

**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) Stuart Davis (Treasurer) Cecilie Hestbaek Rhea Stevens Bushra Ahmed (Appointed 16 December 2020) Kimberley Garande (Appointed 16 December 2020) Patrick Steene (Appointed 16 December 2020) Zainab Ali Khan (Appointed 16 December 2020) Deborah Doane (Appointed 16 December 2020) Sarah Wooton (Resigned 16 February 2021) Moira Fraser-Pearce (resigned 24 February 2021) Richard Lane (Appointed 7 April 2021) Kierra Box (Resigned 16 December 2020) Louise Hanson (Resigned 16 December 2020) John Rudkin (Resigned 16 December 2020) Alastair Wilson (Resigned 16 December 2020)
Principal address and Registered Office	The Foundry 17 Oval Way London SE11 5RR
Independent Examiner	D J Bond FCA Brebners Chartered Accountants 130 Shaftesbury Avenue London W1D 5AR
Bankers	Unity Trust Bank Nine Brindleyplace 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 Esmée 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 Centrepoin 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 and 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 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 in 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 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

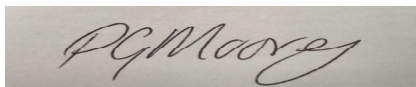
Brebners were appointed as the charitable company's independent examiners and have expressed their willingness to continue in that capacity.

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

**THE SHEILA McKECHNIE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT TO THE
ACCOUNTS OF THE SHEILA McKECHNIE FOUNDATION LIMITED**

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).

**THE SHEILA McKECHNIE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT TO THE
ACCOUNTS OF THE SHEILA McKECHNIE FOUNDATION LIMITED**

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
		£	£	£	£
<u>Incoming resources</u>	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
<u>Resources expended</u>					
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)

THE SHEILA McKECHNIE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

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	
Esme 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

**THE SHEILA McKECHNIE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

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	42,219
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)

THE SHEILA McKECHNIE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

Notes

10 Tangible Fixed Assets

COST	£
B/F at 31 Mar 20	11,789
Additions	-
C/F	<u>11,789</u>
 Depreciation	
B/F	4,801
Charge for year	<u>3,434</u>
C/F	<u>8,235</u>
 NET BOOK VALUE	
B/F at 31/3/2020	6,988
C/F at 31/3/2021	<u><u>3,554</u></u>

Investments

	£
B/F at 31 Mar 20	-
Additions	<u>1</u>
C/F	<u>1</u>

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
	<u>75,488</u>	<u>11,500</u>	<u>86,988</u>	<u>35,675</u>

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	-
	<u>126,717</u>	<u>-</u>	<u>126,717</u>	<u>99,443</u>

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	-

THE SHEILA McKECHNIE FOUNDATION
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

Notes

13	Movement in funds	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:

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.

**THE SHEILA McKECHNIE FOUNDATION
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

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.