# THE SHEILA MCKECHNIE FOUNDATION

England & Wales · Charity number 1108210

## Details

| | |
|---|---|
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 05331412 |
| **Registered** | 2005-02-21 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Shelter<br>88 Old Street<br>London<br>EC1V 9HU |
| **Phone** | 02037525644 |
| **Email** | info@smk.org.uk |
| **Website** | www.smk.org.uk |

## Activities

**Objects:** TO PROMOTE THE EFFICIENCY AND EFFECTIVENESS OF CHARITIES AND THE EFFECTIVE APPLICATION OF RESOURCES FOR CHARITABLE PURPOSES FOR THE BENEFIT OF THE PUBLIC BY RAISING THE STANDARD OF AND PROMOTING EXCELLENCE IN CAMPAIGNING ON BEHALF OF CHARITABLE PURPOSES IN PARTICULAR BY:(A) AWARDING INDIVIDUALS WHO HAVE CONDUCTED EFFECTIVE AND LAWFUL CAMPAIGNS THAT FURTHER CHARITABLE PURPOSES;(B) RAISING AWARENESS OF GOOD PRACTICE IN CAMPAIGNING;(C) PROVIDING INFORMATION AND GUIDANCE TO PEOPLE WHO ARE CAMPAIGNING IN FURTHERANCE OF CHARITABLE PURPOSES.

**Activities:** The Foundation has established an Awards Scheme, currently with nine categories, as a means of identifying and developing the next generation of campaigners. A bespoke support programme is delivered to the winners of each category. More widely, the Foundation speaks out on behalf of the sector in order to champion the right to campaign.

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## Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training
- **Who:** Other Defined Groups, The General Public/mankind

## Geography

- Northern Ireland
- Scotland

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £543,332 | £612,384 | £59,217 | 6 |
| 2024-03-31 | £828,425 | £761,083 | £128,269 | 9 |
| 2023-03-31 | £640,931 | £660,516 | £60,928 | 9 |
| 2022-03-31 | £554,241 | £535,552 | £80,512 | 7 |
| 2021-03-31 | £434,043 | £478,158 | - | - |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| Alex Kent | | 2024-06-18 |
| Anthony Burton | | 2024-06-18 |
| David John Wade | | 2025-09-30 |
| Emilija Rudzinskaite | | 2024-06-18 |
| Gillian Lazonby | | 2024-09-17 |
| Juliet Can | | 2024-06-18 |
| Nicole Chaires Itano | | 2025-09-30 |
| Richard Lane | | 2021-07-01 |
| Sami Gichki | | 2024-06-18 |

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**THE SHEILA MCKECHNIE FOUNDATION**

England & Wales - Charity number 1108210

# Accounts

SHEILA McKECHNIE FOUNDATION UNLEASHING SOCIAL POWER

# THE SHEILA McKECHNIE FOUNDATION

Charity Registration in England and Wales No. 1108210

Scotland Registration No. SC044207

Company Registration No. (England and Wales) 05331412

(A COMPANY LIMITED BY GUARANTEE)

AUDITED TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

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## THE SHEILA McKECHNIE FOUNDATION LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| Trustees | Nicole Itano (Chair) – Appointed 30/09/2025 |
| | Richard Lane (Interim Chair until 30/09/2025) - Reappointed 08/12/2025 |
| | David Wade (Treasurer) – Appointed 30/09/2025 |
| | Patrick Steen – Resigned 08/12/2025 |
| | Zainab Ali Khan - Resigned 08/12/2025 |
| | Anthony Burton – Appointed 18/06/2024 |
| | Juliet Can – Appointed 18/06/2024 |
| | Sami Gichki - Appointed 18/06/2024 |
| | Alex Kent - Appointed 18/06/2024 |
| | Gillian Lazonby – Appointed 17/09/2024 |
| | Emliji Rudzinskaite - Appointed 18/06/2024 |
| | Kimberly Garande (Vice Chair) Resigned 10/12/2024 |
| | Deborah Doane Resigned 09/01/2025 |
| | Stuart Davis (Treasurer) Reappointed 10/12/2024 and Resigned 10/06/2025 |
| | Pete Moorey (Chair) Resigned 10/06/2025 |
| Resigtered Address | Crown Chambers<br>Bridge Street<br>Salisbury<br>SP1 2LZ |
| Auditors | Fletcher & Partners<br>Crown Chambers<br>Bridge Street<br>Salisbury<br>SP1 2LZ |
| Bankers | Unity Trust Bank<br>Nine Bridley Place<br>Birmingham<br>B1 2HB |

**TRUSTEES REPORT AND ACCOUNTS FOR FINANCIAL YEAR APRIL 2024 TO MARCH 2025**

**THE SHEILA MCKECHNIE FOUNDATION (SMK)**

This trustees' report includes the directors' report as required by company law.

**Introduction**

SMK takes a big picture view of campaigning and social change. We recognise that campaigners are trying to change lots of different things – from helping someone access their rights to changing policy or attitudes at a national scale.

We also recognise that there are lots of ways to campaign from awareness raising and community organising, to movement building and political lobbying. We know that social change typically happens when lots of people use different tactics across this broad 'eco system' of change.

Our job is to help campaigners and changemakers of all kinds – whether working on their own or in big organisations – understand more about how social change happens and how to design their campaigns to have the best chance of success.

At the same time, we want to build a better understanding of what social purpose campaigning is, and why it matters. And build a sense of community and solidarity among those pushing for change.

The past year has been a challenging one for many charities and campaigning organisations across the UK, and SMK has not been immune. We have navigated a period of significant transition, including the departure of both our long-standing Chief Executive and Chair, alongside the continued financial pressures facing much of the sector. Like many small charities, we have been affected by an over-reliance on a limited number of funders, the ongoing challenge of developing new income streams, and a fall in our trading income. These realities required the Board and leadership team to take some difficult and unpalatable decisions, including a necessary resizing of the organisation to secure its long-term sustainability.

Throughout, the Board has approached this period with integrity, care, and realism – always guided by what would best protect SMK's mission and the campaigners we serve. The staff team has shown extraordinary resilience, professionalism, and tenacity. Despite capacity pressures and the emotional toll of change, their commitment to SMK's purpose – supporting those driving change in communities, organisations, and movements across the UK – has remained unwavering.

This has also been a year of renewal and strengthening. We have appointed an Acting Interim Chief Executive to provide stability and leadership, and we now have a stronger, more diverse Board following a wide-ranging recruitment process that has brought in new skills, experiences, and perspectives. We are also delighted to have appointed a new permanent Chair of Trustees, who will take up post in September 2025, bringing further depth and continuity to SMK's governance.

We remain deeply grateful for the continued support, advice, and confidence of our funders and partners, who have stood by us through a difficult year. Their belief in our mission – and in the campaigners and changemakers we champion – has been critical in helping us navigate this period and plan for the future.

Each year, the SMK Campaigner Awards remind us why our work matters. They bring to life the creativity, courage, and diversity of people and movements driving change at every level – from neighbourhood projects to national policy. It is their stories, and their impact, that continue to inspire us all.

As SMK marks its twentieth anniversary year, we do so with humility about the challenges we have faced, and cautious optimism about the road ahead. The decisions of the past year have not been easy, but they have laid the foundations for a stronger, more sustainable future. SMK enters its next chapter leaner, steadier, and more focused than ever on supporting those who make change happen.

The truth is, we are all campaigners – when we need to be. Whether making sure a child gets the support they need at school or trying to shift global climate policy, this is all campaigning. And SMK is still here for all of you.

**Objectives of the charity**

**Our vision** is a more confident and powerful campaign community that works together to drive change.

**Our mission** is to unleash the potential of changemakers by providing them with support, connecting them, and championing their interests.

**Public benefit statement**

In setting our objectives and planning our objectives our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing citizenship and community development.

**TRUSTEES REPORT AND ACCOUNTS FOR FINANCIAL YEAR APRIL 2024 TO MARCH 2025**

**Activities and Review**

The following review summarises SMK's activities over 2024/25 under the four headings: Support, Connect, Champion & Organisational Development.

**1. SUPPORT**

SMK supports changemakers through Grant Funded programmes and training & consultancy delivered through our Trading Company. Whether campaigners are at the start of their journey, or deeply experienced, we provide the tools and support they need to effectively. In 24/25 we trained around 326 people from organisations and reached a further 932 individuals through our online Change Makers Toolkit.

**Grant-funded training programmes**

Thanks to the Oak Foundation's support through their Housing and Homelessness fund, SMK has continued to strengthen the knowledge, skills and confidence of campaigners working on housing and homelessness across the UK. In this third year of the partnership, and with agreement from Oak, the programme pivoted away from our focus on solidarity in social change to align more closely with SMK's capacity building training and support.

Free access was provided to Oak grantees to a range of SMK programmes designed to build campaign capacity, collaboration and leadership. Participants were able to develop core campaigning skills through our Campaign Carousel programme, benefit from a more detailed exploration of topics such as campaign strategy, theory of change and understanding local power in our Deep Dive programme and experience group coaching and peer support as part of an Action Learning Set.

| Category | Number of Oak funded participants |
|---|---|
| Campaign Carousel online workshops | 13 individuals, 12 organisations |
| Deep Dive training places | 28 individuals, 15 organisations |
| Action Learning Set | 8 individuals, 7 organisations |

Grantees represented organisations, from grassroots groups to national charities, working in partnership with communities including refugees and asylum seekers, tenants, young people, women, Travellers, Roma, Black and other racially minoritised groups, communities leading the way in challenging housing injustice and homelessness.

"It was great to meet a new supportive group of people in similar roles in the sector. I learnt a lot from them and their insights. Facilitation was excellent and really helped foster trust in each other". Action Learning Set participant.

"It's an eye opening and surprising experience, a great chance to reflectively collect, challenge yourself and feel part of a campaigning community". Oak programme participant.

"It gave me more confidence in my abilities as a campaigner. Particularly as I come from more of a digital background rather than campaigning. Definitely helped alleviate my imposter syndrome. Also provided me with a ton of useful tools and frameworks for thinking about campaigns, being creative and solving problems". Oak programme participant.

The programme has offered much-needed space for campaigners to build skills, reflect on challenges and connect with others. To maintain momentum and connection across the community, SMK shared regular newsletters and blogs and hosted a Community Catch Up in January 2025 (8 participants from 7 partner organisations). We also continued to support the learning community established in Year one and two of the partnership. Feedback showed that participants particularly valued the chance to learn alongside peers, explore new approaches, and gain practical tools they could apply in their organisations straight away.

"I found it really useful to have lots of time to chat to other attendees, and I formed some useful connections through this".

Providing access to SMK staples like the Campaign Carousel ensured Oak grantees got to mix with a wide range of campaigners from across the sector. One of the most powerful aspects of the programme has been the sense of shared experience across different sectors; "It's been really useful to hear that people are experiencing similar things outside of my sector, recognition of the problems gives me hope that something can be done about it."

In a challenging year for SMK, Oak's continued support has enabled us to remain focused on our core mission of strengthening campaigners. Looking ahead, we have an excellent ongoing relationship with the Foundation and our new themes of Connection and Capacity Building in Year Four are already proving popular.

In March 2024, with grant support from Wikimedia UK, SMK launched the Changemaker's Toolkit. The toolkit helps people develop a foundational understanding of campaigning through three practical modules. The Toolkit has had 932 active users in this period. On average, users rated the modules as 4.4 out of 5 in the star rating. One user identified the resource as 'brilliant' and went on to say 'It's packed with accessible, free online resources and suitable for campaigners at all levels.' We actively market our free content to target audiences including grassroots organisations, Student Unions and youth organisations. Our free campaigning tools have an average of 132 monthly downloads, the Changemaker's Toolkit has an average of 56 viewers per month, and the Free Campaigning Tools page has had an average of 67 views per month.

**Training and Consultancy through Trading**

We earnt income of £77,385 from training, which outperformed our 70K target. Our consultancy operation didn't meet its expected target, coming in lower than forecast at £52,249. Overall, the training and consultancy programme generated a total income of £129,634 across the year, against a target of £140,000.

**Training**

For early-stage campaigners we offer a foundational understanding of how change happens and an introduction to different campaign disciplines through our Campaign Carousel (a series of nine workshops) and Open Training programme (one-off workshops).

Participants come from a wide range of charities from local organisations like Caring in Bristol (£1.3m turnover) to small intermediary organisations like Surfers Against Sewage (£3.3m turnover) and larger organisations like the RSPCA (£152.5m turnover) and Amnesty International UK (£22.8m turnover). Campaign Carousel participants told us that the training had increased their confidence, knowledge, skills and tools to campaign effectively. Increased understanding of influencing and policy change, both key campaigning skills, was reported by 100% of evaluation survey respondents.

"The Campaign Carousel training gave me both practical tools and deeper insights into effective campaigning. It also introduced me to new approaches and networks I hadn't considered before. Most importantly, it equipped me with knowledge I could immediately apply in my role, helping me campaign more effectively for the rights of refugee and asylum-seeking women." Carousel participant.

We offered advanced support for more experienced campaigners through our Deep Dive sessions and our Action Learning Sets. 59% of participants in our Deep Dive sessions were employed as Managers, Heads of Department or Directors within campaigning organisations. Over the year we had a high demand with five sell-out sessions and 94 participants in total. 26 campaigners participated in our Action Learning Sets which foster critical thinking through peer learning sessions.

"Thank you, I found that so useful. I have learnt lots of helpful practical tips and will take forward thinking at a much more granular level about who we should target and when." Director and Deep Dive participant.

In 2024 we developed two new Deep Dives - Theory of Change: a framework for effective social change and Understanding Local Power: insider perspectives on councils, mayors and grassroots impact, in response to campaigners' need for clearer pathways to change and a better grasp of how local power works in practice. As the political landscape shifts, these sessions offer practical tools to plan more effectively and influence decision-makers locally. We have also continued to run our popular Deep Dive on How to develop effective campaign strategies and re-ran our one-off Deep Dive on How to own the room: build your influence, presence and charisma with Viv Groskop.

| Category | Number of paid for places |
|---|---|
| Campaign Carousel online workshops | 30 |
| Deep Dive training places | 93 |
| Action Learning Set | 3 |

**Commissioned training & Consultancy**

Our consultancy combines commissioned training and strategic support. In 2024/25, training was consistently in demand, and our consultancy enabled key organisations to sharpen their social change strategy.

SMK has provided short in-house training workshops for a range of organisations, including Cancer Research UK, Social Care Futures, and Lumos. A particular highlight was leading workshops to help young people with epilepsy gain the confidence and skills to use their voice with Epilepsy UK.

We also provided longer-term capacity building programmes for clients including the Southall Community Alliance, Traveller Movement, and National Parks England. In our third year with Rosa UK's 'Voices from the Frontline' fund, we delivered a five-month programme for women and girls' organisations wanting to strengthen their local campaigning. We also ran a second year of a four-month ParalympicsGB programme, inspiring athletes to use their platforms to drive social change. The programme launched in March with an interactive online event that inspired participants to explore how they can speak up, build influence, and drive change on issues they care about.

"I think the online session was a great introduction to advocacy and campaigning, an area I am very new to. I found the sessions engaging and informative, giving me a lot of new ideas and enabling me to think differently about campaigning." Participant ParalympicsGB

We ran a repeat of the well-received day-long session on the TUC's Leading Change programme for trade union leaders. We also provided in-house strategic conversations on social change for organisations including Heatherwick, NUS, and The Barnwood Trust. One consultancy client fed back "Thank you for running such a brilliant event yesterday – you are such experts in what you do and it's a pleasure to work with you'.

| Category | Reach |
|---|---|
| Organisations that have commissioned consultancy* | 16 organisations |
| Campaigners reached through consultancy* | 160 participants ** |

* This total does not include the individual organisations that we train through the commissioning organisation, we plan to monitor this more accurately in our next report.

**This is an estimate based on an average of 10 people per organisation, we plan to monitor this more accurately in our next report where our clients allow.

## 2. CONNECT

We need everyone – and all kinds of knowledge and expertise – to tackle the issues we face. That's why SMK works to connect the diverse campaign communities we serve, to deepen solidarity and unleash power for change.

## SMK National Campaigner Awards

SMK's founding activity was to establish an annual awards ceremony that could celebrate campaigners and change-makers, and this remains a core part of our work today.

The Awards are one of the ways we demonstrate and celebrate the value of campaigning. They bring change-makers together to showcase the very best campaigns and campaigners, share and build knowledge for effective practice and grow solidarity and find common cause amongst the campaign community.

This year, the Awards ceremony took place on Wednesday 15 May 2024 at Central Saint Martins, London with over 200 guests (our largest Awards yet!) with one of our newest partners, University of the Arts London (UAL). The shortlisted nominees were drawn from across civil society including individuals and campaign groups, all with one thing in common, they all made a significant contribution to social change through campaigning. We were able to launch a new award category, co-created with UAL, the Creative Changemakers Award. The arts were centre stage this year, threaded throughout the programme including an interval performance, artist commissions and an animated film called Change Unfolding.

We continued to extend the reach of the Awards through our partnerships with The Big Issue, as well as placements in Belfast Live, Irish News, Business Cornwall, Morning Star, Cafe Football, Ekklesia, and The Tablet. We also produced a short film "Change Unfolding," receiving 320 views. The Awards on YouTube received 626 views, with 146 watching the livestream. 200 people attended in person at UAL.

We achieved significant social media engagement during the Awards period on our key platforms Instagram, Twitter/X and LinkedIn. The highest levels of engagement were on Twitter/X (2,493 engagements, 100,656 impressions, 446 post likes, 122 retweets and and 37 quotes). The Awards continue to drive great engagement with our website, over this period Award-related content makes up 40% of most visited pages.

'I just wanted to reach out and pass on a heartfelt thank you for last night. Doing this work can be quite isolating and it was really heartening to remember there are people out there doing wonderful, life changing work. It was invaluable swapping tips and ideas to make this work feel more sustainable. The event was really well hosted and curated. The reception at the end was also wonderful and gave us an opportunity to meet previous winners (really wonderful and inspiring!).' (Award Winner)

'The story-telling you did about the winners was wonderful to experience and the way it brought to light the mission and purpose of what SMK exists to achieve.' (Award ceremony guest)

'Thank you for an excellent event tonight. Such moving stories and worthy winners. Excellent facilitation. And it was so great to integrate the arts students into the event in so many creative ways. Thanks again and looking forward to continue collaboration.' (Sponsor)

The Awards were supported by Bates Wells, (legal advisers to civil society) for the fourth year. Further category sponsorship included AVAAZ, Blagrave Trust, Joseph Rowntree Reform Trust, WHICH?, Tenacious Awards and Heatherwick Studio. We also received in-kind design support from Brand Ethos and event production support from Voytek. We are incredibly grateful to have so many dedicated sponsors and partners who make the Awards possible.

## 3. CHAMPION

For an active and resilient civil society, it's vital that people have the freedom and confidence to make change. SMK protects and champions both. Campaigning and political advocacy are crucial features of a healthy democracy. That's why SMK works to protect the space to campaign – calling on politicians to uphold the right to speak out and clearing away unreasonable barriers.

In the second half of 2024 the difficult decision to pause all of SMK's policy and research work was taken as a result of the lack of funding for this area of our work. This led to two positions being made redundant. In spite of this we were able to deliver on commitments to our remaining funder the Paul Hamlyn Foundation who awarded £20K to support SMK's wider 'Championing' work in August 2024.

### Defending UK civic space

SMK invested time to develop Navigating charity campaigning: a guide for trustees published in autumn 2024 in response to the Year 2 survey findings. This was written to help Board's ask themselves all the relevant questions about their own organisations approach to campaigning. It recognises that 'campaigning' takes many forms and there is no one 'right' way to campaign – every charity needs to think about what is right for them.

SMK held a consultation event with the Association of Chairs as part of the development of the Guide and worked closely with the Charity Commission and Stone King to ensure our advice is sound.

The Guide is now freely available on SMK's website and has been downloaded 113 times by 69 users in this period.

**Charity Reform Group**

The Charity Reform Group (CRG), initially supported in 2023 by the Paul Hamlyn Foundation and membership fees, is convened by SMK. It is made up of national charity leaders dedicated to enhancing charities' role as agents of change. It shares the goal to champion a broad interpretation of charity campaigning within the sector and help trustees and regulators to do the same.

The CRG published a series of essays (Forces for Good) in November 2024. Nine CRG members plus Sarah Elliott from NCVO contributed an essay. They were discussed in draft at a residential held at St. George's House in Windsor on April 8th and 9th 2024. 28 guests spanning all sectors attended including Moira Sinclair, then CEO at Paul Hamlyn Foundation, and senior external guests including Lord Gus O'Donnell, former Cabinet Secretary. Patrick Butler, Social Policy Editor at The Guardian, was host.

Forces for Good was launched at an event in Westminster in November 2024. The event had 72 sign-ups, including two officials from Number 10 and Secretary of State Lisa Nandy's Special Advisor. The launch was run as a Third Sector exclusive, which included two comment pieces and a podcast. The story was also picked up by Civil Society News with a comment piece published in The Times. Just after the launch, CEO, Sue Tibballs was asked to join a cross-sector roundtable at No. 10 Chaired by Prime Minister Keir Starmer and joined by Chancellor of the Duchy of Lancaster, Pat McFadden.

Organisational changes have meant that it has not been possible for the initiative to stay under SMK's wing. In early 2025, it was agreed that the Campaigning Research Group (CRG) would 'spin out' as an independent initiative. We are currently exploring the most appropriate way for the CRG to continue its operation and influence, including identifying suitable hosting and governance arrangement.

**Campaigns survey**

Results of the 2023 SMK Annual Campaigner Survey (involving 145 participants) were released on 1 May 2024. They showed the toll that pressure from all sides is taking on campaigners, leading three-quarters to question whether they have the energy to keep going. There was so much to learn that we decided to publish a highlights report, Under Pressure, alongside the full results.

SMK shared highlights from the Annual Campaigner Survey, the nfpResearch report mentioned above, and other pieces of research at two free State of Campaigning briefing events held online in June 2024. One was open to all and the second was specifically for funders.

In December we launched our 2024 Campaigns Survey, given the limited staff resource over this period the survey ran for shorter period, and we were unable to deliver a launch event. However, following the analysis of the 68 responses received, the report was published and shared publicly in February 2025 in Civil Society Media and Third Sector and with the Charity Commission.

The results highlighted that a new Government has brought fresh opportunities and disappointments, the barriers of a fractious and polarised 'public square', the welcome emphasis from first-hand or 'lived' experience, challenges with effective collaboration and maintaining momentum and morale.

## 4. ORGANISATIONAL DEVELOPMENT

### Solidarity & EDI

SMK exists to help everyone who wants to make lasting social change. But we know that the interconnected systems of inequality that exist in society are replicated in organisations, like ours, that are trying to change them. During 2024/25 we continued to implement our EDI Strategy through the delivery of our related action plan under four key workstreams.

**1: Commitment to Solidarity and EDI: SMK took steps to share our** strategic commitment to solidarity through key messages across our website and new blog series 'Campaigning in Solidarity'. EDI work was integrated into key governance documents including the Charity Risk Register and Trustee Code of Conduct. We took a positive step forward in securing funding for external anti-oppression consultancy with JRCT, an outline schedule of work was drafted, this work was then paused due to the significant shifts in organisational structure and staffing to be taken up again with the interim CEO in 2025.

**2: People and Culture:** SMK successfully piloted the use of blind recruitment via LinkedIn, in order to reduce unconscious bias leading to changes in staff recruitment processes. Where possible diverse interview panels were fielded and candidate diversity data was captured for monitoring purposes and kept separate from the recruitment process. 2024 also saw the successful recruitment of six new Trustees with diverse skills and experience.

**3: Support for Changemakers:** Accessibility guidance for all training and events was created by the staff team ready and tested with Associates. We sought advice and expertise from partners and clients working with minoritised communities such as the ROSA Foundation and ParalympicsGB to increase the accessibility of our training offers. We took steps to review and improve accessibility for our National Campaigner Awards, one of our few in-person events. SMK continues to follow best practice with website accessibility as follows: best practice in appropriate use of image Alt tags, adhering to suitable colour contrast ratio between foreground and background elements, use descriptive anchor text in links, so that they make sense in all contexts and SMK's website is also given periodic reviews using accessibility assessment tools such as WAVE, which have helped identify code structure issues such as Headings, menu skippers and Aria tags.

**4: Our voice and convening:** In 2024 we revised our compensation for content contributors and judges to ensure that those who are not in established organisation are paid for their time. We launched an online community noticeboard to connect and champion 4: Our voice and convening: In 2024 we revised our compensation for content contributors and judges to ensure that those who are not in established organisation are paid for their time. We launched an online community noticeboard to connect and champion diverse campaigners. We developed a range of policy and advocacy project proposals to work in solidarity with minoritised communities in our advocacy work, but majority of advocacy work remains unfunded. Where we have work funded (mainly Charity Reform Group) we are ensuring that any discussions and events include diverse voices.

**Communications**

SMK continues to develop and grow its brand, profile and visual identity in new ways across all channels, platforms, events and programme areas.

We have continued to update our core messaging framework that has allowed us to express our work and values in a way that is consistent and relevant to our core audiences. The new messaging framework was agreed earlier this year and was incorporated across the website through new content and designs across all main and sub navigation pages. As part of the website project, a Community Noticeboard, an Awards gallery, a Free Campaign Tools page and a new sub section called Building Solidarity in Social Change have been launched.

We continue to diversify our marketing, create new asset designs/ layout, seeking out best practice and trends, and growing new channels such as opening a Bluesky account. We completed and implemented research into a practical short term digital work plan. The aim of this was to improve SMK's digital marketing approaches and channels in the interim utilising the research phase that underpins the work. These improvements will support the longer-term digital marketing strategy for next year. The two strands of work were: digital health and social media channels review. This led to a fresh approach to content creation, social media engagement and what channels we want to refocus our efforts on such as LinkedIn. We also agreed to keep SMK's Twitter/X account open but not active. This was because, despite a peak during the awards season, it was achieving little to no engagement and as outlined above we decided to focus capacity on other channels such as LinkedIn and Bluesky.

Digital improvements around SEO and the website have been implemented and will continue. AI is a priority area for SMK to develop so the communications team have been researching best practice including ethical considerations. We also conducted a staff session on AI to gather views from the team to support the direction SMK's decided to take with the fast emergence of AI.

The senior management team collectively worked on an audience review and development strategy that was completed in September 24. This work continues into the next financial year. This work is informing the new communications strategy/plan as part of SMK 'community' so that we can improve how we stay connected and give voice to their campaigning work.

**Staff changes**

This year SMK staff team has decreased in size with the following departures:

Rummena Begum Digital Marketing (F/T) - left November 2024
Sue Tibballs, CEO (F/T) - left February 2025
Kathleen Christie Head of Programmes (F/T) - left March 2025
Lorna Massey Operations and Systems Manager (3 days p/w) - left March 2025

The following roles were made redundant in Spring 2025:

Chloe Hardy, Director of Policy & Comms (4 days p/w); February 2025
Projects Officer F/T); Seth Farsides Policy & Research Officer (F/T) December 2024
Sarah Thomas, Head of Power & Participation (F/T) March 2025

The Board recruited an Interim CEO, Katie Roberts, who joined SMK in March 2025, on an initial six-month contract. Working alongside Katie is a core team of one full-time staff member Emma Boyd, Head of Marketing & Comms (F/T) and one part-time staff Megan Poyiadzis, Events & Programmes Manager 3 days p/w); both on permanent contracts.

**Financial Review**

Total income for the year was £543,332 (828,425 in 2023-24). This significant drop was felt across both restricted and unrestricted income and was due to the end of several multi-year grant funded programmes and a failure to replace these with new programme or new donor relationships and a 25% decrease in Trading income. These funders and projects are listed in the accounts (Note 3).

Total expenditure amounted to £612,384 (761,082 in 2023-24). Total funds at the year end were £59,217 of which £41,792 was restricted (2023/24: £128,269 total funds and £101,264 restricted funds). The fall in expenditure lagged behind the fall in income due to staff redundancy costs and an increase in consultancy to ensure that projects were delivered within a reduced staff team. The seven redundancies and resignations took part in the second half of the year, with all but two in Quarter Four.

This does mean that SMK's reserves at year-end are lower than our policy recommends. While regrettable, trustees are content they will be restored as the newly rebuilt team have specific skills in fundraising and developing our traded income.

**Reserves Policy**

The Directors of SMK take the view that a reserve should be held sufficient to pay notice periods for all staff plus any other liabilities re. rent or other suppliers in the event the charity has to wind up.

SMK's head count fluctuated throughout the year, eventually significantly decreasing the cost of liabilities and the figure of £60K, agreed in the previous financial year as a reasonable level of reserves proportionate to the Charity's income, was not revised. The Directors of SM Trading do not believe it necessary to maintain a Reserve beyond working capital necessary to meet current liabilities. Recognising that it is very unlikely the charity will have to wind up at no notice, and that some wind down costs could potentially be covered from other sources.

## TRUSTEES REPORT AND ACCOUNTS FOR FINANCIAL YEAR APRIL 2024 TO MARCH 2025

### Structure, governance and management

Sheila McKechnie Foundation is a charitable company limited by guarantee governed by its Memorandum of Association as adopted at the extraordinary general meeting on 21st February 2005. It is registered as a charity with the Charity Commission and as a Company with Companies House. Pay and remuneration of staff is determined in accordance with SMK's pay & remuneration policy. As a very small employer, there are some key principles that underpin SMK's approach to pay and remuneration:

- It must be simple and straightforward to administer
- It should be flexible, recognising that SMK's income can fluctuate, and that organisational needs can change
- It must reflect the values of the organisation
- It must be in line with best practice in the sector

During 2024/25 staff pay levels and a one-off cost of living payment were discussed at the June 2024 Board. A one-off payment of £500 per staff member was agreed, however this was not awarded due to the declining financial situation of the organisation.

### Appointment of Trustees

Our Articles of Association provide that SMK may have no less than three trustees but it is not subject to any maximum.

SMK uses a transparent and fair method when recruiting new trustees. We advertise all trustee vacancies, and they are open to anyone who wishes to be a trustee. From time to time the Board may call for trustees with specialist skills and experience that it identifies is needed for the effective governance of the organisation.

The process is trustees, and applicants for trusteeship are asked to make their application in writing and to attend an interview. During this time, each applicant and interviewee goes through the same process. We also apply our equal opportunities policy to trustee recruitment.

Each new trustee received an introduction pack and an induction to the organisation, and support is readily available from the Officers of the organisation.

The board of Trustees meets regularly and there were 5 full Board meetings held during the year (2024/25). The Resources Subcommittee met once and Trustees attended a Strategy Away Day in July 2025.

## TRUSTEES REPORT AND ACCOUNTS FOR FINANCIAL YEAR APRIL 2024 TO MARCH 2025

The present members are listed in this report on page 3.

The following changes in trustees occurred during this financial year:

- Richard Lane, Stuart Davis and Zainab Ali Khan all stood down and have all been reappointed to the board at the December AGM.
- Anthony Burton, Alex Kent, Juliet Can, Sami Gichki, Emilija Rudzinskaite and Gillian Lazonby were all co-opted on to the Board in Summer 2025 and formally appointed at the AGM in December
- Kimberly Garande resigned December 2024
- Deborah Doane resigned January 2025
- Pete Moorey resigned June 2025
- Stuart Davis resigned June 2025

List of Trustees is in Page 2 Legal and Administrative Information.

Members of the Trust guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total amount of such guarantees at 31st March 2025 was 11 (2024: 7).

**Risk Statement**

The trustees and staff jointly reviewed the possible risks facing the organisation during the year, supported by a risk register. Therefore, they were aware of the major risks facing the charity and are taking adequate steps to protect the charity. The major risks are related to the nature of the work within which the charity supports through grants and awards and the use of appropriate volunteers and people who support the charity.

**Auditors**

Fletcher & Partners were re-appointed as the charitable company's auditors at December AGM.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

**TRUSTEES REPORT AND ACCOUNTS FOR FINANCIAL YEAR APRIL 2024 TO MARCH 2025**

**Trustees' and Directors' Responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business [included where no separate statement on going concern is made by the directors].

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the charitable company's trustees, we certify that so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and as trustees of the charitable company we have we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the trustees on 08/12/2025

and signed on their behalf by David Wade

DAVID WADE
TREASURER

## THE SHEILA MCKECHNIE FOUNDATION
## INDEPENDENT AUDITORS' REPORT
## TO THE TRUSTEES OF THE SHEILA MCKECHNIE FOUNDATION

**Opinion**

We have audited the financial statements of the Sheila McKechnie Foundation (the "Foundation") for the year ended 31 December 2025, which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

i) give a true and fair view of the state of the Foundation's affairs as at 31 December 2025 and of its income and expenditure for the year then ended;
ii) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
iii) have been prepared in accordance with the requirements of the Charities Act 2011.

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

i) the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
ii) the charity has not kept sufficient accounting records; or
iii) the financial statements are not in agreement with the accounting records and returns; or
iv) we have not received all the information and explanations we require for our audit.

**Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement on page 6, the trustees 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 they 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 Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditors under s.144 of the Charities Act 2011 and report in accordance with regulations made under s.154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.
Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**Use of our report**
This report is made solely to the Foundation's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

James Fletcher, Senior Statutory Auditor
for and on behalf of Fletcher & Partners,
Chartered Accountants and Statutory Auditors

Crown Chambers
Bridge Street
Salisbury

19 December 2025

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
for the year ended 31 March 2025

| | Note | GROUP Unrestricted 2025 £ | GROUP Restricted 2025 £ | GROUP TOTAL 2025 £ | GROUP Unrestricted 2024 £ | GROUP Restricted 2024 £ | GROUP TOTAL 2024 £ |
|---|---|---|---|---|---|---|---|
| **INCOME FROM:** | | | | | | | |
| Donations and legacies | 2 | **5,066** | **4,000** | **9,066** | 876 | 2,000 | 2,876 |
| Charitable activities | 3 | **145,000** | **259,433** | **404,433** | 237,750 | 415,433 | 653,183 |
| Other trading activities | 4 | **129,833** | **-** | **129,833** | 172,366 | - | 172,366 |
| **TOTAL INCOME** | | **279,899** | **263,433** | **543,332** | 410,992 | 417,433 | 828,425 |
| **EXPENDITURE ON:** | | | | | | | |
| Charitable activities | 5 | **289,479** | **322,905** | **612,384** | 413,433 | 347,650 | 761,082 |
| **TOTAL EXPENDITURE** | | **289,479** | **322,905** | **612,384** | 413,433 | 347,650 | 761,082 |
| **NET (EXPENDITURE)/INCOME** | | **(9,580)** | **(59,472)** | **(69,052)** | (2,441) | 69,783 | 67,342 |
| Transfer between funds | | **-** | **-** | **-** | 765 | (765) | - |
| **NET MOVEMENT IN FUNDS** | | **(9,580)** | **(59,472)** | **(69,052)** | (1,676) | 69,018 | 67,342 |
| Fund balances brought forward | | **27,005** | **101,264** | **128,269** | 28,681 | 32,246 | 60,927 |
| **TOTAL FUNDS CARRIED FORWARD** | | **17,425** | **41,792** | **59,217** | 27,005 | 101,264 | 128,269 |

The statement of financial activities includes all gains and losses recognised during the year

All income and expenditure derive from continuing activities.

## CONSOLIDATED BALANCE SHEET

at 31 March 2025

| | Notes | GROUP 2025 £ | GROUP 2024 £ | CHARITY 2025 £ | CHARITY 2024 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 9 | 1,205 | 4,341 | 1,205 | 4,033 |
| Investments | 9 | - | - | 1 | 1 |
| | | 1,205 | 4,341 | 1,206 | 4,034 |
| **CURRENT ASSETS** | | | | | |
| Social Investment | 10 | - | - | 13,000 | 10,000 |
| Debtors | 11 | 47,247 | 102,229 | 37,379 | 84,103 |
| Cash at bank and in hand | 12 | 93,657 | 135,877 | 59,730 | 95,153 |
| | | 140,905 | 238,106 | 110,110 | 189,256 |
| **CREDITORS :** amounts falling due within one year | 13 | (82,893) | (114,178) | (52,099) | (65,023) |
| **NET CURRENT ASSETS** | | 58,012 | 123,928 | 58,011 | 124,233 |
| **NET ASSETS** | | 59,217 | 128,269 | 59,217 | 128,267 |
| **FUNDS** | | | | | |
| Restricted | 15 | 41,792 | 101,264 | 41,792 | 101,264 |
| Unrestricted | 15 | 17,425 | 27,005 | 17,425 | 27,003 |
| **TOTAL FUNDS** | | 59,217 | 128,269 | 59,217 | 128,267 |

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to independent examination under the Charities Act 2011.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with SORP FRS102.

The financial statements were approved and authorised for issue by the Board on 8/12/25 and signed on its behalf by:

David Wade

DAVID WADE
TREASURER

## CONSOLIDATED STATEMENT OF CASHFLOWS

as at 31 March 2025

| | Notes | GROUP 2025 £ | GROUP 2024 £ |
|---|---|---|---|
| **CASH INFLOW FROM OPERATING ACTIVITIES** | 14 | (42,220) | (43,430) |
| **NET CASH OUTFLOW FROM INVESTING ACTIVITIES** | | - | - |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | (42,220) | (43,430) |
| **CASH AND CASH EQUIVALENTS AT THE START OF PERIOD** | | 135,877 | 179,307 |
| **CASH AND CASH EQUIVALENTS AT THE END OF PERIOD** | | 93,657 | 135,877 |
| **CASH AND CASH EQUIVALENTS CONSISTS OF:** | | | |
| Cash at bank and in hand | | 93,657 | 135,877 |

## NOTES TO THE CONSOLIDATED ACCOUNTS

**COMPANY STATUS**

The Sheila McKechnie Foundation is a private company limited by guarantee and has no share capital. The liability of each member does not exceed 210. It is a charity registered in England and Wales (registration No. 1108210), Scotland (Registration No. SC044207). Its company registration number is 05331412 (England and Wales). Its registered address is Crown Chambers, Bridge Street, Salisbury SP1 2LZ.

Sheila McKechnie Trading Ltd is a private limited company with a nominal share capital of F1. Its company registration number is 13248880 (England and Wales). Its registered address is Crown Chambers, Bridge Street, Salisbury SP1 2LZ.

**1. ACCOUNTING POLICIES**

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

**a. Basis of Preparing Financial Statements**

The Sheila McKechnie Foundation constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 (SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice that is SORP FRS102.

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

**b. Preparation of the accounts on a going concern basis**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees have made no key judgments which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

**NOTES TO THE CONSOLIDATED ACCOUNTS**

**c. Income recognition**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

Voluntary income comprises all incoming resources from donations and gift aid.

Charitable activities comprises incoming resources from grants and charitable trading.

Investment income is Bank interest accounted for on a receivable basis.

Other income comprises income from non-charitable trading.

**d. Expenditure**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grant are recognised as services are supplied. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise those costs incurred by the charity

**e. Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

**f. Tangible fixed assets**

All fixed assets are initially recorded at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

| | | |
|---|---|---|
| Computer equipment | 33% | on a straightline basis |
| Fixtures and fittings | 33% | on a straightline basis |

**g. Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

NOTES TO THE CONSOLIDATED ACCOUNTS

**h. Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**i. Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**j. Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**k. Pensions**

Pension costs represent payments to individual personal pension schemes of employees. Pension costs are charged to the Statement of Financial Activities in the period in which they are paid.

**l. Redundancy payments**

Termination payments are accounted for in the year in which the commitment is made. This applies to pay in lieu of notice, redundancy payments, and payments under compromise agreements.

**m. VAT**

SMK is not registered for VAT; income and expenditure is stated gross of VAT as it is not recoverable.
SM Trading is registered for VAT; income and expenditure is stated net of VAT.

**n. Corporation tax**

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation

## 2. DONATIONS AND LEGACIES

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2025 £ | Restricted 2025 £ | TOTAL 2025 £ |
| Donations | 5,066 | 4,000 | 9,066 |
| | **5,066** | **4,000** | **9,066** |

***Previous reporting period***

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2024 £ | Restricted 2024 £ | TOTAL 2024 £ |
| Donations | 876 | 2,000 | 2,876 |
| | **875** | **2,000** | **2,875** |

NOTES TO THE CONSOLIDATED ACCOUNTS

## 3. CHARITABLE ACTIVITIES

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2025 £ | Restricted 2025 £ | TOTAL 2025 £ |
| **Grants** | | | |
| Cost of Living Grants | - | 1,440 | **1,440** |
| John Ellerman Foundation | 50,000 | - | **50,000** |
| Joseph Rowntree Charitable Trust | 50,000 | - | **50,000** |
| Oak Foundation | - | 203,118 | **203,118** |
| Paul Hamlyn Foundation | - | 20,000 | **20,000** |
| The Blagrave Trust | 10,000 | | **10,000** |
| Other Charitable activities | 35,000 | 34,875 | **69,875** |
| | **145,000** | **259,433** | **404,433** |

## 3. CHARITABLE ACTIVITIES (Continued)

***Previous reporting period***

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2024 £ | Restricted 2024 £ | TOTAL 2024 £ |
| **Grants** | | | |
| Barrow Cadbury | 30,000 | - | **30,000** |
| Cost of Living Grants | 16,750 | - | **16,750** |
| Global Dialogue/FICS | - | 19,078 | **19,078** |
| John Ellerman Foundation | 50,000 | - | **50,000** |
| Joseph Rowntree Charitable Trust | 50,000 | - | **50,000** |
| Oak Foundation | - | 230,230 | **230,230** |
| Paul Hamlyn Foundation | - | 26,250 | **26,250** |
| Trust for London | - | 77,500 | **77,500** |
| Tudor Trust | 30,000 | - | **30,000** |
| Wikimedia | - | 18,000 | **18,000** |
| Other Charitable activities | 61,000 | 44,375 | **105,375** |
| | **237,750** | **415,433** | **653,183** |

## NOTES TO THE CONSOLIDATED ACCOUNTS

## 4. OTHER TRADING ACTIVITIES

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2025 £ | Restricted 2025 £ | TOTAL 2025 £ |
| Consultancy | 52,249 | - | **52,249** |
| Events and training | 77,385 | - | **77,385** |
| Misc. commercial income | 200 | - | **200** |
| | **129,833** | - | **129,833** |

***Previous reporting period***

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2024 £ | Restricted 2024 £ | TOTAL 2024 £ |
| Consultancy | 58,795 | - | **58,795** |
| Events and training | 112,700 | - | **112,700** |
| Misc. commercial income | 871 | - | **871** |
| | 172,366 | - | 172,366 |

## NOTES TO THE CONSOLIDATED ACCOUNTS

### 5. CHARITABLE ACTIVITIES

| | GROUP | | |
|---|---|---|---|
| | **Unrestricted** | **Restricted** | **Total 2025** |
| | **£** | **£** | **£** |
| Staff costs | 221,667 | 278,482 | 500,150 |
| Project expenditure | 33,507 | 41,423 | 74,930 |
| Office overheads | 26,159 | - | 26,159 |
| Other | 2,945 | - | 2,945 |
| | 284,279 | 319,905 | 604,184 |
| Governance costs | 5,200 | 3,000 | 8,200 |
| TOTAL EXPENDITURE | 289,479 | 322,905 | 612,384 |

***Previous reporting period***

| | GROUP | | |
|---|---|---|---|
| | **Unrestricted** | **Restricted** | **Total 2024** |
| | **£** | **£** | **£** |
| Staff costs | 348,812 | 252,806 | 601,618 |
| Project expenditure | 35,154 | 91,844 | 126,998 |
| Office overheads | 27,067 | - | 27,067 |
| Grants payable | - | - | - |
| | 411,033 | 344,650 | 755,683 |
| Governance costs | 2,400 | 3,000 | 5,400 |
| TOTAL EXPENDITURE | 413,433 | 347,650 | 761,083 |

NOTES TO THE CONSOLIDATED ACCOUNTS

## 6. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

| | Basis of apportionment | Governance | Total 2025 |
|---|---|---|---|
| | | £ | £ |
| Audit fee | Governance | 8,200 | 8,200 |
| | | 8,200 | 8,200 |

***Previous reporting period***

| | Basis of apportionment | Governance | Total 2024 |
|---|---|---|---|
| | | £ | £ |
| Audit fee | Governance | 5,400 | 5,400 |
| | | 5,400 | 5,400 |

## 7. STAFF COSTS AND KEY MANAGEMENT PERSONNEL

| | GROUP 2025 £ | GROUP 2024 £ |
|---|---|---|
| Wages and salaries | 388,509 | 473,253 |
| Social security costs | 41,130 | 41,606 |
| Employer's pension costs | 17,516 | 23,663 |
| Consultancy and professional services | 43,223 | 59,761 |
| Staff recruitment, training and wellbeing | 9,772 | 3,335 |
| | **500,150** | **601,618** |

The total termination payments charged by the Charity for the year 2025 was £25,233 (2024: £Nil).

One employee received total employee benefits (excluding employer pension costs) of more than £60,000.

| Band | 2025 | 2024 |
|---|---|---|
| £60,000 to £70,000 | - | 1 |
| £70,000 to £80,000 | 1 | - |
| £90,000 to £100,000 | - | 1 |

## 8. STAFF COSTS AND KEY MANAGEMENT PERSONNEL (continued)

The average number of staff employed by the charity during the period was 6 (2024: 9)

The average number of staff employed by the trading subsidiary during the period was 2 (2024: 2)

The key management personnel of the both the charity and the trading subsidiary comprise of the Chief Executive. The total employee benefits of the key management personnel of the charity were £87,594 (2024: £99,047).

## NOTES TO THE CONSOLIDATED ACCOUNTS

### 9. TANGIBLE FIXED ASSETS

| | Charity £ | Group £ |
|---|---|---|
| Cost : | | |
| At 1 April 2024 | 12,520 | 13,447 |
| Additions | - | - |
| Disposals | (200) | (200) |
| At 31 March 2025 | 12,320 | 13,247 |
| Depreciation : | | |
| At 1 April 2024 | 8,487 | 9,106 |
| Charge for the year | 2,828 | 3,137 |
| Disposals | (200) | (200) |
| At 31 March 2025 | 11,115 | 12,043 |
| **NBV at 31 March 2025** | **1,205** | **1,205** |
| NBV at 31 March 2024 | 4,033 | 4,341 |

Net book value at 31 March 2025 represents fixed assets used for charitable purposes.

**Investment in subsidiary**

| | Charity £ | Group £ |
|---|---|---|
| At 1 April 2024 | 1 | - |
| Additions | - | - |
| At 31 March 2025 | 1 | - |

The investment in the subsidiary consists of 1 ordinary share (100% of the share capital) in Sheila McKechnie Trading Limited.

## NOTES TO THE CONSOLIDATED ACCOUNTS

### 10. SOCIAL INVESTMENTS

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Loan to group undertakings | - | - | 13,000 | 10,000 |
| | - | - | **13,000** | **10,000** |

During the period Sheila McKechnie Foundation provided a loan to Sheila McKechnie Trading for the sum of £13,000. The loan was given interest free and is to be repaid on request.This has been classed as a programme related investment by the charity.

## NOTES TO THE CONSOLIDATED ACCOUNTS

### 11. DEBTORS

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Trade debtors | 25,312 | 57,216 | 12,500 | 39,090 |
| Accrued donation from SM Trading | - | - | 2,945 | - |
| Other accrued income | 20,000 | 44,875 | 20,000 | 44,875 |
| Prepayments | 1,935 | 138 | 1,934 | 138 |
| | **47,247** | **102,229** | **37,379** | **84,103** |

## NOTES TO THE CONSOLIDATED ACCOUNTS

### 12. CASH AT BANK AND IN HAND

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Cash at bank and in hand | 93,657 | 135,877 | 59,730 | 95,153 |
| | **93,657** | **135,877** | **59,730** | **95,153** |

## 13. CREDITORS : Amounts falling due within one year

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Trade creditors | 4,348 | 18,316 | 2,073 | 6,958 |
| Social security and other taxes | 18,639 | 11,138 | 16,078 | 9,111 |
| VAT | 8,874 | 11,115 | - | - |
| Accruals | 35,451 | 19,455 | 33,724 | 18,815 |
| Deferred income | 15,311 | 53,265 | - | 29,250 |
| Other creditors | 270 | 889 | 224 | 889 |
| | **82,893** | **114,178** | **52,099** | **65,023** |

***Deferred income***

| | |
|---|---|
| Balance at 1 April 2024 | 53,265 |
| Movement in the year | (37,954) |
| Balance at 31 March 2025 | 15,311 |

## NOTES TO THE CONSOLIDATED ACCOUNTS

### 14. CASH INFLOW FROM OPERATING ACTIVITIES

| | 2025<br>£ | 2024<br>£ |
|---|---|---|
| Net income for the year | **(69,052)** | 67,342 |
| **Adjustments for:** | | |
| Depreciation and impairment of tangible fixed assets | **3,137** | 2,967 |
| Decrease in debtors | **54,982** | (53,214) |
| (Decrease) / Increase in creditors | **(31,286)** | (60,525) |
| | **(42,220)** | (43,430) |

## NOTES TO THE CONSOLIDATED ACCOUNTS

### 15. MOVEMENT IN FUNDS

| | Group | | | | |
|---|---|---|---|---|---|
| | Balance at 1 Apr 24 £ | Incoming Resources £ | Resources Expended £ | Transfers £ | Balance at 31 Mar 2025 £ |
| **Restricted Funds** | | | | | |
| Civic Space | 853 | - | - | - | 853 |
| A Reformed Civil Society: Membership | - | 38,875 | (38,875) | - | - |
| A Reformed Civil Society: Paul Hamlyn Foundation | 6,375 | 20,000 | (26,375) | | - |
| Oak Foundation: Housing and homelessness | 50,878 | 203,118 | (213,057) | - | 40,939 |
| JRCT Projects | - | 1,440 | (1,440) | - | - |
| Trusts for London Policy Work | 43,158 | - | (43,158) | - | - |
| Wikimedia | - | - | - | - | - |
| Total Restricted Funds | 101,264 | 263,433 | (322,905) | - | 41,792 |
| Unrestricted Funds | 27,005 | 279,899 | (289,479) | - | 17,425 |
| **Total Funds** | **128,269** | **543,332** | **(612,384)** | **-** | **59,217** |

***ANALYSIS OF NET ASSETS BETWEEN FUNDS***

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|---|---|---|---|
| Tangible fixed assets | 1,205 | - | 1,205 |
| Net current assets/(liabilities) | 16,221 | 41,792 | 58,012 |
| | **17,425** | **41,792** | **59,217** |

***Previous reporting period (restated)***

| | Group | | | | |
|---|---|---|---|---|---|
| | Balance at 1 Apr 23 £ | Incoming Resources £ | Resources Expended £ | Transfers £ | Balance at 31 Mar 2024 £ |
| **Restricted Funds** | | | | | |
| Civic Space | - | 19,078 | (18,198) | (27) | 853 |
| A Reformed Civil Society: Membership | - | 46,375 | (46,453) | 78 | - |
| A Reformed Civil Society: Paul Hamlyn Foundation | - | 26,250 | (19,875) | | 6,375 |
| Oak Foundation: Housing and homelessness | 29,247 | 230,230 | (208,599) | - | 50,878 |
| Power Project | 2,999 | 22,500 | (25,499) | - | - |
| Trusts for London Policy Work | - | 55,000 | (11,842) | - | 43,158 |
| Wikimedia | - | 18,000 | (17,184) | (816) | - |
| Total Restricted Funds | 32,246 | 417,433 | (347,650) | (765) | 101,264 |
| Unrestricted Funds | 28,681 | 410,992 | (413,433) | 765 | 27,005 |
| Total Funds | 60,927 | 828,425 | (761,083) | - | 128,269 |

***ANALYSIS OF NET ASSETS BETWEEN FUNDS***

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|---|---|---|---|
| Tangible fixed assets | 4,341 | - | 4,341 |
| Net current assets/(liabilities) | 22,664 | 101,264 | 123,928 |
| | 27,005 | 101,264 | 128,269 |

**15. MOVEMENT IN FUNDS (Continued)**

***Description of restricted funds***

| | |
|---|---|
| Reformed Civil Society Membership | A Reformed Civil Society Membership: SMK's Reformed Civil Society Project looked at the role of Charity leaders within wider society. The project consisted of the formation of the Charity Reform Group (CRG), which brought together 14 charity CEOs. In 2024, CRG published a collection of essays contributed by members entitled Forces for Good. Members were encouraged to pay membership to contribute to the running of CRG. |
| A Reformed Civil Society | A Reformed Civil Society, Paul Hamlyn Foundation: The Reformed Civil Society project operates as above. The Paul Hamlyn Foundation provided a grant for the work of CRG. This grant allowed for Solidarity memberships to CRG, the publication of a guide for trustees around campaigning, and learning events for Trustees. |
| JCRT Projects | JCRT Projects: JCRT provided core funding support from 2022-25, plus an additional cost of living uplift at the end of 2023. This contributed across SMK's work, with a particular focus on strategic review and planning. |
| Trust for London Projects | Trust for London provided a grant towards SMK's policy work. This work focuses on the role of civil society and combating the reduction in civic space in the UK. This included the Campaigners Survey, a trustees attitude survey, and learning events. |
| Civic Space | SMK has been commissioned by a group of funders to examine the growing threats to civic space in the UK, and consider how civil society could be strengthened to better resist. |
| Wikimedia Projects | Wikimedia Projects: Wikimedia UK provided a grant to SMK for the production of the Campaigners Toolkit, which converted materials from SMK's live delivery into an online, freely available resource for campaigners. |
| Oak Foundation: Housing and homelessness | SMK is being funded to provide support to grantees of the Oak Foundation's UK programme - focused entirely on organisations working to address housing needs.<br>SMK is bringing its expertise in social change and working in solidarity to build the capacity and confidence of organisations in this sector. It is a five-year programme. |
| Power Project | The Power Project is a Cornerstone funded two-year project that is exploring what it would look like if civil society in London was better at sharing power in pursuit of social change, with a focus on lived experience, poverty and socio-economic inequality. |

## 16. TRUSTEES' REMUNERATION AND EXPENSES, AND RELATED PARTY TRANSACTIONS

Neither the Trustees nor persons connected with them received any remuneration during the year except for reimbursement of travel expenses which totalled £658 for the year (2024: £Nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2024: nil).

The charity has taken out an insurance policy for the year at a total cost of £1,823 (2024: £1,656) which includes cover for Trustee indemnity.

## 17. OPERATING LEASES

| | GROUP | |
|---|---|---|
| | 2025 | 2024 |
| | £ | £ |
| Not later than one year | - | - |
| Later than one year and not later than 5 years | - | - |
| Lease payments recognised as an expense | - | 372 |

The Charity has a license agrement with Shelter regarding hot desks and meeting

## NOTES TO THE CONSOLIDATED ACCOUNTS

### 18. INVESTMENT IN TRADING SUBSIDIARY

The wholly-owned subsidiary, Sheila McKechnie Trading Limited, which is incorporated in England and Wales, pays its profits to the charity as a donation. Sheila McKechnie Trading Limited operates the consultancy and events and training income functions of the group. The charity owns the entire issued share capital of 1 ordinary share of £1 each. A summary of the trading results is shown below

| | 2025<br>£ | 2024<br>£ |
|---|---|---|
| Turnover | 129,633 | 172,366 |
| Cost of sales and administrative expenses | (126,689) | (172,981) |
| Net profit/(loss) | 2,945 | (615) |
| Donation to charity | (2,945) | - |
| Retained in the subsidiary | - | **(615)** |

The assets and liabilities of the subsidiary were:

| | 2025<br>£ | 2024<br>£ |
|---|---|---|
| Fixed Assets | - | 309 |
| Current Assets | 46,739 | 58,849 |
| Creditors: amounts falling due within 1 year | (46,736) | (59,155) |
| Total net assets | 3 | 3 |

NOTES TO THE CONSOLIDATED ACCOUNTS

19. Prior Year Statement Of Financial Activity

| | GROUP | | | GROUP | | |
|---|---|---|---|---|---|---|
| | Unrestricted 2024 | Restricted 2024 | TOTAL 2024 | Unrestricted 2023 | Restricted 2023 | TOTAL 2023 |
| | £ | £ | £ | £ | £ | £ |
| **INCOME FROM:** | | | | | | |
| Donations and legacies | 876 | 2,000 | 2,876 | 14,948 | - | 14,948 |
| Charitable activities | 237,750 | 415,433 | 653,183 | 303,012 | 174,124 | 477,136 |
| Other trading activities | 172,366 | - | 172,366 | 148,847 | - | 148,847 |
| **TOTAL INCOME** | 410,992 | 417,433 | 828,425 | 466,807 | 174,124 | 640,931 |
| **EXPENDITURE ON:** | | | | | | |
| Charitable activities | 413,433 | 347,650 | 761,083 | 494,169 | 166,348 | 660,516 |
| **TOTAL EXPENDITURE** | 413,433 | 347,650 | 761,083 | 494,169 | 166,348 | 660,516 |
| **NET (EXPENDITURE)/INCOME** | (2,441) | 69,783 | 67,342 | (27,361) | 7,776 | (19,585) |
| Transfer between funds | 765 | (765) | - | - | - | - |
| **NET MOVEMENT IN FUNDS** | (1,676) | 69,018 | 67,342 | (27,361) | 7,776 | (19,585) |
| Fund balances brought forward | 28,681 | 32,246 | 60,927 | 56,042 | 24,470 | 80,512 |
| **TOTAL FUNDS CARRIED FORWARD** | 27,005 | 101,264 | 128,269 | 28,681 | 32,246 | 60,927 |

**THE SHEILA MCKECHNIE FOUNDATION**

England & Wales - Charity number 1108210

# Accounts

SHEILA McKECHNIE FOUNDATION UNLEASHING SOCIAL POWER

# THE SHEILA McKECHNIE FOUNDATION
# Charity Registration in England and Wales No. 1108210
# Scotland Registration No. SC044207
# Company Registration No. (England and Wales) 05331412
# (A COMPANY LIMITED BY GUARANTEE)
# AUDITED TRUSTEES' REPORT AND ACCOUNTS
# FOR THE YEAR ENDED 31 MARCH 2024

SHEILA McKECHNIE FOUNDATION UNLEASHING SOCIAL POWER

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# THE SHEILA McKECHNIE FOUNDATION LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|---|---|---|
| Trustees: | Pete Moorey (Chair) | |
| | Kimberly Garande (Vice Chair) | |
| | Stuart Davis (Treasurer) | |
| | Patrick Steen | |
| | Zainab Ali Khan | |
| | Richard Lane | |
| | Deborah Doane | |
| | Cecilie Hestbaek | |
| | Anthony Burton | Appointed 18 June 2024 |
| | Juliet Can | Appointed 18 June 2024 |
| | Sami Gichki | Appointed 2 July 2024 |
| | Alex Kent | Appointed 18 June 2024 |
| | Gillian Lazonby | Appointed 16 July 2024 |
| | Emliji Rudzinskaite | Appointed 2 July 2024 |
| | Bushra Ahmed | Resigned 23 May 2023 |
| Registered Address: | Crown Chambers<br>Bridge Street<br>Salisbury<br>SP1 2LZ | |
| Auditors | Fletchers and Partners<br>Crown Chambers<br>Bridge Street<br>Salisbury<br>SP1 2LZ | |
| Bankers | Unity Trust Bank<br>Nine Brindley Place<br>Birmingham<br>B1 2HB | |

# TRUSTEES REPORT AND ACCOUNTS FOR FINANCIAL YEAR APRIL 2023 TO MARCH 2024

## THE SHEILA MCKECHNIE FOUNDATION (SMK)

This trustees' report includes the directors' report as required by company law.

### Introduction

SMK takes a big picture view of campaigning and social change. We recognise that campaigners are trying to change lots of different things – from helping someone access their rights to changing policy or attitudes at a national scale.

We also recognise that there are lots of ways to campaign from awareness raising and community organising, to movement building and political lobbying. We know that social change typically happens when lots of people use different tactics across this broad ‘eco system’ of change.

Our job is to help campaigners and changemakers of all kinds – whether working on their own or in big organisations – understand more about how social change happens and how to design their campaigns to have the best chance of success.

At the same time, we want to build a better understanding of what social purpose campaigning is, and why it matters. And build a sense of community and solidarity among those pushing for change.

The truth is, we are all campaigners – when we need to be. Whether making sure a child gets the support they need at school or trying to shift global climate policy, this is all campaigning. And SMK is here for all of you.

### Objectives of the charity

**Our vision** is a more confident and powerful campaign community that works together to drive change.

**Our mission** is to unleash the potential of changemakers by providing them with support, connecting them, and championing their interests.

### Public benefit statement

In setting our objectives and planning our objectives our Trustees have given careful consideration to the Charity Commission’s general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing citizenship and community development.

### Activities and Review

The following review summarises SMK’s activities over 2023/4 under the four headings: Support, Connect, Champion & Organisational Development.

# 1. SUPPORT

*SMK offers different types of support for changemakers depending on where they are on their campaigning journey. We provide resources and support people and organisations through our training and consultancy services.*

In 23/24 we trained around 600 people from nearly 300 organisations. We earnt income of £112,700, which was 14% higher than our target. However, our consultancy operation didn't meet its expected target, coming in 22% lower than forecast at £58,795. Overall, the training and consultancy programme generated a total income of £171,495 across the year, against a target of £175,000.

**Training**

For early-stage campaigners we offer a foundational understanding of how change happens and an introduction to different campaign disciplines through our Campaign Carousel and Open Training programme. Participants come from a wide range of charities from local organisations like Kent Wildlife Trust to small intermediary organisations like Disabled Children's Partnership and larger organisations like the Living Wage Foundation. Participants who completed our Carousel survey consistently told us that participating in the training programme had increased their knowledge, skills and tools to campaign effectively. In addition, 87% reported that participating in the training had increased their understanding of how to influence and change policy. Significantly, one participant identified continuing impact 18 months later saying, '*in 2022 I was fortunate enough to take part in SMK's Campaign Carousel and I'm sure my colleagues would verify that the learning I took away still influences my work because I still talk about it a lot in meetings and workshops*'.

We offer advanced support for more experienced campaigners through our Deep Dive sessions and our Action Learning Sets. Most Deep Dive participants (70%) were managers, heads of department or directors within campaigning organisations. Our sessions attracted 100 participants across 5 sold out sessions and most participants identified increased knowledge and skills as a result. In addition, 25 senior campaigners – including 6 CEOs of campaigning organisations – participated in our year-long Action Learning Sets which foster critical thinking through peer learning sessions.

We continue to see a lack of confidence about the legitimacy of charity campaigning, and what 'political activity' is permitted especially around general elections. In response SMK developed a popular session on preparing for a general election which ran three times. As a result of the session, the Women's Environmental Network Wales circulated SMK's 2-page document on the general election landscape to their network of 80 individuals cross 40 groups and organisations across Wales. Our session on effective campaigning strategy ran twice and was well received. A campaigning leader identified the session as: '*incredibly helpful; we're in the process of evaluating an existing campaign, so will certainly factor this learning into our conversations - particularly on capacity'.*

We have continued to make our training more accessible through producing a new set of accessibility guidelines for staff and Associates who facilitate our training. We met the needs of two participants on the Campaign Carousel, one who self-identified as visually impaired, and the other who self-identified as deaf. One participant described one of our workshops as '*one of the best and most accessible workshops I have attended*'. In addition, we have continued to diversify our pool of Associates delivering the training.

In recognition that not everyone is in a position to pay for support, we offer free participation through our online Changemaker's Toolkit, and a free tools page on our website. In March 2024, with support from Wikimedia UK, SMK launched the Changemaker's Toolkit. It helps potential changemakers develop a foundational understanding of campaigning through three practical modules. The Toolkit has had nearly 900 active users to date. On average, users rated the modules as 4.4 out of 5 in the star rating. One user identified the resource as '*brilliant' and went on to say 'It's packed with accessible, free online resources and suitable for campaigners at all levels.'* We actively market our free content to target audiences including grassroots organisations, student unions and youth organisations.

**Commissioned training & Consultancy**
We provide advanced support for campaigning organisations through our consultancy, which comprises commissioned training and strategic support. Whilst we have seen consistent demand for in-house training during 2023/24, demand for our strategic consultancy has been variable.

SMK has provided short in-house training sessions for clients including the Trussell Trust, the Local Trust, the TUC and Pause, a charity who support women who have had children removed from their care. We ran a well-received day-long session on the TUC's Leading Change programme for trade union leaders. The TUC feedback was that '*SMK met the challenge and then some. The combination of theory and case studies was excellent and not only kept the group engaged but challenged them as well.***'**

SMK also supported three organisations wanting to build their campaigning capacity through longer training programmes. The Institute of Physics commissioned us to run a workshop series for a staff team who were new to campaigning. For the second year running, we were commissioned to develop a five-month programme for 40 women and girls' organisations wanting to strengthen their local campaigning as part of Rosa UK's 'Voices from the Frontline' fund. We were successful in a competitive process to develop a four-month pilot campaigning programme for athletes wanting to use their platform for social good by ParalympicsGB.

Our CEO, Sue Tibballs facilitated strategic conversations on social change for diverse organisations including the AKO Storytelling Institute, the National Childbirth Trust (NCT) and commercial design studio Heatherwick.

SMK worked with diverse organisations including Rosa UK and the Institute of Physics to help them consider how to embed a campaigning mindset into a setting that was previously focussed on service provision.

A key trend we have observed through our work with clients is organisations actively looking to engage people with first-hand experience of social issues in championing their rights through campaigning. This approach is gaining traction amongst established organisations across the charitable sector. Our help was sought by the Trussell Trust who provided positive feedback, saying, *'Our lived experience partners are now better prepared to enter political arenas and utilise their new-found knowledge as Policy Advocates.'*

## Solidarity in Social Change

Following on from our work on *The Power Project*, SMK continued its commitment to calling for a new way of thinking about power in the sector and encouraging strategic action to build greater solidarity in social change.

**The Power Project**

SMK received ongoing funding from Trust for London to share insights from the Power Project with organisations and to influence the sector more widely.

Unfortunately, two people who had been involved in an earlier phase of the project had raised concerns about their involvement in the project which, despite a thorough Board-led process, we had been unable to resolve. This year, a great deal of resource was dedicated to understanding what had gone wrong. We reflected deeply on the process and what we could have done differently and published a *Learning Review* in November 2023.

Nevertheless, we did manage to make some progress towards our intended outcomes of increasing awareness of power and solidarity in the sector and supporting social sector professionals to apply the tools and insights from the Power Project in their work. Around 400 changemakers in the UK and beyond attended online workshops where we shared insights from the Power Project, and we wrote a range of blogs and articles for the sector press.

We also focused our efforts on ensuring our deepening understanding of solidarity in social change was woven through all aspects of SMKs work, including establishing a Solidarity, Equity, Diversity and Inclusion Working Group and updating all core modules from SMK's flagship Campaign Carousel training.

It has been heartening to hear anecdotal evidence that *It's All About Power* is being used by a range of changemakers, within and beyond the social sector. Several organisations have used the tools and insights to inform a strategic shift, and *It's All About Power* has featured on reading lists for at least two universities social change modules.

**Capacity building for Oak Foundation's Housing and Homelessness Programme**

Last year, we received funding from Oak Foundation to design and deliver a five-year capacity building programme for their UK Housing and Homelessness Partnership grantees. The programme seeks to build the knowledge, skills and confidence of Oak's partners to put the needs and aspirations of people with first-hand experience of housing inequity at the heart of their work for change.

Following an in-depth period of consultation with grantee organisations we designed and delivered the first year of this flexible, iterative programme. Initial feedback is positive. As one participant described, *"What's great about this programme is it gives you space to step back and reflect on how you approach your role, rather than just telling you what to do. This is lifelong work but the only things that really makes a difference… It's vital to take time to explore this. Otherwise, what kind of leaders will we be?"*

**Outputs included:**

- Online sessions to introduce our content and approach. 22 people from 16 organisations attended.
- Online training sessions to introduce SMK's analysis of power, solidarity and social change. 23 people from 20 organisations attended one or more workshops.
- A one day in-person event and three online action learning inspired sessions for three groups, to identify and explore challenges relevant to their work in a facilitated peer-learning space. 18 people from 15 organisations joined an Inquiry Group.
- An email group and digital newsletter to share resources and insights. 39 people from 22 organisations signed up.

Organisations represented include larger civil society actor, tenants' unions and smaller place-based organisations across all four UK nations.

**Reported outcomes:**

This is early stages for the programme, but participants are reporting the following outcomes:

**Increased confidence:** *"Reflecting and thinking objectively has helped me gain confidence in my new role."*

**Improved connections, fuelling learning from diverse perspectives and across geographical regions***: "The strength of this approach is the connection to others"; "The groups help you get a greater awareness of the wider context"; "The geographical spread of participants mean we're not in direct competition for funding, so barriers are down".*

**Insights from reflection and tangible skills:** *"A clean uninterrupted space is rare and powerful"; "Great to start thinking about these big issues".*

Key to the success of this programme is our own inquiry and shared learning into what it really means to work in deeper solidarity across different positions and perspectives in social change work. Key insights included:

- **Individuals:** Many members of staff in organisations are deeply committed to working in solidarity. But they are tired and concerned about causing harm.
- **Organisations:** Organisations are under pressure to involve people with first-hand experience in their work, but they don't always yet have the processes, structures and cultures in place to do this work meaningfully.
- **The sector:** There is a need to invest in trusting, collaborative relationships between organisations for sharing knowledge, resources and concerns. Funders need to support the shift that's needed.
- **Society:** Social sector organisations are on the frontline of dealing with the brutal reality of political and economic decisions. They need more support to campaign for change, alongside their firefighting role.

We have published our Insights and Learning Reports from the year and will continue to share insights as they emerge.

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# 2. Connect

*We need everyone – and all kinds of knowledge and expertise – to tackle the issues we face. That's why SMK works to connect the diverse campaign communities we serve, to deepen solidarity and unleash power for change.*

**SMK National Campaigner Awards**

SMK's founding activity was to establish an annual awards ceremony that could celebrate campaigners and change-makers, and this remains a central plank of our work today. From modest beginnings, the SMK National Campaigner Awards have grown to be an important and much-loved fixture in the diaries of those passionate about change.

**Purpose & vision**

The Awards bring change-makers together to share and build knowledge for effective change-making and they are one of the ways we demonstrate and celebrate the value of campaigning.
The Awards are a key element of the work we do to explore how change happens. We do this to:

- celebrate campaigners and change-makers
- showcase the very best campaigns and campaigners
- learn about and share information about significant campaigns (tools and tactics)
- grow solidarity and find common cause amongst the campaign community.

And in doing this work we can champion the right to campaign as part of a healthy democracy.

**The SMK National Campaigner Awards 2023**

The Awards took place on 24 May at The Conduit in London. Ten categories of winners came to celebrate their achievements to an audience of 100. This year's shortlisted nominees were drawn from across civil society including individuals and campaign groups, all with one thing in common, they all made something better.

For the third year running Bates Wells, the leading legal advisers to civil society, supported the Awards as title sponsor. Further category sponsorship included Changing Ideas, Law for Change, Which?, John Ellerman Foundation, Lloyd's Bank Foundation, Blagrave Trust, Joseph Rowntree Reform Trust and in-kind creative design support from Brand Ethos. We are incredibly grateful to have so many dedicated sponsors who make the Awards possible.

**Reach**

We continued to extend the reach of the Awards through our partnerships with Tortoise Media and a series of podcasts on the Contaminated Blood Scandal, the End Our Cladding Scandal campaign and the Gangs Matrix, each obtaining 25-27k downloads each. The Big Issue also featured all the winners' stories as part of the Big Issue's Changemaker series.

Social media engagement during the Awards period reflects a growing and interactive audience.

- 5000 post engagements on Twitter/X, and 285 on Instagram.
- 164,000 post impressions on Twitter/X (3.3k on Instagram).
- 888 post likes on Twitter/X and 715 link clicks.
- 341 retweets and 129 quotes tweets on Twitter/X

Analysis on our webpages shows a similar pattern. 40% of the top five pages are Awards-related, a clear indicator that the event generated significant interest.

*Note: Data obtained is between 24 April-24 May 2023.*

**Participants feedback**
*'We continue to be very proud to sponsor the awards and look forward to discussing how our relationship might continue to develop in the future. I particularly enjoyed joining the judging panel – such a fantastic range of campaigns and campaigners to be celebrating.'* (Sponsor)

*'Really smooth ceremony, lovely highlights (it was so great to hear about all of the campaigns), venue was great, timings worked well too. It was SO fab to see the whole evening being BSL translated as well.' (Winner)*

*'Hearing about all the other inspiring campaigns and campaigners and being able to meet them and talk about their work afterwards. And just being in a room full of campaigners and get into some of the knottier more philosophical discussions about campaigning and its place in society, which doesn't always happen at work in a small campaigns team in an organisation which does lots of other things too.' (Guest)*

# 3. Champion

*It's important that people have the freedom and confidence to make change.*
*SMK protects and champions both. Campaigning and political advocacy are crucial features of a healthy democracy. That's why SMK works to protect the space to campaign – calling on politicians to uphold the right to speak out and clearing away unreasonable barriers.*

**Defending UK civic space**

For more than ten years, civil society in the UK has faced a series of threats to the 'civic space' in which it operates – the legal, political, and institutional environment in which it exercises its fundamental rights to help shape society, contributes to democratic debate, holds government to account, and helps build our common culture.

In 2023, with the support of the Funders Initiative for Civil Society (FICS), SMK worked with Civil Exchange to produce a 'big picture' analysis. Our report was published on 2 August and received enthusiastic responses from civil society, as well as commentators, politicians, and individuals – clearly tapping into an existing, if not yet fully vocalised, set of concerns.

It was covered in the Guardian, Third Sector, Charity Times, Civil Society News, and TFN Scotland and Byline Times. Discussions on Times Radio, GB News, and Vice Media underlined our hypothesis that people from across the political spectrum share headline concerns.

The report will focus minds on the need to build a broader 'community of concern', one that reaches out into other sectors and identifies 'unusual allies' who can influence the political debate.

The cross-sector Civil Society Voice groups continue to meet, but the overall capacity the sector dedicates to these issues has declined. Bond and Civil Exchange are the only organisations we're aware of that receive grant funding for this work.

**Navigating campaign law & governance with confidence**

One of our goals is to help civil society campaigners and leaders to campaign with confidence, within the laws and regulation that surround it.

We co-branded and provided a foreword to an updated Bates Wells *General Election 2024: Charity Campaigning* guide, and spoke at the free seminar on 11 October to accompany the launch.

We were also invited to a feedback session on the Electoral Commission's new Code of Practice for Third-Party Campaigners on 13 October. The draft Code makes statutory the guidance on various areas of electoral law, allowing compliance with it to be drawn on in any legal defence, if necessary. We offered suggestions for how the Code could offer greater clarity around the public and purpose tests.

The Charity Reform Group (CRG), convened by SMK, is made up of national charity leaders dedicated to enhancing charities' role as agents of change. It shares the goal to champion a broad interpretation of charity campaigning within the sector and help trustees and regulators to do the same

In August and September, SMK and Governance and Leadership magazine ran a survey into trustee attitudes. This was a CRG project that built on the findings of the *Speak Up, We Need You* report, which found that risk aversion amongst boards was a barrier for charities speaking up.

The survey made up the main story of the November edition of Governance and Leadership, including a seven-page spread. Amongst this was a co-authored piece by Chloe and G&L editor Tania Mason; a piece by Sue; and an interview with CRG member and Shelter CEO Polly Neate. On 21 November, SMK hosted a webinar covering the results, which attracted 61 bookings.

A key finding of the survey was that trustees felt they needed more support to understand how they could provide strong and enabling governance for their organisation's campaigning. In the fourth quarter of 2023-24, SMK invested time to develop *Navigating charity campaigning: a guide for trustees* to be published in 2024-25.

As part of our confidence-building activity, in January, we hosted a round table event (Chatham House) on the question of 'Who is politics for?' The conversation touched on the current state of the space to campaign, internal and external barriers to campaigning

(including in solidarity with other organisations and movements), and approaches that maintain the ability to speak up but mitigate some risks.

In order to make the conversation widely visible, Third Sector magazine covered the discussion in a long read by Emily Harle – *How can charity campaigners cut through the political noise?*

**Building a more positive relationship between charities and government**

In 2023-24, this was the CRG's primary focus. There is a feeling that the relationship between charities and government has become increasingly transactional, limiting the potential of charities to drive meaningful change.

A series of essays from Group members in late 2023 were used as provocations for a discussion event at St George's House in 2024-25. The Group have shared political intelligence and the event will be a springboard for ongoing influencing.

In academia, Rob Macmillan at Sheffield Hallam University conducted research into the relationship between the voluntary sector and the Labour Party, as a potential government in waiting. SMK took part in an interview exploring how the run-up to the 1997 and 2010 elections differ from now, and how the current relationship looks.

**Building bolder & more confident campaign leadership**

The CRG seek to model bolder campaign leadership. SMK secured a series of blog opportunities for them in Civil Society News, which explored activist leadership, governance, shared platforms, and supporting CEOs to raise their heads above the parapet. Craig Bennett of Wildlife spoke about the work of the Charity Reform Group on Third Sector's podcast in May.

A crucial aspect of the CRG is for members to offer each other peer support and solidarity. A series of meetups (both virtual and in-person) allowed CRG members to share their experiences and thinking, and to shape the Group's future activity.

# Organisational Development

**Solidarity & EDI**

SMK exists to help everyone who wants to make lasting social change. But we know that the interconnected systems of inequality that exist in society are replicated in organisations, like ours, that are trying to change them.

Building on insights from The Power Project, our in-depth inquiry into power and participation in the sector, SMK established a 'Solidarity, Equity, Diversity and Inclusion' Working Group, comprising members of staff and Board. Together, we undertook a comprehensive review of our Solidarity and EDI Strategy and set out a path to achieving our commitments in a related Action Plan.

Our commitment to deepening solidarity, equity, diversity and inclusion includes action within our internal organisational structures, culture and processes ad across all our work to support, connect and champion campaigners. Action will be led by our Management Team and monitored by the Board.

## Communications

SMK continues to develop and grow the brand and visual identity in new ways across all channels, platforms, events and programme areas.

This year, as part of a review of SMK's overall framing and messaging, a perceptions audit was conducted with 25 participants. With our updated theory of change and the inevitably shifting external environment, we felt it was time to refresh our headline messaging.

We updated the core messaging framework that has allowed us to express our work and values in a way that is consistent and relevant to our core audiences. The new messaging framework was agreed in March with the website work to begin thereafter.

The communications team have been reviewing SMK audiences' data to help inform audience development work. This work is informing the new communications strategy/plan as part of SMK's new strategy. We aim to work more closely with our SMK 'community' so that we can improve how we stay connected and give voice to their campaigning work. The website has undergone updates to the training programme pages design and functionality and a new bespoke booking system is now in place. A website refresh plan has been agreed that will include the new messaging, navigation and other content and pages to launch in the next financial year.

## Staff changes

This year SMK has decreased in size, and we now have a core team of six full-time staff and three part-time staff all on permanent contracts. In spring 2024, Rob Abercrombie Deputy CEO and Shaan Sangha Learning Manager both left SMK and we have not yet replaced them.

Other core members of the team are Sue Tibballs, CEO (F/T); Chloe Hardy, Director of Policy & Comms (4 days p/w); Sarah Thomas, Head of Power & Participation (4 days p/w); Emma Boyd, Head of Marketing &Comms (F/T); Kathleen Christie Head of Programmes (F/T); Megan Poyiadzis, Events & Programmes Manager 3 days p/w); Rummena Begum (Digital Marketing & Projects Officer F/T); Seth Farsides Policy & Research Officer (F/T), Lorna Massey Operations and Systems Manager (3 days p/w).

Daria Cybulska, Director of Programmes and Evaluation from Wikimedia 6 month secondment finished in June 2023. Daria was working mainly on the CRG initiative.

## Financial Review

Total income for the year was £828,425 (£640,931 in 2022-23). We continued to receive income from a diverse range of sources. 50% of our total income was restricted to funding specific projects. These funders and projects are listed in the accounts (Note 3). Total expenditure amounted to £761,083 (£660,516 in 2022-23). Total funds at the year end were £128,269 of which £101,264 was restricted (2022/23: £60,927 total funds and £32,246 restricted funds).

This does mean that SMK's reserves at year-end are lower than our policy recommends. While regrettable, trustees are content they will be restored as the team have more time to focus on fundraising, and as traded income continues to grow.

**Reserves Policy**

The Directors of SMK take the view that a reserve should be held sufficient to pay notice periods for all staff plus any other liabilities re. rent or other suppliers in the event the charity has to wind up. Based on SMK's current head count and notice periods, this means a figure of £88K would ideally be held in reserve. Recognising that it is very unlikely the charity will have to wind up at no notice, and that some wind down costs could potentially be covered from other sources, the Board has agreed that the more moderate figure of £60K is reasonable to hold in reserve and is proportionate to the Charity's income. The Directors of SM Trading do not believe it necessary to maintain a Reserve beyond working capital necessary to meet current liabilities.

**Structure, governance and management**

Sheila McKechnie Foundation is a charitable company limited by guarantee governed by its Memorandum of Association as adopted at the extraordinary general meeting on 21st February 2005. It is registered as a charity with the Charity Commission and as a Company with Companies House.

Pay and remuneration of staff is determined in accordance with SMK's pay & remuneration policy. As a very small employer, there are some key principles that underpin SMK's approach to pay and remuneration:

- It must be simple and straightforward to administer
- It should be flexible, recognising that SMK's income can fluctuate, and that organisational needs can change
- It must reflect the values of the organisation
- It must be in line with best practice in the sector

Pay levels are reviewed annually, taking into account evidence of pay levels across the sector more widely, and SMK reviews cost of living annually, and makes an award accordingly. SMK is a London Living Wage employer.

During 2023-24, SMK offered staff a cost-of-living payment as follows:

- CEO/Deputy CEO/Director received a 3% increase.
- Those earning 50K and over received a 4% increase
- Those earning under £50K received a 5% increase plus a net consolidated payment of £1,000.

**Appointment of Trustees**

Our Articles of Association provide that SMK may have no less than three trustees but it is not subject to any maximum.

SMK uses a transparent and fair method when recruiting new trustees. We advertise all trustee vacancies, and they are open to anyone who wishes to be a trustee. From time to

time the Board may call for trustees with specialist skills and experience that it identifies is needed for the effective governance of the organisation.

The process is led by the Resource Committee, and applicants for trusteeship are asked to make their application in writing and to attend an interview. During this time, each applicant and interviewee goes through the same process. We also apply our equal opportunities policy to trustee recruitment.

Each new trustee received an introduction pack and an induction to the organisation, and support is readily available from the Officers of the organisation.

The board of Trustees meets regularly and there were 6 meetings held during the year (2023/24).

The present members are listed in this report.

The following changes in trustees occurred during this financial year:

- Bushra Ahmed resigned May 2023.
- Cecile Hestbæk retired at 2023 AGM.
- Deborah Doane, Kimberly Garande and Patrick Steen all stood down and have all been reappointed to the board.

List of Trustees is in Page 2 Legal and Administrative Information.

Members of the Trust guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total amount of such guarantees at 31st March 2024 was 7 (2023: 10).

**Risk statement**

The trustees and staff jointly reviewed the possible risks facing the organisation during the year, supported by a risk register. Therefore, they were aware of the major risks facing the charity and are taking adequate steps to protect the charity. The major risks are related to the nature of the work within which the charity supports through grants and awards and the use of appropriate volunteers and people who support the charity.

**Auditors**
Fletcher & Partners were appointed as the charitable company's auditors.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

**Trustees' and Directors' Responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance

with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business [included where no separate statement on going concern is made by the directors].

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the charitable company's trustees, we certify that so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and as trustees of the charitable company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the trustees on 18th December 2024 and signed on their behalf by





Pete Moorey

Chair

Stuart Davis

Treasurer

# THE SHEILA MCKECHNIE FOUNDATION

## INDEPENDENT AUDITORS' REPORT

## TO THE TRUSTEES OF THE SHEILA MCKECHNIE FOUNDATION

### Opinion

We have audited the financial statements of the Sheila McKechnie Foundation (the "Foundation") for the year ended 31 December 2023, which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

i) give a true and fair view of the state of the Foundation's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;

ii) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

iii) have been prepared in accordance with the requirements of the Charities Act 2011.

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Pete

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.
**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

i) the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or

ii) the charity has not kept sufficient accounting records; or

iii) the financial statements are not in agreement with the accounting records and returns; or

iv) we have not received all the information and explanations we require for our audit.

**Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement on page 6, the trustees 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 they 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 Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditors under s.144 of the Charities Act 2011 and report in accordance with regulations made under s.154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.
Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**Use of our report**
This report is made solely to the Foundation's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



19 December 2024

James Fletcher, Senior Statutory Auditor
for and on behalf of Fletcher & Partners,
Chartered Accountants and Statutory Auditors

Crown Chambers
Bridge Street
Salisbury

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

| | Note | GROUP Unrestricted 2024 £ | GROUP Restricted 2024 £ | TOTAL 2024 £ | Unrestricted 2023 £ | GROUP Restricted 2023 £ | TOTAL 2023 £ |
|---|---|---|---|---|---|---|---|
| **INCOME FROM:** | | | | | | | |
| Donations and legacies | 2 | **876** | **2,000** | **2,876** | 14,948 | - | 14,948 |
| Charitable activities | 3 | **237,750** | **415,433** | **653,183** | 303,012 | 174,124 | 477,136 |
| Other trading activities | 4 | **172,366** | **-** | **172,366** | 148,847 | - | 148,847 |
| **TOTAL INCOME** | | **410,992** | **417,433** | **828,425** | 466,807 | 174,124 | 640,931 |
| **EXPENDITURE ON:** | | | | | | | |
| Charitable activities | 6 | **413,433** | **347,650** | **761,083** | 494,169 | 166,348 | 660,516 |
| **TOTAL EXPENDITURE** | | **413,433** | **347,650** | **761,083** | 494,169 | 166,348 | 660,516 |
| **NET (EXPENDITURE)/INCOME** | | **(2,441)** | **69,783** | **67,342** | (27,361) | 7,776 | (19,585) |
| Transfer between funds | | **765** | **(765)** | **-** | - | - | - |
| **NET MOVEMENT IN FUNDS** | | **(1,676)** | **69,018** | **67,342** | (27,361) | 7,776 | (19,585) |
| Fund balances brought forward | | **28,681** | **32,246** | **60,927** | 56,042 | 24,470 | 80,512 |
| **TOTAL FUNDS CARRIED FORWARD** | | **27,005** | **101,264** | **128,269** | 28,681 | 32,246 | 60,927 |

The statement of financial activities includes all gains and losses recognised during the year.

All income and expenditure derive from continuing activities.

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

| | Notes | GROUP 2024 £ | GROUP 2023 £ | CHARITY 2024 £ | CHARITY 2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 9 | 4,341 | 7,307 | 4,033 | 6,690 |
| Investments | 9 | - | - | 1 | 1 |
| | | 4,341 | 7,307 | 4,034 | 6,691 |
| **CURRENT ASSETS** | | | | | |
| Social Investment | 10 | - | - | 10,000 | - |
| Debtors | 11 | 102,229 | 49,015 | 84,103 | 64,584 |
| Cash at bank and in hand | 12 | 135,877 | 179,307 | 95,153 | 124,194 |
| | | 238,106 | 228,322 | 189,256 | 188,778 |
| **CREDITORS :** amounts falling due within one year | 13 | (114,178) | (174,702) | (65,023) | (135,160) |
| **NET CURRENT ASSETS** | | 123,928 | 53,620 | 124,233 | 53,618 |
| **NET ASSETS** | | 128,269 | 60,927 | 128,267 | 60,309 |
| **FUNDS** | | | | | |
| Restricted | 15 | 101,264 | 32,246 | 101,264 | 32,246 |
| Unrestricted | 15 | 27,005 | 28,681 | 27,003 | 28,063 |
| **TOTAL FUNDS** | | 128,269 | 60,927 | 128,267 | 60,309 |

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to independent examination under the Charities Act 2011.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with SORP FRS102.

The financial statements were approved and authorised for issue by the Board on 18/12/2024 and signed on its behalf by:



Pete Moorey - Chair



Stuart Davis - Treasurer

# CONSOLIDATED STATEMENT OF CASHFLOWS AS AT 31 MARCH 2024

| | Notes | GROUP 2024 £ | GROUP 2023 £ |
|---|---|---|---|
| **CASH INFLOW FROM OPERATING ACTIVITIES** | 14 | (43,430) | 108,953 |
| **CASH OUTFLOW FROM INVESTING ACTIVITIES** | | | |
| Purchase of fixed assets | | - | (8,980) |
| **NET CASH OUTFLOW FROM INVESTING ACTIVITIES** | | - | (8,980) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | (43,430) | 99,973 |
| **CASH AND CASH EQUIVALENTS AT THE START OF PERIOD** | | 179,307 | 79,334 |
| **CASH AND CASH EQUIVALENTS AT THE END OF PERIOD** | | 135,877 | 179,307 |
| **CASH AND CASH EQUIVALENTS CONSISTS OF:** | | | |
| Cash at bank and in hand | | 135,877 | 179,307 |

## NOTES TO THE CONSOLIDATED ACCOUNTS

## COMPANY STATUS

The Sheila McKechnie Foundation is a private company limited by guarantee and has no share capital. The liability of each member does not exceed 210. It is a charity registered in England and Wales (registration No.1108210), Scotland (Registration No. SC044207). Its company registration number is 05331412 (England and Wales). Its registered address is Crown Chambers, Bridge Street, Salisbury SP1 2LZ.

Sheila McKechnie Trading Ltd is a private limited company with a nominal share capital of F1. Its company registration number is 13248880 (England and Wales). Its registered address is Crown Chambers, Bridge Street, Salisbury SP1 2LZ.

### 1) Accounting Policies

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

### a) Basis of Preparing Financial Statements

The Sheila McKechnie Foundation constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 (SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice that is SORP FRS102.

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

### b) Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees have made no key judgments which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

### c) Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.
Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

Voluntary income comprises all incoming resources from donations and gift aid.

Charitable activities comprises incoming resources from grants and charitable trading.

Investment income is Bank interest accounted for on a receivable basis.

Other income comprises income from non-charitable trading.

**d)Expenditure**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grant are recognised as services are supplied. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**e)Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

**f)Tangible fixed assets**

All fixed assets are initially recorded at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

| | |
|---|---|
| Computer equipment | 33% on straightline basis |
| Fixture and fittings | 33% on straightline basis |

**g)Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**h)Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**i)Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**j)Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**k)Pensions**

Pension costs represent payments to individual personal pension schemes of employees. Pension costs are charged to the Statement of Financial Activities in the period in which they are paid.

**l)VAT**

SMK is not registered for VAT; income and expenditure is stated gross of VAT as it is not recoverable. SM Trading is registered for VAT; income and expenditure is stated net of VAT.

**m)Corporation tax**

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

## 2. DONATIONS AND LEGACIES

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2024 £ | Restricted 2024 £ | TOTAL 2024 £ |
| Donations | 876 | 2,000 | 2,876 |
| Miscellaneous Voluntary Income | - | - | - |
| | **876** | **2,000** | **2,876** |

***Previous reporting period***

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2023 £ | Restricted 2023 £ | TOTAL 2023 £ |
| Donations | 14,175 | - | 14,175 |
| Miscellaneous Voluntary Income | 774 | - | 774 |
| | **14,948** | **-** | **14,948** |

## 3. CHARITABLE ACTIVITIES

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2024 £ | Restricted 2024 £ | TOTAL 2024 £ |
| **Grants** | | | |
| Barrow Cadbury | 30,000 | - | **30,000** |
| Cost of Living Grants | 16,750 | - | **16,750** |
| Global Dialogue/FICS | - | 19,078 | **19,078** |
| John Ellerman Foundation | 50,000 | - | **50,000** |
| Joseph Rowntree Charitable Trust | 50,000 | - | **50,000** |
| Oak Foundation | - | 230,230 | **230,230** |
| Paul Hamlyn Foundation | - | 26,250 | **26,250** |
| Trust for London | - | 77,500 | **77,500** |
| Tudor Trust | 30,000 | - | **30,000** |
| Wikimedia | - | 18,000 | **18,000** |
| Charitable activities | 61,000 | 44,375 | **105,375** |
| | **237,750** | **415,433** | **653,183** |

## 3. CHARITABLE ACTIVITIES (Continued)

***Previous reporting period***

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2023 £ | Restricted 2023 £ | TOTAL 2023 £ |
| **Grants** | | | |
| Corra Foundation | - | 12,345 | **12,345** |
| John Ellerman Foundation | 50,000 | - | **50,000** |
| Joseph Rowntree Charitable Trust | 50,000 | - | **50,000** |
| Oak Foundation | 69,168 | 116,779 | **185,947** |
| Paul Hamlyn Foundation | 43,750 | - | **43,750** |
| Trust for London | - | 45,000 | **45,000** |
| Tudor Trust | 30,000 | - | **30,000** |
| Charitable activities | 60,094 | - | **60,094** |
| | **303,012** | **174,124** | **477,136** |

## 4. OTHER TRADING ACTIVITIES

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2024 £ | Restricted 2024 £ | TOTAL 2024 £ |
| Consultancy | 58,795 | - | **58,795** |
| Events and training | 112,700 | - | **112,700** |
| Misc. commercial income | 871 | - | **871** |
| | **172,366** | **-** | **172,366** |

***Previous reporting period***

| | GROUP | | |
|---|---|---|---|
| | Unrestricted 2023 £ | Restricted 2023 £ | TOTAL 2023 £ |
| Consultancy | 62,763 | - | **62,763** |
| Events and training | 85,688 | - | **85,688** |
| Misc. commercial income | 396 | - | **396** |
| | 148,847 | - | 148,847 |

## 5. GRANT MAKING ACTIVITES

There were no grants paid in 2023/24 (2023: £25,000).

## 6. CHARITABLE ACTIVITIES

| | GROUP | | |
|---|---|---|---|
| | Unrestricted | Restricted | Total 2024 |
| | £ | £ | £ |
| Staff costs | 348,812 | 252,806 | 601,618 |
| Project expenditure | 35,154 | 91,844 | 126,998 |
| Office overheads | 27,067 | - | 27,067 |
| | 411,033 | 344,650 | 755,683 |
| Governance costs | 2,400 | 3,000 | 5,400 |
| TOTAL EXPENDITURE | 413,433 | 347,650 | 761,083 |

***Previous reporting period***

| | GROUP | | |
|---|---|---|---|
| | Unrestricted | Restricted | Total 2024 |
| | £ | £ | £ |
| Staff costs | 400,999 | 133,697 | 534,696 |
| Project expenditure | 26,871 | 13,188 | 40,059 |
| Office overheads | 41,299 | 19,463 | 60,762 |
| Grants payable | 25,000 | - | 25,000 |
| | 494,169 | 166,348 | 660,517 |
| Governance costs | - | - | - |
| TOTAL EXPENDITURE | 494,169 | 166,348 | 660,517 |

## 7. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

| | Basis of apportionment | Governance | Total 2024 |
|---|---|---|---|
| | | £ | £ |
| Audit fee | Governance | 5,400 | 5,400 |
| | | 5,400 | 5,400 |

***Previous reporting period***

| | Basis of apportionment | Governance | Total 2023 |
|---|---|---|---|
| | | £ | £ |
| Audit fee | Governance | 4,250 | 4,250 |
| | | 4,250 | 4,250 |

## 8. STAFF COSTS AND KEY MANAGEMENT PERSONNEL

| | GROUP 2024 | GROUP 2023 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 473,253 | 405,762 |
| Social security costs | 41,606 | 39,299 |
| Employer's pension costs | 23,663 | 21,289 |
| Consultancy and professional services | 59,761 | 64,393 |
| Staff recruitment, training and wellbeing | 3,334 | 3,953 |
| | **601,617** | **534,696** |

Two employee received total employee benefits (excluding employer pension costs) of more than £60,000.

| Band | 2024 | 2023 |
|---|---|---|
| £60,000 to £70,000 | 1 | - |
| £70,000 to £80,000 | - | - |
| £80,000 to £90,000 | - | - |
| £90,000 to £100,000 | 1 | 1 |

Type text here

## 8. STAFF COSTS AND KEY MANAGEMENT PERSONNEL (continued)

The average number of staff employed by the charity during the period was 9 (2023: 9)

The average number of staff employed by the trading subsidiary during the period was 2 (2023: 1)

The key management personnel of the both the charity and the trading subsidiary comprise of the Chief Executive. The total employee benefits of the key management personnel of the charity were £99,047 (2023: £93,321).

## 9. TANGIBLE FIXED ASSETS

| | Charity £ | Group £ |
|---|---|---|
| Cost : | | |
| At 1 April 2023 | 19,842 | 20,769 |
| Additions | - | - |
| Disposals | (7,322) | (7,322) |
| At 31 March 2024 | 12,520 | 13,447 |
| Depreciation : | | |
| At 1 April 2023 | 13,152 | 13,462 |
| Charge for the year | 2,657 | 2,966 |
| Disposals | (7,322) | (7,322) |
| At 31 March 2024 | 8,487 | 9,106 |
| **NBV at 31 March 2024** | **4,033** | **4,341** |
| NBV at 31 March 2023 | 6,690 | 7,307 |

Net book value at 31 March 2024 represents fixed assets used for charitable purposes.

**Investment in subsidiary**

| | Charity £ | Group £ |
|---|---|---|
| At 1 April 2023 | 1 | - |
| Additions | - | - |
| At 31 March 2024 | 1 | - |

The investment in the subsidiary consists of 1 ordinary share (100% of the share capital) in Sheila McKechnie Trading Limited.

## 10. SOCIAL INVESTMENTS

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Loan to group undertakings | - | - | 10,000 | - |
| | **-** | **-** | **10,000** | **-** |

During the period Sheila McKechnie Foundation provided a loan to Sheila McKechnie Trading for the sum of £10,000. The loan was given interest free and is to be repaid on request.This has been classed as a programme related investment by the charity.

## 11. DEBTORS

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Trade debtors | 57,216 | 37,635 | 39,090 | - |
| Accrued donation from SM Trading | - | - | - | 53,204 |
| Other accrued income | 44,875 | 11,250 | 44,875 | 11,250 |
| Prepayments | 138 | 130 | 138 | 130 |
| | **102,229** | **49,015** | **84,103** | **64,584** |

## 12. CASH AT BANK AND IN HAND

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Cash at bank and in hand | 135,877 | 179,307 | 95,153 | 124,194 |
| | **135,877** | **179,307** | **95,153** | **124,194** |

## 13. CREDITORS : Amounts falling due within one year

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Trade creditors | 18,316 | 8,796 | 6,958 | 7,254 |
| Social security and other taxes | 11,138 | 12,176 | 9,111 | 11,951 |
| VAT | 11,115 | 8,540 | - | - |
| Accruals | 19,455 | 36,095 | 18,815 | 34,766 |
| Deferred income | 53,265 | 108,639 | 29,250 | 81,189 |
| Other creditors | 889 | 456 | 889 | - |
| | **114,178** | **174,702** | **65,023** | **135,160** |

***Deferred income***

| | |
|---|---|
| Balance at 1 April 2023 | 108,639 |
| Movement in the year | (55,374) |
| Balance at 31 March 2024 | 53,265 |

## 14. CASH INFLOW FROM OPERATING ACTIVITIES

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Net income for the year | **67,342** | (19,585) |
| **Adjustments for:** | | |
| Depreciation and impairment of tangible fixed assets | **2,967** | 2,388 |
| (Increase)/decrease in debtors | **(53,214)** | 13,220 |
| Increase/(Decrease) in creditors | **(60,525)** | 112,930 |
| | **(43,430)** | 108,953 |

## 15. MOVEMENT IN FUNDS

| | Group | | | | |
|---|---|---|---|---|---|
| | Balance at 1 Apr 23 £ | Incoming Resources £ | Resources Expended £ | Transfers £ | Balance at 31 Mar 2024 £ |
| **Restricted Funds** | | | | | |
| Civic Space | - | 19,078 | (18,198) | (27) | 853 |
| A Reformed Civil Society: Membership | - | 46,375 | (46,453) | 78 | - |
| A Reformed Civil Society: Paul Hamlyn Foundation | - | 26,250 | (19,875) | | 6,375 |
| Oak Foundation: Housing and homelessness | 29,247 | 230,230 | (208,599) | - | 50,878 |
| Power Project | 2,999 | 22,500 | (25,499) | - | - |
| Trusts for London Policy Work | - | 55,000 | (11,842) | - | 43,158 |
| Wikimedia | - | 18,000 | (17,184) | (816) | - |
| Total Restricted Funds | 32,246 | 417,433 | (347,650) | (765) | 101,264 |
| Unrestricted Funds | 28,681 | 410,992 | (413,433) | 765 | 27,005 |
| **Total Funds** | **60,927** | **828,425** | **(761,083)** | **-** | **128,269** |

***ANALYSIS OF NET ASSETS BETWEEN FUNDS***

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|---|---|---|---|
| Tangible fixed assets | 4,341 | - | 4,341 |
| Net current assets/(liabilities) | 22,664 | 101,264 | 123,928 |
| | 27,005 | 101,264 | 128,269 |

***Previous reporting period (restated)***

| | Group | | | | |
|---|---|---|---|---|---|
| | Balance at 1 Apr 22 £ | Incoming Resources £ | Resources Expended £ | Transfers £ | Balance at 31 Mar 2023 £ |
| **Restricted Funds** | | | | | |
| Civic Space | 12,750 | - | (12,750) | | - |
| Social Change Scotland | - | 12,345 | (12,345) | - | - |
| Oak Foundation: Housing and homelessness | - | 116,779 | (87,532) | - | 29,247 |
| Power Project | 11,720 | 45,000 | (53,721) | - | 2,999 |
| Total Restricted Funds | 24,470 | 174,124 | (166,348) | - | 32,246 |
| Unrestricted Funds | 56,042 | 466,807 | (494,168) | - | 28,681 |
| Total Funds | 80,512 | 640,931 | (660,516) | - | 60,927 |

***ANALYSIS OF NET ASSETS BETWEEN FUNDS***

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|---|---|---|---|
| Tangible fixed assets | 7,308 | - | 7,308 |
| Net current assets/(liabilities) | 21,373 | 32,246 | 53,619 |
| | 28,681 | 32,246 | 60,927 |

**15. MOVEMENT IN FUNDS (Continued)**

***Description of restricted funds***

| | |
|---|---|
| Civic Space | SMK has been commissioned by a group of funders to examine the growing threats to civic space in the UK, and consider how civil society could be strengthened to better resist. |
| Oak Foundation: Housing and homelessness | SMK is being funded to provide support to grantees of the Oak Foundation's UK programme - focused entirely on organisations working to address housing needs. SMK is bringing its expertise in social change and working in solidarity to build the capacity and confidence of organisations in this sector. It is a five-year programme. |
| Power Project | The Power Project is a Cornerstone funded two-year project that is exploring what it would look like if civil society in London was better at sharing power in pursuit of social change, with a focus on lived experience, poverty and socio-economic inequality. |

## 16. TRUSTEES' REMUNERATION AND EXPENSES, AND RELATED PARTY TRANSACTIONS

Neither the Trustees nor any persons connected with them received any remuneration or reimbursed expenses during the year (2023: £500, one trustee received remuneration).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The Charity received a grant from the Barrow Cadbury Trust in the year for £30,000. Kimberley Garande is a Trustee of the Trust as well as being a Trustee of the Charity (2023:£nil).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2023: nil).

The trustees have indemnity cover.

## 17. OPERATING LEASES

| | GROUP | |
|---|---|---|
| | 2024 | 2023 |
| | £ | £ |
| Not later than one year | - | 222 |
| Later than one year and not later than 5 years | - | - |
| Lease payments recognised as an expense | 372 | 13,457 |

The Charity has a license agrement with Shelter regarding hot desks and meeting room hire. As they only pay for what they use there is no ongoing obligation.

## 18. INVESTMENT IN TRADING SUBSIDIARY

The wholly-owned subsidiary, Sheila McKechnie Trading Limited, which is incorporated in England and Wales, pays its profits to the charity as a donation. Sheila McKechnie Trading Limited operates the consultancy and events and training income functions of the group. The charity owns the entire issued share capital of 1 ordinary share of £1 each. A summary of the trading results is shown below

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Turnover | 172,366 | 148,847 |
| Cost of sales and administrative expenses | (172,981) | (95,025) |
| Net profit/(loss) | (615) | 53,822 |
| Donation to charity | - | (53,204) |
| Retained in the subsidiary | **(615)** | **618** |

The assets and liabilities of the subsidiary were:

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Fixed Assets | 309 | 618 |
| Current Assets | 58,849 | 38,926 |
| Creditors: amounts falling due within 1 year | (59,155) | (38,926) |
| Total net assets | 3 | 618 |

**THE SHEILA MCKECHNIE FOUNDATION**

England & Wales - Charity number 1108210

# Accounts

# THE SHEILA McKECHNIE FOUNDATION

**Charity Registration in England and Wales No. 1108210**
**Scotland Registration No. SC044207**

**Company Registration No. (England and Wales) 05331412**

## (A COMPANY LIMITED BY GUARANTEE)

## AUDITED TRUSTEES' REPORT AND ACCOUNTS

## FOR THE YEAR ENDED 31 MARCH 2023

## THE SHEILA McKECHNIE FOUNDATION
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## THE SHEILA McKECHNIE FOUNDATION
## LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| Trustees | Peter Moorey (Chair)<br>Stuart Davis (Treasurer)<br>Cecilie Hestbaek<br>Rhea Stevens (resigned 17 March 2023)<br>Bushra Ahmed (resigned 23 May 2023)<br>Kimberly Garande (Vice Chair)<br>Patrick Steen<br>Zainab Ali Khan<br>Deborah Doane<br>Richard Lane |
| Registered Address | Crown Chambers<br>Bridge Street<br>Salisbury<br>SP1 2LZ |
| Auditor | Fletcher & Partners<br>Crown Chambers<br>Bridge Street<br>Salisbury<br>SP1 2LZ |
| Bankers | Unity Trust Bank<br>Nine Brindleyplace<br>Birmingham B1 2HB |

# AUDITED TRUSTEES REPORT AND ACCOUNTS FOR FINANCIAL YEAR APRIL 2022 TO MARCH 2023

## THE SHEILA MCKECHNIE FOUNDATION (SMK)

This trustees' report includes the directors' report as required by company law.

## Introduction

SMK's mission is to unleash civil society's power to drive positive change, by building knowledge on how change happens, by building civil society's confidence and effectiveness in pursuing change, and by championing campaigners and campaigning wherever they are found.

We are passionate, single-minded, and tenacious. We think like campaigners: we analyse problems, find ways to overcome them, and bring people with us.

We use our independence to stand up against those who put barriers and constraints in the way.

Social justice drives our approach, and we are committed to using our own power to create greater equity. We work right across civil society, from those campaigning from their front rooms to those in the offices of global organisations.

Campaigners need someone to support and campaign for them too. And that's SMK.

## Objectives of the charity

To promote the efficiency and effectiveness of charities and the effective application of resources for charitable purposes for the benefit of the public by raising the standard of, and promoting excellence in, campaigning on behalf of charitable purposes in particular by:

Recognising individuals who have conducted effective and lawful campaigns that further charitable purposes

Raising awareness of good practice in campaigning

Providing information and guidance to people who are campaigning in furtherance of charitable objectives

## Public benefit statement

In setting our objectives and planning our objectives our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing citizenship and community development.

## Activities and Review

2022/23 has been a year of growth for SMK, both in terms of its scale, and its impact. Income was 3.1% lower than forecast at £640,932, and we finished the year with a headcount of 11 people, up from 8 in the previous year.

The following review summarises SMK's activities over 2022/23 under the three headings: from our 2022 strategy review; Capacity Building, Championing Campaigners, and Think Tank activities.

## 1. Capacity building

*We strengthen our sector by developing its knowledge, skills and confidence in campaigning and social change. We do this by providing resources and supporting people and organisations directly through our training and consultancy services.*

Our training and consultancy operation has recovered strongly since the pandemic, generating total income of £149k across the year.

### Training

In 2022/23 we trained around 320 people through our three current training offers, the Campaign Carousel programme, our one-off workshop series and our new Deep Dive workshops. Participants come from a wide range of charities ranging from activists in grassroot groups such as Mums for Lungs and End our Cladding Scandal, to paid campaigners in organisations like Scope and Amnesty International. A Carousel rider identified how the programme had helped them develop, saying *'I have gained campaigning skills and knowledge that I didn't have previously...'* Since July 2022, 95% of Carousel participants have told us (as part of evaluation surveys) that their *confidence in their ability to campaign effectively* has increased, with 45% saying it had increase either ''dramatically'' or ''a lot''. In addition, almost 90% of participants have said that their *skills and tools to campaign effectively* have increased, whilst over 70% of participants have identified increased networks and links with other campaigners.

We have continued to invest in our training offer, expanding and diversifying our pool of Associates and partner organisations who deliver the training, updating a number of Carousel workshops to ensure we keep pace with cutting edge practice, and adding value to the Carousel experience with additional networking and briefing events.

SMK's training offer has developed well over 2022/23, with strong demand, and significant expansion and development of the training we provide. However, we are acutely conscious that because we receive no funding for our capacity building work it is all on a fee-paying basis, and that is a barrier to individual campaigners and smaller grassroots organisations accessing it. This is a real problem for changemakers with a lack of good quality, publicly available guidance on broad spectrum campaigning.

Our strategy is to find ways to fund making all of the knowledge and tools sitting behind our training available online for free. We're delighted to have just secured a small grant from Wikimedia Foundation to run a pilot knowledge equity project, and we will be working in partnership with them over 2023 to develop the three introductory courses on the Campaign Carousel into a package of online content. Our ambition is to build on this foundation, and what we learn from the project, with a significant expansion of the free resources we provide.

**Commissioned training & Consultancy**
We saw demand for in-house training and consultancy recover strongly during 2022 from a low during the pandemic, although it remains variable.

During the year SMK has provided in-house training for clients including Sheffield Young Carers, the Centre for Ageing Better and Barrow Cadbury Trust. We also supported two organisations with longer training programmes. We were commissioned to develop a year-long 2023 training programme for Rosa UK's 'Voices from the Frontline' fund grantees comprising 40 organisations across the women and girls' sector. We were also invited to re-run a 4-part training programme for additional staff at the Institute of Physics.

Our CEO, Sue Tibballs has facilitated strategic conversations on social change for organisations including the Trussell Trust and London Funders.
SMK has also worked with organisations including Children England, Cycling UK and Which? to help them tackle specific challenges within their campaigning activity, and develop their campaigning strategy.

There are a couple of trends we have observed through our work with clients. The first is that our help has been sought by two organisations – including the Trussell Trust and the Wildlife Trusts – who are actively moving towards a decentralised community organising model. This approach is gaining traction amongst a range of established organisations across the charitable sector.

Other organisations, including Rosa UK and the Consumer Council for Water, are actively embedding a campaigning mindset in settings that were previously focussed on service provision.

We also continue to see a lack of confidence, particularly at governance level, about the legitimacy of charity campaigning, and what 'political activity' is permitted. Partly this is a function of a lack of understanding about what the law says and how the sector is regulated, but it is also driven by narrowing civic space within the UK, and deliberate attempts to de-legitimise charity campaigning.

## 2. Championing campaigners

*We stand up for civil society's role and value, defending civic space and the right to campaign. We celebrate the very best campaigns and campaigners each year at the SMK National Campaigner Awards.*

**Defending UK civic space**
For more than ten years, civil society in the UK has faced a series of threats to the 'civic space' in which it operates – the legal, political, and institutional environment in which it exercises its fundamental rights to help shape society, contributes to democratic debate, holds government to account, and helps build our common culture.

In 2022 with the support of five foundations, including the Funders Initiative for Civil Society (FICS) and Barings Foundation, SMK set up a new research programme in partnership with Civil Exchange, to consider the nature of these threats, what strategies civil society could deploy to protect civic space, and how funders might contribute.

Since October 2022 when we reported back to our funders, we've been sharing and discussing the results with a range of audiences. For example, in January we hosted a high-level strategy meeting with several civil society organisations already involved in civic space, including ACEVO, Bond, FoE, NCVO, Save the Children, SMK, Stop Funding Hate, Unlock Democracy, and Quakers, to map where each wanted to direct their resources. In early November, SMK ran a breakout session at the Association of Charitable Funders annual conference. And we have been exploring, with support from Global Dialogue and FICS, how SMK might help co-ordinate future action and attract more funders to the protection of UK civic space.

We've also been working to raise awareness amongst wider civil society of the issues. In September, we presented our headline findings to the E-Campaigning Forum (ECF) Annual Conference. And we shared our results at the Democracy Network Annual Conference in December. In March 2023, FICS confirmed a grant of £19,078 to develop and promote a version of the report for a wider audience which we hope to publish in Summer 2023.

**SMK Annual Campaigner Survey**
Our Annual Campaigner Survey continues to provide the social sector with evidence and insight and is regularly quoted by other organisations. The headline findings of our seventh annual survey centred around civic space, namely that 94% of campaigners said there were threats to the freedom to organise, to contribute to public debate, and to influence political decisions or protest. The same proportion agreed that negative rhetoric from politicians towards campaigners was threatening civic space.

This year, our survey was released in conjunction with the latest CIVICUS Monitor report, which downgraded UK civic space from 'narrowed' to 'obstructed'. We worked closely with CIVICUS, Bond and Liberty on communications and influencing, which resulted in our best ever year for national press coverage. We

secured an exclusive in the Times and were the second most read story in the Guardian on the day of release.

Alongside this, the survey was covered in Civil Society News, Third Sector, the Big Issue, UK Finance, Charity Times, TFN Scotland and Politics.co.uk. Sue also appeared live on Talk TV to do an interview on the survey results and the UK being downgraded.

**Charity Reform Group (CRG)**

CRG (previously known as ARCS) is the initiative we started late in 2021, that convenes Chief Executives of national charities with a commitment to reform. It's becoming a real asset to SMK and complements our civic space work. 2022 was our pilot year and we focused on charity leaders' profile in the national conversation. During the year we conducted a listening exercise with senior leaders from other sectors, to better understand perceptions of charity leaders. CRG's inaugural report *'Speak up, we need you. Why charity CEOs need to be part of the national conversation.'* was published in February 2023. It found that senior leaders in other sectors overwhelmingly support charity CEOs speaking out about the big issues of the day.

The report attracted extensive coverage in the sector press, and gave rise to a series of blogs with Civil Society News, looking into some of its themes in more depth. Sue Tibballs was invited to host a panel at Trustee Exchange exploring the issues ranged, which has led to a new research partnership with Trustee & Governance magazine seeking to better understand how trustees currently understand the role and legitimacy of charity campaigning.

SMK has now embarked on phase 2 of the CRG programme continuing to explore charities role in reform, and how Chief Executives of big national charities can lead by example. CRG has an expanded membership, and a partnership with the Conduit Club to host meetings. Support from the Paul Hamlyn Foundation will help us to share CRG's learning with the wider sector and will also cover the membership fees for leaders of smaller charity members. Otherwise, the costs of CRG are paid for by its members, and we hope it will become an on-going source of income for SMK.

**Senior Campaigners' Network**

This network of around a dozen people with senior responsibility for campaigning meets a few times a year. Initially connected to the Reforming Civil Society (ARCS) Group, it is now independent and self-directed.

**Social Power Scotland**

Between April and September 2022, we ran the second half of Social Power Scotland – a pilot network for change-makers in Scotland, supported by the Corra Foundation. The key ambition was to explore whether there is value in creating a new space for change-makers to come together to pool knowledge, ideas and resources that could strengthen their ability to drive change – individually and collectively. The final three of six online discussions were held, followed by wrap

up events in September 2022 (one online and one in Edinburgh) to explore how a more permanent network might work. We also conducted a complementary survey in December. The full results and end of pilot report was sent to Corra in early February 2023.

### SMK National Campaigner Awards 2022

SMK's founding activity was to establish an annual awards ceremony that could celebrate campaigners and change-makers, and this remains a central plank of our work today. From modest beginnings, the SMK National Campaigner Awards have grown to be an important and much-loved fixture in the diaries of those passionate about change.

In 2022 we launched a new partnership with Tortoise Media who hosted the awards and ran a series of communications activities around them. This helped to raise the Awards profile (it was covered by the BBC, Guardian and Evening Standard amongst others), grow the audience for the awards, and allowed us to return to a partly live event with more than 500 people joining the celebrations live.

We are also grateful to our expanding pool of Awards sponsors. For the second year running Bates Wells, the leading legal advisers to civil society, supported the Awards as lead sponsor. They are joined as sponsors by Changing Ideas, Lloyd's Bank Foundation, John Ellerman Foundation, The Blagrave Trust, Frederick Mulder Foundation, WHICH?, and Joseph Rowntree Reform Trust.

## 3. Think Tank activity

*Making social change happen is always complex, often messy and rarely, if ever, easy. The world around us is constantly changing. Tools and tactics evolve. Attitudes in society and in our own organisations change. We bring together change-makers from all parts of civil society and create spaces where we can explore change-making together. We listen and share our evolving understanding of social change, as well as our unique tools, freely.*

### The Power Project

This year saw the culmination of the first phase of the Power Sharing Project, our inquiry into what would it look like if civil society in London was better at sharing power in pursuit of social change. Working closely with the project's 'Core Learning Group', a diverse group with a mix of lived and professional experience of poverty and inequality, we developed a range of practical tools and insights to support charities and other formal social sector organisations to develop a more nuanced understanding of power and participation. These tools were tested with our wider Community of Practice through participatory workshops, before launching our publication, *It's All About Power*, with accompanying digital resources, in March 2022.

Thanks to a further grant from Trust for London, SMK moved into the next phase of the Power Project in 2022-23, calling for a new way of thinking about power in the sector and encouraging strategic action to build greater solidarity in social

change. Our aim for this second phase of the project has been to share insights from the project and guide widely, in order to support a greater awareness of power among social sector professionals. We've been doing this through a combination of training provision, networking, blogs, articles and events.

The project also attracted attention from Oak Foundation, who granted SMK £1m over five years to run a capacity building programme for their UK housing and homelessness grantees. This programme aims to strengthen partners' capacity to work in greater solidarity with people with first-hand experience of housing insecurity, and homelessness, both in their services and campaigns. Engagement in the programme has been positive, with 81 individuals engaging to some extent in the first year. Organisations represented include larger civil society actors such as Shelter and the Welsh Refugee Council, to smaller organisations such as Good Shepherd in Wolverhampton, Housing Rights Northern Ireland and South of Scotland Community Housing.

Another key objective has been to reflect on what our insights about power, participation and solidarity in social change mean for us as an organisation, both in terms of our internal structures, processes and culture and in our offer for campaigners and the sector. During this time we have been challenged by two people who were closely involved in the first phase of the Power Project to think carefully about some complex issues around who 'owns' knowledge produced collaboratively between organisations and the people they work with, who may bring first-hand experience of social issues, and what opportunities, exist for people with first-hand experience to help us deliver our work. These have been complex and time-consuming issues to consider, which tap into much bigger questions of professionalism, accountabilities, and responsible risk management for charitable sector organisations. We intend to publish our learning on these in 2023.

## Organisational Infrastructure

### New premises

SMK accepted an offer of free office space from Shelter. Their five-story building at Old Street, London EC1, is much better suited to the blended working patterns that have been established by the pandemic.

The move created a significant amount of work, particularly around our IT (including procurement and setup of laptops and peripherals, plus cybersecurity), updating policies, and the physical clear out of our existing space.

We've now arrived at a situation where hybrid working has bedded in, with supportive HR and IT policies, and flexible office space courtesy of Shelter to whom we are grateful.

### Comms, brand and marketing

SMK continues to develop and push its visual identity in new ways across all channels, platforms, events and programme areas in house. In partnership with

Brand Ethos, we have established a strong visual identity for the Power Project this year that has been incorporated across all of our channels.

The marketing team have been working closely with the training and consultancy team to develop more effective user driven content for the marketing of the training offer at SMK. This has included planning in, creating and disseminating refreshed content that includes participant blogs, quotes, data and video stories.

Refreshed training offer and Campaign Carousel product designs for the website are being designed with Brand Ethos to launch in summer 2023. We continue to use new ways to showcase riders' feedback and reviews to make the content more driven by our users. We will also bring some of the training tools content to life, such as the Social Change Grid and the 12 Habits of Successful Campaigners content.

A new social media strategy has been developed with an action plan for launch in the next financial year. Alongside this, we are developing ways to look more broadly at how we can diversify our marketing, seek best practice and trends, and establish new channels. The first two quarters of next year will be a discovery and research phase leading to a draft marketing plan in the Autumn 2023.

**Website**

The first and second phase reports of the website accessibility audit with Pilao Labs has now been delivered, and SMK's website developer updated the backend with suggested fixes from the report. Further technical fixes are planned in the next financial year. More work to implement the guidance in the second phase accessibility report will continue into the next financial year, including the launch of the website accessibility statement.

**Salesforce**

Salesforce implementation is on-going, with a particular focus on data management. New staff have had training and two half day data cleaning sessions with the full team have taken place.

A new Salesforce action plan has been agreed for this financial year, with staff all allocated to areas that they will manage and lead on. It will be reviewed every three months.

**Events programme**

The *We are change-makers* events programme took place in September with an in-conversation with Jon Alexander and Irenie Ekkeshis co-founders of the New Citizenship Project. The programme has now been put on hold whilst we seek new opportunities and partnerships of which Tortoise media is one.

In the meantime, a programme of artists interviews launched in September 2022, released as blogs, on arts and social change. So far interviews have taken place with visual activist Aida Silvestri and producer for Counterpoint Arts Tom Green. These interviews aim to create new content streams and reach new audiences for SMK.

**Staff changes**

This year SMK has increased in size, and we now have a core team of six full-time staff and five part-time staff all on permanent contracts. Over the summer of 2022 we have made three appointments: Kathleen Christie as our new Head of Programmes (F/T); Shaan Sangha as our new Learning Manager (F/T) and Lorna Massey as Operations & Systems Manager (3 days p/w).

Other core members of the team are Sue Tibballs, CEO (F/T); Rob Abercrombie, Deputy CEO (3 days p/w); Chloe Hardy, Director of Policy & Comms (4 days p/w); Sarah Thomas, Head of Power & Participation (4 days p/w); Emma Boyd, Head of Marketing &Comms (F/T); Megan Poyiadzis, Events & Programmes Manager 3 days p/w); Rummena Begum (Digital Marketing & Projects Officer F/T) and Seth Farsides Policy & Research Officer (F/T).

We also negotiated a secondment of the Director of Programmes and Evaluation from Wikimedia Trust UK, Daria Cybulska, who joined SMK for 2-days a week from January to June 2023. Daria is working mainly on the CRG initiative.

**Financial Review**

Total income for the year was £640,932 (£554,241 in 2021-22), a 16% increase compared with the previous year. We continued to receive income from a diverse range of sources. 24% of our income was restricted to funding specific projects. These funders and projects are listed in the accounts (Note 3).

Total expenditure amounted to £660,517 (£535,552 in 2021-22) a 23% increase compared with the previous year.

Funds at year-end were £60,927 (2021-22 £80,512).

Income was lower than budgeted largely because our Charity Reform Group initiative was delayed, meaning we deferred most of the income into 23/24. We have also deferred the grant from FICS to work on civic space into 23/24 as most of the work will be undertaken in this period.

Expenditure was higher than budgeted: this was in part due to a one-off payment to all staff of £500 to help with increased living costs (we received an uplift to help with the increasing cost of living from three of our core funders but have carried all of it into 23/24 to help cover a more generous Cost of Living award). We also incurred some unforeseen costs setting up a new payments system for our traded income.

This does mean that SMK's reserves at year-end are lower than our policy recommends. While regrettable, trustees are content they will be restored as the

team have more time to focus on fundraising, and as traded income continues to grow.

**Reserves Policy**

The charity's reserves policy is set out in the note 1.7 to the accounts.

**The Future**

We spent the last 6-months of the 2022/23 financial year reviewing and updating a new 3-year strategy which is currently being finalised. It reflects the rapidly changing environment for changemakers, and the fact that we are now entering a new phase of the political cycle with a general election coming into view. The strategy will be published later this year, and sets out SMK's key priorities which include;

- Deepening SMK's connection with the community of changemakers, doing more to convene and exchange knowledge with them
- Raising funds to make much more guidance and support available to campaigners for free. SMK's training has been very successfully established as a trading operation, but that creates a barrier to smaller organisations and individual campaigners which we want to reduce
- Develop SMK's future civic space programme, following the publication of our public-facing report inn summer 2023
- Continue the work of applying the thinking from our power and solidarity work across all of SMK's operations and activities

**Structure, governance and management**

Sheila McKechnie Foundation is a charitable company limited by guarantee governed by its Memorandum of Association as adopted at the extraordinary general meeting on 21st February 2005. It is registered as a charity with the Charity Commission and as a Company with Companies House.

Pay and remuneration of staff is determined in accordance with SMK's pay & remuneration policy. As a very small employer, there are some key principles that underpin SMK's approach to pay and remuneration:

It must be simple and straightforward to administer

It should be flexible, recognising that SMK's income can fluctuate, and that organisational needs can change

It must reflect the values of the organisation

It must be in line with best practice in the sector

Pay levels are reviewed annually, taking into account evidence of pay levels across the sector more widely, and SMK reviews cost of living annually, and makes an award accordingly. SMK is a London Living Wage employer.

## Appointment of Trustees

Our Articles of Association provide that SMK may have no less than three trustees but it is not subject to any maximum.

SMK uses a transparent and fair method when recruiting new trustees. We advertise all trustee vacancies, and they are open to anyone who wishes to be a trustee. From time to time the Board may call for trustees with specialist skills and experience that it identifies is needed for the effective governance of the organisation.

The process is led by the Resource Committee, and applicants for trusteeship are asked to make their application in writing and to attend an interview. During this time, each applicant and interviewee goes through the same process. We also apply our equal opportunities policy to trustee recruitment.

Each new trustee received an introduction pack and an induction to the organisation, and support is readily available from the Officers of the organisation.

The board of Trustees meets regularly and there were 6 meetings held during the year (2022/23).

The present members are listed in this report.

The following changes in trustees occurred during this financial year:

- Cecile Hestbæk, Stuart Davis and Pete Moorey all stood down and have all been reappointed to the board.

List of Trustees is in Page 2 Legal and Administrative Information.

Members of the Trust guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total amount of such guarantees at 31st March 2023 was 10 (2022: 10).

## Risk statement

The trustees and staff jointly reviewed the possible risks facing the organisation during the year, supported by a risk register. Therefore, they were aware of the major risks facing the charity and are taking adequate steps to protect the charity. The major risks are related to the nature of the work within which the charity supports through grants and awards and the use of appropriate volunteers and people who support the charity.

## Auditors

Fletcher & Partners were appointed as the charitable company's auditors.

## Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

**Accounting and Reporting Responsibilities**
Company law requires the trustees to prepare financial statements, for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

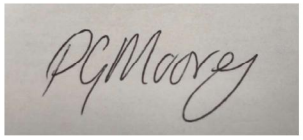
In preparing these financial statements, the trustees are required to:
Select suitable accounting policies and then apply them consistently.
Observe the methods and principles in the Charities SORP
Make judgements and estimates that are reasonable and prudent.
State whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts.

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue to operate.
The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
In accordance with company law, as the charitable company's trustees, we certify that so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and as trustees of the charitable company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the trustees on

_____

and signed on their behalf by



Pete Moorey

Chair

02.10.2023



Stuart Davis

Treasurer

02.10.2023

## INDEPENDENT AUDITORS' REPORT
## TO THE TRUSTEES OF THE SHEILA MCKECHNIE FOUNDATION

### Opinion

We have audited the consolidated financial statements of The Sheila McKechnie Foundation and its subsidiary for the year ended 31 March 2023, which comprise of the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Companies Act 2006 and Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing(UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRCs 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 directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises 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. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## INDEPENDENT AUDITORS' REPORT
## TO THE TRUSTEES OF THE SHEILA MCKECHNIE FOUNDATION

**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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report 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 group and parent charitable company's 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 by the parent charitable company, or return adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records or returns: or
- certain disclosure of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- 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' Responsibility 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 controls as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditors 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 and 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We ensured that the engagement team collectively had the appropriate competence and capabilities to recognise non-compliance with applicable laws and regulations;

We identified the laws applicable to the company through discussions with trustees and management, and from our knowledge and experience of the company and the sector; and

We ensured that the laws and regulations which we identified were communicated to the engagement team and that they remained alert to instances of non- compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material mis-statement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their assessment of the risk of fraud and their knowledge of actual or alleged fraud; and

- considering the effectiveness of internal controls to mitigate the risks of fraud and non-compliance with laws and regulations.

We addressed the risk of fraud through management bias and the over-ride of controls by assessing whether judgements and assumptions made by management were indicative of potential bias and by investigating the rationale behind significant or unusual transactions. In order to address the risk of irregularities we carried out procedures which included agreeing the financial statements to underlying documentation and enquiring of management as to actual and potential litigation and instances of non-compliance.

There are however inherent limitations in these audit procedures. The more removed that laws and regulations are from financial transactions, the less likely it is that we would be aware of non-compliance. Auditing standards also limit the procedures required to identify non-compliance to enquiry of management and inspection of relevant correspondence. Furthermore misstatements due to fraud can be harder to detect that those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC website ( www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditors report.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Fletcher (Senior Statutory Auditor)
for and on behalf of Fletcher & Partners
Chartered Accountants and Statutory Auditors.

Crown Chambers, Bridge Street,
Salisbury, SP1 2LZ

18 October 2023

Fletcher & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## THE SHEILA McKECHNIE FOUNDATION
## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
## INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
## FOR THE YEAR ENDED 31 MARCH 2023

| | | Group Total | | | Group |
|---|---|---|---|---|---|
| | | 2023 | | | 2022 |
| | | Unrestricted funds | Restricted funds | Total | Total |
| | | £ | £ | £ | £ |
| **Incoming resources** | **Notes** | | | | |
| Voluntary income | **2** | 14,948 | - | 14,948 | 6,543 |
| Charitable activities | **3** | 303,012 | 174,124 | 477,136 | 403,610 |
| Other trading activities | **3** | 148,847 | - | 148,847 | 144,087 |
| **Total Incoming resources** | | **466,807** | **174,124** | **640,931** | 554,241 |
| **Resources expended** | | | | | |
| Raising funds | | - | - | - | - |
| Charitable activities | **6, 7, 8, 9** | 367,281 | 166,348 | 533,629 | 413,675 |
| Other trading activities | **6** | 126,887 | - | 126,887 | 121,877 |
| **Total resources expended** | | **494,169** | **166,348** | **660,516** | 535,552 |
| **Net movement in funds** | **14** | (27,361) | 7,776 | (19,585) | 18,689 |
| **Balances at 1 April 2022** | | **56,042** | **24,471** | **80,512** | 61,824 |
| **Fund Transfers** | | - | - | - | - |
| **Balances at 31 March 2023** | | **28,681** | **32,246** | **60,927** | 80,513 |

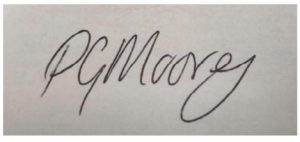
All income and expenditure derive from continuing activities. The Statement of Financial Activities includes all gains and losses recognised during the year.

## THE SHEILA McKECHNIE FOUNDATION
## CONSOLIDATED BALANCE SHEET
## FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Group | | Charity | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | | **Total** | Total | **Total** | Total |
| | | | £ | | £ |
| **Fixed assets** | | | | | |
| Tangible assets | **10** | 7,308 | 716 | 6,690 | 716 |
| Investment | **10** | - | - | 1 | 1 |
| | | 7,308 | 716 | 6,691 | 717 |
| **Current assets** | | | | | |
| Debtors | **11** | 49,015 | 62,235 | 64,584 | 76,844 |
| Cash at bank and in hand | | 179,307 | 79,334 | 124,194 | 44,547 |
| | | 228,322 | 141,569 | 188,778 | 121,391 |
| **Liabilities** | | | | | |
| Creditors falling due within one year | **12** | (174,702) | (61,773) | (135,160) | (41,596) |
| **Net current assets** | | 53,619 | 79,796 | 53,618 | 79,795 |
| **Net assets** | | 60,927 | 80,512 | 60,309 | 80,512 |
| Representing: | | | | | |
| Restricted Funds | **14** | 32,246 | 24,470 | 32,246 | 24,470 |
| Unrestricted Funds | **14** | 28,681 | 56,042 | 28,063 | 56,042 |
| Total Funds | | **60,927** | 80,512 | **60,309** | 80,512 |

These accounts have been prepared with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006.

The accounts were approved by the Board on:



Peter Moorey
Chair of Trustees
17.10.2023



Stuart Davis
Treasurer
17.10.2023

**THE SHEILA McKECHNIE FOUNDATION**
**(A COMPANY LIMITED BY GUARANTEE)**
**CONSOLIDATED CASH FLOW STATEMENT**
**FOR THE YEAR ENDED 31 MARCH 2023**
**COMPANY REGISTRATION NO. (ENGLAND AND WALES) 5331412**

| | Group | Group |
|---|---|---|
| | **Period Ending 31 Mar 2023** | Period Ending 31 Mar 2022 |
| | **£** | £ |
| ***Cashflows from Operating Activities*** | | |
| **Net Cash provided by Operating Activities** | **108,953** | (18,663) |
| ***Cashflows from Investing Activities*** | | |
| Purchase of property, plant and equipment | (8,980) | - |
| **Net Cash provided by Investing Activities** | (8,980) | - |
| **Net Change in cash and cash equivalents in the period** | **99,973** | (18,663) |
| **Cash and cash equivalents at the beginning of the period** | **79,334** | 97,997 |
| **Cash and cash equivalents at the end of the period** | **179,307** | 79,334 |

**Notes to Cashflow Statement**

**Reconciliation of net income to net cash flows from operating activities**

| | **Period Ending 31 Mar 2023** | Period Ending 31 Mar 2022 |
|---|---|---|
| | **£** | £ |
| **Net income for the reporting period** | (19,585) | 18,689 |
| Adjustments for: | | |
| Depreciation | 2,388 | 2,838 |
| (increase)/decrease in debtors | 13,220 | (9,136) |
| Increase/(decrease) in creditors | 112,929 | (31,055) |
| **Net cash provided by operating activities** | **108,953** | (18,663) |

**Analysis of cash and cash equivalents**

| | **Period Ending 31 Mar 2023** | Period Ending 31 Mar 2022 |
|---|---|---|
| | **£** | £ |
| Cash in hand and at bank | 179,307 | 79,334 |
| **Total cash and cash equivalents** | **179,307** | 79,334 |

**Company status**

The Sheila McKechnie Foundation is a private company limited by guarantee and has no share capital. The liability of each member does not exceed £10. It is a charity registered in England and Wales (registration No. 1108210), Scotland (Registration No. SC044207). Its company registration number is 05331412 (England and Wales). Its registered address is Crown Chambers, Bridge Street, Salisbury SP1 2LZ

Sheila McKechnie Trading Ltd is a private limited company with a nominal share capital of £1. Its company registration number is 13248880 (England and Wales). Its registered address is Crown Chambers, Bridge Street, Salisbury SP1 2LZ

**Note**

## 1 Accounting policies

### 1.1 Basis of preparation

The Sheila McKechnie Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. These accounts have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity. Balances within the accounts have been rounded to the nearest £1. The accounts are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. In preparing the accounts, the Trustees have assessed the Charity's ability to continue as a going concern. The principle financial risk facing the Charity is its ability to generate sufficient income to cover expenditure incurred in fulfilling its objectives. The Trustees have reviewed the cash position of the Foundation and cash forecasts at the date of signing the accounts, including grants and donations secured or pledged, together with unavoidable financial commitments, and are satisfied that the Foundation will be able to meet all of its financial commitments. As a consequence the Trustees believe that the Foundation is well placed to manage its financial risks successfully, including the impact of Covid-19, and that the Foundation has adequate reserves to continue in operational existence for the foreseeable future and at least, but not limited to, 12 months from the date of approval of these accounts. Accordingly the Trustees continue to adopt the going concern basis in preparing the accounts and are satisfied that there are no material uncertainties related to events or conditions that cast significant doubt on The Sheila McKechnie Foundation's ability to continue as a going concern.

### 1.2 Fund accounting

The charity's accounts are defined as follows:

Unrestricted Funds comprise accumulated surpluses and deficits on general funds; they are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Restricted Funds are funds subject to specific restricted conditions imposed by the donors.

**1.3 Incoming resources**

All incoming resources are accounted for when the charity has entitlement, there is certainty of receipt and the amount is measurable. Income is deferred when it is in respect of work to be carried out in the following year.

Voluntary income comprises all incoming resources from donations and gift aid. Charitable activities comprises incoming resources from grants and charitable trading. Investment income is Bank interest accounted for on a receivable basis. Other income comprises income from non-charitable trading.

**1.4 Resources expended**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grant are recognised as services are supplied. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**1.5 Debtors, Cash and Creditors**

Debtors - short term debtors are measured at transaction price.

Cash and cash equivalents - comprise cash at bank and in hand.

Creditors - short term creditors are measured at the transaction price or when a constructive obligation arises to transfer economic benefits to a third party

**1.6 Fixed Assets and Depreciation**

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset over the useful economic life. The rate adopted is as follows:

| | | |
|---|---|---|
| Fixtures and Fittings | - | 33% straight-line |
| Computer Equipment | - | 33% straight-line |

**1.7 Reserves policy**

The Directors of SMK take the view that a reserve should be held sufficient to pay notice periods for all staff plus any other liabilities re. rent or other suppliers in the event the charity has to wind up. Based on SMK's current head count and notice periods, this means a figure of £88K would ideally be held in Reserve. Recognising that it is very unlikely the charity will have to wind up at no notice, and that some wind down costs could potentially be covered from other sources, the Board has agreed that the more moderate figure of £60K is reasonable to hold in reserve and is proportionate to the Charity's income. The Directors of SM Trading do not believe it necessary to maintain a Reserve beyond working capital necessary to meet current liabilities.

**1.8 Pension**

Pension costs represent payments to individual personal pension schemes of employees. Pension costs are charged to the Statement of Financial Activities in the period in which they are paid.

**1.9 VAT**

SMK is not registered for VAT; income and expenditure is stated gross of VAT as it is not recoverable. SM Trading is registered for VAT; income and expenditure is stated net of VAT.

**1.10 Governance Costs**

The Auditor's remuneration for 2023 was £4,250 (2022 £4,000).

**Note**

**2 Voluntary income**

| | Group Total 2023 | | | Group 2022 |
|---|---|---|---|---|
| | **Unrestricted funds** | **Restricted funds** | **Total** | Total |
| | **£** | **£** | **£** | £ |
| Donations | 14,175 | - | 14,175 | 5,845 |
| Miscellaneous Voluntary Income | 774 | - | 774 | 698 |
| | **14,948** | **-** | **14,948** | 6,543 |

**3 Other Incoming Resources**

| | 2023 | | | 2022 |
|---|---|---|---|---|
| | **Unrestricted funds** | **Restricted funds** | **Total** | Total |
| | **£** | **£** | **£** | £ |
| Grants | 242,918 | 174,124 | 417,042 | 356,400 |
| Consultancy | 62,763 | - | 62,763 | 59,184 |
| Events and Training | 86,783 | - | 86,783 | 84,757 |
| Miscellaneous Commercial Income | 396 | - | 396 | 146 |
| Charitable Activity income | 59,000 | - | 59,000 | 47,210 |
| **Total resources** | **451,860** | **174,124** | **625,984** | 547,697 |

| **Grants** | **£** | |
|---|---|---|
| John Ellerman Foundation | 50,000 | |
| Trust for London | 37,500 | |
| Corra Foundation | 12,345 | (deferred from 2021-2022) |
| Joseph Rowntree Charitable Trust | 59,750 | (of which, 9,750 deferred to 2023-24) |
| Paul Hamlyn Foundation | 44,000 | (of which £4,000 deferred to 2023-24) |
| Tudor Trust | 30,000 | |
| Oak Foundation | 218,136 | (of which £32,189 deferred to 2023-24) |
| Barrow Cadbury | 7,500 | (deferred to 2023-24) |
| Add Accruals from 2023-24 | 11,250 | (£7,500 Trust for London, £3,750 Paul Hamlyn Foundation) |
| Less Deferrals to 2023-24 | (53,439) | (£32,189 Oak Foundation, £7,500 Barrow Cadbury, £4,000 Paul Hamlyn Foundation, £9,750 Joseph Rowntree Charitable Trust) |
| | 417,042 | |

Deferred Income refers to cash grants received before the Balance Sheet date but relating to activities commencing thereafter

Accrued Income refers to cash grants received after the Balance Sheet date but relating to activities conducted beforehand

**Note**

**4 Comparator for Prior Year SoFA/P&L Values**

| | Group Total | | |
|---|---|---|---|
| | 2022 | | |
| | Unrestricted funds £ | Restricted funds £ | Total £ |
| Incoming resources | | | |
| Voluntary income | 6,543 | - | 6,543 |
| Charitable activities | 279,110 | 124,500 | 403,610 |
| Other trading activities | 144,087 | - | 144,087 |
| Total Incoming resources | **429,741** | **124,500** | **554,241** |
| Resources expended | | | |
| Raising funds | - | - | - |
| Charitable activities | 298,242 | 115,433 | 413,675 |
| Other trading activities | 121,877 | - | 121,877 |
| Total resources expended | **420,119** | **115,433** | **535,552** |
| Net movement in funds | 9,622 | 9,067 | 18,689 |
| Balances at 1 April 2021 | **46,420** | **15,403** | **61,824** |
| Fund Transfers | - | - | - |
| Balances at 31 March 2022 | **56,042** | **24,471** | **80,512** |

**5 Grant-Making Activities**

A single grant was paid in 2022-23 at a value of £25,000 (2022: £NIL). The grant was paid to an institution (not to an individual) and was in support of an initiative to examine the negative impact power structures can have in the Charity sector. Total amount of support costs allocated to grant-making activities was £50 (2022: £NIL)

**6 Cost of Charitable/Trading activities:**

| | Group Total | | | Group |
|---|---|---|---|---|
| | **2023** | | | 2022 |
| | **Unrestricted funds £** | **Restricted funds £** | **Total £** | Total £ |
| Staff Cost | 400,999 | 133,697 | 534,696 | 427,607 |
| Projects expenditure | 26,871 | 13,189 | 40,059 | 50,893 |
| Grants Payable | 25,000 | - | 25,000 | - |
| Office overheads | 41,299 | 19,463 | 60,762 | 57,052 |
| | **494,169** | **166,348** | **660,517** | 535,552 |

## 7 Number of employees

The average number of employees of SMK during the year was 9 (2022: 8).
The average number of employees of SM Trading during the year was 1 (2022 Nil).

## 8 Employment costs

| | Group Total | Group |
|---|---|---|
| | **2023** | 2022 |
| | **£** | £ |
| Wages and salaries | 405,762 | 324,052 |
| Social security | 39,299 | 28,860 |
| Pension costs | 21,289 | 17,687 |
| Consultancy/Professional services | 64,393 | 55,008 |
| Staff Recruitment & Training | 2,474 | - |
| Staff Wellbeing | 1,479 | 2,000 |
| | 534,696 | 427,607 |

employer National Insurance contribution costs) that fell between £80,000 and £90,000 (2022: Nil). No other employees had emoluments exceeding £60,000 (2022: 1 employee between £70,000 and £80,000)

The CEO is considered to be the Key Management Person of both SMK and SM Trading. The total remuneration of the CEO during the year was £98,267 (2022: £93,321) including Employer's NIC and

## 9 Trustees

During the year, one trustee received remuneration of £500 (2022: £1,000). This related to participation in Power Project workshops and the relationship existed before the appointment of the trustee. Trustees reimbursed expenses were £Nil (2022: £Nil)

**Notes**

**10 Tangible Fixed Assets**

| | SMK | Group |
|---|---|---|
| **COST** | £ | £ |
| B/F at 31 Mar 22 | 11,789 | 11,789 |
| Additions | 8,053 | 8,980 |
| C/F | 19,842 | 20,769 |
| **Depreciation** | | |
| B/F | 11,073 | 11,073 |
| Charge for year | 2,079 | 2,388 |
| C/F | 13,152 | 13,461 |
| **NET BOOK VALUE** | | |
| B/F at 31/3/2022 | 716 | 716 |
| C/F at 31/3/2023 | 6,690 | 7,308 |

**Investment in Subsidiary**

| | £ | £ |
|---|---|---|
| B/F at 31 Mar 22 | 1 | - |
| Additions | - | - |
| C/F | 1 | - |

The investment in subsidiary consists of 1 ordinary share (100% of the share capital) in Sheila McKechnie Trading Limited

**11 Debtors**

| | Group | | Charity | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **Total** | Total | **Total** | Total |
| | £ | £ | £ | £ |
| Trade debtors | 37,635 | 24,190 | - | 5,410 |
| Provision for Doubtful Debt | - | (1,690) | - | (1,690) |
| Accrued Donation from SM Trading | - | - | 53,204 | 33,179 |
| Other Accrued Income | 11,250 | 37,000 | 11,250 | 37,210 |
| Prepayments & Deposits | 130 | 2,735 | 130 | 2,735 |
| | 49,015 | 62,235 | 64,584 | 76,844 |

**12 Creditors: amount falling due within one year**

| | Group | | Charity | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **Total** | Total | **Total** | Total |
| | £ | £ | £ | £ |
| Trade creditors | 9,252 | 3,696 | 7,254 | 1,601 |
| Deferred income | 108,639 | 21,998 | 81,189 | 12,345 |
| Payroll Liabilities | 12,176 | 9,517 | 11,951 | 8,879 |
| VAT | 8,540 | 7,501 | - | - |
| Other Accruals | 36,095 | 19,061 | 34,765 | 18,771 |
| | 174,702 | 61,773 | 135,160 | 41,596 |

## 13 Operating Lease

Minimum lease payments under the non-cancellable operating lease for the office space are:

| | Group Total | |
|---|---|---|
| | **2023** | 2022 |
| Not later than one year | 222 | 12,675 |
| Later than one year and not later than five years | - | - |
| Later than five years | - | - |
| Lease payments recognised as an expense. | 13,457 | 30,288 |

**Notes**

**Sheila McKechnie Foundation**

| 14 | **Movement in funds 2022-23** | **At start of the year** | **Incoming Resources** | **Outgoing Resources** | **Fund Transfers** | **At end of the year** |
|---|---|---|---|---|---|---|
| | **Restricted funds** | | | | | |
| | Civic Space | 12,750 | | (12,750) | - | - |
| | Social Change Scotland | - | 12,345 | (12,345) | - | - |
| | Housing and Homelessness | | 116,779 | (87,532) | - | 29,247 |
| | Power Project | 11,720 | 45,000 | (53,721) | - | 3,000 |
| | **Total Restricted Funds** | **24,470** | **174,124** | (166,348) | **-** | **32,246** |
| | **Unrestricted funds** | | | | | |
| | Reforming Civil Society | - | 15,000 | (4,218) | (10,782) | - |
| | Awards | - | 59,000 | (22,839) | (36,161) | - |
| | Miscellaneous Events | - | 103 | - | (103) | - |
| | Core | - | 319,640 | (394,047) | 74,407 | - 0 |
| | Reserves | 56,042 | - | - | (27,361) | 28,681 |
| | **Total Unrestricted Funds** | **56,042** | **393,743** | (421,104) | **-** | **28,681** |
| | **Total Funds** | **80,512** | **567,867** | (587,452) | **-** | **60,927** |

| | Movement in funds 2021-22 | At start of the year | Incoming Resources | Outgoing Resources | Fund Transfers | At end of the year |
|---|---|---|---|---|---|---|
| | Restricted funds | | | | | |
| | Civic Space | - | 43,500 | (30,750) | - | 12,750 |
| | Social Change Scotland | - | 22,500 | (22,500) | - | - |
| | Power Project | 13,403 | 58,500 | (60,183) | - | 11,720 |
| | Restricted Core | 2,000 | - | (2,000) | - | - |
| | Total Restricted Funds | 15,403 | 124,500 | (115,433) | - | 24,470 |
| | Unrestricted funds | | | | | |
| | Reforming Civil Society | - | 74,000 | (74,000) | - | - |
| | Awards | - | 47,000 | (14,833) | (32,167) | - |
| | Miscellaneous Events | - | 441 | (441) | - | - |
| | Core | - | 234,891 | (257,436) | 22,545 | - |
| | Reserves | 46,420 | - | - | 9,622 | 56,042 |
| | Total Unrestricted Funds | 46,420 | 356,332 | 346,710 | - | 56,042 |
| | Total Funds | 61,824 | 480,832 | 462,142 | - | 80,512 |

**Restricted projects:**

**Civic Space:** SMK has been commissioned by a group of funders to examine the growing threats to civic space in the UK, and consider how civil society could be strengthened to better resist.

**Social Change Scotland**: SMK is piloting a new network bringing people together from right across civil society in Scotland to consider common challenges and opportunities. This project concluded at the end of FY 2022-23

**Housing and Homelessness.** SMK is being funded to provide support to grantees of the Oak Foundation's UK programme - focused entirely on organisations working to address housing needs. SMK is bringing its expertise in social change and working in solidarity to build the capacity and confidence of organisations in this sector. It is a five-year programme.

**Power Project:** The Power Project is a Cornerstone funded two-year project that is exploring what it would look like if civil society in London was better at sharing power in pursuit of social change, with a focus on lived experience, poverty and socio-economic inequality.

**Transfer of funds**

At 31 March 2023 all Unrestricted funds were consolidated into Reserves. There were no transfers between Restricted and Unrestricted Funds during the year

## 15 Investment in trading subsidiary

The wholly-owned subsidiary, Sheila McKechnie Trading Limited, which is incorporated in England and Wales, pays its profits to the charity by gift aid. Sheila McKechnie Trading Limited operates the consultancy and events and training income functions of the group. The charity owns the entire issued share capital of 1 ordinary share of £1 each. A summary of the trading results is shown below

| Trading | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Turnover | 148,847 | 144,087 |
| Cost of sales and administrative expenses | (95,025) | (96,120) |
| Net profit / (loss) | 53,822 | 47,967 |
| Gift aid donation | (53,204) | (47,967) |
| Retained in the subsidiary | 618 | - |

The assets and liabilities of the subsidiary were

| | | |
|---|---|---|
| Fixed Assets | 618 | - |
| Current Assets | 38,926 | 53,567 |
| Creditors: amounts falling due within 1 year | (38,925) | (53,566) |
| Total net assets | 619 | 1 |

## 16 Analysis of Net Assets between Funds

| **Analysis of net assets between funds - current year** | Unrestricted | Restricted | Total |
|---|---|---|---|
| Tangible Fixed Assets | 7,308 | - | 7,308 |
| Fixed Asset Investments | - | - | - |
| Current Assets | 172,219 | 56,103 | 228,322 |
| Creditors due within one year | (150,846) | (23,856) | (174,702) |
| | 28,681 | 32,246 | 60,927 |

| **Analysis of net assets between funds - prior year** | Unrestricted | Restricted | Total |
|---|---|---|---|
| Tangible Fixed Assets | 716 | - | 716 |
| Fixed Asset Investments | - | - | - |
| Current Assets | 104,753 | 36,816 | 141,569 |
| Creditors due within one year | (49,428) | (12,345) | (61,773) |
| | 56,042 | 24,470 | 80,512 |

**THE SHEILA MCKECHNIE FOUNDATION**

England & Wales - Charity number 1108210

# Accounts

# THE SHEILA McKECHNIE FOUNDATION

**Charity Registration in England and Wales No. 1108210**
**Scotland Registration No. SC044207**

**Company Registration No. (England and Wales) 05331412**

# (A COMPANY LIMITED BY GUARANTEE)

# AUDITED TRUSTEES' REPORT AND ACCOUNTS

# FOR THE YEAR ENDED 31 MARCH 2022

**THE SHEILA McKECHNIE FOUNDATION**
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## THE SHEILA McKECHNIE FOUNDATION
## LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| Trustees | Peter Moorey (interim Chair)<br>Stuart Davis (Treasurer)<br>Cecilie Hestbaek<br>Rhea Stevens<br>Bushra Ahmed<br>Kimberly Garande<br>Patrick Steen<br>Zainab Ali Khan<br>Deborah Doane<br>Richard Lane (Appointed 7 April 2021) |
| Registered Address | Crown Chambers<br>Bridge Street<br>Salisbury<br>SP1 2LZ |
| Auditor | Fletcher & Partners<br>Crown Chambers<br>Bridge Street<br>Salisbury<br>SP1 2LZ |
| Bankers | Unity Trust Bank<br>Nine Brindleyplace<br>Birmingham B1 2HB |

# TRUSTEES REPORT AND ACCOUNTS FOR FINANCIAL YEAR APRIL 2021 TO MARCH 2022

## THE SHEILA MCKECHNIE FOUNDATION (SMK)

This trustees' report includes the Directors' report as required by company law.

## Introduction

Part think-tank, trainer, convener, and champion, SMK is facilitating a new approach to civil society – the people and organisations outside of government and business.

Change often begins in civil society. We believe it has the potential to drive deeper and longer-lasting change – in one person's life or our entire society – if it works at its best and without unreasonable constraint.

We call this *Social Power.*

We unleash civil society's Social Power by being curious about how change happens, by building its confidence and effectiveness, and by championing campaigners and campaigning.

We are passionate, single-minded, and tenacious. We think like campaigners: we analyse problems, find ways to overcome them, and bring people with us. We use our independence to stand up against those who put barriers and constraints in the way.

Social justice drives our approach, and we are committed to using our own power to create greater equity. We work right across civil society, from those campaigning from their front rooms to those in the offices of global organisations.

Campaigners need someone to support and campaign for them too. And that's SMK.

## Objectives of the charity

To promote the efficiency and effectiveness of charities and the effective application of resources for charitable purposes for the benefit of the public by raising the standard of, and promoting excellence in, campaigning on behalf of charitable purposes in particular by:

Recognising individuals who have conducted effective and lawful campaigns that further charitable purposes

Raising awareness of good practice in campaigning

Providing information and guidance to people who are campaigning in furtherance of charitable objectives

## Public benefit statement

In setting our objectives and planning our objectives Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing citizenship and community development.

## Activities and Review

In 2021/22, as the Covid pandemic continued, the world did not return to 'business as usual'. In common with many charities, the Sheila McKechnie Foundation has continued to explore the challenges and opportunities that hybrid working presents.

Our training and consultancy has recovered strongly since 2020-21, pulling in £144k across the year, with online provision continuing to be a strength. In 2021-22, we have trained 345 people from individual activists to professional campaigners.

The Reforming Civil Society (ARCS) group of charity chief executives expanded its membership in 2021-22, thanks to solidarity memberships funded by Barrow Cadbury and Paul Hamlyn Foundation. As well as meeting as a group to discuss issues of the day, charity chief executives met senior people from the worlds of politics, journalism, business, justice, and more, with a view to understanding better how charity voices are valued and, ultimately, participating more visibly in our national debate.

This year saw the culmination of the first phase of the Power Sharing Project, our inquiry into what would it look like if civil society in London was better at sharing power in pursuit of social change, supported by the Cornerstone Fund (in our case City Bridge Trust and Trust for London). Working closely with the project's 'Core Learning Group', a diverse group with a mix of lived and professional experience of poverty and inequality, we developed a range of practical tools and insights to support charities and other formal social sector organisations to develop a more nuanced understanding of power and participation. These tools were tested with our wider Community of Practice through participatory workshops, before launching our publication, *It's All About Power*, with accompanying digital resources, in March 2022.

Thanks to a further grant from Trust for London, SMK can move into the next phase of the Power Project in 2022-23, calling for a new way of thinking about power in the sector and encouraging strategic action to build greater solidarity in social change. The project also attracted attention from Oak Foundation, who have now granted SMK £1m over five years to run a capacity building programme for their UK grantees.

In May 2021, for the second year, we streamed the SMK National Campaigner Awards live via YouTube. They have since been viewed over a thousand times. The calibre of entries was strong. Judges remarked that it was a real challenge to select overall winners in some categories. And, for the first time (and for the

next three years), SMK secured a title sponsor – Bates Wells, leading legal advisers to civil society. Thanks to Bates Wells and all our category sponsors.

In autumn 2021, we launched Social Power Scotland – a pilot network for change-makers in Scotland, supported by the Corra Foundation. The key ambition of Social Power Scotland is to explore whether there is value in creating a new space for change-makers to come together to pool knowledge, ideas and resources that could strengthen their ability to drive change – individually and collectively. The network currently stands at over 200 people, with around 20-30 attending regular meetings to share their experiences.

In early 2022, the headline finding of our annual Campaigner Survey for 2021 was that attacks on charities for being too 'woke' were actually backfiring. Once again, our results received coverage in both the nation and trade press. This also led to more in-depth opportunities to comment on the current campaigning environment for Third Sector and Leadership and Governance magazine.

SMK has maintained its interest in shrinking UK civic space and its impact on campaigners for years, but thus far our work has been unfunded. Following up on discussions with a group of independent funders, we made a bid in partnership with Civil Exchange for a project that would help funders determine how best to support and stimulate work to defend civic space in the UK. They in response funded research that kicked off in January 2022, with a series of one-to-one interviews with civil society leaders, politicians and commentators from across the political spectrum.

This work is significantly supported by our new colleague, Seth Farsides, who joined us in November 2021 as Policy and Research Officer. This took our head count in 2021/22 to eight members of staff (a mix of both full and part-time).

At the end of the financial year, we launched our 2022 Review Document. It looked back at what we've been up to and where we are headed. It also restructured our strategic framework into three areas: Capacity Builders; Champions; Think Tank.

For the purposes of this 2021-22 report, however, we have reported under our original four strategic objectives, which underpinned our work in this year.

Before doing so, our thanks too to our loyal and long-standing core funders: Paul Hamlyn; the Tudor Trust; John Ellerman and the Joseph Rowntree Charitable Trust. Our further thanks to Tudor Trust and Blagrave for the unexpected well-being 'gifts' given to help us navigate Covid.

# 1. WE CAPACITY BUILD

*We strengthen our sector by developing its knowledge, skills and confidence in campaigning and social change. We do this by providing resources and supporting people and organisations directly through our training and consultancy services.*

## Training

> *'The workshop on Law was hugely inspiring, especially because the person who facilitated it is a working lawyer and she showed us examples from her work and very deeply moving stories of pursuing justice and accountability.'*
>
> *Using the Legal System to Achieve Change* workshop attendee

Last year we reported on the re-launch of SMK's campaign training as a fully digital service in response to the Coronavirus crisis. The new 'Campaign Carousel' didn't just take our existing training online, it involved a comprehensive review and revision of our offer to ensure it equips campaigners with the tools needed to create change. There are 13 individual workshops that together form the Campaign Carousel, covering the basics of planning for change, and a range of more specialist topics from Influencing Locally through to Digital Campaigning and Using the Law https://smk.org.uk/what-we-do/training/campaign-carousel/. All workshops can be accessed individually, or campaigners can build their own package of campaign training designed to be completed flexibly over a year. In 2021/22 we have trained 345 people from individual activists to professional campaigners in organisations as varied as Which? and Crisis.

Since launch we have continued to develop and improve the Carousel programme, under the supervision of Course Director Kath Christie. Over the last year we have reviewed and re-launched 5 out of 13 workshops including 'Using the Legal System to Achieve Change' with Shauneen Lambe founder of Just for Kids Law, and 'Power, Participation and Lived Experience' with Jo Ram one of the Stansted 15. Further improvements are planned, including strengthening the community aspect of the Carousel. The environment for campaigners is changing all the time, so the Carousel must continuously evolve to keep pace.

The Carousel has now been running for almost 18-months and has thoroughly bedded in. This is what we have learned so far:

- The online model works well, and has broadened access across the UK's nations and regions
- The flexibility, choice, and content of the Carousel model is valued by trainees, with 89% of post-workshop evaluation respondents rating their session 3 or 4 out of 4
- There is evidence that our training increases the capacity of campaigners. Our survey of those who have completed the full Carousel showed that 44% had increased their confidence to campaign effectively

by a lot or dramatically, 78% reported an improvement in their networks with other campaigners, and 100% reported an improvement in their ability to gain internal support for campaigning

- Demand is strong and growing with many workshops fully subscribed. We are looking at how we can grow the provision of workshops to better meet heavy demand

*'I loved the Community Organising workshop - it was fantastic to get to work with the other campaigners and try things out together.'*

*Community Organising* workshop attendee

SMK receives no funding for training, and it is now established as a trading operation. This means there are financial barriers to participation for smaller organisations and individual activists. Last year we outlined plans to address this unmet need through the development of a 'Centre for Campaigning Excellence' providing free resources and support. We haven't, as yet, been able to raise funds to develop this idea. It remains an SMK ambition and we will continue to look for ways to realise it. In the meantime, we have introduced a tiered pricing model to help those with less deep pockets to access the Carousel.

We also have plans over the next year to trial the expansion of our training and professional development offer beyond the Carousel. With a 'Masterclass' programme, providing more specialist skills development, and plans for a professional development offer for senior campaigners and Chief Executives of organisations with significant campaigning activity.

**Commissioned training & Consultancy**

Following a lull at the height of the Coronavirus crisis we have seen demand for in-house training and consultancy recover quite strongly, especially in the first quarter of 2022.

During the year SMK has provided in-house training for clients including the Institute of Physics, Clinks, Foyer Federation, and Wildlife Trusts.

We have also supported a number of organisations with the development of their campaigning strategies, including, for example, U3A, Z2K, and Equally Ours.

There are a couple of trends we have observed through our work with clients. The first is that our help has been sought by a couple of established charities, including the Institute of Physics and U3A, who wanted to shift their culture towards campaigning. Recognising that some of the issues they want to tackle require structural change, they have been looking at how they can strengthen the reforming aspect of their work. This is great news for SMK given that our own mission is to unleash the reforming potential of civil society, and it's a trend we hope continues.

Also noteworthy has been the context for our work supporting organisations to develop or renew their campaigning strategies. For many organisations the

environment for their work is very difficult, and they are having to deal with government policy that is regressive, and impacts those they are trying to help adversely. For many, but not all, access to Whitehall and government is also increasingly difficult. The challenge is how do you position yourself for long-term success, when the immediate future looks so difficult. These are challenges that we think the wider sector, and campaigning profession generally, are having to grapple with.

## 2. WE CHAMPION

*We stand up for civil society's role and value, defending civic space and the right to campaign. We celebrate the very best campaigns and campaigners each year at the SMK National Campaigner Awards.*

**SMK Annual Campaigner Survey**

Our Annual Campaigner Survey continues to provide the social sector with evidence and insight and is regularly quoted by other organisations. The headline finding of our sixth annual survey was that attacks on charities for being too 'woke' were actually backfiring.

Once again, our results received coverage in both the nation and trade press. This also led to more in-depth opportunities to comment on the current campaigning environment for Third Sector and Leadership and Governance magazine.

Campaigners in the UK are encountering a growing range of barriers. Some are concrete, such as legislation designed to restrict protest, while others are more insidious, like the so-called 'war on woke'. They add up to a trend of 'shrinking civic space' or, more plainly, people's ability to influence the decisions that shape their world. Despite this, campaigners are more likely to speak out now than a year ago.

Unfortunately, campaigners say that attitudes amongst politicians have become more negative in the past year (79%, up from 63% in 2020). Only 3% say they are becoming more positive. Around half say the media has become more negative.

A massive 96% say there are threats to the freedom to organise, speak out and protest. These include proposals to restrict protest and judicial review, and negative statements by politicians. There is also deep concern that legislation will 'chill' campaigning activity more broadly.

But campaigners say they will not be cowed. Recent attacks on charities such as the National Trust, RNLI and Runnymede Trust have made 30% more likely to speak out. Only 7% report they are now less willing.

This is mirrored in the surges of public support for the RNLI, which reported a spike in donations following criticism by some politicians, and the National Trust, which saw record-breaking membership rises last year.

Campaigners say they are more determined and are paying greater attention to risk and strategy.

**Lobbying Act**

On 20 July 2021, SMK were invited to give oral evidence to the Public Administration and Constitutional Affairs Committee (PCAC) on the work of the Electoral Commission. Our focus was its regulation of third-party campaigners under the Lobbying Act and proposals to expand registration. We gave evidence alongside Friends of the Earth, Bond and the NASUWT.

*'The [Lobbying Act] and further changes the Government are now seeking feel like a very blunt solution to a very vague problem. We know that it is important that the cost of the solution does not outweigh its benefits, because one of the biggest costs is to the quality of our democratic debate.'*

Chloe Hardy, Director of Policy & Comms – evidence to PCAC

**Defending UK civic space**

For more than a decade, civil society in the UK has faced a series of threats to the environment it operates in – sometimes referred to as the 'civic space'. These threats affect the rights, freedoms and protections that allow people and institutions to organise: to speak out, press for change, hold decision-makers to account, or build our common culture. Despite efforts to push back and defend civic space, it is shrinking.

The Sheila McKechnie Foundation, committed to unleashing civil society's capacity to create profound, long-term change, began to track those threats and quickly become seriously concerned that the totality of these shifts might amount to an existential crisis for the sector. The magnitude and multitude of these threats were directly hindering many parts of civil society's ability to create and shape social change.

In recent times, organisations and individuals in this space have had to navigate the Lobbying Act, anti-advocacy clauses in funding conditions, the Elections Act, Police Bill, anti-terror policies cast too widely, additional surveillance, attacks by politicians on charities deemed too 'woke' and contend with political appointments to independent bodies - and this list is far from exhaustive. At the same time, a lack of understanding around the role of charities and the social sector has made it increasingly easy to marginalise and even attack its efforts to contribute to our national conversation.

In autumn 2021, global civil society alliance CIVICUS declared that UK civic space had 'narrowed', adding it to its human rights watchlist.

A new project, supported by a group of five funders, set out to determine the current health of our civic space, map threats and identify trends, consider what future interventions might be most effective in defending civic space, and where additional resources might best be invested to support them.

In the final quarter of 2021-22, working with independent think-tank Civil Exchange, we kicked off the research with a series of interviews with people within civil society and beyond. A final report is due in summer/autumn 2022.

**A Reforming Civil Society (ARCS)**

The ARCS group of charity chief executives expanded its membership in 2021-22, thanks to solidarity memberships funded by Barrow Cadbury and Paul Hamlyn Foundation.

SMK organised a programme of conversations with external opinion-formers from the worlds of politics, journalism, business, justice, and more, with a view to understanding better how charity voices are valued and, ultimately, participating more visibly in our national debate.

We are hopeful that, on top of the valuable insight and solidarity building, the ARCS group will also, eventually, develop into a source of income that supports SMK's core work.

**SMK National Campaigner Awards 2021**

The purpose of the Awards is to celebrate campaigners and change-makers:

- *so that* change makers feel supported and encouraged to campaign
- AND the legitimacy and value of civil society in driving social change is made more visible
- *so that* civil Society achieves change because it feels strong and faces no unreasonable constraints to campaigning
- *so that* we can achieve **a more confident and powerful civil society where people work together to drive social change.**

The 2021 National Campaigner Awards shortlist was of a high calibre, with judges remarking that, in a number of categories, this was a real challenge for them. Winners were exceptional in the breadth of issues they addressed, which included women's rights, domestic abuse, clean air for Londoners, climate change, and pregnancy discrimination.

For the first time, SMK has secured a title sponsor for the Awards – Bates Wells, leading legal advisers to civil society – who have signed up to be partners on the Awards for the next three years.

Alongside this, we had a further seven single category sponsors including some extended support from The Blagrave Trust, sponsors of the Young Campaigner Award category. The support of our dedicated sponsors is what makes these Awards possible so we are incredibly grateful.

In 2021, for the second year, we streamed the SMK National Campaigner Awards live online via YouTube. Since then, they have been viewed over **1000** times.

We worked with video production company Voytek for the second year in a row to deliver an exceptionally high-quality online event and benefitted from in-kind support from Brand Ethos for this year's stand-out Awards visuals and assets. These partnerships are a real testament to how much our partners believe in the work we are doing and the quality of our relationships with them.

This year, we had a social media engagement strategy in place in the run up to the Awards and afterwards. In this period, social media engagement increased over last year's and included:

- Twitter:  200 more followers Tweet impressions = 588K
- Profile visits = 24.2K Mentions = 424
- Facebook: Post reach: 40,428 Post engagement: 754

The Awards team continues to work on improving the Awards year on year. We aim to offer our audiences an engaging experience, celebrate and champion change-making, and convene civil society campaigners so that they have the knowledge and power to drive social change. We are working with our partners and colleagues to ensure that the Awards are delivered to a high standard and continue to inspire and empower.

**Feedback from the event includes:**

*''What a fantastic watch! I say these were better than the Academy Awards themselves."*

*''Well done SMK - this is the very best virtual event/ceremony I have been to...twice now!''*

*"The award ceremony was great, and our whole team enjoyed it!"*

*"Can SMK please put on awards each month?! This has been great for the soul, so inspired and fired up!"*

*"One of the highest quality online events I have seen. Well done for what must have been a huge amount of work to pull off."*

## 3. WE ARE CURIOUS

*Making social change happen is always complex, often messy and rarely, if ever, easy. The world around us is constantly changing. Tools and tactics evolve. Attitudes in society and in our own organisations change. We bring together change-makers from all parts of civil society and create spaces where we can explore change-making together. We listen and share our evolving understanding of social change, as well as our unique tools, freely.*

**Power Sharing Project (now the Power Project)**

This period saw the culmination of the first phase of the Power Sharing Project, our inquiry into what would it look like if civil society in London was better at sharing power in pursuit of social change.

Working closely with the project's 'Core Learning Group', a diverse group with a mix of lived and professional experience of poverty and inequality, we

developed a range of practical tools and insights to support charities and other formal social sector organisations to develop a more nuanced understanding of power and participation. These tools were tested with our wider Community of Practice through participatory workshops, before launching our publication, *It's All About Power*, with accompanying digital resources, in March 2022.

For more information, see:

It's All About Power: https://smk.org.uk/wp-content/uploads/2022/03/SMK_ItsAllAboutPower_Digital.pdf
Power Project webpages: https://smk.org.uk/what-we-do/power-project/

The launch was a resounding success, featured in sector press (Civil Society News and Third Sector magazine) and generated an extremely positive response on social media from campaigners, funders and academics alike.

Comments included:

*Fantastic resource – and call to action for all those seeking to create social change… 'Change begins in the conversations and relationships you have everyday'* @MrJoeJenkins joe Jenkins Exec Director Social Impact @childrensociety; ViceChair & #ProudTrustee @RefugeeAction

*What a challenging, timely and practical report this is! In the tried and tested @SMKcampaigners fashion it takes the complex issue of power and gives us useful tools and practical solutions to look at how we can think and work differently and better.* @BarrowCadbury

*Thank you, this looks fantastic. I've just shared it with our social change students* @InnovAndSkills. @harshaPatel_ (Leeds Beckett Uni, MD at @Doing_Social)

Covid-19 had forced us to redesign our approach, bringing workshops and conversations online. However, the positive relationship developed with our funders at Cornerstone Fund (Trust for London and City Bridge Trust) allowed us to reallocate funds to ensure we could do justice to the quality and complexity of our research in the final publication. The initial grant was extended by three months, then a successful application to Trust for London will enable us to continue with a second phase of 'The Power Project' for two years (2022-23). This grant means SMK can continue to call for a new way of thinking about power in the sector, and encourage strategic action to build greater solidarity in social change.

Finally, our work on the Power Project attracted attention from Oak Foundation, who have now granted SMK £1million over five years to run a capacity building programme for their UK grantees, all working to tackle housing injustice and homelessness, building on SMK's analysis of power, campaigning and social change. This is a game-changing grant for SMK, allowing us expand the team from eight to eleven in Summer 2022, and placing our work on power and participation at the centre of our work for the next five years, at an important time for the sector.

### Social Power Scotland launch

The Social Power Scotland network held exploratory discussions with Scottish changemakers and launched publicly in November 2021. Its goal is to explore whether there is value in creating a new space for change-makers to come together to pool knowledge, ideas and resources that could strengthen their ability to drive change – individually and collectively.

220 people expressed an interest in the pilot programme, supported by the Corra Foundation, which will host six monthly network sessions. We held the first three discussions on 2021-22, attended by 20-30 participants, on the following topics:

*Is civil society too close to government in Scotland?*
Contributors: Annika Joy – CEO, Safe in Scotland; Derek Young – Policy Manager, Institute of Physics

*Making progress when the people you need aren't on board.*
Contributors: Alex Fleming – Chief Officer, 4 The Benefit of All; Derek Harper – Board Director, The Food Life; Alison Reeves – Scotland Manager, Making Music

*What can we learn from what goes wrong as well as what goes right?*
Contributors: Jonathan Christie – CEO, The Cabrach Trust; Pauline Lunn – Director, In Control Scotland

### Campaign trends & drivers

We continue to hold an ambition to continue to track and capture what's new, what's working and the emerging challenges in change-making. We continued to struggle to find the capacity to do this consistently in 2021-22 (though the We Are the Change-Makers events series was a way to stay connected to our audiences and hear from some ground-breaking campaigners). We remain committed to doing more of this work in 2022-23 and our fundraising and financial planning strategies include this as a priority.

## 4. ORGANISATIONAL INFRASTRUCTURE

### Comms, brand and marketing

After the success of SMK's re-brand at the end of 2020, we have continued to grow the brand and develop the positioning and visual identity across all of our platforms.

SMK continued work on SMK's digital infrastructure development in particular Salesforce that included some further investment in customisation and database management. This work is on-going and will require on-going resource and capacity across the project teams.

A new digital strategy for 2021-2022 was presented and signed off by the Board of Trustees and included:

- Improvement of social media and digital marketing channels and dissemination methods, using best practice in stakeholder engagement.
- Implementation of digital tools and digital training on platforms such as Canva, Lumen 5, Google Ads, SEO tools and analytics.
- A commission of Pilao Labs to complete an accessibility audit of SMK's website (technical and content). The first half began in March 2022 with second half to be completed in Autumn 2022.

Our analysis and comment pieces, newsletters and social media posts do not stop. We use these to share news from across the campaign community, as well as our own.

**Events programme**

We create spaces for change-makers to come together and share their experiences and ideas. And we are constantly tracking the emerging trends and tactics that shape today's campaigning. Our events have explored examples of change, challenged the status quo of what it means to be an activist, and our end-of-year 'shakedowns' offer a chance to reflect on and celebrate some tough times.

In 2021-22, we launched the first year of the *We are change-makers* events programme, a series of conversations with change-makers, commentators and campaigners who can share significant insights into change-making and who have something new or interesting to say about social change. Events have included author of the Entangled Activist, Anthea Lawson, and feminist and women's rights activist, Selma James.

Following the successful Shakedown of 2020, we hosted another review of the year in December 2021. We had around 30 attendees and some good discussions about campaign challenges and opportunities this year. However, it was clear that appetite for this kind of event, though high in the first year of the pandemic, was now waning and we will be planning 2022/23 events differently to respond to this.

**Staff and other organisational changes**

In this year, SMK had a core team of four full-time staff and four part-time staff all on permanent contracts. Seth Farsides is the new member of staff this year who joined in September 2021 as Policy & Research Officer (F/T).

Other core members of the team are Sue Tibballs, CEO (F/T); Rob Abercrombie, Deputy CEO (3 days p/w); Chloe Hardy, Director of Policy & Comms (4 days p/w); Sarah Thomas, Head of Power & Participation (3 days p/w); Emma Boyd, Head of Marketing &Comms (F/T); Megan Poyiadzis, Events & Programmes Manager F/T); Rummena Begum (Digital Marketing & Projects Officer F/T).

## Financial Review

Total income for the year was £554,241 (£434,043 in 2020-21), a 28% increase compared with the previous year. We continued to receive income from a diverse range of sources. 23% of our income was restricted to funding specific projects. These funders and projects are listed in the accounts (Note 3).

## Expenditure

Total expenditure amounted to £535,552 (£478,158 in 2020-21) a 12% increase compared with the previous year.

Funds at year-end were £80,512 (2020-21 £61,824).

## The Future

SMK continues to make progress in establishing itself as a valuable think tank and capacity-builder focused on campaigning, social change and civil society's reforming power.

We are asking questions about social change and how it happens that people recognise are important and want to discuss.

We are trusted to host significant projects that ask big and complex questions, and produce insights and tools designed that help others think and behave differently.

A very wide range of organisations working across a raft of issues are asking for our help to guide strategy and build capacity.

We have shown that with high quality IP, we can generate significant earned income.

We are helping not just protect civic space but also build a new narrative and engagement with the importance of civic space and civil society's reforming role.

We speak up for the campaign community and produce valuable evidence as to their experiences and attitudes.

High profile and well-regarded charities trust us and want to work with us to build a new understanding of charities' reforming role in society.

Our annual SMK National Campaigner Awards celebrate people and organisations whose achievements might otherwise be unsung.

We use our network to provide a platform to others, and work with partners and Associates to make their expertise more widely available.

Our reports are making national news, we are regularly asked to give comment, and our evidence is cited widely.

SMK – set up in memory of the brilliant Sheila McKechnie – is, we think, doing her proud. But we want to do more.

We think civil society and the social sector in the UK could be doing so much more – driving even more transformational change – if they were working without constraint and with the right support. What we call Social Power. Our role is to unleash it.

It remains the case that, where there is a sizeable industry in the US, there is very little provision for this kind of infrastructure and capacity building in the UK. SMK is working very hard to fill that gap but to meet need and demand, we need to be bigger ourselves.

We have set out a clear vision for our future in the hope we can grow our capacity and impact. We feel hopeful of securing sufficient support to keep growing this valuable organisation.

**Reserves Policy**

The charity's reserves policy is set out in the note 1.7 to the accounts.

**Structure, governance and management**

Sheila McKechnie Foundation is a charitable company limited by guarantee governed by its Memorandum of Association as adopted at the extraordinary general meeting on 21st February 2005. It is registered as a charity with the Charity Commission and as a Company with Companies House.

Pay and remuneration of staff is determined in accordance with SMK's pay & remuneration policy. As a very small employer, there are some key principles that underpin SMK's approach to pay and remuneration:

It must be simple and straightforward to administer

It should be flexible, recognising that SMK's income can fluctuate, and that organisational needs can change

It must reflect the values of the organisation

It must be in line with best practice in the sector

Pay levels are reviewed annually, taking into account evidence of pay levels across the sector more widely, and SMK reviews cost of living annually, and makes an award accordingly. SMK is a London Living Wage employer.

**Appointment of Trustees**

Our Articles of Association provide that SMK may have no less than three trustees but it is not subject to any maximum.

SMK uses a transparent and fair method when recruiting new trustees. We advertise all trustee vacancies and they are open to anyone who wishes to be a trustee. From time to time the Board may call for trustees with specialist skills and experience that it identifies is needed for the effective governance of the organisation.

The process is led by the Resource Committee, and applicants for trusteeship are asked to make their application in writing and to attend an interview. During this time, each applicant and interviewee goes through the same process. We also apply our equal opportunities policy to trustee recruitment.

Each new trustee received an introduction pack and an induction to the organisation, and support is readily available from the Officers of the organisation.

The board of Trustees meets regularly and there were 5 meetings held during the year (2020/21: 5).

The present members are listed in this report.

The following changes in trustees occurred during this financial year:

- Sarah Wootton and Moira Fraser Pearce retired formally.
- Cecile Hestbæk stood down and has been reappointed to the board.
- Richard Lane has been appointed to the board.

List of Trustees is in Page 2 Legal and Administrative Information.

Members of the Trust guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total amount of such guarantees at 31st March 2022 was 10 (2021: 10).

**Risk statement**

The trustees and staff jointly reviewed the possible risks facing the organisation during the year. Therefore, they were aware of the major risks facing the charity and are taking adequate steps to protect the charity. The major risks are related to the nature of the work within which the charity supports through grants and awards and the use of appropriate volunteers and people who support the charity.

**Auditors**

Fletcher & Partners were appointed as the charitable company's auditors.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

**Accounting and Reporting Responsibilities**

Company law requires the trustees to prepare financial statements, for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 Charities SORP

Make judgements and estimates that are reasonable and prudent.

State whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts.

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue to operate.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the charitable company's trustees, we certify that so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and as trustees of the charitable company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the trustees on 7th December 2022

and signed on their behalf by





Pete Moorey

Interim Chair

Stuart Davis

Treasurer

## INDEPENDENT AUDITORS' REPORT
## TO THE TRUSTEES OF THE SHEILA MCKECHNIE FOUNDATION

### Opinion

We have audited the consolidated financial statements of The Sheila McKechnie Foundation and its subsidiary for the year ended 31 March 2022, which comprise of the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Companies Act 2006 and Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing(UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRCs 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 directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises 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. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## INDEPENDENT AUDITORS' REPORT
## TO THE TRUSTEES OF THE SHEILA MCKECHNIE FOUNDATION

**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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report 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 group and parent charitable company's 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 by the parent charitable company, or return adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records or returns: or
- certain disclosure of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- 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' Responsibility 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 controls as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditors 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 and 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We ensured that the engagement team collectively had the appropriate competence and capabilities to recognise non-compliance with applicable laws and regulations;

We identified the laws applicable to the company through discussions with trustees and management, and from our knowledge and experience of the company and the sector; and

We ensured that the laws and regulations which we identified were communicated to the engagement team and that they remained alert to instances of non- compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material mis-statement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their assessment of the risk of fraud and their knowledge of actual or alleged fraud; and

- considering the effectiveness of internal controls to mitigate the risks of fraud and non-compliance with laws and regulations.

We addressed the risk of fraud through management bias and the over-ride of controls by assessing whether judgements and assumptions made by management were indicative of potential bias and by investigating the rationale behind significant or unusual transactions. In order to address the risk of irregularities we carried out procedures which included agreeing the financial statements to underlying documentation and enquiring of management as to actual and potential litigation and instances of non-compliance.

There are however inherent limitations in these audit procedures. The more removed that laws and regulations are from financial transactions, the less likely it is that we would be aware of non-compliance. Auditing standards also limit the procedures required to identify non-compliance to enquiry of management and inspection of relevant correspondence. Furthermore misstatements due to fraud can be harder to detect that those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC website ( www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditors report.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Fletcher (Senior Statutory Auditor)
for and on behalf of Fletcher & Partners
Chartered Accountants and Statutory Auditors.

Crown Chambers, Bridge Street,
Salisbury, SP1 2LZ

13 December 2022

Fletcher & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## THE SHEILA McKECHNIE FOUNDATION
## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
## INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
## FOR THE YEAR ENDED 31 MARCH 2022

| | | Group Total | | | Group |
|---|---|---|---|---|---|
| | | 2022 | | | 2021 |
| | | Unrestricted funds | Restricted funds | Total | Total |
| | | £ | £ | £ | £ |
| **Incoming resources** | **Notes** | | | | |
| Voluntary income | **2** | 6,543 | - | 6,543 | 2,395 |
| Charitable activities | **3** | 279,110 | 124,500 | 403,610 | 431,648 |
| Other trading activities | **3** | 144,087 | - | 144,087 | - |
| **Total Incoming resources** | | **429,741** | **124,500** | **554,241** | 434,043 |
| **Resources expended** | | | | | |
| Raising funds | | - | - | - | - |
| Charitable activities | **6, 7, 8, 9** | 298,242 | 115,433 | 413,675 | 478,158 |
| Other trading activities | **6** | 121,877 | - | 121,877 | - |
| **Total resources expended** | | **420,119** | **115,433** | **535,552** | 478,158 |
| **Net movement in funds** | **13** | 9,622 | 9,067 | 18,689 | (44,115) |
| **Balances at 1 April 2021** | | **46,420** | **15,403** | **61,824** | 105,939 |
| **Fund Transfers** | | - | - | - | - |
| **Balances at 31 March 2022** | | **56,042** | **24,471** | **80,512** | 61,824 |

All income and expenditure derive from continuing activities. The Statement of Financial Activities includes all gains and losses recognised during the year.

## THE SHEILA McKECHNIE FOUNDATION
## CONSOLIDATED BALANCE SHEET
## FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | Group | | Charity | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | **Total** | Total | | Total |
| | | | £ | | £ |
| **Fixed assets** | | | | | |
| Tangible assets | **10** | 716 | 3,554 | 716 | 3,554 |
| Investment | **10** | - | 1 | 1 | 1 |
| | | 716 | 3,555 | 717 | 3,555 |
| **Current assets** | | | | | |
| Debtors | **11** | 62,235 | 86,988 | 76,844 | 86,988 |
| Cash at bank and in hand | | 79,334 | 97,997 | 44,547 | 97,997 |
| | | 141,569 | 184,985 | 121,391 | 184,985 |
| **Liabilities** | | | | | |
| Creditors falling due within one year | **12** | (61,773) | (126,717) | (41,596) | (126,717) |
| **Net current assets** | | 79,796 | 58,269 | 79,795 | 58,269 |
| **Net assets** | | 80,512 | 61,824 | 80,512 | 61,824 |
| Representing: | | | | | |
| Restricted Funds | **13** | 24,470 | 15,404 | 24,470 | 15,404 |
| Unrestricted Funds | **13** | 56,042 | 46,420 | 56,042 | 46,420 |
| Total Funds | | 80,512 | 61,824 | 80,512 | 61,824 |

These accounts have been prepared with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006.

The accounts were approved by the Board on: 7th December 2022



Peter Moorey
Interim Chair of Trustees

**THE SHEILA McKECHNIE FOUNDATION**
**(A COMPANY LIMITED BY GUARANTEE)**
**CONSOLIDATED CASH FLOW STATEMENT**
**FOR THE YEAR ENDED 31 MARCH 2022**
**COMPANY REGISTRATION NO. (ENGLAND AND WALES) 5331412**

| | Group | Group |
|---|---|---|
| | **Period Ending 31 Mar 2022** | Period Ending 31 Mar 2021 |
| | **£** | £ |
| ***Cashflows from Operating Activities*** | | |
| **Net Cash provided by Operating Activities** | **(18,663)** | (64,722) |
| ***Cashflows from Investing Activities*** | | |
| Purchase of property, plant and equipment | - | - |
| **Net Cash provided by Investing Activities** | **-** | **-** |
| **Net Change in cash and cash equivalents in the period** | **(18,663)** | (64,722) |
| **Cash and cash equivalents at the beginning of the period** | **97,997** | 162,720 |
| **Cash and cash equivalents at the end of the period** | **79,334** | 97,997 |

**Notes to Cashflow Statement**

**Reconciliation of net income to net cash flows from operating activities**

| | **Period Ending 31 Mar 2022** | Period Ending 31 Mar 2021 |
|---|---|---|
| | **£** | £ |
| **Net income for the reporting period** | 18,689 | (44,115) |
| Adjustments for: | | |
| Depreciation | 2,838 | 3,434 |
| (increase)/decrease in debtors | (9,136) | (51,313) |
| Increase/(decrease) in creditors | (31,055) | 27,274 |
| **Net cash provided by operating activities** | **(18,663)** | (64,721) |

**Analysis of cash and cash equivalents**

| | **Period Ending 31 Mar 2022** | Period Ending 31 Mar 2021 |
|---|---|---|
| | **£** | £ |
| Cash in hand and at bank | 79,334 | 97,997 |
| **Total cash and cash equivalents** | **79,334** | 97,997 |

**Company status**

The Sheila McKechnie Foundation is a private company limited by guarantee and has no share capital. The liability of each member does not exceed £10. It is a charity registered in England and Wales (registration No. 1108210), Scotland (Registration No. SC044207). Its company registration number is 05331412 (England and Wales). Its registered address is Crown Chambers, Bridge Street, Salisbury SP1 2LZ

Sheila McKechnie Trading Ltd is a private limited company with a nominal share capital of £1. Its company registration number is 13248880 (England and Wales). Its registered address is Crown Chambers, Bridge Street, Salisbury SP1 2LZ

**Note**

## 1 Accounting policies

### 1.1 Basis of preparation

The Sheila McKechnie Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. These accounts have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity. Balances within the accounts have been rounded to the nearest £1. The accounts are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. In preparing the accounts, the Trustees have assessed the Charity's ability to continue as a going concern. The principle financial risk facing the Charity is its ability to generate sufficient income to cover expenditure incurred in fulfilling its objectives. The Trustees have reviewed the cash position of the Foundation and cash forecasts at the date of signing the accounts, including grants and donations secured or pledged, together with unavoidable financial commitments, and are satisfied that the Foundation will be able to meet all of its financial commitments. As a consequence the Trustees believe that the Foundation is well placed to manage its financial risks successfully, including the impact of Covid-19, and that the Foundation has adequate reserves to continue in operational existence for the foreseeable future and at least, but not limited to, 12 months from the date of approval of these accounts. Accordingly the Trustees continue to adopt the going concern basis in preparing the accounts and are satisfied that there are no material uncertainties related to events or conditions that cast significant doubt on The Sheila McKechnie Foundation's ability to continue as a going concern.

### 1.2 Fund accounting

The charity's accounts are defined as follows:

Unrestricted Funds comprise accumulated surpluses and deficits on general funds; they are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Restricted Funds are funds subject to specific restricted conditions imposed by the donors.

**1.3 Incoming resources**

All incoming resources are accounted for when the charity has entitlement, there is certainty of receipt and the amount is measurable. Income is deferred when it is in respect of work to be carried out in the following year.

Voluntary income comprises all incoming resources from donations and gift aid. Charitable activities comprises incoming resources from grants and charitable trading. Investment income is Bank interest accounted for on a receivable basis. Other income comprises income from non-charitable trading.

**1.4 Resources expended**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grant are recognised as services are supplied. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**1.5 Debtors, Cash and Creditors**

Debtors - short term debtors are measured at transaction price.

Cash and cash equivalents - comprise cash at bank and in hand.

Creditors - short term creditors are measured at the transaction price or when a constructive obligation arises to transfer economic benefits to a third party

**1.6 Fixed Assets and Depreciation**

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset over the useful economic life. The rate adopted is as follows:

| | | |
|---|---|---|
| Fixtures and Fittings | - | 33% straight-line |
| Computer Equipment | - | 33% straight-line |

**1.7 Reserves policy**

The Directors of SMK take the view that a reserve should be held sufficient to pay notice periods for all staff plus any other liabilities re. rent or other suppliers in the event the charity has to wind up. Based on SMK's current head count and notice periods, this means a figure of £88K would ideally be held in Reserve. Recognising that it is very unlikely the charity will have to wind up at no notice, and that some wind down costs could potentially be covered from other sources, the Board has agreed that the more moderate figure of £60K is reasonable to hold in reserve and is proportionate to the Charity's income. The Directors of SM Trading do not believe it necessary to maintain a Reserve beyond working capital necessary to meet current liabilities.

**1.8 Pension**

Pension costs represent payments to individual personal pension schemes of employees. Pension costs are charged to the Statement of Financial Activities in the period in which they are paid.

**1.9 VAT**

SMK is not registered for VAT; income and expenditure is stated gross of VAT as it is not recoverable. SM Trading is registered for VAT; income and expenditure is stated net of VAT.

**1.10 Governance Costs**

The Auditor's remuneration for 2022 was £4,000. In 2021, the Independent Examiner's remuneration was £3,600

**Note**

**2 Voluntary income**

| | Group Total 2022 Unrestricted funds £ | Restricted funds £ | Total £ | Group 2021 Total £ |
|---|---|---|---|---|
| Donations | 5,845 | - | 5,845 | 959 |
| Miscellaneous Voluntary Income | 698 | - | 698 | 1,435 |
| SM Trading Cross-Charges | - | - | - | - |
| SM Trading Charitable Donations | - | - | - | - |
| | **6,543** | **-** | **6,543** | 2,395 |

**3 Other Incoming Resources**

| | 2022 Unrestricted funds £ | Restricted funds £ | Total £ | 2021 Total £ |
|---|---|---|---|---|
| Grants | 231,900 | 124,500 | 356,400 | 273,250 |
| Consultancy | 59,184 | - | 59,184 | - |
| Events and Training | 84,757 | - | 84,757 | - |
| Miscellaneous Commercial Income | 146 | - | 146 | - |
| Charitable Activity income | 47,210 | - | 47,210 | 158,398 |
| **Total resources** | **423,197** | **124,500** | **547,697** | 431,648 |

| **Grants** | **£** | |
|---|---|---|
| Shelter | 5,000 | (Deferred from 2020-21) |
| Crisis | 5,000 | (Deferred from 2020-21) |
| RSPCA | 5,000 | (Deferred from 2020-21) |
| RNID | 5,000 | (Deferred from 2020-21) |
| The Wildlife Trusts | 5,000 | (Deferred from 2020-21) |
| John Ellerman Foundation | 37,500 | (Deferred from 2020-21) |
| AB Charitable Trust | 3,500 | |
| Barings | 10,000 | |
| Barrow Cadbury | 15,000 | (£7500 accrued to 2020-21) |
| The National Deaf Children's Society | 2,000 | |
| MENCAP | 5,000 | |
| MIND | 5,000 | |
| Refugee Action | 2,000 | |
| City Bridge | 25,000 | (£4000 accrued to 2020-21) |
| Trust for London | 25,000 | |
| Corra Foundation | 22,500 | |
| Global Dialogue/FICS | 10,000 | |
| Joseph Rowntree Charitable Trust | 40,000 | |
| Lloyds Bank Foundation | 10,000 | |
| Paul Hamlyn Foundation | 60,000 | |
| Blagrave Trust | 400 | |
| Tudor Trust | 30,000 | |
| Unbound Philanthropy | 10,000 | |
| Add Accrual from 22-23 | 30,000 | (£7,500 Barrow Cadbury, £10,000 John Ellerman, £12,500 Trust for London) |
| Less Accrual to 2020-21 | (11,500) | (£4000 City Bridge, £7,500 Barrow Cadbury) |
| | 356,400 | |

Deferred Income refers to cash grants received before the Balance Sheet date but relating to activities commencing thereafter

Accrued Income refers to cash grants received after the Balance Sheet date but relating to activities conducted beforehand

**Note**

## 4 Comparator for Prior Year SoFA/P&L Values

| | Group Total | | |
|---|---|---|---|
| | 2021 | | |
| | Unrestricted funds | Restricted funds | Total |
| Incoming resources | £ | £ | £ |
| Voluntary income | 2,395 | - | 2,395 |
| Charitable/Trading activities | 332,148 | 99,500 | 431,648 |
| Total Incoming resources | 334,543 | 99,500 | 434,043 |
| Resources expended | | | |
| Raising funds | - | - | - |
| Charitable/Trading activities | 385,797 | 92,361 | 478,158 |
| Total resources expended | 385,797 | 92,361 | 478,158 |
| Net movement in funds | (51,255) | 7,139 | (44,115) |
| Fund balances at 1 April 2020 | 97,675 | 8,264 | 105,939 |
| Fund Transfers | - | - | - |
| Fund balances at 31 March 2021 | 46,420 | 15,403 | 61,824 |

## 5 Grant-Making Activities

The total of grants paid was £Nil (2021: £Nil).

## 6 Cost of Charitable/Trading activities:

| | Group Total | | | Group |
|---|---|---|---|---|
| | 2022 | | | 2021 |
| | **Unrestricted funds** | **Restricted funds** | **Total** | Total |
| | **£** | **£** | **£** | £ |
| Staff Cost | 338,921 | 88,687 | 427,607 | 350,379 |
| Projects expenditure | 24,147 | 26,746 | 50,893 | 57,406 |
| SMK/SM Trading Cross Charge Costs | - | - | - | - |
| SM Trading Donation to SMK | - | - | - | - |
| Office overheads | 57,052 | - | 57,052 | 70,373 |
| | **420,119** | **115,433** | **535,552** | 478,158 |

## 7 Number of employees

The average monthly number of Full Time Equivalent employees of SMK during the year was 7 (2021: 6).
The average monthly number of Full Time Equivalent employees of SM Trading during the year was 1 (2021: Nil)

## 8 Employment costs

| | Group Total | Group |
|---|---|---|
| | **2022** | 2021 |
| | **£** | £ |
| Wages and salaries | 324,052 | 289,297 |
| Social security | 28,860 | 27,380 |
| Pension costs | 17,687 | 14,477 |
| Consultancy/Professional services | 55,008 | 19,225 |
| Staff Wellbeing | 2,000 | - |
| | 427,607 | 350,379 |

One employee had emoluments for the year (not including employer pension contributions nor employer National Insurance contribution costs) that fell between £70,000 and £80,000 (2021:1)

The CEO is considered to be the Key Management Person of both SMK and SM Trading. The total remuneration of the CEO during the year was £93,321 (2021: £92,396) including Employer's NIC and Employers Pension contributions.

## 9 Trustees

During the year, one trustee received remuneration of £1,000 (2021: £2,565). This related to participation in Power Project workshops and the relationship existed before the appointment of the trustee. Trustees reimbursed expenses were £Nil (2021: £Nil)

**Notes**

**10 Tangible Fixed Assets**

| | SMK | Group |
|---|---|---|
| **COST** | **£** | **£** |
| B/F at 31 Mar 20 | 11,789 | 11,789 |
| Additions | - | - |
| C/F | 11,789 | 11,789 |
| **Depreciation** | | |
| B/F | 8,235 | 8,235 |
| Charge for year | 2,838 | 2,838 |
| C/F | 11,073 | 11,073 |
| **NET BOOK VALUE** | | |
| B/F at 31/3/2020 | 3,554 | 3,554 |
| C/F at 31/3/2021 | 716 | 716 |

**Investment in Subsidiary**

| | £ | £ |
|---|---|---|
| B/F at 31 Mar 21 | 1 | 1 |
| Additions | - | - |
| C/F | 1 | 1 |

The investment in subsidiary consists of 1 ordinary share (100% of the share capital) in Sheila McKechnie Trading Limited

**Debtors**

**11**

| | Group | | Charity | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Total** | Total | **Total** | Total |
| | **£** | £ | **£** | £ |
| Trade debtors | 24,190 | 62,192 | 5,410 | 62,192 |
| Provision for Doubtful Debt | (1,690) | (1,240) | (1,690) | (1,240) |
| Accrued Donation from SM Trading | - | - | 33,179 | - |
| Other Accrued Income | 37,000 | 23,500 | 37,210 | 23,500 |
| Prepayments & Deposits | 2,735 | 2,536 | 2,735 | 2,536 |
| | 62,235 | 86,988 | 76,844 | 86,988 |

**12 Creditors: amount falling due within one year**

| | Group | | Charity | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Total** | Total | **Total** | Total |
| | **£** | £ | **£** | £ |
| Trade creditors | 3,696 | 11,116 | 1,601 | 11,116 |
| Deferred income | 21,998 | 92,412 | 12,345 | 92,412 |
| Payroll Liabilities | 9,517 | 10,569 | 8,879 | 10,569 |
| Unpaid Share Capital | - | 1 | - | 1 |
| VAT | 7,501 | - | - | - |
| Accrued Donation to SMK | - | - | - | - |
| Other Accruals | 19,061 | 12,619 | 18,771 | 12,619 |
| | 61,773 | 126,717 | 41,596 | 126,717 |

**Operating Lease**

Minimum lease payments under the non-cancellable operating lease for the office space are:

| | Group Total | |
|---|---|---|
| | **2022** | 2021 |
| Not later than one year | 12,675 | 10,140 |
| Later than one year and not later than five years | - | - |
| Later than five years | - | - |
| Lease payments recognised as an expense. | 30,288 | 25,372 |

**Notes**

**13**

| | Sheila McKechnie Foundation | | | | |
|---|---|---|---|---|---|
| **Movement in funds 2021-22** | **At start of the year** | **Incoming Resources** | **Outgoing Resources** | **Fund Transfers** | **At end of the year** |
| **Restricted funds** | | | | | |
| Civic Space | - | 43,500 | 30,750 | - | 12,750 |
| Social Change Scotland | - | 22,500 | 22,500 | - | - |
| Power Project | 13,403 | 58,500 | 60,183 | - | 11,720 |
| Restricted Core | 2,000 | - | 2,000 | - | - |
| **Total Restricted Funds** | **15,403** | **124,500** | **115,433** | **-** | **24,470** |
| **Unrestricted funds** | | | | | |
| Reforming Civil Society | - | 74,000 | 74,000 | - | - |
| Awards | - | 47,000 | 14,833 | (32,167) | - |
| Miscellaneous Events | - | 441 | 441 | - | - |
| Core | - | 234,891 | 257,436 | 22,545 | - |
| Reserves | 46,420 | - | - | 9,622 | 56,042 |
| **Total Unrestricted Funds** | **46,420** | **356,332** | **346,710** | **-** | **56,042** |
| **Total Funds** | **61,824** | **480,832** | **462,142** | **-** | **80,512** |

| Movement in funds 2020-21 | At start of the year | Incoming Resources | Outgoing Resources | Fund Transfers | At end of the year |
|---|---|---|---|---|---|
| Restricted funds | | | | | |
| Power Sharing | 8,264 | 80,000 | 74,861 | - | 13,403 |
| Restricted Core | - | 19,500 | 17,500 | - | 2,000 |
| Total Restricted Funds | 8,264 | 99,500 | 92,361 | - | 15,403 |
| Unrestricted funds | | | | | |
| Campaigner Carousel | - | 59,259 | 13,962 | (45,297) | - |
| Consultancy | - | 72,057 | 13,546 | (58,511) | - |
| Awards | - | 46,000 | 18,108 | (27,892) | - |
| Core | - | 157,227 | 340,182 | 182,955 | - |
| Reserves | 97,675 | | | (51,255) | 46,420 |
| Total Unrestricted Funds | 97,675 | 334,543 | 385,797 | - | 46,420 |
| Total Funds | 105,939 | 434,043 | 478,158 | - | 61,824 |

**Restricted projects:**

**Civic Space:** SMK has been commissioned by a group of funders to examine the growing threats to civic space in the UK, and consider how civil society could be strengthened to better resist.

**Social Change Scotland**: SMK is piloting a new network bringing people together from right across civil society in Scotland to consider common challenges and opportunities.

**The Power Sharing Project** is a Cornerstone funded two-year project that is exploring what it would look like if civil society in London was better at sharing power in pursuit of social change, with a focus on lived experience, poverty and socio-economic inequality.

**Restricted Core** Tudor Trust generously awarded a grant of £2,000 for staff wellbeing in Feb 2021 which was unspent at the end of the 20-21 year and was fully expended during 21-22..

**Transfer of funds**

At 31 March 2022 all Unrestricted funds were consolidated into Reserves. There were no transfers between Restricted and Unrestricted Funds during the year

## 14 Investment in trading subsidiary

The wholly-owned subsidiary, Sheila McKechnie Trading Limited, which is incorporated in England and Wales, pays its profits to the charity by gift aid. Sheila McKechnie Trading Limited operates the consultancy and events and training income functions of the group. The charity owns the entire issued share capital of 1 ordinary share of £1 each. A summary of the trading results is shown below

| Trading | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Turnover | 144,087 | - |
| Cost of sales and administrative expenses | (96,120) | - |
| Net profit / (loss) | 47,967 | - |
| Gift aid donation | (47,967) | - |
| Retained in the subsidiary | - | - |

The assets and liabilities of the subsidiary were

| | | |
|---|---|---|
| Current Assets | 53,567 | - |
| Creditors: amounts falling due within 1 year | (53,566) | - |
| Total net assets | 1 | - |

## 15 Analysis of Net Assets between Funds

| **Analysis of net assets between funds - current year** | Unrestricted | Restricted | Total |
|---|---|---|---|
| Tangible Fixed Assets | 716 | - | 716 |
| Fixed Asset Investments | - | - | - |
| Current Assets | 104,753 | 36,816 | 141,569 |
| Creditors due within one year | (49,428) | (12,345) | (61,773) |
| | 56,041 | 24,471 | 80,512 |

| **Analysis of net assets between funds - prior year** | Unrestricted | Restricted | Total |
|---|---|---|---|
| Tangible Fixed Assets | 3,554 | - | 3,554 |
| Fixed Asset Investments | 1 | - | 1 |
| Current Assets | 169,582 | 15,403 | 184,985 |
| Creditors due within one year | (126,717) | - | (126,717) |
| | 46,420 | 15,403 | 61,824 |

**THE SHEILA MCKECHNIE FOUNDATION**

England & Wales - Charity number 1108210

# Accounts

Charity Registration in England and Wales No. 1108210
Scotland Registration No. SC044207

Company Registration No. (England and Wales) 05331412

# THE SHEILA McKECHNIE FOUNDATION

# (A COMPANY LIMITED BY GUARANTEE)

# UNAUDITED TRUSTEES' REPORT AND ACCOUNTS

# FOR THE YEAR ENDED 31 MARCH 2021

**THE SHEILA McKECHNIE FOUNDATION**
**(A COMPANY LIMITED BY GUARANTEE)**
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## THE SHEILA McKECHNIE FOUNDATION
## (A COMPANY LIMITED BY GUARANTEE)
## LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| Trustees | Peter Moorey (interim Chair)<br>Stuart Davis (Treasurer)<br>Cecilie Hestbaek<br>Rhea Stevens<br>Bushra Ahmed (Appointed 16 December 2020)<br>Kimberley Garande (Appointed 16 December 2020)<br>Patrick Steene (Appointed 16 December 2020)<br>Zainab Ali Khan (Appointed 16 December 2020)<br>Deborah Doane (Appointed 16 December 2020)<br>Sarah Wooton (Resigned 16 February 2021)<br>Moira Fraser-Pearce (resigned 24 February 2021)<br>Richard Lane (Appointed 7 April 2021)<br>Kierra Box (Resigned 16 December 2020)<br>Louise Hanson (Resigned 16 December 2020)<br>John Rudkin (Resigned 16 December 2020)<br>Alastair Wilson (Resigned 16 December 2020) |
| Principal address<br>and Registered Office | The Foundry<br>17 Oval Way<br>London<br>SE11 5RR |
| Independent Examiner | D J Bond FCA<br>Brebners Chartered Accountants<br>130 Shaftesbury Avenue<br>London<br>W1D 5AR |
| Bankers | Unity Trust Bank<br>Nine Brindleyplace<br>Birmingham B1 2HB |

# UNAUDITED TRUSTEES REPORT AND ACCOUNTS FOR THE FINANCIAL YEAR APRIL 2020-MARCH 2021

## THE SHEILA MCKECHNIE FOUNDATION (SMK)

This trustees' report includes the directors' report as required by company law.

## Introduction

SMK envisages a confident and powerful civil society in which people work together to drive change.

We collaborate with our community to explore change, deepening understanding, generating insights and creating tools to help others.

We share knowledge through our training and consultancy, which can be tailored to individual or organisational needs.

We are a champion for civil society campaigning and work to protect civic space. Each year, we celebrate the best campaigns and campaigners.

Together, we are unleashing civil society's *social power.*

## Objectives of the charity

To promote the efficiency and effectiveness of charities and the effective application of resources for charitable purposes for the benefit of the public by raising the standard of, and promoting excellence in, campaigning on behalf of charitable purposes in particular by:

Recognising individuals who have conducted effective and lawful campaigns that further charitable purposes

Raising awareness of good practice in campaigning

Providing information and guidance to people who are campaigning in furtherance of charitable objectives

## Public benefit statement

In setting our objectives and planning our objectives our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing citizenship and community development.

## Activities and Review

2020/21 wasn't the year anyone expected to have. Covid-19 arrived as our financial year started, and has dominated minds and lives since. We at SMK have fared reasonably well compared to a great number of charities. We have managed to keep all staff and have worked throughout. But we did suffer a rapid decline in earned income - down roughly a half compared to the year before. And conversations we were having with funders were paused as they understandably turned their attention to the frontline. We are very grateful to have received a £25K emergency Covid grant from Esmee Fairbairn which helped off-set some of this loss, and also to Tudor Trust who gifted us a £2K 'well-being' grant. However, our year-end position is lower than the year before in a year in which we were hoping to continue on our planned path to growth.

There have been upsides: remote working has meant that we have had to take all our training and consultancy on-line, which has helped extend our reach geographically. With a few exceptions, we intend to keep most of our training on-line. We also had to take our SMK National Campaigner Awards on-line broadcasting live on Youtube allowing us to reach a much larger audience.

As you will read below, most of the rest of our work has been 'business as usual', albeit all mediated on-line. As with many others, we have Zoomed and Teamed our way through the year!

Notable activity includes the second year of our Power Sharing Project, which continued to explore what would it look like if civil society in London was better at sharing power in pursuit of social change. Working closely with our Core Learning Group, the project has continued to navigate this complex and sensitive topic with a view to finding insights, tools and ideas that can help the social sector work in closer collaboration with those with 'lived' or 'first-hand' experience. These outputs are due to launch in October this year, and we are hopeful of securing on-going funding to then put them to the test and evaluate their impact.

This has also been a busy year for SMK in terms of civic space. As detailed below this last year has seen a raft of proposed legal changes that directly affect the space to campaign, as well the ramping up of 'culture wars' with charities in the frontline. We continue to play an active role tracking the impact of these developments on campaigners and speaking up for campaigners via our annual Campaigner Survey.

We are also very excited to say that we have started working with a grouping on household name charities who want to work together to help charities 'take their place in the national conversation'. Participants are contributing towards the costs of the work bringing a valuable new income stream into the charity.

Business development and fundraising have also been a clear focus, particularly in the second half in the year in large part thanks to the arrival of our new Deputy CEO, Rob Abercrombie. Rob is overseeing all our earned income and also working closely with the CEO on trying to get SMK back on a path to growth.

The rest of this report is structured under each of our four strategic objectives below:

**WE CAPACITY BUILD**: *Our unique analysis of social change and the potential for power in civil society (which we call 'social power') underpins our wide range of training and expert consultancy. Our relentless curiosity keeps our analysis up to date. Using our years of experience as campaigners and change-makers, on-going research and real-world applications of our findings, we can help you to achieve lasting and transformative change.*

**Core Training**

One of the biggest changes in our work this year has been to take our historically face-to-face training service and re-launch it as a digital offer. SMK's new 'Campaign Carousel' was trialled in autumn 2020 and launched at the beginning of 2021.The Campaign Carousel doesn't just take our existing training online: we have comprehensively reviewed and revised our training offer to ensure it equips campaigners with the tools needed to create change in the current environment.

There are 13 individual workshops that together form the Campaign Carousel, covering the basics of planning for change, and a range of more specialist topics from Working with Lived Experience and Influencing Locally through to Digital Campaigning and Using the Law. We are working with 'best in class' partners to deliver some of the specialist content. All workshops can be accessed individually, or campaigners can build their own package of campaign training designed to be completed flexibly over a year.

The decision to take all training on-line was prompted by the Coronavirus crisis, but we are delighted with the results. Going virtual has democratised SMK's training, transforming the geographical spread of organisations taking it up, and unleashing strong demand from across the nations and regions. The Carousel is structured around three semesters a year and we've sold out all three 2021 places, with more than 50 campaigners doing the full Carousel training over the course of the year, and around 500 training places filled altogether.

The Carousel has allowed us to deepen our connections to budding campaigners, has established the foundations of an 'alumni' network, and cemented our training programme as a core piece of sector infrastructure. It also represents the completion of the evolution of our training offer from something foundations commissioned for their grantees, to a service offered on the open market and paid for directly.

The reception from trainees has been overwhelmingly positive, with more than 90% of respondents rating their session 4 or 5 out of 5.

We have exciting plans to develop the Carousel further, with workshops being revised, new trainers recruited, and plans for a 'Masterclass' programme for experienced campaigners.

We said in our report last year that we hoped to secure some support to run a bursary scheme. We have since decided that we want to go further than this in opening up our capacity building offer to those who can't afford to pay. We've developed a new proposal for what we are currently calling 'The Centre for Campaign Excellence'. The idea of the Centre is to create an online resource that can hold much of SMK's and others' resources, tools and tips. Alongside this, the Centre will create networks of campaigners providing peer support and sharing ideas. We plan to start talking to potential funders about the Centre soon.

**Commissioned training & Consultancy**

Commissioned training has also continued to be popular, and we've run bespoke and in-house training programmes for a wide variety of organisations. From big charities like Centrepoint and NSPCC, to local organisations such as Map and Warwickshire Wildlife Trust. One trend we've observed is the popularity of commissioned training for groups of young activists. In response we are developing a new training offer specifically designed for young people which will launch in autumn 2021.

Meanwhile, SMK continues to provide strategic consultancy, helping clients to make their organisations and campaigns effective. We provided a significant level of support to the Royal College of Nursing facilitating 'listening events' with members as they try and shift their culture towards becoming a more campaigning organisation; we produced a trends pack for the Mark Leonard Trust that we used with their grantees to help them consider how they need to adapt in response; and we have supported grassroots charities like the Traveller Movement with their campaigning strategy.

We were also commissioned by the Local Trust (LT) to deliver a programme of workshops, interviews and coaching for local activists in Big Local and Creative Civic Change areas around policy influencing. The aim was to increase individuals' capacity while helping Local Trust (LT) to understand how it might support greater policy collaboration between local areas and LT nationally.

**WE CHAMPION**: *We seek to build a more confident and powerful civil society, whose role in social change is recognised and valued. We help civil society be heard by bringing actors together and creating platforms that strengthen visibility and voice. We also celebrate success at the annual SMK National Campaigner Awards.*

We continue to support individual change-makers, organisations and civil society as a whole to: understand the campaigning environment, trends and drivers; ensure their experiences and voices are part of the wider public debate; and celebrate excellence and success wherever we see it.

This year, we have focused on advocating for the needs and benefits of campaigning, protecting the space to campaign (against both formal and informal threats), sharing our insights into the way change-making is itself shifting, and leading by example.

**SMK Annual Campaigner Survey**

Our Annual Campaigner Survey continues to provide the social sector with evidence and insight. It is regularly quoted by organisations such as Bond and the Quakers (e.g. in evidence to select committees and in the Civil Society Voice report on Campaigning During Coronavirus).

In 2020, we ran the fifth Annual Campaigner Survey, the results of which attracted coverage in both the Guardian the sector press. We found that campaigners in civil society are encountering an increasingly hostile political environment, but politicians are now far more likely to be negative about campaigning than the general public – and it's a growing gap. This comes after years of tightening government restrictions on campaigning and increasingly intolerant attitudes to dissent.

Campaigners say that people and organisations are becoming bolder and braver, with more community-led campaigns. The public seem to be more receptive to campaign messages, especially amidst the pandemic and high-profile campaigns like Black Lives Matter and Marcus Rashford's food poverty work. Plus, there's simply greater need and people are responding by campaigning.

Unfortunately, a more hostile political environment has seen politicians shutting down channels of communication, and attacking campaigners and their allies as a threat to the common good. The pandemic has made traditional ways of campaigning difficult or even impossible, and there are signs of digital 'exhaustion'.

We had good coverage of the Annual Campaigner Survey this year, most notably by Patrick Butler in the Guardian. It stayed high up the page rankings in the Society section for a couple of days, and even spent time in the 'Headlines' section. The response on social media was enthusiastic and across January on Twitter we had 205k tweet impressions, nearly 7000 profile visits, and gained 105 new followers (60% more than usual).

**Protecting Civic Space**

The past year has seen a greater volume of 'formal' and 'informal' threats to civic space than ever before. Proposed changes to judicial review, protest law, and regulation of third-party campaigning have been introduced in legislation currently going through Parliament. At the same time, we have seen a raft of attacks on legitimate charity activity (the most high-profile of which have been the National Trust, RNLI, and Barnardo's), which have had knock-on effects of across the social sector. In some cases, it has made organisations more determined to stand up, in others it has led to greater caution. This is something we will explore in the 2021 Survey.

SMK continues to play an active role in sector activity to defend civic space. SMK is currently a core member of the Civil Society Voice directors and policy groups, which has acted as a hub for intelligence sharing and coordination of joint activity.

In partnership with other organisations, we have submitted letters to ministers and MPs, and evidence to select committees on: work of the Charity Commission; a

better selection process for the next Charity Commission chair; and Danny Kruger's review of civil society. We also sit on cross-sector groups on judicial review and the Police Bill.

Looking ahead, we are working with colleagues who share our interest in civic space to secure funding that will help all players in this area to better understand who is working on what and how funding for this work can be improved.

**A Reforming Civil Society**

We have recruited a group of large, household name charities who share an ambition for charities to 'take their proper place in the national conversation'. We convene regular discussions, at both CEO and senior campaigner/comms levels that allow them to share experiences and analysis. The aim is for SMK to host activity that will support each of them to 'lead by example', to be 'bold and brave' in injecting their broader social analysis into our national debate, and to better understand the broader context in which they are working. This feels particularly timely as we start to come out of the most critical phase of the pandemic here in the UK.

In 2021-22, those discussions will start to happen face-to-face, providing a space for mutual support and innovative ideas.

**Law Family Commission**

The Law Family Commission on Civil Society, which is well-funded and potentially influential, launched a programme of inquiries into the effectiveness and potential of civil society. SMK's CEO contributed an essay for its launch collection, we sit on its Technical Panel, and we have offered comment on its outputs throughout the year.

**Annual Awards Ceremony**

SMK's 15th Annual Campaigner Awards were due to be held at Union Chapel in May 2020. However due to the on-going pandemic the Awards were postponed, taking place virtually on 30 September live on Youtube. We had fantastic winners, as ever, including Marcus Rashford and Fareshare who won a new Campaign of the Year category for their work on food poverty, and Joeli Brearly who won a new Campaigner of the Year award for her brilliant Pregnant then Screwed campaign. They were viewed over 1600 times.

With new Awards branding in place we made full use of digital to run a month-long campaign in the run up to the Awards. In this period, including the Youtube live event, we made 180,000 Tweet impressions, a 368% increase from the previous month of activity.

The Awards team continues to work on improving the Awards year on year to ensure that we are offering our audiences an engaging experience, celebrating and championing change-making and convening civil society campaigners so that they have the knowledge and power to drive social change.

*''What a fantastic watch! Congratulations to all concerned for pulling off this event in such a slick fashion in a pandemic''.*

*''Well done SMK - this is the very best virtual event/ceremony I have been to.''*

**WE ARE CURIOUS:** *Making social change happen is always complex, often messy and rarely, if ever, easy. The world around us is constantly changing. Tools and tactics evolve. Attitudes in society and in our own organisations change. We bring together change-makers from all parts of civil society and create spaces where we can explore change-making together. We listen and share our evolving understanding of social change, as well as our unique tools, freely.*

SMK aims to help bring the campaign community together, which we do by circulating a regular newsletter, our social media channels and through our training and other events.

**Power Sharing Project**

The Power Sharing Project continued to explore what would it look like if civil society in London was better at sharing power in pursuit of social change, with a focus on lived experience, poverty and socio-economic inequality. Grace Wyld departed SMK in autumn 2020 and Sarah Thomas joined us to lead the project. Her recent masters degree in Power, Participation and Social Change, and varied experience in social sector, brought a new dimension to our collective knowledge.

Covid-19 forced us to redesign our approach, as most of our plans were for face-to-face discussions. We hosted on-line workshops with organisations already starting to explore the question and undertook more desk-based research to ensure we were drawing on the many years of thinking about power that already exists. We also invested more time and resource in the Core Learning Group, which has a good mix of people with lived experience, learned experience and a mixture of both. Our monthly collaborative inquiry sessions provided a great deal of insight into the practical challenges and the usability of the tools we had started to develop.

A final publication is already in the process of being drafted (due autumn 2021). It will be complemented by a variety of online resources. Looking ahead, we are seeking funding to put the ideas in the project into practice, in partnership with a group of organisations. We are in conversation with Trust for London about continuing their support, and others about securing match funding.

**The Change Network**

We hosted a Change Network event on 22 April on the reduction in the number of young people in custody over the last ten years. Our first Zoom-based public event, it attracted higher turnout than usual, with 95 people registering, and engagement from across the UK.

**Campaign Shakedown 2020**

Our quarterly Change Network events were halted by the pandemic and the departure of Grace Wyld. However, we were keen to capitalise on audience interest

and, in partnership with Alice Fuller (Save the Children) and Kath Christie (SMK Associate), we held a review of the year in December 2020.

It was a success, with over 50 attendees and such a rich conversation that it took a series of three blogs to capture and share it more widely.

**Campaign trends & drivers**

Our ambition is to continue to track and capture what's new, what's working and the emerging challenges in change-making. We have struggled to find the capacity to do this consistently in 2021 (though events like the Campaign Shakedown were part of our efforts), but a commission by Mark Leonard Trust enabled us to carry out a one-off exercise towards the end of the year.

It remains our ambition to do more of this work in 2021-22.

*"SMK is a high performing organisation driven by the desire to find the best ways to support campaigning excellence".*

## ORGANISATIONAL INFRASTRUCTURE

**Comms, brand and marketing**

As for all others, it has been a challenging year for SMK as we adjusted to working remotely and delivering so much of our work on-line**.** Despite that, we still managed to complete a significant programme of work across our brand, visual identity and digital transformation.

Having developed a Digital Transformation Strategy in the previous financial year, implementation also began to install and customise Salesforce for SMK's constituent management needs. Although this work is on-going and will require on-going resource and capacity, the project team focused this first phase on a full sweep and clean of SMK's contacts data. The team will continue to train staff, improve the quality of data and continue to integrate Salesforce across SMK's programmes.

In 2019-20, SMK tendered for a brand and design agency to update the vision and mission, the brand positioning, boilerplate and tone of voice as well as full visual identity overhaul that included a new logo, strapline, colour palette, font and guidelines for internal use. The chosen agency was Brand Ethos. They completed the project in summer 2020 and it was a huge success. The branding is now clearer, is memorable and there is more confidence is how we present what we do at SMK. The new visual identity has been applied across all existing and new digital channels including a new website.

*'For the size of SMK, you would think from the branding and visuals that it was a lot bigger than it is. It has a very memorable look and feel.'*

**Staff and other organisational changes**

In this year, SMK had a core team of four full-time staff and three part-time staff on a mixture of permanent and fixed-term contracts.

Emma Burnell joined on a fixed-term contract as a Head of Training - a role we have not been able to re-fill. This resource has been used in part to recruit a new P/T Deputy CEO, Rob Abercrombie.

Grace Wyld (full time) departed in September 2020. Sarah Thomas took on her management and leadership of the Power Sharing Project on a part-time basis, also in September.

Other core members of the team are Sue Tibballs (CEO F/T; Chloe Hardy, Director of Policy & Comms (4 days/wk); Emma Boyd (Head of Marketing &Comms (F/T); Rumenna Begum

**Financial Review**

Total income for the year was £434,043 (£528,767 in 2020), an 18% decrease compared with the previous year. We continued to receive income from a diverse range of sources. 23% of our income was restricted to funding specific projects. These funders and projects are listed in the accounts (Note 3).

The difference is in income is accounted for in part due to a decrease in earned income: this was down £40K on the previous year chiefly due to the effects of Covid-19. One of our core grants also came to an end.

Our actual budget in 2020/21 has been higher as we carried forward income for activity that had to be delayed due to the pandemic - notably the SMK National Campaigner Awards. Hence why the reserve position at the end of 19/20 looks high (over £40K of this was spent on delayed activity) and why expenditure in 20/21 was higher than income.

In terms of the future, we are very confident that income in 21/22 will bounce back to 19/20 levels, and we are hopeful of growing it further as set out below.

**Expenditure**

Total expenditure amounted to £478,158 (£465,046 in 2020) a 2.8% increase compared with the previous year.

Funds at year-end were £61,824 (2020 £105,939).

**The future**

SMK has made significant progress in recent years establishing itself as a valuable think tank and capacity-builder focused on campaigning, social change and civil society's reforming power.

We are asking questions about social change and how it happens that people recognise are important and want to discuss

We are trusted to host significant projects that ask big and complex questions, and produce insights and tools designed that help others think and behave differently.

A very wide range of organisations working across a raft of issues are asking for our help to guide strategy and build capacity.

We have shown that with high quality IP, we can generate significant earned income.

We are helping not just protect civic space but also build a new narrative and engagement with the importance of civic space and civil society's reforming role.

We speak up for the campaign community and produce valuable evidence as to their experiences and attitudes.

High profile and well-regarded charities trust us and want to work with us to build a new understanding of charities' reforming role in society.

Our annual SMK National Campaigner Awards celebrate people and organisations whose achievements might otherwise be unsung.

We use our network to provide a platform to others, and work with partners and Associates to make their expertise more widely available.

Our reports are making national news, we are regularly asked to give comment, and our evidence is cited widely.

SMK - set up in memory of the brilliant Sheila McKechnie - is, we think, doing her proud. But we want to do more.

We think civil society and the social sector in the UK could be doing so much more - driving even more transformational change - if they were working without constraint and with the right support. What we call Social Power. Our role is to unleash it.

It remains that where there is a size-able industry in the US, there is very little in the UK. SMK is working very hard to fill that gap, but to meet need and demand, we need to be bigger ourselves.

We have set out a clear vision for our future that we are now sharing with funders and donors in the hope we can grow our capacity and impact. We feel hopeful of securing that support so that we can grow this valuable organisation.

**Reserves Policy**

The charity's reserves policy is set out in the note 1.7 to the accounts.

**Structure, governance and management**

Sheila McKechnie Foundation is a charitable company limited by guarantee governed by its Memorandum of Association as adopted at the extraordinary general meeting on 21st February 2005. It is registered as a charity with the Charity Commission and as a Company with Companies House.

Pay and remuneration of staff is determined in accordance with SMK's pay & remuneration policy. As a very small employer, there are some key principles that underpin SMK's approach to pay and remuneration:

It must be simple and straightforward to administer

It should be flexible, recognising that SMK's income can fluctuate, and that organisational needs can change

It must reflect the values of the organisation

It must be in line with best practice in the sector

Pay levels are reviewed annually, taking into account evidence of pay levels across the sector more widely, and SMK reviews cost of living annually, and makes an award accordingly. SMK is a London Living Wage employer.

**Appointment of Trustees**

Our Articles of Association provide that SMK may have no less than three trustees but it is not subject to any maximum.

SMK uses a transparent and fair method when recruiting new trustees. We advertise all trustee vacancies and they are open to anyone who wishes to be a trustee. From time to time the Board may call for trustees with specialist skills and experience that it identifies is needed for the effective governance of the organisation.

The process is led by the Resource Committee, and applicants for trusteeship are asked to make their application in writing and to attend an interview. During this time, each applicant and interviewee goes through the same process. We also apply our equal opportunities policy to trustee recruitment.

Each new trustee received an introduction pack and an induction to the organisation, and support is readily available from the Officers of the organisation.

The board of Trustees meets regularly and there were 5 meetings held during the year (2020: 5).

The present members are listed in this report.

The following changes in trustees occurred during this financial year:

In line with the charity's Mem & Arts, the three longest standing trustees stood down at the AGM in December 2020: Alastair Wilson; Kierra Box and Louise Hanson (Chair). In the course of the year, five new trustees were initially co-opted and then formally appointed: Bushra Ahmed; Zainab Ali Khan, Deborah Doane; Kimberley Garande and Patrick Steen. We are delighted that our new trustees have significantly diversified the Board's collective experience and expertise. Trustee Pete Moorey was appointed interim Chair at the AGM and continues in that role.

List of Trustees is in Page 2 Legal and Administrative Information.

Members of the Trust guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total amount of such guarantees at 31st March 2021 was 10 (2020: 10).

**Risk statement**

The trustees and staff jointly reviewed the possible risks facing the organisation during the year. Therefore they were aware of the major risks facing the charity and are taking adequate steps to protect the charity. The major risks are related to the nature of the work within which the charity supports through grants and awards and the use of appropriate volunteers and people who support the charity.

**Independent examiners**

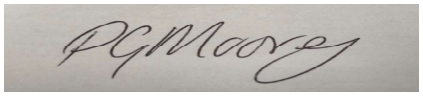
Brebners were appointed as the charitable company's independent examiners and have expressed their willingness to continue in that capacity.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees on 08 September 2021

and signed on their behalf by





Pete Moorey

Interim Chair

Stuart Davis

Treasurer

## Responsibilities and basis of report

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021.

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act') and 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 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.

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act') and Section 44(1)(c) of the 2005 Act. In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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 any 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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. Further, since the company is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies in both instances.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
2. the accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination or;
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed  ……

DJ Bond FCA
For Brebners
130 Shaftesbury Avenue
London
W1D 5AR

Date 29th September 2021

# THE SHEILA McKECHNIE FOUNDATION
# (A COMPANY LIMITED BY GUARANTEE)
# STATEMENT OF FINANCIAL ACTIVITIES
# INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
# FOR THE YEAR ENDED 31 MARCH 2021
# COMPANY REGISTRATION NO. (ENGLAND AND WALES) 5331412

**Statement of Financial Activities for the year ended 31 March 2021**

| | | 2021 | | | 2020 |
|---|---|---|---|---|---|
| | | Unrestricted funds | Restricted funds | Total | Total |
| | | £ | £ | £ | £ |
| **Incoming resources** | **Notes** | | | | |
| Voluntary income | **2** | 2,395 | - | 2,395 | 1,528 |
| Charitable activities | **3** | 332,148 | 99,500 | 431,648 | 527,239 |
| **Total Incoming resources** | | **334,543** | **99,500** | **434,043** | 528,767 |
| **Resources expended** | | | | | |
| Raising funds | | - | - | - | - |
| Charitable activities | **6, 7, 8, 9** | 385,797 | 92,361 | 478,158 | 465,046 |
| **Total resources expended** | | **385,797** | **92,361** | **478,158** | 465,046 |
| **Net movement in funds** | **13** | (51,255) | 7,139 | (44,115) | 63,721 |
| **Fund balances at 1 April 2020** | | **97,675** | **8,264** | **105,939** | 42,218 |
| **Fund Transfers** | | - | - | - | - |
| **Fund balances at 31 March 2021** | | **46,420** | **15,403** | **61,824** | 105,939 |

All income and expenditure derive from continuing activities. The Statement of Financial Activities includes all gains and losses recognised during the year.

**THE SHEILA McKECHNIE FOUNDATION**
**(A COMPANY LIMITED BY GUARANTEE)**
**BALANCE SHEET**
**AS AT 31 MARCH 2021**
**COMPANY REGISTRATION NO. (ENGLAND AND WALES) 5331412**

| | Notes | 2021 | | | 2020 |
|---|---|---|---|---|---|
| | | Unrestricted funds | Restricted funds | Total | Total |
| | | £ | £ | £ | £ |
| Fixed asset | 10 | 3,554 | - | 3,554 | 6,988 |
| **Current assets** | | | | | |
| Debtors | 11 | 75,488 | 11,500 | 86,988 | 35,675 |
| Investment | | 1 | - | 1 | - |
| Cash at bank and in hand | | 94,094 | 3,903 | 97,997 | 162,720 |
| | | 169,583 | 15,403 | 184,986 | 198,395 |
| **Liabilities** | | | | | |
| Creditors falling due within one year | 12 | (126,717) | - | (126,717) | (99,443) |
| **Net current assets** | | 42,866 | 15,403 | 58,270 | 98,952 |
| **Net assets** | | 46,420 | 15,403 | 61,824 | 105,940 |
| Funds brought forward | | 97,675 | 8,264 | 105,939 | 61,147 |
| Surplus/(Loss) for the year | | (51,255) | 7,139 | (44,115) | (18,929) |
| **Fund Transfers** | | - | - | - | - |
| **Funds of the charity** | | **46,420** | **15,403** | **61,824** | 42,218 |

The trustees are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the preparation of the unaudited Accounts for the period by virtue of section 477 (2), and that no member or members have requested an audit pursuant to section 476 (1) of the Act.

The trustees acknowledge their responsibilities for:

(i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
(ii) preparing unaudited accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit and loss for the financial period in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to the unaudited financial statements, so far as applicable to the company.

These accounts have been prepared with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006.

The accounts were approved by the Board on 08 September 2021





Peter Moorey
Interim Chair of Trustees

Stuart Davis
Treasurer

# THE SHEILA McKECHNIE FOUNDATION
# (A COMPANY LIMITED BY GUARANTEE)
# NOTES TO THE ACCOUNTS
# FOR THE YEAR ENDED 31 MARCH 2021

**Company status**

The Sheila McKechnie Foundation is a company limited by guarantee and has no share capital. The liability of each member does not exceed £10. It is a charity registered in England and Wales (registration No. 1108210), Scotland (Registration No. SC044207). Its company registration number is 05331412 (England and Wales). Its registered address is The Foundry, 17 Oval Way, London SE11 5RR.

**Note**

## 1 Accounting policies

### 1.1 Basis of preparation

The Sheila McKechnie Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. These accounts have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity. Balances within the accounts have been rounded to the nearest £1. The accounts are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. In preparing the accounts, the Trustees have assessed the Charity's ability to continue as a going concern. The principle financial risk facing the Charity is its ability to generate sufficient income to cover expenditure incurred in fulfilling its objectives. The Trustees have reviewed the cash position of the Foundation and cash forecasts at the date of signing the accounts, including grants and donations secured or pledged, together with unavoidable financial commitments, and are satisfied that the Foundation will be able to meet all of its financial commitments. As a consequence the Trustees believe that the Foundation is well placed to manage its financial risks successfully, including the impact of Covid-19, and that the Foundation has adequate reserves to continue in operational existence for the foreseeable future and at least, but not limited to, 12 months from the date of approval of these accounts. Accordingly the Trustees continue to adopt the going concern basis in preparing the accounts and are satisfied that there are no material uncertainties related to events or conditions that cast significant doubt on The Sheila McKechnie Foundation's ability to continue as a going concern.

### 1.2 Fund accounting

The charity's accounts are defined as follows:

Unrestricted Funds comprise accumulated surpluses and deficits on general funds; they are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Restricted Funds are funds subject to specific restricted conditions imposed by the donors.

**1.3 Incoming resources**

All incoming resources are accounted for when the charity has entitlement, there is certainty of receipt and the amount is measurable. Income is deferred when it is in respect of work to be carried out in the following year.

Voluntary income comprises all incoming resources from donations and gift aid. Charitable activities comprises incoming resources from grants and charitable trading. Investment income is Bank interest accounted for on a receivable basis. Other income comprises income from non-charitable trading.

**1.4 Resources expended**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grant are recognised as services are supplied. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**1.5 Debtors, Cash and Creditors**

Debtors - short term debtors are measured at transaction price.

Cash and cash equivalents - comprise cash at bank and in hand.

Creditors - short term creditors are measured at the transaction price.

**1.6 Fixed Assets and Depreciation**

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset over the useful economic life. The rate adopted is as follows:

| | | |
|---|---|---|
| Fixtures and Fittings | - | 33% straight-line |
| Computer Equipment | - | 33% straight-line |

**1.7 Reserves policy**

The Directors of SMK take the view that a reserve should be held sufficient to pay notice periods for all staff plus any other liabilities re. rent or other suppliers in the event the charity has to wind up. Based on SMK's current head count and notice periods, this means a figure of £88K would ideally be held in Reserve. Recognising that it is very unlikely the charity will have to wind up at no notice, and that some wind down costs could potentially be covered from other sources, the Board has agreed that the more moderate figure of 60K is reasonable to hold in reserve and is proportionate to the Charity's income.

**1.8 Pension**

Pension costs represent payments to individual personal pension schemes of employees. Pension costs are charged to the Statement of Financial Activities in the period in which they are paid.

**1.9 VAT**

Income and expenditure is stated gross of VAT as it is not recoverable.
SMK is not registered for VAT.

**1.10 Independent Examination**

The Independent Examiner's remuneration for 2021 was £3,600 (2020 £3,000. 2020 fees were paid by a third-party donor)

**Note**

**2 Voluntary income**

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Unrestricted funds | Restricted funds | Total | Total |
| | £ | £ | £ | £ |
| Donations | 959 | | 959 | 986 |
| Misc Income | 1,435 | | 1,435 | 542 |
| | **2,395** | **-** | **2,395** | 1,528 |

**3 Incoming resources from charitable activities**

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Unrestricted funds | Restricted funds | Total | Total |
| | £ | £ | £ | £ |
| Grants | 173,750 | 99,500 | 273,250 | 345,158 |
| Charitable Activity income | 158,398 | - | 158,398 | 182,081 |
| **Total resources** | **332,148** | **99,500** | **431,648** | 527,239 |

| **Grants** | £ | |
|---|---|---|
| John Ellerman Foundation | 50,000 | (£37,500 deferred to 2021-22) |
| Barrow Cadbury Trust | 8,000 | |
| Cornerstone - City Bridge | 8,500 | |
| Cornerstone - Trust for London | 50,000 | |
| Esmee Fairbairn Foundation | 25,000 | |
| Joseph Rowntree Charitable Trust | 30,000 | |
| Paul Hamlyn Foundation | 40,000 | |
| Tudor Trust | 25,000 | (£6,250 accrued to 2019-20) |
| Tudor Trust (Wellbeing) | 2,000 | |
| Shelter | 5,000 | (Deferred to 2021-22) |
| Crisis | 5,000 | (Deferred to 2021-22) |
| RSPCA | 5,000 | (Deferred to 2021-22) |
| RNID | 5,000 | (Deferred to 2021-22) |
| The Wildlife Trusts | 5,000 | (Deferred to 2021-22) |
| Add deferral from 2019/20 | 67,000 | (City Bridge £17,500 John Ellerman £37,500 Barrow Cadbury £2,000 Joseph Rowntree Charitable Trust £10,000) |
| Less accrual to 2019/20 | (6,250) | (above) |
| Add accrual from 2021/22 | 11,500 | (Barrow Cadbury £7,500 City Bridge £4,000) |
| Less deferral to 2021/22 | (62,500) | (above) |
| Total Grants | 273,250 | |

Deferred Income refers to cash grants received before the Balance Sheet date but relating to activities commencing thereafter

Accrued Income refers to cash grants received after the Balance Sheet date but relating to activities conducted beforehand

**Note**

**4 Comparator for Prior Year SoFA Values**

| | 2020 | | |
|---|---|---|---|
| | Unrestricted funds | Restricted funds | Total |
| Incoming resources | £ | £ | £ |
| Voluntary income | 1,528 | - | 1,528 |
| Charitable activities | 367,115 | 160,124 | 527,239 |
| Total Incoming resources | 368,643 | 160,124 | 528,767 |
| Resources expended | | | |
| Raising funds | - | - | - |
| Charitable activities | 313,047 | 151,999 | 465,046 |
| Total resources expended | 313,047 | 151,999 | 465,046 |
| Net movement in funds | 55,596 | 8,125 | 63,721 |
| Fund balances at 1 April 2019 | 38,189 | 4,030 | 42,218 |
| Fund Transfers | 3,891 | (3,891) | - |
| Fund balances at 31 March 2020 | 97,675 | 8,264 | 105,939 |

**5 Grant-Making Activities**
The total of grants paid was £Nil (2020: £20,000).

| **6 Cost of charitable activities:** | **2021** | | | 2020 |
|---|---|---|---|---|
| | **Unrestricted funds** | **Restricted funds** | **Total** | Total |
| | **£** | **£** | **£** | £ |
| Staff Cost | 268,019 | 82,360 | 350,379 | 301,778 |
| Projects expenditure | 47,405 | 10,001 | 57,406 | 101,494 |
| Office overheads | 70,373 | - | 70,373 | 61,774 |
| | **385,797** | **92,361** | **478,158** | 465,046 |

**7 Number of employees**
The average monthly number of Full Time Equivalent employees during the year was 6 (2020: 5).

| **8 Employment costs** | **2021** | 2020 |
|---|---|---|
| | **£** | £ |
| Wages and salaries | 289,297 | 218,916 |
| Social security | 27,380 | 20,959 |
| Pension costs | 14,477 | 10,946 |
| Consultancy/Professional services | 19,225 | 50,653 |
| Travel & Subsistence | - | 304 |
| | 350,379 | 301,778 |

One employee earned between £70,000 and £80,000 (2020: 1)

The CEO is considered to be the Key Management Person of the charity. The total paid to the CEO during the year (excluding pension payments) was £78,795 (2020 £77,250)

**9 Trustees**
None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Trustees reimbursed expenses were nil (2020: £Nil)

**Notes**

**10 Tangible Fixed Assets**

| | £ |
|---|---|
| **COST** | |
| B/F at 31 Mar 20 | 11,789 |
| Additions | - |
| C/F | 11,789 |
| **Depreciation** | |
| B/F | 4,801 |
| Charge for year | 3,434 |
| C/F | 8,235 |
| **NET BOOK VALUE** | |
| B/F at 31/3/2020 | 6,988 |
| C/F at 31/3/2021 | 3,554 |

**Investments**

| | £ |
|---|---|
| B/F at 31 Mar 20 | - |
| Additions | 1 |
| C/F | 1 |

**11 Debtors**

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Unrestricted funds | Restricted funds | Total | Total |
| | £ | £ | £ | £ |
| Trade debtors | 62,192 | | 62,192 | 20,618 |
| Provision for Doubtful Debt | (1,240) | | (1,240) | - |
| Accrued income | 12,000 | 11,500 | 23,500 | 11,406 |
| Prepayments & Deposits | 2,536 | | 2,536 | 3,651 |
| | 75,488 | 11,500 | 86,988 | 35,675 |

**12 Creditors: amount falling due within one year**

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Unrestricted funds | Restricted funds | Total | Total |
| | £ | £ | £ | £ |
| Trade creditors | 11,116 | | 11,116 | 20,302 |
| Deferred income | 92,412 | | 92,412 | 70,000 |
| Payroll Liabilities | 10,569 | | 10,569 | 9,141 |
| Unpaid Share Capital | 1 | | 1 | - |
| Accruals | 12,619 | | 12,619 | - |
| | 126,717 | - | 126,717 | 99,443 |

**Operating Lease**

Minimum lease payments under the non-cancellable operating lease for the office space are:

| | 2021 | 2020 |
|---|---|---|
| Not later than one year | 10,140 | - |
| Later than one year and not later than five years | - | - |
| Later than five years | - | - |
| Lease payments recognised as an expense. | 25,372 | - |

| Notes | Movement in funds | At start of the year | Incoming Resources | Outgoing Resources | Fund Transfers | At end of the year |
|---|---|---|---|---|---|---|
| 13 | **Restricted funds** | | | | | |
| | Power Sharing | 8,264 | 80,000 | 74,861 | - | 13,403 |
| | Restricted Core | - | 19,500 | 17,500 | - | 2,000 |
| | **Total Restricted Funds** | **8,264** | **99,500** | **92,361** | **-** | **15,403** |
| | **Unrestricted funds** | | | | | |
| | Campaigner Carousel | - | 59,259 | 13,962 | (45,297) | - |
| | Consultancy | - | 72,057 | 13,546 | (58,511) | - |
| | Awards | - | 46,000 | 18,108 | (27,892) | - |
| | Core | - | 157,227 | 340,182 | 182,955 | - |
| | Reserves | 97,675 | | | (51,255) | 46,420 |
| | **Total Unrestricted Funds** | **97,675** | **334,543** | **385,797** | **-** | **46,420** |
| | **Total Funds** | **105,939** | **434,043** | **478,158** | **-** | **61,824** |

**Restricted projects:**

**The Power Sharing Project** is a Cornerstone funded two-year project that is exploring what it would look like if civil society in London was better at sharing power in pursuit of social change, with a focus on lived experience, poverty and socio-economic inequality.

**Restricted Core** Tudor Trust generously awarded a grant of £2,000 for staff wellbeing in Feb 2021 which remained unspent at the end of the FY. Other Restricted Core income was awarded by Barrow Cadbury as a grant restricted to Core activities.

**Transfer of funds**

At 1 Apr 2020, £51,255 was transferred from Reserves to Unrestricted operational areas to enable activities delayed from 19-20 into 20-21 as a result of Covid-19. At 31 Mar 21, all Unrestricted Funds were consolidated into Reserves. The remaining balances on the Restricted Funds 'Power Sharing' of £13,403 and Restricted Core of £2,000 were carried forward, together with Unrestricted Reserves of £46,420. There were no transfers between Restricted and Unrestricted Funds.

**Notes**

## 14 POST BALANCE SHEET EVENT - COVID 19 IMPACT

The emergency measures imposed by the Government to control the COVID 19 pandemic restricted the ability of the Sheila McKechnie Foundation to operate normally through 20-21. While the situation is beginning to return to a degree of normality, that restriction on normal operations is still being felt. The Trustees continue to work to minimise the impact of the exceptional challenges caused by the pandemic and the measures taken by the Government to control it and the effects of the pandemic do not result in any adjustment being needed to the value of assets and liabilities at the balance sheet date.

The Trustees of the Sheila McKechnie Foundation remain confident that they will be able to overcome the continuing operational differences and as a consequence these accounts have been prepared on a going concern basis.

## 15 POST BALANCE SHEET EVENT - TRADING SUBSIDIARY

On 1 April 2021 the Sheila McKechnie Foundation moved all trading activity into a Trading Subsidiary (Sheila McKechnie Trading, Company Registration Number 13248880) which was registered with Companies House during March 2021. 100% of the shares in the Trading Subsidiary were purchased by Sheila McKechnie Foundation. There was no activity in the Trading Subsidiary prior to the Balance Sheet date and at that date the Trading Subsidiary had no assets, liabilities or funds other than the £1 Called-up Share Capital. Group Accounts have therefore not been prepared for the 2020-21 year.