed for the running and development costs of the Hub at Woolwich Common Community Centre to provide a drop-in advice service for vulnerable and marginalised refugees and migrants.

**GRIEF MATTERS SOUTHWARK** (Southwark: £5,000) a new charity set up to provide specialist counselling to people suffering complex bereavement; those who have faced traumatic forms of death and dying. A grant was agreed for the running costs of the charity to include its telephone / online counselling and therapeutic support to NHS medical staff who have witnessed traumatic deaths.

**COACHING FOR UNPAID CARERS** (Tower Hamlets/ Hackney: £4,895) offers a range of coaching-based interventions for individuals and groups of carers. A grant was made for a programme of coaching workshops for unpaid carers and to assist the development of the organisation and its service offer.

**AGE UK LONDON** (Brent & Hammersmith: £4,000) tackles issues which affect older Londoners and improves their health and wellbeing. A grant was agreed for a co-produced (with BAMER older Londoners) 6-month, 'flu vaccine promotion' campaign during the winter months.

**WALTHAM FOREST CONSCIOUS CARE COMMUNITY/CREST** (Waltham Forest: £3,000) is led by people with a lived experience of mental illness. It offers activities with peer support to tackle anxiety and depression. A grant was made for the running costs of the peer led community support programme and to establish up to six support groups.

**MARTHA HOUSE ASSOCIATION** (Hackney: £4,000) is a house of hospitality for destitute asylum seekers and forced migrants. It accommodates refused asylum seekers; those with humanitarian claims, not entitled to Home Office support. A grant was agreed for the set up and running costs of a new move-on house.

**THE MOVEMENT** (London-Wide: £3,000) targets women who have experienced multiple disadvantages, where regular exercise can play an important part in their recovery. It recruits and trains volunteer fitness professionals to deliver exercise sessions. A grant was agreed to provide trauma informed exercise opportunities for women.

**FEAST WITH US** (Camden: £3,000) aims to prevent malnutrition, minimise food waste and promote community cohesion. A grant was made to support the Volunteer Coordinating of its food parcel delivery service to vulnerable people and the development of new skills-based classes.

### **PARTNERS FOR HEALTH**

The 'Partners for Health' collaborative grant programme was suspended in 2020 due to the Covid-19 restrictions. We continued to work with our partners the Hospital Saturday Fund (HSF) and the Sir Halley Stewart Trust (SHST) to assist groups funded in 2019. An event to celebrate the achievements of the grantees was cancelled. The SHST had set aside funds for this event and decided to distribute this between the groups, which we facilitated, to help offset additional costs resulting from the pandemic. It is hoped to relaunch 'Partners for Health' in 2021.

### **SAMARITAN GRANTS**

In 2020, a total of £97,790 (2019: £82,200) was awarded under this programme to frontline social work, health and advice services to distribute to people in acute need. Demand for the hardship fund grew during the Covid-19 epidemic which exposed how severely underlying social inequality affects life chances. Grants were paid to 83 frontline agencies during the year. The trustees have a target of maintaining 100 active partners and we currently provide grants via 114 agencies across London. Samaritan grants are an important part of our grant making reflecting our charitable purpose and providing direct public benefit. Reports from our partner agencies highlight the complex and often desperate circumstances faced by many of the poorest in society, and the value of a small timely grant, as shown in the following case studies:

- V is a carer who looks after her severely autistic daughter and works one day a week providing respite care. A mix up with providing information to the DWP led to a

suspension of her benefits. BCC took up the case as V was depressed about the situation and could not cope. V was helped with a grant for her electric and gas meter and a Foodbank Voucher to cover until her payment was received. Brent Carers Centre

- B attended our targeted Antenatal classes and a volunteer supported her during the birth of her baby. We visited her regularly after her baby was born and she attended our Mother and baby group. Using funds from the Samaritan grant we were able to support B with some of her practical needs by paying for a taxi to take her to hospital when she went into labour and to help her to buy a maternity bra and personal care items. When she moved to new accommodation shortly after the baby was born, we helped her by buying her a kettle.

*"Birth Companions made me feel like I have a family, I lost my Mum three years ago and when I was pregnant, I was very worried what to do without her but Birth Companions did everything a Mum would do, really I am very grateful."* Birth Companions

- Male, with dog, long-term rough sleeper, with heroin issues, asthma, epilepsy and borderline learning disabilities and a history of abandoning accommodation. Not engaging with any GP. He was seen on five occasions during his stay in a hotel in the Covid-19 crisis, which allowed for relationship building, medical assessment, and advice. On the fifth occasion he agreed to enter temporary accommodation ..supported by the new health outreach team, and given a smart phone .. so that he could be contacted more easily. He has now been registered with a GP, engaging with drug services, and should shortly receive substitute prescribing. He has not spent every night at the accommodation but is 'keeping in contact' and does sometimes stay there – a major achievement for him. He continues to use his phone. Pathway
- A lady who was a torture survivor from Iran was previously a successful artist. We provided her with art supplies and canvas to start painting again. This was really beneficial, helping her to engage in meaningful activities and support her mood. She started to explore this as a potential for generating income, as well as for therapy, by creating a painting which represented her imprisonment in Iran, her flight to the UK and her recovery. She kindly gifted this to the clinic so that it can support other service users in their recovery. South West London and St George's Mental Health NHS Trust Traumatic Stress Service

The reports we receive include many such case studies and some are featured on our website's blog to raise awareness of the conditions of the lives of the poor of London.

A full list of all grants made in 2020 is shown at the end of the report and annual accounts.

## PERFORMANCE MONITORING

London Catalyst has an online grants management system for applications and monitoring reports. This provides a seamless submission, grant-making and reporting process. Reports are requested from all grant recipients after 12 months and these describe the activity and progress towards specific outputs and outcomes. The system allows the follow up of non-reporting and the production of monitoring reports as required and as requested by trustees.

Larger grants are reviewed throughout the grant period to track progress against the original purpose and outcomes. A random sample of funded organisations is followed up for review during the year. Monitoring reports and case studies are added to the London Catalyst website and included in quarterly reports for our trustees and members. During the year the usual trustee visits to funded projects were suspended in light of the Covid-19 restrictions.

Joint work with other grant makers requires a respectful and measured approach which recognizes the distinct nature of each funder and avoids burdening grantees with unnecessary reporting. As part of our commitment to collaboration with other funders London Catalyst offers to lead, if required, the administration and reporting of the collaborative programmes on behalf of our partners. During the year, a report on the Partners for Health programme 2019/20 was produced and shared with our partners.

### **FUTURE PRIORITIES**

The charity's priorities for the coming year are agreed by the trustees and recorded in the strategy and development plan. Notwithstanding the continuing restrictions caused by the Covid-19 pandemic the following are planned for 2021.

- Communications and profile building: To review communications across the charity and the potential of the grants management system. To improve the website, maintain our social media presence and communicate our grant making priorities to our target audience. To continue publishing data in the '360° Giving' format and to publish regular quarterly updates for members.
- Increasing income and support to applicants: To continue with the investment strategy to grow the capital and increase donor income, building on the Hospital-Sunday Appeal and encourage individual donors to channel funds to good causes and our Samaritan grantees. To seek further collaborative funding opportunities with trusts and private wealth.
- Improving grant-making: To review the charity's grant making in relation to the emerging post-covid health and social care landscape. To add value to our grant-making through further collaboration with other funders and civic society groups.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for 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 Accounting and Reporting by Charities Statement of Recommended Practice ('SORP').
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and 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 United Kingdom and Republic of Ireland (FRS102).

In preparing this report the directors have taken advantage of the small company exemptions in Part 15 of the Companies Act 2006.

#### **STATEMENT AS TO DISCLOSURES OF INFORMATION TO AUDITORS**

The trustees in office at the date of the report have confirmed, as far as they are aware, that there is no relevant audit information of which the Auditors are unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### **FINANCIAL REVIEW**

##### **2020 RESULTS**

There was a deficit of £207,237 (2019: £106,270) between income of £229,416 (2019: £328,731) and expenditure of £436,653 (2019: £435,001) in the year. The main reason for this deficit is a shortfall of investment income (interest and dividends) compared to withdrawals which the charity uses to allocate funds for grant making and administrative costs.

The value of the charity's investments at the year-end was £14,198,986 (2019: £14,002,952) which represents an increase of £196,034 over the year after cash withdrawals. Grant-making for 2020 was £302,947 (2019: £299,356), representing an increase of 1.2%.

Funds are required to maintain the ongoing efficient running of the charity. The annual operating costs for 2020 were £98,307 (2019: £102,605). A minimum of the equivalent of six months' operating costs is kept as cash to ensure the continuing efficient running of the charity.

##### **RESERVES POLICY**

The balance sheet shows total funds of £14,190,456 (2019 – £14,000,962). All funds are available for the general purposes of the charity. The charity's net assets constitute unapplied and unrestricted free reserves. It is the trustees' normal policy to make grant commitments for one year and only occasionally for a maximum of two years.

##### **INVESTMENT MANAGEMENT**

The level of grants that can be made is dependent upon the return that can be generated from the charity's assets, which are mostly held in an investment portfolio. The trustees engage Stanhope Consulting, a division of Stanhope Capital LLP, in an investment advisory capacity. The Stanhope advisers attend the quarterly Finance Committee, as required, at which they present their financial review, discuss the market conditions, performance of the portfolio and the investment strategy.

##### **INVESTMENT POLICY**

It is the aim of the charity to maintain or grow the real value of the investment portfolio responsibly over the long term (greater than 10 years) and to support an annual drawdown of

3.25% of the portfolio per annum (averaged over a rolling 3-year period) for grant distributions and operating expenses.

The Finance Committee reviewed the investment policy during the year and following advice from Stanhope reduced its holdings in certain stocks whilst maintaining its investment in passive vehicles at 48% (55% excluding cash and property). The charity's position on socially responsible investments is regularly reviewed. It is the trustees' intention to choose investments with reasonable care and skill to meet the aims of the charity and achieve a balance between capital growth and income. The investment parameters are shown in the following table.

ASSET CLASS	ALLOCATION AT 31 DEC 2020	STRATEGIC ASSET ALLOCATION	RANGE	BENCHMARK INDICES
<b>Cash</b>	<b>2.5</b>	<b>5</b>	<b>0-15</b>	Sterling 3 month LIBOR
Government bonds		7	0-20	FTSE All Stocks All Gilts
Index linked bonds		0	0-20	FTSE All Stocks Index Linked
Corporate bonds		8	0-20	Merrill Lynch Sterling Corporate Bonds
Overseas bonds		0	0-10	JPMorgan Global Government Bonds
<b>Total bonds</b>	<b>11.6</b>	<b>15</b>	<b>10-30</b>	---
UK equities		35	25-55	FTSE All Share
Overseas equities		35	15-45	MSCI AC World ex UK
<b>Total equities</b>	<b>73.4</b>	<b>70</b>	<b>55-85</b>	---
Property		10	5-15	MSCI UK Monthly Property Index
Absolute return		0	0-10	RPI +2.5% p.a.
Commodities		0	0-10	Rogers International Commodity
<b>Total alternatives</b>	<b>12.5</b>	<b>10</b>	<b>5-20</b>	---
<b>Total</b>	<b>100</b>	<b>100</b>	---	---

The effects of the pandemic and the political and economic uncertainty during the year ensured markets remained volatile. Over the year, relative performance across asset classes has been mixed, with good performance in equities, absolute return funds and property but disappointing performance in corporate bonds. The portfolio has outperformed the benchmark by 1.8%, partly due to outperformance in equities and property and partly the overweighting of overseas equities at the expense of the UK. There was some rebalancing of the portfolio within asset classes during the year.

## SOCIALLY RESPONSIBLE INVESTMENT

The trustees, in adopting a Socially Responsible Investment position, acknowledge their duty to maximise investment returns for the charity whilst adhering to the Principles of Responsible Investing (PRI) standards. The underlying managers within the portfolio are expected to consider best practice when assessing any individual investment. To this end it is agreed, in so far as it is possible, to encourage investment in companies that behave in a socially responsible fashion without adversely affecting the overall performance of the fund.

## HOSPITAL SUNDAY APPEAL

The Hospital Sunday Appeal is an integral part of the charity's history. A target of £10,000 is set each year for the Appeal which is maintained to promote the charity's work to a wider audience and raise additional funds for grant-making. All proceeds are added to the allocation for the following year's Samaritan grants. The charity does not employ commercial fundraisers and relies on the charity's staff and volunteers to lead its fundraising. During the year, all public fundraising activities were suspended in compliance with social distancing regulations. Donations continued to be received from our very generous supporters. The distribution of face coverings to our volunteers and others also generated donations. The charity is registered with the Fundraising Regulator and no complaints regarding our fund-raising activity were received during the year.

While the charity's main source of income is derived from its investment portfolio, it continues to receive generous support from individuals, companies, places of worship and charitable trusts. In 2020, the charity raised £17,216 (2019: £13,656) in donations for its annual appeal; 84% from individuals and 16% from faith, business and charitable institutions. A further £10,000 was received from a family fund to be disbursed during the year. As with the 'Partners for Health' programme London Catalyst administers this facility without charge to the donors.

The charity also received a separate donation of £6,000 to be directed at homeless projects in London. The Director made recommendations to the donor and four grants of £1,500 were agreed for projects supporting homeless and vulnerable people during the pandemic.

The Board welcome donations from individuals, trusts and corporations to increase funds available to beneficiaries. The trustees would like to record their sincere thanks to all who contributed to the Appeal in 2020. A list of institutional donors is shown at the end of the report and accounts.

***By Order of the Board***



Dr Sarah Divall  
Chair

Date: 24 May 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LONDON CATALYST**

### **Opinion**

We have audited the financial statements of London Catalyst (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. 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 income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LONDON CATALYST (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- ♦ the information given in the trustees' report, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ♦ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ♦ adequate 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 trustees' remuneration specified by law are not made; or
- ♦ we have not received all the information and explanations we require for our audit; or
- ♦ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LONDON CATALYST (continued)**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimate were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ review of the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities is available 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LONDON CATALYST  
(continued)**

**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. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott LLP*

Katharine Patel (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 11 June 2021

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL  
RECOGNISED GAINS AND LOSSES)  
YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 Total Funds £	2019 Total Funds £
<b>Income and expenditure</b>			
<b>Income</b>			
Donations	2	17,216	23,656
Investment Income	3	212,200	305,075
<b>Total income</b>		<b>229,416</b>	<b>328,731</b>
<b>Expenditure</b>			
<b>Costs of Raising Funds</b>			
Fundraising Costs	4	(3,545)	(3,599)
Investment Management Costs	4	(31,854)	(29,441)
<b>Expenditure on Charitable Activities</b>			
Grant-making	4, 6	(302,947)	(299,356)
Support Costs	4, 5	(98,307)	(102,605)
<b>Total Expenditure</b>	4	<b>(436,653)</b>	<b>(435,001)</b>
<b>Net Expenditure before investment gains</b>		<b>(207,237)</b>	<b>(106,270)</b>
Gains on investments	8	396,731	1,477,507
Net Income and Net Movement in Funds for the Year		189,494	1,371,237
<b>Reconciliation of Funds:</b>			
Balances brought forward at 1 January		14,000,962	12,629,725
<b>Balances carried forward at 31 December</b>	10,11	<b>14,190,456</b>	<b>14,000,962</b>

All amounts relate to unrestricted funds in both financial years.

All recognised gains and losses arising in the year are included in the above Statement of Financial Activities.

All amounts relate to continued activities.

The notes on page 22 to 30 form part of these financial statements.

**BALANCE SHEET AS AT 31 DECEMBER 2020**

Registered Company No. 3460296

	Notes	£	2020 £	2019 £
<b>INVESTMENTS</b>				
Fund investments	8	<u>14,198,986</u>	<u>14,002,952</u>	
<b>TOTAL FIXED ASSETS</b>			<b>14,198,986</b>	<b>14,002,952</b>
<b>CURRENT ASSETS</b>				
Debtors	9	<u>28,307</u>	<u>26,100</u>	
Cash at Bank		<u>10,589</u>	<u>11,344</u>	
		<b>38,896</b>	<b>37,444</b>	
<b>CURRENT LIABILITIES</b>				
Creditors due within one year	10	<u>(47,426)</u>	<u>(39,434)</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(8,530)</b>	<b>(1,990)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>14,190,456</b></u>	<u><b>14,000,962</b></u>
Represented By:				
Unrestricted Funds	11		<u><b>14,190,456</b></u>	<u><b>14,000,962</b></u>
<b>TOTAL FUNDS</b>	12		<u><b>14,190,456</b></u>	<u><b>14,000,962</b></u>

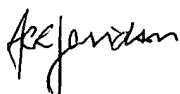
The financial statements were approved and authorised for issue by the Board and were signed on its behalf on

Dr Sarah Divali



Chair of the Board

Charles Davidson



Chair of the Finance Committee

Date:

24 May 2021

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES**

The following are the main accounting policies adopted by the charity:

**Basis of accounting**

The financial statements have been prepared for the year 31 December 2020.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006. In addition, the accounts have been drawn up in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) (Charities SORP FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS102. The accounts are presented in sterling and are rounded to the nearest pound.

**Critical accounting estimates and areas of judgement**

There are no items in the financial statements which require the trustees and management to make significant judgements or estimates.

**Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regard to the next accounting period, the year ended 31 December 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, and an apportionment of 5% of staff costs as being the amount directly attributable to raising funds.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations and support costs including governance costs.

Charitable grants and donations comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Grants approved but not paid at the end of the financial year are accrued.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs excluding staff related costs are allocated to the sole charitable activity. Staff related costs are allocated in accordance with the time spent on each activity.

**Fund accounting**

Unrestricted funds are those funds which are available for use at the discretion of the trustees, in furtherance of the general objectives of the charity, and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

**Fixed asset investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**Pensions**

The charity contributes a defined contribution to the personal pension plans of its two employees. Contributions are charged on the statement of financial activities when they are payable to the schemes

The charity's contributions are restricted to the contributions disclosed in note 5. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

**Taxation**

London Catalyst is a registered charity and, therefore, is not liable to income tax or corporation tax on income on gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

**Statement of cash flows**

The financial statements do not include a statement of cash flows because the charity is considered a small charity and is therefore exempt from the requirement to prepare such a statement under the Charities SORP FRS102 Update Bulletin1.

**Agency arrangements**

The charity has acted as an agent in distributing grants on behalf of private donors. Payments received from the donor and subsequent disbursements to grant recipients have been excluded from the statement of financial activities as the charity does not have control over the charitable application of the funds.

The funds received and disbursed and any balances held are disclosed in note 13.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. DONATIONS**

	2020	2019
	£	£
Donations including deeds of covenant & Gift Aid	17,216	13,656
Brown Dog Family Foundation	-	10,000
	<u>17,216</u>	<u>23,656</u>

See page 36 for the list of donations received in the year.

**3. INVESTMENT INCOME**

	2020	2019
	£	£
Dividends on UK/Foreign pooled funds	212,200	305,075
	<u>212,200</u>	<u>305,075</u>

**4. TOTAL EXPENDITURE**

	£	£	2020 £	2019 £
	STAFF COSTS	OTHER	TOTAL	TOTAL
<b>Costs of raising funds</b>				
Fundraising costs	3,545	-	3,545	3,599
Investment Management costs	-	31,854	31,854	29,441
<b>Charitable activities</b>				
Grant making (note 6)	-	302,947	302,947	299,356
Support costs (note 5)	67,352	30,955	98,307	102,605
<b>Total Expenditure</b>	<u>70,897</u>	<u>365,756</u>	<u>436,653</u>	<u>435,001</u>

Peabody charged £14,056 (2019: £19,963) for the provision of office and administration services specified under a Management Agreement.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. SUPPORT COSTS**

	2020	2019
	£	£
Wages and salaries (95%)	67,352	68,383
Management fees	14,056	19,963
Insurance	783	783
Sundry expenses and other expenses	5,256	5,976
Auditor's remuneration (note 6)	10,860	7,500
	<b>98,307</b>	<b>102,605</b>

**Staff Costs and Remuneration of Key Management Personnel:**

	2020	2019
	£	£
Wages and salaries	67,054	62,326
Social security costs	3,840	3,521
Over accrual of historic social security costs	(6,536)	-
Pension	6,539	6,135
	<b>70,897</b>	<b>71,982</b>

No employee earned £60,000 or more in the year (2019: none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees and the Director. The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £63,550 (2019: £55,247).

None of the trustees of the charity were remunerated during 2020 (2019: £nil) and no trustees were reimbursed for expenses incurred during 2020 (2019: £nil). The total pension cost for the year ended 31 December 2020 is £6,539 (2019: £6,135).

The total number of employees for the year 2020 was 2, full time equivalent (FTE) 1.4 (2019: 2, FTE 1.4). The average number of employees, expressed as a full-time equivalent, analysed by function, was:

	2020	2019
	No.	No.
Support Staff	1.4	1.4

**6. GOVERNANCE COSTS**

	2020	2019
	£	£
Current year audit fees	7,680	7,500
Prior year audit fees	3,180	-
Total	<b>10,860</b>	<b>7,500</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**7. GRANTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Institutional	303,745	302,391
Prior year grants withdrawn/returned	(798)	(3,035)
	<b>302,947</b>	<b>299,356</b>
	(165 grants)	(167 grants)

Grants withdrawn/returned represent unutilised prior year grants returned of £798 (2019: £3,035).

See pages 31 to 36 for the analysis of grants made in the year.

**8. FUND INVESTMENTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Listed investments</b>		
Market value at 1 January	13,935,508	12,540,115
Additions	709,371	4,350,914
Disposals	(911,244)	(4,433,028)
Net Realised and Unrealised Gains	396,731	1,477,507
Market value at 31 December	14,130,366	13,935,508
Cash deposits held for investment	68,620	67,444
<b>Total investments at 31 December</b>	<b>14,198,986</b>	<b>14,002,952</b>
Historical cost at 31 December (including deposits)	12,080,521	12,399,281

The charity engages Stanhope for investment advice and invests in pooled funds from which investment manager's fees are deducted before the market value is established. Consequently, the valuation of investments is net of investment manager's fees, any third party managed funds and custody fees, total: £31,854 (2019: £29,441).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. FUND INVESTMENTS (continued)**

Investments including cash deposits are held in the following geographical areas:

	2020	2019
	£	£
UK	7,882,775	8,761,787
Europe (Ex UK)	536,041	488,846
North America	658,130	695,186
Pacific	588,904	474,298
Global	4,533,136	3,582,835
	<b>14,198,986</b>	<b>14,002,952</b>

**Material Investments**

Included within the investments held at the year-end are the following investments which individually comprise more than 5% of the total market value of non-cash investments.

	2020	2019
	£	£
Ishares III PLC - Core MSCI World	2,132,247	1,897,521
Charities Prop Property Fund	1,335,087	1,372,894
Evenlode Inv Mgmt Ltd	1,234,394	1,369,108
Fundsmith LLP	1,150,885	-
Vanguard Funds PLC – FTSE 250 UCITS ETF	887,309	954,686
Vanguard Funds PLC – S&P 500 UCITS	811,794	725,922
Legal & General – UK Index Trust	740,187	1,749,215
Link Fund Solutions LTD	709,951	771,059

**9. DEBTORS**

	2020	2019
	£	£
Accrued Income	28,307	26,100
	<b>28,307</b>	<b>26,100</b>

**10. CREDITORS DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Accruals for grants payable	12,500	8,000
Taxation and social security	1,873	8,389
Trade creditors	33,053	22,785
Other creditors	-	260
	<b>47,426</b>	<b>39,434</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. UNRESTRICTED FUNDS**

	2020	2019
	£	£
Balance at 1 January	14,000,962	12,629,725
Net expenditure in the year	(207,237)	(106,270)
Gain on investment assets	396,731	1,477,507
<b>Balance at 31 December</b>	<b>14,190,456</b>	<b>14,000,962</b>

**12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	£	£	2020 £	2019 £
	FIXED ASSETS	NET CURRENT LIABILITIES	TOTAL	TOTAL
Unrestricted funds	14,198,986	(8,530)	14,190,456	14,000,962
	<b>14,198,986</b>	<b>(8,530)</b>	<b>14,190,456</b>	<b>14,000,962</b>

The total unrealised gains as at 31 December 2020 constitute movements on revaluation and are as follows:

	2020 £
Unrealised gains included above on investments	2,118,465
Reconciliation of movements in unrealised gains:	
Unrealised gains at 1 January 2020	1,603,671
Add: in respect of disposals in the year	118,063
Minus: net losses arising on revaluations in the year	396,731
<b>Total unrealised gains at 31 December 2020</b>	<b>2,118,465</b>

**13. RELATED PARTY TRANSACTIONS**

Owing to the nature of the charity's operations and the composition of the Board of Trustees being drawn from local public and charitable sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures. Any Trustee who has any interest in a potential grant recipient will withdraw from all related grant discussions.

Trustees make voluntary donations to the charity's Hospital Sunday Appeal and in support of other fundraising initiatives including the London Marathon and public collections.

The aggregate amount of donations made by the trustees to the charity in the year was £2,326 (2019: £385).

**14. AGENCY ARRANGEMENTS**

During the year, the charity received £18,740 (2019: £40,210) to disburse as grants to nominated charities on behalf of private donors.