

# THE SOCIETY OF DYERS AND COLOURISTS

England & Wales · Charity number 212331

## Details

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**Other names** SDC

**Status** Registered

**Legal form** Other

**Registered** 1962-11-08

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** The Society Of Dyers And  
Colourists  
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Bradford  
BD1 2LU

**Phone** 01274761778

**Email** [info@sdc.org.uk](mailto:info@sdc.org.uk)

**Website** [www.sdc.org.uk](http://www.sdc.org.uk)

## Activities

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**Objects:** TO PROMOTE BY ANY OR ALL AVAILABLE MEANS THE ADVANCEMENT OF THE SCIENCE OF COLOUR AND IN PARTICULAR BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING IN FURTHERANCE THEREOF TO DO ALL OR ANY OF THE FOLLOWING: SEE ROYAL CHARTER 8 MAY 1963 FOR FURTHER INFORMATION.

**Activities:** Promote the advancement of technology both in the theory and in the practice of the creation and use of colour and colouring matter. Full details are available in the Objects contained in the SDC Royal Charter available via our website at [www.sdc.org.uk](http://www.sdc.org.uk)

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** Other Defined Groups, The General Public/mankind



## Geography

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- Australia
- Austria
- Bangladesh
- Belgium
- Brazil
- Bulgaria
- Canada
- China
- Cyprus
- Denmark
- Egypt
- France
- Germany
- Greece
- Hong Kong
- Hungary
- India
- Iran
- Ireland
- Italy
- Japan
- Kenya
- Latvia
- Lebanon
- Madagascar
- Mauritius
- Morocco
- Netherlands
- New Zealand
- Nigeria
- Northern Ireland
- Norway
- Pakistan
- Portugal

- Scotland
- Singapore
- South Africa
- Spain
- Sri Lanka
- Switzerland
- Thailand
- Turkey
- United States
- Throughout England

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£7,398,054	£7,108,046	£10,355,730	56
2023-12-31	£6,476,457	£6,066,909	£10,021,215	8
2022-12-31	£6,526,479	£5,528,408	£9,564,319	8
2021-12-31	£5,957,243	£5,023,544	£8,680,126	39
2020-12-31	£4,947,852	£4,500,829	£7,677,957	43

## Trustees

Name	Role	Appointed
Adam Pursell		2023-05-19
Dr Ela Manoj Dedhia		2022-05-20
Dr Parikshit Goswami CCol ASDC		2020-07-24
Dr Sivaramakumar Pariti CCol ASDC		2022-05-20
Eamon Oliver Furey		2022-05-20
Gavin Thatcher		2025-05-30
Gopal Krishnan Santohki CCol FSDC		2022-05-20
Ian Lewis		2024-05-24
Jane Wood		2025-05-30

## Linked charities

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- KNECHT MEMORIAL FUND (212331-1)
- MERCER LECTURE (212331-2)
- GEORGE DOUGLAS LECTURE (212331-3)

**THE SOCIETY OF DYERS AND COLOURISTS**

England & Wales - Charity number 212331

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# Accounts

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**The Society of Dyers & Colourists (SDC)**

**Annual Report &**

**Financial Statements**

**For the Year ended 31<sup>st</sup> December 2024**

Charity Number 212331

Royal Charter Number RC000567



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### Foreword by SDC Chief Executive Officer

The year 2024 was a significant one for the Society in that it heralded the 140<sup>th</sup> Year Anniversary of the Society's formation in 1884. The year therefore included additional significant events with an International Conference held in Manchester in June 2024, the SDC hosting the Dyes in History and Archaeology (DHA43) in Leeds in October 2024 as well as the 2<sup>nd</sup> UK Technical Conference (see The Colourist report also) in Bradford, also in October 2024. The Society was also closely involved with the BioColours 2024 Conference held in Finland which Dr Antony Morton from the SDC Staff attended. This meant the Society's reach and engagement with individuals, members and non-members, was greatly enhanced. The International Design Competition and Global Colourist Award also ensured growing engagement around the globe.

The impacts of the promotion and delivery of these events included a greater awareness of the Society resulting in an arresting of the decline in Membership numbers. Management of membership subscriptions is now more dynamic and able to report in real time more than ever before, ensuring issues with renewals are addressed much sooner, thus retaining members. In 2025 onwards a key SDC strategic aim is to grow the membership community, for which we also require the enthusiasm of all current members.

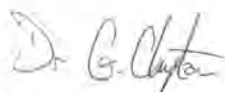
Society finances were under substantial demand in 2024, not only for anniversary year events, but also to ensure the upkeep of Perkin House following several years of challenges in being able to engage maintenance companies. The year also saw large price increases in many areas, a situation intensified by the need to undertake one off repairs due to weather damage to the Perkin House flat and pitched roofs, roof mounted air handling system and the replacement of aged and rotting wooden doors and frames. Thankfully many of these costs are a one off cost and leave Perkin House in a better condition for the future.

The year also saw the agreement by the Society's Board on the SDC Strategy for the next 4 years – see the SDC Strategy 2025-2027 section in this Annual Report on this, as it is so important for the future. Work on the Society's Royal Charter, By-laws and Rules was regrettably not as progressive as had been hoped during 2024, primarily due to the now small number of core SDC staff being fully occupied in the 140<sup>th</sup> Anniversary year. This work is to be progressed in 2025 and has not ceased.

2024 also saw the start of the SDC Textile Collection – a curation and cataloguing of the many items held by the Society. These are being made available online and especially in person to our Educational Provider members, as a component of their membership subscription. The Textile Collection is being developed with a long-term view of engagement opportunities both locally, nationally and internationally as well as creating a new member benefit. The items discovered have been fascinating, from original letters by Sir William Henry Perkin, Greville Williams and GG Stokes, to a Japanese Scroll in a presentation box (now translated), Smiths Practical Dyers Guide, many items from Yorkshire Chemicals Co Ltd and a 1915 edition of the Atlas of the Munsell Color System. Indeed, it is a living reminder of the heritage of the SDC, the heritage of colour and a valuable resource for the future users of colour.

In 2025 we will see more engagement with SDC members and non-members and at new locations. The Society will be attending the ITMA Asia event in Singapore in October 2025, which will coincide with the International Design Competition final in Singapore. The AGM in 2025 will take place at the University of Huddersfield. The SDC has also taken the decision to move the Annual Awards Ceremony and Day of Celebration to a new venue and location, with the event taking place in Chester, UK in November. We hope these new locations provide new opportunities for people to attend these events and new formats to add to the occasions. I look forward to meeting many new, as well as familiar, faces.

2025 will also see the conclusion of a specific project spear headed by the SDC President Susan Kay-Williams, who has been keen for the SDC to produce a set of colour activities for school children to promote the *'Sharing of knowledge and stimulating interest in colour'*. A President's Working Party was set up in 2024 and involved over 30 volunteers from several countries to shape the concept and produce the worksheets and instructions. Progress is now at the stage where the colour educational material is being finalised and costed, such that a number of boxed kits can be made available to schools, initially in the UK and funded with sponsorships. This is a key revitalisation of SDC work with school aged children to promote colour in the much wider sense than simply textiles, although they are included, and one which it is hoped will enthuse the Colourists of the future.



Dr Graham Clayton, Chief Executive Officer.

NB Links in the above text are to articles with more detailed information. Some links may require a current SDC Membership Subscription and for you to be logged in to the SDC Members area of the SDC website.



## Society of Dyers and Colourists Annual Report

The Society's Board is comprised of nine elected trustees from amongst its Voting Member population, SDC Honorary Officers and the Chief Executive Officer, together with any co-opted Board members, who present their report together with the financial statements of the charity for the year ended 31 December 2024. The Board are of the view that the funds and assets have been prudently managed and effectively applied during the year, solely in furtherance of the objectives described in the [SDC Governance documents](#) and reproduced below. Financial performance is continually under review against these. The Board are satisfied that the financial policies and plans presently being applied are relevant, appropriate, and adequate to support and sustain the charitable activities of the SDC.

### Honorary Officers

President	Chris Carr (appointed AGM 2023 to AGM 2024)
President	Susan Kay-Williams (appointed AGM 2024 to AGM 2025)
Immediate Past President	Ullhas Nimkar (from AGM 2023 to AGM 2024)
Immediate Past President	Chris Carr (from AGM 2024 to AGM 2025)
President Elect	Stuart Wilkinson (appointed AGM 2024)
Honorary Secretary	Stuart Wilkinson (appointed AGM 2018 until AGM 2021 and re-appointed AGM 2021 until AGM 2024)
Honorary Secretary	Vien Cheung (appointed AGM 2024 until AGM 2027)
Honorary Treasurer	Michael Catterall (appointed AGM 2021 to 2024 and re-appointed AGM 2024 until AGM 2027)

### Trustees during 2024

- Ela Dedhia – appointed at the AGM 2022 and retires AGM 2025\*
- Eamon Furey – appointed at the AGM 2022 and retires AGM 2025\*
- Parik Goswami – appointed at the AGM 2020 and re-appointed AGM 2023 until AGM 2026\*
- Linda Hodgson – appointed at the AGM 2023 until AGM 2026\*
- Ian Lewis – appointed AGM 2024 (NB Ian retired by rotation AGM 2020 and was re-appointed until AGM 2023 but then stood down for a year before re-election)\*
- Siva Pariti – appointed at the AGM 2022 and retires AGM 2025\*
- Adam Pursell – appointed at the AGM 2023 and retires AGM 2026\*
- Paul Santohki – appointed at the AGM 2022 and retires AGM 2025\*
- Gavin Thatcher – appointed at the AGM 2018 and re-appointed AGM 2021 until AGM 2024
- Katherine Wells – appointed at the AGM 2020 and re-appointed AGM 2023 until AGM 2026\*

\*Denotes the nine trustees on the Society's Board post AGM 2024

### Co-opted Board Members

Paul Hamilton was appointed Vice-President (Projects) at the AGM 2022 and was re-appointed at AGM 2024 for a further year.

### Chief Executive Officer

Graham Clayton

Principal Office

Perkin House, Longlands Street, Bradford, BD1 2LU

#### Auditors

Thomas Coombs, 3365 The Pentagon, Century Way, Thorpe Park, Leeds, Yorkshire, LS15 8ZB

#### Bankers

National Westminster Bank plc, 1 Market Street, Bradford, BD1 1EG

#### Investment Managers

Brewin Dolphin Securities Limited, 10 Wellington Place, Leeds, LS1 4AN

#### Governance

The SDC is a charitable body, incorporated by Royal Charter (RC000567) with the governing documents being the Royal Charter (1963) with Amendments, By-laws (2009) and Rules (2012 as amended 2014, 2015, 2016, 2017, 2018 & 2019). These documents are available for public access on the [SDC website](#).

#### Charitable Objectives

The SDC was established in 1884 to advance the science of colour. The SDC achieves this aim by global dissemination of colour knowledge to members, industry and the public, via publications of scientific papers, lectures and electronic media. The charitable objectives are contained within the [Royal Charter](#) of 1963 and are:

- a) To promote the advancement of technology both in the theory and in the practice of the creation and use of colour and colouring matters
- b) To provide means for the wider dissemination and interchange of knowledge concerning the science and technology of colour and colouring matters including knowledge of the application to substrates and of the materials to which they may be applied
- c) To encourage education and research in all and any subjects concerned with the science of colour
- d) To hold meetings for the reading of papers and giving of lectures on coloration and colouring matters and for discussion of the same
- e) To publish scientific literature and a journal for the promotion and correlation of knowledge of the science of colour
- f) To initiate and stimulate research and education in the interests of coloration in all aspects of human life
- g) To co-operate with other scientific organisations and bodies in relation to colour and its application and use
- h) To acquire by purchase, devise, bequest, donation or otherwise lands and hereditaments of any description and tenure and to accept any gift, endowment or bequest and the office of trustee and to carry out any trusts attached to any such gift, endowment or bequest or attached to such office
- i) To do all such lawful things as are incidental or conducive to the attainment of the above objects or any of them.

#### Structure and Governance

The Society's Board is the Governing Body of the Charity with up to nine trustees elected from among the Voting Members of the Society by the Voting Members (Rule 101). The Chief Executive Officer, the Honorary Treasurer and the Honorary Secretary are also entitled to attend meetings of the Board (By-law 36.2), which may also co-opt a maximum of three members (Rule 104 & By-law 36.2). Only trustees take part in any vote of the Board, a quorum of which is 50% of the voting members on the Society's Board (ie trustees), rounded up to the nearest whole number, present either in person or electronically in real time (Rule 115).

The Audit Committee comprises (By-law 37) the Honorary Secretary, the Honorary Treasurer, the President, the President Elect, the Immediate Past President and four elected Voting Members of the

Society (Rule 125). It reports to the Society's Board and monitors legal compliance of all activities related to the Royal Charter, By-laws, SDC Rules, agreed policies and strategies.

The Nominations Committee (By-law 38 & Rule 126) comprises the Chair of the Society's Board, the Honorary Secretary, the Honorary Treasurer and Voting Members representing UK members, members from outside the UK, the Committees and the Regions. The Nominations Committee also ensures the procedure for the appointment of Trustees, Honorary Officers and members of the Audit and Nominations Committees is rigorous and transparent (Rule 126).

The finances of the SDC are the responsibility of the Society's Board (Rule 47) and the Board appoints a Finance Committee, chaired by the Honorary Treasurer, to manage the Society's finances (Rule 48). The composition of the Finance Committee and its appointment is made annually by the Society's Board (Rule 49) at their first full meeting after the AGM.

The SDC's other committees report to the Society's Board and the Chief Executive Officer and develop, direct and monitor the charity's activities in accordance with its' Charitable Objectives and Strategic Plan. The SDC's day-to-day operational activity is managed by the Chief Executive Officer with a complement of appropriately skilled staff and external service providers under the CEO's management.

The Society's Board are advised of their responsibilities under charity and company law, the requirements of the Royal Charter, By-laws and SDC Rules. Formal training of the Board members, Audit Committee, Nominations Committee and those standing for election is made available at least annually, with attendance recorded. This training is delivered by experts in their field who also have wide experience in the charity sector. In 2020 the move was made to make this available via the SDC main website and three new Governance training sessions were held in 2023, with the recordings available for members of the Board, Audit and Finance Committees online.

### **Governance Review**

A Governance Task Group Working Party of the SDC Audit Committee has spent some considerable time examining the SDC Royal Charter, By-laws and Rules. The Working Party was formed by the SDC Audit Committee in December 2020 and concluded its work, reporting to a meeting of the SDC Audit Committee, in February 2024.

Three fully revised Governing documents have been drafted by the Society's legal advisors. These documents are still being cross checked and proofread and will then be presented to the Society's Board and, if accepted, communicated at many opportunities to SDC Members before being taken to a specific General Meeting of SDC Voting Members for final approval following which the Royal Charter and By-laws will be submitted to the Privy Council for their approval. The process is regrettably taking longer than anticipated due to available staff time to undertake the administrative work particularly in the SDC's 140<sup>th</sup> Anniversary year. It is however still in process and work will be an area of focus in 2025.

### **SDC Committees**

The following committees comprise the SDC Governance bodies:

- The Society's Board – Chair Gavin Thatcher until AGM 2024 and thereafter Chair Ian Lewis. In 2024 the Society's Board met on 7 occasions (8 in 2023).



The Society of Dyers & Colourists  
2024 Annual Report & Financial Statements

- Audit Committee – Chair Stuart Wilkinson until AGM 2024 then Chair Vien Cheung. In 2024 the Audit Committee met on 5 occasions (3 in 2023) plus a joint meeting with the Finance Committee to review the Annual Accounts.
- Finance Committee – Chair Michael Catterall. In 2024 the Finance Committee met on 3 occasions (2 in 2023) plus a joint meeting with the Audit Committee to review the Annual Accounts.
- Nominations Committee – Chair Stuart Wilkinson. In 2024 the Nominations Committee met on 1 occasion (1 in 2023).
- Medals Committee – Chair Vien Cheung. In 2024 the Medals committee met on 3 occasions (3 in 2023).
- Examinations, Qualifications and Accreditation Board – Chair Stephen Westland. In 2024 EQAB met on 3 occasions (3 in 2023) plus an examination board meeting.
- Publications Committee – Chair John Easton to end March 2024. A new Chair is being sought and a number of expressions of interest have been received that are being considered by the Publications Committee in 2025. In 2024 the Publications Committee met on 2 occasions (2 in 2023).
- Publications Award Committee – Chaired at their single 2024 meeting (each year there is just one meeting of the Publications Awards Committee) by David Lewis. This committee reviews all papers published in the year by *Coloration Technology* resulting in a single meeting with a huge amount of preparation in reading every paper published that year.
- Colour Index Pigment and Solvent Dyes Technical Board. Chair Adrian Abel. In 2024 the CIPSDTB met 3 occasions (3 in 2023).

It is very much appreciated, and here recognised, that these committees operate due to the substantial input of volunteers. The number of committee meetings above conceals the duration of the volunteer input, with preparation as well as the meetings themselves.

All SDC Committees meet within Microsoft Teams. This means there is a single committee meeting place and depository of Agendas, meeting papers and Minutes for each meeting and future reference.

There are several measures that could be used to report volunteer input to the Society, but which all generalise the volunteer input to some extent. The number of volunteers on committees alone conceals the fact that more than a few volunteers are on several different committees. The SDC website lists all SDC Staff and all SDC Committee members (91 in total in 2024 as in 2023) as one Team (with the ability to filter by committee) which is appropriate, as it is the whole Team of staff and volunteers who deliver the Society's activity and impact.

This narrative on volunteer input has also thus far erroneously focused on the main SDC Governance Committees and coverage here would not be complete without also including the regional volunteers who manage their Region and arrange and deliver regional events. Such volunteers are typically exceedingly rich in experience whilst also extremely welcoming of new and early career volunteers. The committees of regions are now also listed on the SDC website under 'About Us' and 'The Team' as they do form part of the whole SDC Team.

A conservative estimate of the combined hours of volunteer input of the above just in actual meetings is over 1,500 hours per annum, or around 40 person weeks of work. This estimate does not include preparation time which will vary by volunteer role, but it is quite probable that the volunteer input time could be two or three times the conservative estimate.

### **Regional AGMs**

The Society's Rule 55 states that: "*Regions, or Student Section, where it has no parent Region, shall submit a statement of accounts to the Chief Executive Officer at least one week before the Society's Annual General Meeting. These will be presented to the Society's Board at the first meeting after the Annual General Meeting.*" This had not been adhered to for many years, but the Governance of the Society is ensuring success in getting this schedule reinstated. Regions have held their own AGMs and provided a Statement of Accounts but at different times across the year. In 2024 the UK regions will all have held their AGMs ahead of the main SDC AGM, as will have many international regions.

### SDC Performance

#### **Mission**

Educating the world in the science of colour.

#### **Objectives**

The objectives of the SDC for 2024 were to:

- 1) To *Educate* in the field of colour and the science of coloration
- 2) To *Collaborate* with SDC members and the wider colour community, whilst developing the SDC Communities for the SDC future world.
- 3) To *Include* all staff, members, collaborators and interested parties as appropriate in the SDC *Colour Education* and the *SDC Communities*
- 4) To *Increase* the reach of the SDC to deliver its' services to a wide *Colour and Education Community* globally
- 5) To *Build* and deliver a sustainable business model that ensures the future availability of SDC resources.

The Objectives of the Society are reviewed annually. Informed by ongoing Governance Training, the Society Objectives for the year are kept in agreement with the Royal Charter Objectives.

In 2024 the Society's Board also concluded and approved a new SDC Strategy for the coming years – see a separate section below specifically on the SDC Strategy.

#### **Public benefit**

The SDC public benefit arises from a wide range of events and activities provided for the public to gain greater knowledge through education in the science of colour:

- The [SDC website](#) and associated Digital Archive (now with 4,900 items) grew across 2024. Some content is only available to current members, with some content available to all.
- Bursaries and grants have been awarded and the Global Colourist Award introduced in 2023 was continued into 2024 and beyond.
- Lectures, seminars / webinars and conference presentations on colour. The SDC now has a [list of all webinar recordings available online](#) which number 52 (38 in 2023). These are available free of charge to members and at a nominal charge to non-members. In addition,

in 2024 the SDC held or attended a number of conferences (see Introduction at the start of this Annual Report).

- Colour training courses – these courses take place internationally delivered by SDC staff and agreed partners
- Colour products such as the STEM (Science, Technology, Engineering & Mathematics) Dyes kit are available. Due to increased export controls this is now only available to UK customers due to the administration involved in overseas shipment of chemicals.
- Provision of the Secretariat to the BSI (British Standards Institution) Technical Committee, TCI 81, for Colour fastness and colour measurement of textiles, thus supporting all industries for colour and textiles.
- Supporting the provision of the Secretariat for the International Standards Organisation Technical Committee, ISO TC 38 SC1, for Coloured textiles and Colorants, for global standardisation.
- The SDC also has representation on several other international technical committees relating to colour.

The SDC provides benefit to both the public and to its' members. The Society's Board confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The public benefit has also been a feature of trustee and interested party training on governance provided by a charity governance lawyer.

#### The SDC Trading Companies

#### **SDC Enterprises Group Ltd**

#### NOTES TO SOCIETY TRUSTEES FOR THE SOCIETY'S FINANCIAL STATEMENTS 2024

The consolidated results of SDC Enterprises Group now incorporate Northern Dyers (ND) alongside SDCE Enterprises Limited (SDCE) and Sam Weller & Sons Limited (SW). Revenue for the period grew at both SDCE and SW, combined with the addition of ND, group revenue increased by 16%.

UK trade remained depressed, with the difficult trading conditions motivating some customers to replace domestic sourcing with an increase in cheap imports. Growth in exports compensated for this, however, loss of a domestic base is concerning and increases group vulnerability to fluctuations in international trade.

Significant investment in renovating part of the Spinksmire Mill site allowed additional group operations to be transferred to the site. This expanded the manufacturing capacity of those operations, whilst reducing congestion and improving sales logistics at Pickwick Mill. Further, high value, investments, in renovations and new building, planned from 2025 to 2028, will allow the full relocation of the entire group. The additional space will provide the group with numerous opportunities for growth, including: intercompany processing, vertical integration, and the capacity for organic growth. The Directors acknowledge that re-investing circa 55% of gross profits, will restrict the growth in gift-aid, however, investment in assets of long-term value, funded from profit, not borrowing, is judged to be prudent for the group, and its shareholder.

The new funding formula, developed in cooperation with the Society's Hon. Treasurer, led to an increase in Gift Aid to the Society of 9%. Valued at £600,000 (2024 £550,000) gift-aid from SDCE remains the single largest source of income for the Society, representing 69 % of the Society's total income (excluding revaluations).

The Society's total equity in SDCE Group has grown substantially during the period, with shareholder funds standing at £8.3 million (2023, £7.7million) versus the Society's total investment of £445,600. Cash return on this total investment for the period was 135%.

Since starting to trade, in July 2002, SDCE have delivered in excess of £14.3 million in cash to the Society, plus capital growth of over £7.8 million.

Using the cash return plus capital growth per year, divided by shareholders funds at the start of the year (the preferred measure of ROI, as stated by the Society), Enterprises ROI for the period was  $\frac{£0.6 \text{ million} + £0.6 \text{ million}}{£7.7 \text{ million}} = 15.5\%$ . Using this measure, the average annual return is 163%.

The Directors are confident that the implementation of the commercial and investment strategies, as agreed with the Society Trustee Board, is delivering sustainable business operations and long-term asset growth for the Society. Utilising retained profit to fund the increased demand for working capital, and to minimise the requirement for borrowing, is enhancing the Society's shareholding value in a financially efficient and prudent way.

Mark Yare  
April 2025

### **SDC International Ltd**

The SDC wholly owned company, SDC International Ltd is UK based and has Directors appointed by The Society's Board who are the post holders of the roles of Honorary Treasurer, CEO and ASEAN Region Manager. Activity in India, Bangladesh, Sri Lanka is through SDC International India pvt Ltd (SDCIIL), a company registered in India (for Indian tax purposes).

Following multiple setbacks due to Covid and political unrest in Bangladesh, SDC International Ltd through SDCIIL, gained traction on activities in 2024. In late January a conference was held in Bangalore, India on "Pioneering Sustainability: Next-Generation Strategies and Innovations in the Textile Industry". SDCIIL also was an invited guest at a British High Commission event in February 2024, an event which has opened several opportunities. This included another day of meetings with top authorities in the Indian Government in October 2024.

In February SDCIIL coordinated and held a meeting of SDC Members from several international brands in Sri Lanka. Bharat Tex, India's largest textile exhibition, was visited in February 2024 – a move that ultimately lead to SDCIIL being an organiser of the same event in February 2025 which Andrew Filarowski from the SDC also attended as a subsidised guest of the organisers and gave a number of presentations at other institutes whilst in India.

In March 2024 SDCIIL came to the UK with several Indian company heads and gave presentations at an event held at Perkin House and attended the SDC Manchester International Conference in June.

In May 2024 SDCIIL held a reception in Dhaka at The Sheraton Hotel to celebrate 140 years of the SDC with a number of SDC members and interested individuals.

In September 2024 SDCIIL held a series of presentations at BMN College in Mumbai to a large number of students and staff.

September 2024 also saw SDCIIL set up a Joint Committee on Natural Dyes and Biobased Auxiliaries, which is open to anyone worldwide and has Key Objectives of: Promotion of research and development in natural dyes and biobased auxiliaries; Facilitate knowledge exchange and

collaboration among stakeholders; Development of guidelines and standards for the use of sustainable materials and: to Advocate for policy changes to support the adoption of eco-friendly practices. It's first meeting was held in person and online in October 2024.

November 2024 saw SDCIIL participate in 'Automation and Robotics in the Textile Apparel Industry' by the Textile Association of India.

2024 was rounded off by SDCIIL commencing courses on Artificial Intelligence in Textiles which were very well received and are planned to be repeated.

InDyeChem 2025 is a 3-day exhibition co-organised by SDCIIL and Worldex India Exhibition & Promotion pvt Ltd in Colombo, Sri Lanka in August 2025.

An exhibition entitled C3M (Colorants, Chemicals, Compliance & Machinery) is now scheduled over three days in September 2025 having been postponed several times due to unrest in Bangladesh especially in July & August 2024.

Hence, 2024 saw SDC International activity commence in earnest through SDCIIL and with many plans made for 2025. Financially it is expected that the SDC will see an income stream commence from SDCIIL through SDC International in 2025 therefore.

#### Charity Financial Activity

The Society's Board monitor the financial activities of the charity via the Finance Committee and SDC Management Accounts. The Finance Committee and Society's Board take appropriate action as necessary.

#### Investments

The support of SDC International Ltd in India has been over an extended period and frustrated by Covid and political unrest when events were scheduled for Bangladesh (see SDC International specific report above). The return on this support has therefore been delayed and slow. In 2025 though there are three exhibitions taking place (Bharat Tex in Mumbai; C3MFT in Dhaka, Bangladesh; InDyChem in Colombo, Sri Lanka) which will yield returns to the Society. A provision has been placed in the accounts for a proportion of this debt given the turmoil in world trade, but the Society expects each exhibition to be successful and profitable with return to the Society.

The investments managed by Brewin Dolphin come under their specific charity team and the SDC portfolio will typically have 55% exposed to equities, 26.5% to fixed interest, 14% to alternative investments and 4.5% to cash. The portfolio, which is managed at Risk Category 5, is likely to have moderate market volatility. The Charity's investment assets are invested in line with its aims. The Investment Managers are aware that the Trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Charity's purpose. The investment objective of the SDC with Brewin Dolphin managed funds remains unchanged:

*"The trustees view the portfolio over the long-term and see the portfolio as providing a 'safety net' against any unforeseen costs. With that in mind the trustees are concerned with growing the invested assets ahead of inflation so that they retain their real buying power.*



*The trustees would also like the portfolio to produce an income to assist in the smoothing of the charities annual cash flow."*

Net losses on Brewin Dolphin managed investments in 2022 was £139,087 which turned to modest gains of £41,348 in 2023. In 2024 such Investments saw marginally higher gains of £44,507.

Quoted investments at market value, plus cash held associated with those investments, overall fell £62,262 in 2024 (cf a rise of £35,060 in 2023) although this includes the movement of £100,000 from investments to the general fund to support Society cashflow (hence before withdrawals Investments rose £37,738). The total value of Brewin Dolphin managed investments and cash on 31<sup>st</sup> December 2024 was £913,435. In addition, in 2024 these investments realised dividends of £25,101 (Note 6) cf £26,624 in 2023.

The audit requirement for the annual revaluation of the Perkin House asset, the outcome of which is based on market prices, produced no change this past year. In 2022 the total value of Perkin House was assessed to be £1,000,000, with £360,000 of that in the investment (i.e. rented or immediately rentable) part of the building. By the end of 2023 the total value of Perkin House was given as £1,039,721, hence a 4% annual growth in total value of the building asset, whilst the 2024 valuation was given as £1,000,000.

Perkin House rental income has risen from mid-2015, with rental income to the SDC rising to £91,471 in 2024 from £81,741 in 2023. Hence rental income was up 12% again on 2023. The investment portion of the Perkin House value above is given as £320,866 at 31<sup>st</sup> December 2024, making rental income a 28% Return on Investment.

The largest SDC investment is in SDC Enterprises Group Ltd, the wholly owned subsidiary of the SDC Charity. The investment value of SDC Enterprises Ltd has, for many years, been given in the annual accounts as £445,600 and this has not changed. SDC Shareholder funds in SDC Enterprises Group Ltd now are at £8,320,707 (Note 18 Net assets of trading subsidiaries). In 2024 the Charity received from SDC Enterprises Group Ltd Licence Fee of £0 plus Gift Aid at £601,680. This equates to 7% of shareholder funds.

### **Charity Financial Activity**

Over the year 2024 the Charity's net downward movement of all funds was greater than 2023, being £320,605 lower 2024 vs 2023 (cf £106,642 lower 2023 vs 2022 & £207,298 lower in 2022 cf 2021).

There are several sources of such a sizeable downward movement. Expenditure on Raising Funds (Note 8 in the Accounts) was up £24,268 on prior year, primarily due to Investment Property (ie Perkin House) costs which overall rose £20,788 in 2024. Essential replacement of wind damaged insulation of the air handling system located on the roof of the Perkin Suite cost £12,379, although with the outcome of secure insulation ensuring more efficient running efficiency of the air handling system. Storm damage to roof tiles on another part of Perkin House necessitated the erection of scaffolding to replace damaged tiles and ensure Perkin House avoided further wind damage and remained weatherproof at a cost of £11,413. The flat roof above the Perkin Suite and gutters around the atrium also developed water leaks and hence necessitated repairs costing £8,030. These one-off costs were in part within the budget for property maintenance but accumulated to more than forecast in the 2024 budget, whilst ensure the investment property of Perkin House is in good condition for the future.

Expenditure on charitable activities was also higher in 2024, up by £252,366 cf prior year. Note 9 covers the detail of this increase where it can be seen that sizeable rises were experienced in Salary costs, Operational costs, Conference costs, irrecoverable VAT, a provision for the recoverability of costs in India/Bangladesh, along with some rises in production costs of The Colourist and delivery of Bookkeeping services. A major proportion of these expenditure increases were due to utilisation of the Unfunded Projects Reserve (which fell from £249,583 at the start of 2024 to £127,030 by year end). This fund is specifically used by the Projects Evaluation Group in support of specific Society projects which in 2024 included the SDC Textile Archive Project (costs included staff and hardware), the June 2024 International Conference in Manchester, the October DHA43 Conference in Leeds as well as the October UK Dyers Conference in Bradford. The increases in operational costs include utilities usage within Perkin House. Electricity costs have risen for everyone over recent years, and it has been calculated that in 2024 whilst Perkin House electricity consumption had only risen 7.5% over 2 years, the costs of that electricity had risen 122%! Fortunately, market prices have now lowered so renewal of electricity contract undertaken in February 2025 should result in a £20,000 reduction in bills for identical energy usage.

VAT for the Society is a complex issue as recovery is necessary via partial exemption calculations. This results in the reclaim not simply of the standard 20% VAT but a proportion of that based on the amount of 20%, 0% and exempt VAT items. These determine the ratio of VAT that can be reclaimed, and this is calculated quarterly (and adjusted annually to ensure a correct annual proportion). The Auditors are examining this in detail to ensure the Society is optimized as far as VAT recovery is concerned and it is considered that the increase in 2024 is due to income from SDC Enterprises being fully in the form of Gift Aid (VAT exempt) as opposed to a mixture of License Fee (20% VAT) and Gift Aid.

The Bookkeeping costs remained lower than when the service was first outsourced in 2014 but are still sizeable and growing. Hence, in 2025 from the start of Quarter 2 the Society now has new Bookkeepers (following quotations from 3 suppliers) and new accounts software that is forecast to yield a reduction in costs by £20k over a 12-month period.

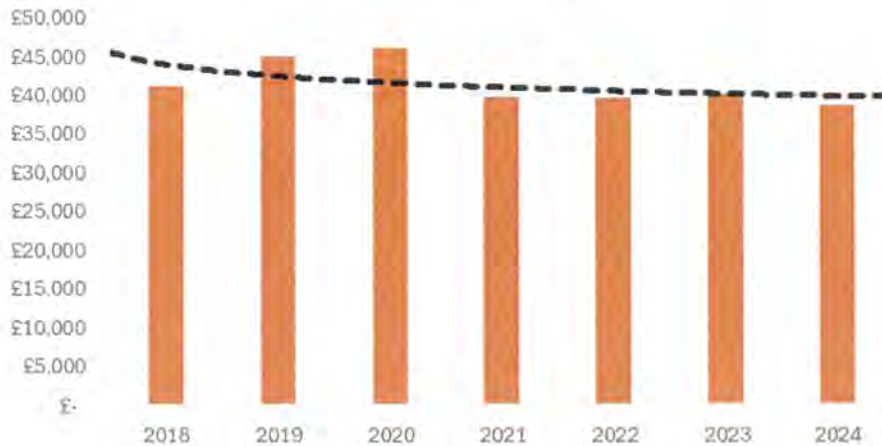
Charity income was up £65,512 in 2024 (and was up £32,180 in 2023) at £867,401. Notable increases were £29,280 from SDC Enterprises Ltd (comparison of Gift Aid in 2024 cf combined Gift Aid and License Fee in 2023), £26,242 more from Conferences in 2024 (due to 3 conferences in the Society's 140<sup>th</sup> anniversary year), plus Perkin House rental income was up a further £9,730 to a high of £91,471 for the year.

This year the Accounts in Note 4 contain an analysis of income by activity: Education (sub-divided into Training and Qualifications); Membership (sub-divided into Day of Celebration and Subscriptions); Publications (sub-divided into Academic Books, Childrens Books and Coloration Technology).

Membership income was effectively static in 2017 after several years of gradual decline. Partly due to membership subscription price rises, membership income was £41,156 in 2018 and in 2019 £45,042. In 2020 it rose marginally to £46,039 but in 2021 membership income fell to £39,706, largely due to companies not renewing memberships. In 2021 the Society's Board also made the price for Individual Non-Voting and Individual Voting membership identical to encourage members to upgrade at no additional cost. Membership income in 2022 amounted to £39,637 and in 2023 rose only marginally to £40,097, then falling again slightly to £38,578 in 2024. Hence, membership income is essentially static with 2019 & 2020 being slightly higher income years. As the chart below shows though the overall trend is therefore now one of arresting the decline in membership income, despite the harmonisation of Voting and Non-Voting individual membership subscription rates several years ago. This financial data should also be considered in conjunction with the membership numbers data below in this Report, which shows the long decline in membership numbers over years (as also experienced

by many other such membership organisations) has finally been arrested and it is planned to now move into a period of membership growth, which will initially be gradual and gain pace.

Membership income by Year



Membership renewals are enabled via the SDC website and members can pay by debit or with credit card and set payments to auto-renew. Each membership subscription also has monthly, annual and every three-year option for payment. It has been very promising to see that growing numbers of members are renewing with auto-renewal enabled.

Books sales income in 2024 was again largely supported by Malcolm the Weaver book sale income which was up from £4,340 in 2023 to £7,126. The aged SDC textbook stock is now a very small income stream to the SDC (£1,882 in 2024), and the new titles are all produced and primarily sold via Wiley Publishing. By 2023 many SDC books were made available via the SDC website as eBooks, reducing the price for them (and reduced further for current SDC Members) and also permitting immediate access to the eBook. This has made this aged book stock available at lower prices (included in the textbook income above) to those interested in accessing their content.

Salary costs of the charity (including social security costs and pensions) rose in 2024 when Charity costs amounted to £425,559 (see note 13 of the Accounts). Whilst salaries and pension costs rose through annual pay rises, Charity staff numbers also rose in 2024 to a total of 9 as an additional fixed term contract member of staff was taken on to backfill a member of staff deployed on the Project Evaluation Group's Textile Archive Project. This post is being funded from the Unfunded Projects Reserve fund.

## Environmental, Social and Governance Report

### Energy Usage and Emissions

In 2024 Perkin House consumed 62,079 kWh of electricity – this included the SDC and all Perkin House tenants. This was 9% more than in 2023 yet costs were 33% higher. Similarly for gas, in 2024 Perkin House consumption was up 10% but costs were up 109%.

Increased consumption is a factor of the weather and Perkin House usage. In 2024 the building had more tenants and was used by SDC staff more frequently than in recent years.

Costs obviously rose hugely in 2024 for gas and electricity and with new contract in 2025 costs are expected to hold for gas and reduce by ca £20k over a 12-month period for electricity. However, their costs remain high compared to historical costs – in 2018 for example the cost of gas and electricity together was under £20,000. New contracts are increasingly using more renewable energy in their supply, but given recent expenditure contracts have been selected simply on price albeit they have good environmental impact credentials.

### **Waste & Recycling**

The Perkin House waste is collected weekly, and cardboard is separated and sent for recycling. Other waste is sent as mixed waste but sorted and graded by the collection service providers. The SDC are mindful of new waste regulations that came into effect at the end of March 2025 although their application to small organisations is being phased in. This will result in further waste sorting and higher recycling rates in the coming years.

### **Resource Consumption**

The SDC has largely reduced the consumption of many of the resources historically used. Integral to this has been the move to digital provision of many aspects of the SDCs activities. This has, for example, hugely reduced the need for photocopier paper and ink, as well as a huge reduction in travel to meetings. Post Covid the level of online meetings continues to be high and is often the preference of those with whom we are meeting. A consequence of this has been a huge reduction in travel and subsistence costs. In 2023 efforts were made to travel more and meet more people face to face, but travel was at a much lower level than in pre-pandemic years. SDC Committee meetings are also now attended online by most participants whereas pre-pandemic most would attend in person.

Travel costs in 2024 were 25% higher than 2023 at £20,718 whilst in 2023 they were 16% higher than in 2022 at £16,621. However, this is still historically low with 2019 travel costs being £41,025. Travel via public transport is used whenever practically possible. Online meetings reduce time, cost and pollution from travel, and are sometimes even the first option as opposed to an alternative option.

### **Reserves Policy**

The SDC Finance Committee reviews the Reserves Policy detail at regular intervals, in line with the SDC strategy and financial compendium. The SDC aims to hold between 12 and 15 months of budgeted total costs in its free Reserves. In accordance with Charity Commission guidance this is to: protect and safeguard the assets of their charity; permit the Society's Board to act with reasonable care and skill; and ensure the charity is accountable.

In establishing this Reserves Policy, the SDC Finance Committee assessed: why reserves might be needed for the charity to be effective and how much was needed in Reserves. An impact and risk assessment were undertaken to arrive at the Reserves Policy for the SDC in its current form.

The Group reserves are represented by the Group funds of £10,355,730 on 31<sup>st</sup> December (2023 – £10,021,215). Group cash at bank and in hand, on 31<sup>st</sup> December 2024, amounted to £2,677,972 (2023 – £3,433,387) whilst the cash at bank and in hand for the Charity alone was £78,119 on 31<sup>st</sup> December 2024 (£260,502 on 31<sup>st</sup> December 2022). Total resources expended by the charity alone in 2024 were up at £1,232,513 (2022 £955,879). A sizeable amount of this (£122,553) was on specific projects under the auspices of the Project Evaluation Group and expended from the Unfunded Projects Reserve Fund which exists for this purpose. Perkin House also had several pieces of overdue work undertaken on it in 2024, as well as some repairs due to weather damage, amounting to £23,829 on property maintenance, £12,379 on building equipment maintenance and £4,783 on interior maintenance.



The SDC had free cash at bank and in hand (not designated for current or future PEG Projects), plus Brewin Dolphin managed investments, and taking into account debtors and creditors, on December 31<sup>st</sup>, 2024, that amounted to 9.4 months of 2024 expenditure (in 2023 this was 10 months) and thus slightly below the reserves policy above.

Where funds held are restricted these are shown in the Annual Accounts (See Note 26 Funds) where permanent endowment funds are also detailed.

#### Project development 2024

The Society's Board has identified a Project Evaluation Group (PEG), which has assessed development projects and prioritised them. The Board have identified and designated total funds for these projects to ensure they can be concluded. The projects are key to SDC impact and delivery over the future years, ensuring delivery of charitable objectives and growth in sustainable income.

A UK Technical Conference was held in Bradford in November 2023 was held again in October 2024 at the same location. In 2024 there was also an International Conference, held in Manchester in June, and the Society hosted the DHA43 International Conference in Leeds.

The Textile Collection in Perkin House is being catalogued and made available for others to access via procurement of an archive database and a fixed term appointment of a SDC Archivist.

#### Review of Activities

##### **Bursaries**

The SDC Bursary scheme has two funding streams:

- A. Main Bursary (Up to £500) For undergraduate and postgraduate students on a relevant course (e.g. Colour Chemistry, Fashion & Design, Textiles)
- B. ASDC Bursary (Up to £250) For students registered for the ASDC examinations.

The SDC Bursary scheme is managed overall by the SDC Education, Qualification and Accreditation Board (EQAB). In 2021 no bursaries were awarded as the pandemic prevented activity by applicants – indeed one bursary was refunded to the Society due to the recipient not being able to undertake the planned activity. In 2022 there was an increase but still only 3 bursaries were awarded as activity once again resumed. In 2023 there was strong specific marketing promotion of the bursaries to grow the number of applications, but the number of bursaries in 2023 was only 4. The marketing continued and the concerted input had an impact as 2024 saw 8 bursaries awarded as follows:

- Laua Sillitoe to support the purchase of items for practical work on an Information Design module in Textile Design
- Rebecca Watson to support the investigation into the application of colour gradients to a wide range of interior fabrics and materials in her final year of a BA Textile Design degree at De Montford University.
- Ruth Lloyd to support attendance of the BioColour conference hosted by the University of Helsinki and the BioColour consortium in June 2024.
- Charlene Jordan to support attendance at DHA43 Conference
- Yan Feng to support her PhD work on "A Practice-Based Exploration of Natural-Dye and Bio-Materials: Their Histories and Mythologies, to Achieve the Sustainable Development of Fashion and Textile Artisan Communities."

- Zofia Zhang to support attendance at DHA43 Conference
- Viveca Mellegard to support attendance at DHA43 Conference
- E Palomino to support attendance at DHA43 Conference

These bursaries support colour science education of the recipients. The sharing of their activity and reports at events and through *The Colourist* magazine and Blogs on the SDC website ensures that several of the Royal Charter Objectives are addressed more widely, especially the dissemination of knowledge about colour.

### **Training**

SDC Training courses continue to be delivered by external partner companies. In 2024 3 individuals received colour fastness training in China, plus a UK company received on-site training for staff on 'An introduction textile coloration' and 'An introduction to colour assessment'.

SDC International also delivered training to many individuals in India and Sri Lanka in both educational institutes and companies.

In 2020 the Society started a Webinar programme with the first live webinar airing in May 2020. There now stands a collection 38 SDC Webinar Recordings on the SDC website which are available free of charge to current SDC Members and at a nominal £20+VAT charge to non-members. The 5 SDC Webinars first aired live in 2024 (and available as recordings via the SDC website) are listed below:

- [Dye Discoveries in the 18th and 19th Centuries – SDC Online Talk](#)
- [Graham Clayton and Harrie Schoots – Life as a textile consultant, is it for you?](#) SDC W42 by Graham Clayton and Harrie Schoots
- [Dr Ajay Ranka – Innovations in Sustainable Textile Production](#) – SDC W41 by Dr Ajay Ranka of Zydex
- [Anna Pangbourne – The Fashion and Textiles Childrens Trust \(FTCT\)](#) – SDC W40 by Anna Pangbourne
- [Jayanta Sanyal – Sustainable Textile Finishing and Dyeing](#) – SDC W39 by Jayanta Sanyal

In addition, 9 of the UK Technical Conference presentations were recorded and are available to view as recorded webinars on the SDC website:

- [SDC 2nd UK Coloration and Finishing Conference 2024 – Panel Discussion 2](#)
- [SDC 2nd UK Coloration and Finishing Conference 2024 – Panel Discussion 1](#)
- [SDC 2nd UK Coloration and Finishing Conference 2024 – ctex Rob Ricketts](#)
- [SDC 2nd UK Coloration and Finishing Conference 2024 – Verivide Russel Thorpe and Stephen Tongue](#)
- [SDC 2nd UK Coloration and Finishing Conference 2024 – Fibre 52 Graham Stewart](#)
- [SDC 2nd UK Coloration and Finishing Conference 2024 – Lee Howarth Archroma](#)
- [SDC 2nd UK Coloration and Finishing Conference 2024 – Environment Agency Spence Seaman](#)
- [SDC 2nd UK Coloration and Finishing Conference 2024 – Colorifix Qiaoyi Wang](#)
- [SDC 2nd UK Coloration and Finishing Conference 2024 – CHT Dietmar Hipp](#)

**Foundation Textile Coloration Certificate (FTCC) & Textile Coloration Certificate (TCC)**

Twelve students studied the first year (FTCC) course for the academic year 2023 – 2024, completing in June 2024. Four students were studying the TCC Course.

This spread of numbers supports the theory that the market is still interested in such qualifications but is cautious about longer term commitment (financially and in terms of their staff time) unless prior engagement has proven some merit to the qualification. This is further reflected in the ASDC qualification take up (see below) where caution by industry has seen a fall in numbers.

### **ASDC Qualification**

Textile Coloration Science and Technology (Level 6) – leading to Associateship of the Society of Dyers and Colourists (ASDC) - is a three-year (minimum) distance learning course, leading to a benchmarked honour's degree level qualification. The programme has received the Ecctis benchmarking assessment that it is a Level 6 qualification (equivalent to a good honours degree, as defined within the Framework for Higher Education Qualifications). Ecctis introduced a time limit on such benchmarking, such that the benchmarking of the ASDC would expire at the end of 2022. However, hard work by the Education, Qualifications and Accreditation Board of the SDC, along with SDC staff, ensured the benchmarking of the ASDC was renewed successfully for another five years. Ultimately gaining this qualification allows students to apply to be a Chartered Colourist (CCol).

The online course covers the fundamental textile coloration principles and processes and is made up of 6 modules that are designed to meet the needs of the students and their chosen industry: Dyeing of Natural Fibres, Dyeing Theory, Textile Printing, Dyeing of Synthetic Fibres, Chemistry of Colourants and Colour Physics.

The cost of the degree equivalent ASDC is much lower than a university degree, plus students typically 'earn as they learn' in employment and their employer therefore also reaps immediate benefits from their studies.

In 2024 just two students were enrolled on the ASDC Course including one who is the first recipient of a Maurice Tordoff bursary to undertake the ASDC and was an outstanding graduate of the TCC course.

### **Publications**

Four issues of *The Colourist*, an SDC member benefit, are produced per year, with production now outsourced to an external marketing company. The external team work closely with all SDC staff in the content collation and even undertake interviews and photography on behalf of the SDC to make production happen. In 2024 the 4 editions of the *Colourist* amounted to 83 pages (77 in 2023 and 76 in 2022) in the usual 4 editions.

Availability of *The Colourist* is communicated to members via email and so the SDC has measures of the open rates and click through activity to *The Colourist*. Members were also provided with free access in the Members area of the website to *Science in Parliament*, both of which receive a great deal of interest.

*Coloration Technology*, the SDC academic journal published in conjunction with Wiley, covers many aspects of coloration with a detailed overview available on the [Wiley's website](#) for the journal. The Wiley's goals for *Coloration Technology* have been to grow readership of the journal, ensure the right authors submit papers and enhance the Society's reputation.



Just 12 Institutions access Coloration Technology via a specific subscription, whereas 4,254 Institutions access it through a license that allows the institute to access a whole host of Wiley's titles, which includes Coloration Technology.

Individual subscribers are very much in the minority and will only be provided with electronic access, as is commonplace for the vast majority of Wiley's journals today. Wiley do offer a Print-on-Demand option however where hard copies of issues or articles can be obtained.

In the past the Coloration Technology Impact Factor has been an important publishing metric and one that has seen positive growth over the years. Wiley is now moving away from journal-based metrics and specifically the Journal Impact Factor. Article level metrics and individual author contribution are now the metrics of choice.

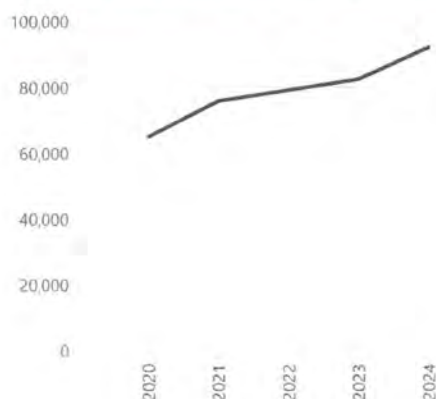
### Most viewed articles on Wiley Online Library

Rank	Article Title	Vol	Iss	Views
1	The roles of elevated temperature and carriers in the dyeing of polyester fibres using disperse dyes: Part 1 fundamental aspects	140	2	1,404
2	Evaluation of the extracts of purple basil ( <i>Ocimum basilicum</i> L.) as natural pH-indicator dyes anticipated to be utilised in intell...	140	6	1,095
3	Encapsulation of colorants by natural polymers for food applications	135	3	1,052
4	Supercritical carbon dioxide (SC-CO <sub>2</sub> ) dyeing of cellulose acetate: An opportunity for a "greener" circular textile economy	139	4	918
5	Natural dyeing of plasma treated wool with avocado seed extract and use of tartaric acid as bio-mordant	140	6	906
6	Natural dyeing of air plasma-treated wool fabric with <i>Rubia tinctorum</i> L. and prediction of dyeing properties using an artificial n...	140	1	826
7	Developments in the chemistry of reactive dyes and their application processes	130	6	769
8	Study of the dyeing properties of saffron and ultrafiltrated saffron powders, as colourants for natural and synthetic fibres	139	5	710
9	The development of indigo reduction methods and pre-reduced indigo products	125	4	697
10	Development of polycaprolactone-based electrospun pH-sensitive sensors as instant colorimetric indicators for food packaging	139	5	685

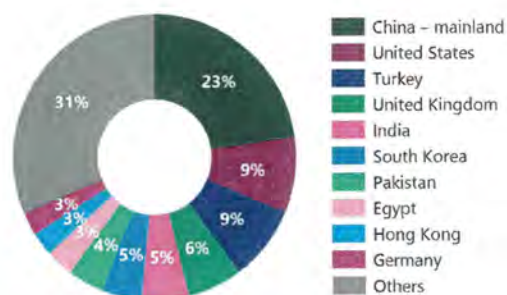
This table includes details of the 10 most-accessed articles of 2024. The average number of views per article published in your journal in 2024 was 176. Across all journals that Wiley publishes in the same subject area, the average number of views per article was 126.

The trend of Article views of Coloration Technology articles continues to grow, as can be seen in the chart below. The countries around the globe who access Coloration Technology continues to be large with a similar annual profile as shown for 2024 below.

### Article views trend

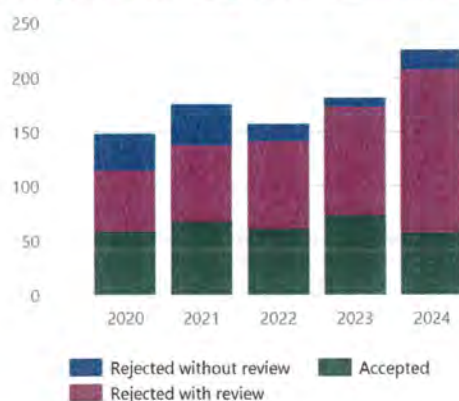


### Top 10 usage countries/regions

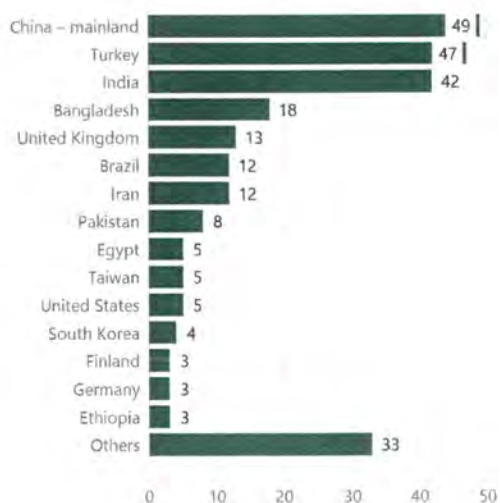


The number of accepted articles continues to be healthy with the number rejected without review increasing slightly in 2024. China, Turkey and India were again the three top countries where submissions arose.

### Accepted and rejected articles



### Country/region of submissions



The SDC is very grateful to Wiley for its assistance in terms of both resources and expertise. Wiley has a marketing plan in place for Coloration Technology. In 2024 the number of pages in Coloration Technology across the year rose from 678 in 2022 to 732 in 2023 and now 923 in 2024, a rise of 26% on 2023.

## Publication trend

Year	Volume	Number of issues	Number of articles	Number of pages	Average days from receipt at Wiley to Early View publication	Median days from receipt at Wiley to Early View publication	Average days from receipt at Wiley to online issue publication	Median days from receipt at Wiley to online issue publication
2024	140	6	60	923	31	23	275	271
2023	139	6	59	732	23	21	205	216
2022	138	6	58	678	23	21	176	183

### Colour Index™

The Colour Index™ is known worldwide and is used by many companies, research institutes, universities and government bodies. Many Colour Index™ users are, significantly, outside the traditional textile manufacturing and dye houses SDC sectors.

The decision was taken in late 2018, by the Society's Board, to transfer the Colour Index™ sales and marketing to SDC Enterprises Ltd. This took some time to complete for several reasons, including appropriate HR consultations and processes, but the transfer took place from 1<sup>st</sup> June 2019. The Colour Index Pigment and Solvent Dyes Board continues to meet under the auspices of the Society to maintain independence from the marketing and sales function.

### Standards

SDC's active involvement with BSI standards ensured their continued relevance, accuracy and usability, based on sound scientific knowledge for the benefit of the supply chain. The areas covered chemical, physical and flammability testing of textiles, textile cleansing and care labelling, and apparel and interior textile (product specification). The SDC provided the Secretariat to the BSI technical committee TCI 81 for colour fastness of textiles and colour communication thus supporting all UK industries for colour and textiles.

The SDC, as required by our contract with ISO, has the secretariat of TC38 SC1 Coloured textiles and Colorants, with partners in China. Brian Woolley continued as secretary to this committee although has now retired at the end of 2022.

The SDC's Technical Director Andrew Filarowski is the secretary for TCI 81 as stated above and representation on the following committees is as indicated:

- TCI/100 Co-ordination of activities in textiles and clothing A Filarowski
  - TCI/24 Physical Testing of Textiles Jonathan Foister (SDC Enterprises)
  - TCI/80 Chemical Testing of Textiles A Filarowski/ S Bolton/ Jonathan Foister (SDC Enterprises)
- TCI/066/0-/08 Burning behaviour A Filarowski
- TCI/81 Colour Fastness & Colour Measurement of Textiles Jonathan Foister (SDC Enterprises)
- TCI/082 Textiles care labelling, dry cleaning, domestic laundering and drying A Filarowski/ Jonathan Foister (SDC Enterprises)
- British Standards Institution Technical Committees – A Filarowski as SDC representative
- CW/15 Safety of Toys S Bolton
- STI/14 Colour Measurement & Schedules M R Luo

The SDC would like to thank all the above individuals for all their work on behalf of the SDC on these committees.

## Events

The SDC events showcase research and best practice in coloration. They also provide education, inspiration and networking opportunities. SDC events are regional, national and international, with wide ranging topics and diverse audiences. Many are free to attend, especially for members, with a strong focus on supporting students and young professionals. The SDC also jointly organises events and participates in events organised by others, thereby spreading SDC's educational reach and profile. Such events very much align with the Objects of the SDC Royal Charter also. That Governing document describes events in a language of its time to "*hold meetings for the reading of papers and giving of lectures on coloration and colouring matters and for discussion of the same*". In 2024 this Object in the Royal Charter was delivered partly online via SDC Webinars which are listed in the above in this Annual Report.

Details of all SDC events can be found on the SDC website and many have featured reports after the event in editions of The Colourist which SDC Members can access via the SDC website Members area.

In 2024 it was the Society's 140<sup>th</sup> year and the Colour Index™ saw its' centenary. There were several SDC connected events including:

- Items from the SDC textile collection feature in 'Colours Uncovered' exhibition at Harewood House, Yorkshire, UK from 22 March - 9 June 2024 with coverage also in local media and many thousands of attendees
- A presentation on 'Weaving Voices - Back Home and Reimagined' at Sunny Bank Mills Archive, Yorkshire in April 2024
- International SDC Conference on 'Sustainability & Circularity in Coloration – Innovations in sustainably supplying the needs of 8+ billion people' in Manchester, UK in June 2024. Almost 100 attended the event, a dozen on SDC bursary places, celebrating 140 years of the SDC with speakers from seven different countries over the 2-day event.
- The 43<sup>rd</sup> International Conference on Dyes in History and Archaeology in Leeds, UK in October 2024. Approximately 80 attended the event from global universities, institutions and museums bringing the SDC Archive to a global audience and directly related to coloration. The Colour Group were also a key collaborator awarding a prize for the best poster presentation.
- The Second UK coloration and finishing Conference in Bradford, UK in October 2024. This event was very well received with over 100 people attending an experience of positive interaction with UK industry. Several students from SDC Educational Provider Members were also given travel bursaries to attend and this will once again be offered in 2025.
- The SDC Annual Awards Ceremony at The Merchant Adventurers' Hall, York in November 2024
- The SDC Day of Celebration Dinner at The Merchant Adventurers' Hall, York in November 2024

Other SDC involved events in 2024 included regional meetings in the UK and overseas.

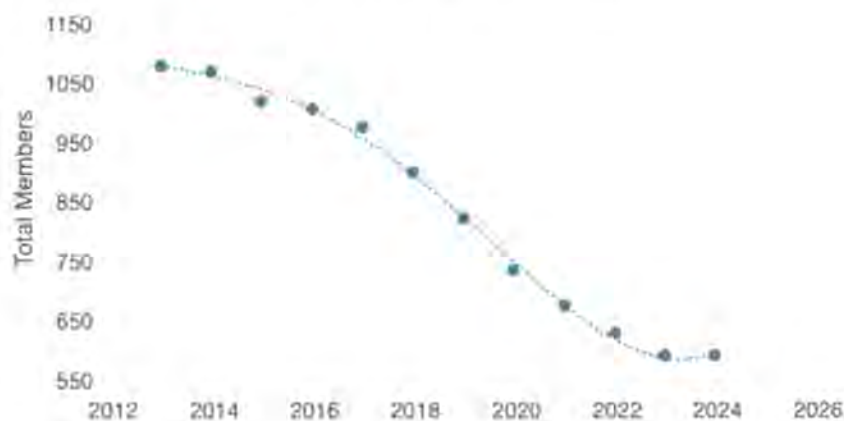
## Membership

In 2024 SDC Membership finally achieved an important milestone: the long decline in membership numbers was arrested! Total **individual** membership numbers have been falling for well over a decade or more, but in 2024 were 597, which was actually 2 above the end of 2023. New members were at 116 (22% of these being re-joins), a level not seen since the 117 of 2018, so recruitment of members was up also. Voting members did reduce by 12 although in recent years that has been much higher (2023 saw a 21 fall, 2022 saw a 17 fall, 2021 saw a 46 fall) and this 2024 reduction was equal to the reduction in CCol numbers (ie also reduced by 12 2024 cf 2023), who are also Voting members

of course also. CCol members are obviously typically older, more experienced individuals and so we do lose members in this category due to total retirement from sector activity and sadly deaths. The overall individual membership retention rate was 81% in 2024. Almost half of the individual membership (49%) are Chartered Colourists and the retention rate amongst this group of members is 95%.

Membership profiles are held on the SDC website and synchronised with Mailchimp, the SDC email communication tool. This has improved data quality also. All members are contacted when their membership comes around for renewal and after it has lapsed with a series of communications encouraging them to renew. This has also been applied to those whose membership lapsed in recent years and a number have come back into membership in the last 12 months.

### SDC Membership at 31 December



In the past the case for taking up SDC membership has arguably been weak, and work over recent years has been put into strengthening that offer. The Colourist Magazine is now only available to members, and some have rejoined to regain access to that once again. Webinars are available free of charge to members, but non-members and lapsed members now need to pay for access – again increasing membership renewals. Privileges of membership are now relinquished on the day the membership lapses which is driving members to renew and auto-renew to retain access to their benefits.

At the close of 2024 there were also 22 Company Members and 19 Educational Provider Members of the Society. Group Membership retention rates are 83%, hence slightly higher than the retention rate of individual members. The number of Company Members has varied between 20 and 26 over the 2017-2024 period and hence is slightly below the 8-year average of 23. Educational Provider Members have numbered 12-26 over the same 8-year period and so are not also slightly below the 8-year average of 20. These Group Memberships represent in total 180 Company Membership individuals and 316 Educational Provider Membership individuals. Hence, the total of Individual and Group SDC Memberships sums to 1,093 people.

In late 2020 a Governance Task Group of the SDC Audit Committee was also put in place to update and re-draft the Society's Rules, By-Laws and Royal Charter clauses to put to the SDC Membership at a General Meeting for approval. This was to include the re-structure and naming of some membership categories. That work continues and Audit Committee and the Society's Board are aiming to see that concluded and passed to the SDC Membership as soon as possible. The need for this has also been

raised due to the sad passing of Queen Elizabeth II, since the Royal Charter is awarded from a specific monarch. As with all Royal Charter bodies the SDC therefore needs to apply for a new Royal Charter from King Charles III and to incorporate desired changes at that time would be optimal.

That review of the SDC Governance documents is nearing completion with the Governance Working Party having reported to Audit Committee in early 2024. Those proposed changes have been reviewed by external charity lawyers and are being checked and proofread before being presented to the Society's Board and from there to a General Meeting of the SDC Voting Members. Before that meeting members will have plenty of time to review the revised documents and will be briefed in detail on changes made. Progress on this in 2024 has been regrettably slow due to available staff resource front he now small SDC staff team. However, it is planned to prioritise these documents for progress in 2025.

One change the Society's Board made back in 2022, was that the fee differential for Voting Members and Non-Voting Members be abolished. All Voting Members now pay the same membership fee as Non-Voting Members, unless they possess a CCol whereby they pay the same level of fee as they did previously as Voting Members. This has increased applications to be regraded from Non-Voting Membership to Voting Membership and the system for such has been further accelerated such that some re-gradings have now been approved within 24 hours. It is important to note that the threshold to become a Voting Member has not been changed but the drive to have Non-Voting Members apply for upgrading their membership, and the turnaround time to evaluate such applications, has been greatly improved.

The number of non-voting members is therefore declining, although new adult members commence their SDC Membership journey through this Non-Voting category. In 2017 the number of non-Voting members was 197 whereas in 2023 it had dropped to 82 and in 2024 was 87.

### **Membership value for money**

Going forward more is being made of the membership benefits and their value for money, as evidence exists to demonstrate these are ill-understood by members and prospective members alike.

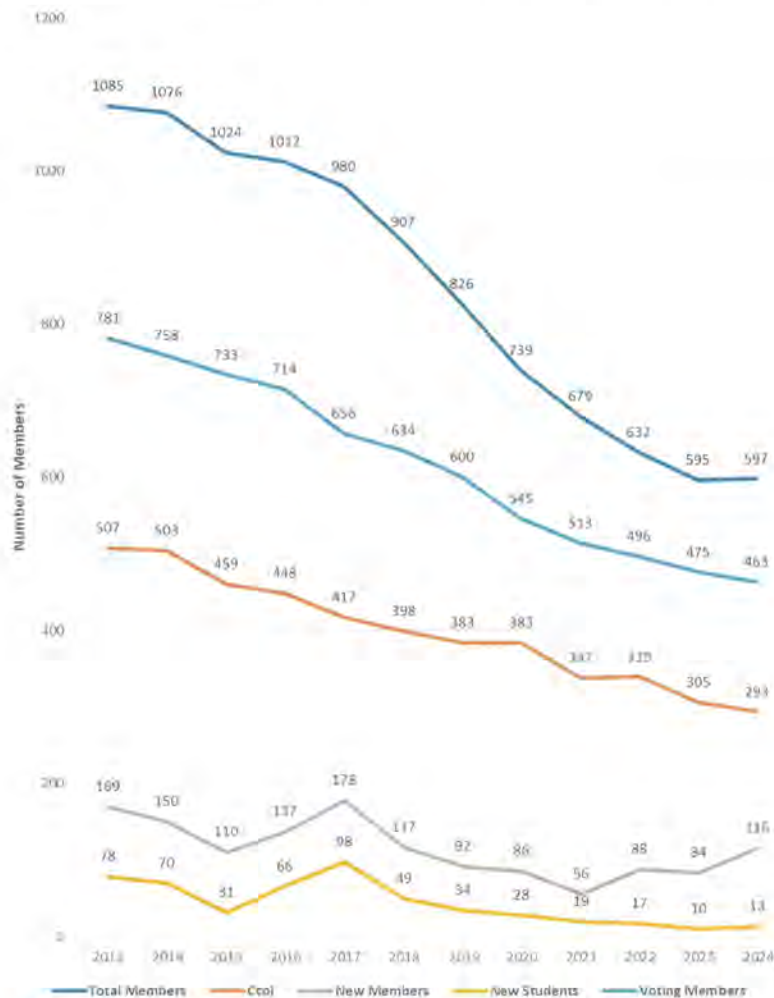
- *The Colourist* member magazine was re-launched in 2021 as an electronic only publication (thus addressing production costs but also environmental impacts of paper production and international postage, a task made more difficult and costly by the pandemic and Brexit). *The Colourist* features more company member news and profiles and is being produced by outsourced marketing specialists. The cost of *The Colourist* in 2024 now amounts to 75% of SDC Membership fee income. In 2025 the Society is looking at ways to reduce the costs of *The Colourist* production further as this is a substantial proportion of the Membership income.
- Many members also welcome the free access to SDC webinars (usually charged at £20 per Webinar for non-members) including access to recordings of past webinars. For Non-Voting and Voting Members the annual membership fee is the equivalent of just 3 live or recorded webinar accesses per year, whilst for Chartered Colourists the number is 5 live or recorded webinars per year.
- The *Science in Parliament* publication, also available in the members area of the SDC website, is a wide-ranging publication available free of charge as part of the SDC membership subscription.
- Members also receive generous discounts on: SDC books and eBooks; *Coloration Technology* subscriptions; and SDC short courses. The website has made book purchases much easier, and members will see discount offers on SDC books after they are logged into their members area.



**The Society of Dyers & Colourists**  
**2024 Annual Report & Financial Statements**

- From time-to-time SDC Membership also entitles access to webinars and events of other organisation free of charge or at reduced cost, plus (to support internet access to SDC webinars, committees, and meetings) members can access discounts on Dell computer and accessory purchases (with some country limitations applied by Dell).
- Members often have opportunity to provide presentations via the SDC Webinar series, of which the marketing and promotional value of their company and personal brand far exceeds annual membership subscription rates.
- Members of the SDC are also part of the regional activity where sufficient members exist to make regional activity viable. These regional networks have always been core to SDC membership benefits, and their value is hard to estimate. Members who engage with regional activity however value then both very highly and for a long duration, often counted in decades.

Before the discounts above are taken into consideration, the cost of individual membership to the SDC is ca £68 pa before any staff time at all is taken into consideration. Student membership is priced at less than this, so many members support our student members through their membership subscriptions. For all other membership types, once staff time is added, the cost of membership exceeds the subscription price. SDC membership subscriptions do deliver value for money when the features and benefits are considered and, like all memberships, the more one engages with the organisation, the greater your value for money from your SDC membership.



## Sponsorship

The Worshipful Company of Dyers have generously sponsored the Society over many years. This demonstrates the ongoing commitment of both organisations to the skills development in the coloration sector and the SDC is very grateful and encouraged by their generous support. It should also be added that their keen interest in the developments is very much expressed and is as welcome as their funding. In 2020 the Worshipful Company commenced support of the SDC in setting up the 'Future Dyers Fund' to help financially anyone from England applying for our FTCC and TCC courses. This excellent initiative means that through the Fund the SDC can ensure students continue their studies and skills development to assist them in securing future employment also. Ten such students were supported in 2024 (seven in 2023) and the fund now sits at £7,208 (down from £17,801 in 2023, but still with sufficient resource to support UK based applicants). Applicants living in England can receive up to 60% of their fees paid and in the case of those unemployed have all their fees paid.

The Cotton Industry War Memorial Trust (CIWMT) have also been a long-term supporter and sponsor the Society's activities and continued to support our conferences in 2024 as well as sponsoring childrens books for schools in 2025. The support of the CIWMT is very welcome and important in its longevity of working with the Society.

## Partner and Affiliate organisations

The SDC Charitable Objectives from the Royal Charter includes *"To co-operate with other scientific organisations and bodies in relation to colour and its application and use"*. To this end the SDC is an active member of The Science Council and The Parliamentary and Scientific Committee. Other active network links to partner organisations include the AATCC, ASBCI, several universities, and The Society of Leather Technologists and Chemists.

The SDC also has long-standing affiliate relationships with the Society of Dyers and Colourists of Australia and New Zealand (see <http://www.sdcanz.com>) and The South African Dyers' and Finishers' Association (SADFA) (see [www.sadfa.org.za](http://www.sadfa.org.za)).

In 2024 onwards as part of the SDC Strategic Plan, the relationships with partner and affiliate bodies will be clarified and expanded to ensure this Royal Charter Object is further adhered to and also that the work of the Society can be expanded.

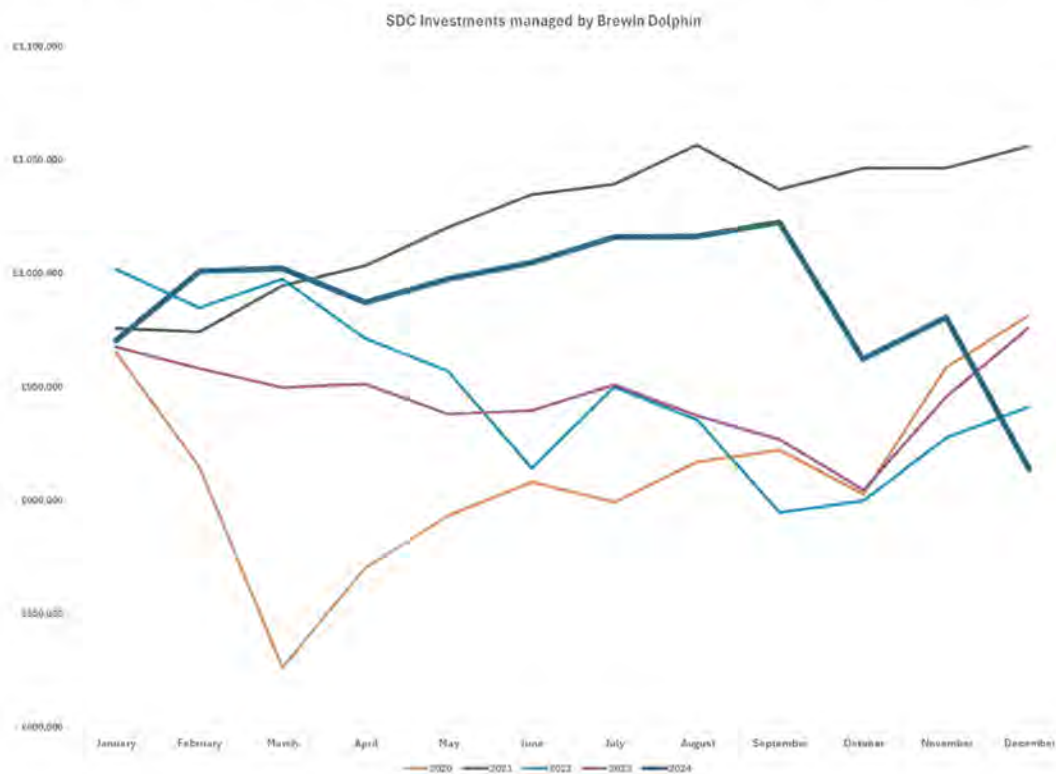
## Investment Policy

The SDC funds include equities held in a managed portfolio at medium risk and cash held on term deposit accounts not required for current activities. Equities are held in fixed interest, ordinary shares and government stocks. The portfolio value on 31<sup>st</sup> December 2023 was £975,697 and by the end of 2024 this had fallen to £913,435. During 2024 a total sum of £100,000 (£50,000 each in October and December) was transferred from the investments into general funds to support SDC cash flow and hence accounting for such movements the investments across the year had grown 3.9% to £1,013,435.

In addition, during 2024 £25,101 was received into general funds from dividends (just £1,523 lower than in 2023) arising from these investments. Including this income the return on investments in 2024 was 6.4% in 2024 (whereas 2023 overall income from these investments was 6.6%).

The SDC investments are intended for the long term. In recent years there have been huge international impacts on investments (the Corona virus pandemic, wars in Ukraine and the Middle

East and associated international higher interest rates and their consequences on economies) but in late 2024 some recovery was seen in the markets. This has all been lost at the start of 2025 due to the Tariffs and wide international volatility introduced by the USA Government under President Trump. By the end of Q1 2025 the Society investments have now fallen to £887,265, levels last seen in March/April 2020 as the Covid pandemic broke internationally, albeit levels they recovered from.



## SDC Strategy 2025-2027

The SDC Strategy below was developed over an extended period of time in conjunction with an external strategy consultant with extensive membership body experience. The Society's Board, SDC Staff and many stakeholders were invited to take part also.

The Society's Objects remain unchanged but the SDC Mission has been revised to be more inclusive and remove any emphasis, implied or otherwise, of an academic organisation only. The Values have been reviewed but are those held for some years. The four Priority areas are interlinked and their numbering does not indicate any priority of more important than any other priority. Below each Priority are 3-5 year goals and key initiatives / activities for each year (not included here for simplicity).

This Strategy, as approved by the Society's Board in November 2024, does not remove previous foci of activities but expands them to encompass more colour related activity. Textiles is historically the key sector for the Society and will remain so, with other sectors increasingly being part of SDC engagement.



### ***Society Objects (as taken from the Royal Charter):***

To promote by any or all available means the advancement of the science of colour.

### ***Revised Mission/Purpose:***

Sharing knowledge and stimulating interest in colour.

### ***Values:***

- Passion and Pride
- Trust
- Courage to Act
- Flexibility
- Continuous Learning
- Inclusivity

### ***Priorities:***

- **Sharing knowledge through our SDC Communities, Publications and other channels.**

Ambition:

- The knowledge we share in relation to colour and coloration will be regarded as trusted and independent and, through our networks, comprehensive and accessible.

- **Growing the profile, reach and influence of the SDC.**

Ambition:

- We will be recognized as a thought leader and respected globally as a relevant body to engage with, and a conduit to access our community of colour professionals and other networks.
- Through this recognition we will benefit from growing global engagement and increasing membership across all experience-levels and fields.

- **Supporting Education in Colour and Coloration.**

Ambition:

- SDC's Colour Education modules, courses and qualifications will be seen as the recognized pathway for roles in colour, design and coloration at all career stages.
- We will stimulate strong interest in colour through our active engagement and provision of learning resources, supporting students and education through support of their curricula.

- **Delivering sustainable financial stability and effective governance.**

Ambition:

- We will develop and maintain a sustainable business model with sufficient income to enable the SDC to deliver its other priorities in this plan and invest in new growth activities.
- To facilitate our worldwide engagement plans, we will develop effective and streamlined governance structures and processes.

### Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as “soliciting or otherwise procuring money or other property for charitable purposes.” Such amounts receivable is presented in our accounts as “voluntary income” and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Society’s Board.

The charity is not bound by any undertaking or bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds, we do not have to particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

### Risk Assessment

The risk situation is reviewed by the Society’s Board who judge that over the next three years the SDC has a low to medium risk that charitable activities may be less because of a reduction of available funds. Insurances are held wherever possible to cover for external events and internal management is used to minimise potential occurrence and impact. In 2024 Gift Aid was received monthly and this assisted in smoothening the SDC finances and lowering risk once again, although the UK and international economies were not without financial pressures and turbulence.

### Human Resources and Equality, Diversity and Discrimination Policy

The SDC is an equal opportunities employer and encourages diversity. It is non-discriminatory on age, disability, ethnicity, gender reassignment, marriage and civil partnership, race and religion, sex and sexual orientation in all operations and in all membership matters.

The SDC now has to account each year in financial terms to our Auditors for the annual leave and flexitime carried forward. Hence, through a time management system linked to the Building Security System, the SDC can now manage the staff time delivery.

HR support and expert advice is provided by an external HR company. This includes remote and on-site support for staff and managers, as well as a web based secure HR portal for HR records, and holiday and sick leave monitoring.

### Data security

Data security has been, and will continue to be, a very important issue and the SDC will ensure that user information is protected and IT systems secure. In addition to protecting such information the SDC does not supply any individual’s information to others unless it is for a specific SDC purpose (e.g. management of the call for nominations and related voting for trustees and other positions on committees).

In July 2024 the Society was contacted by West Yorkshire Police and informed the National Cyber Security Network had received intelligence that the SDC network had been breached. The Society worked in conjunction with its external IT management company and West Yorkshire Police to investigate such claims. No evidence of such a breach was found at all but as precautions passwords were changed, access ports made more secure and monitoring for such breaches increased. The

Society is grateful that no evidence was found to support the Cyber Security Network claims although the exercise was useful as a check on SDC data systems and security resulting in several improvements to further reduce such outcomes. No reports were made to the Information Commissioner or insurers as no report could be supported by actual evidence.

#### GDPR

The EU General Data Protection Regulations (GDPR) came into force in May 2018. The SDC prepared for this new data regulation for many months. The data managed by the Society remains to be held and used under GDPR regulations.

#### Health and Safety

The Health & Safety policy of the SDC is to ensure as far as reasonably practical public, staff and the environment are protected and that all legal requirements are met. Each year the SDC has two risk assessment reports produced by external experts on Perkin House Health and Safety and Perkin House Fire Risk. These reports highlight a few actions to be taken based on Low-Medium-High risk prioritisation. In April 2024 some internal building work uncovered some potential asbestos, which was tested by an accredited body and results were found to be negative. In early 2024 the Building Manager post was migrated to a SDC post as Entire FM (the previous outsourced provider) went into administration and the company set up in its place, Alkota, was not paying staff wages on time and still owed its staff some wages in April 2024.

#### UK Pension Auto-enrolment

The UK Government phased in auto-enrolment for employee pension schemes over some years. In 2023 all of the SDC staff members were in the SDC Peoples Pension scheme with renewals taking place as required.

#### Remuneration Policy

The salaries of all SDC staff are set based on a Finance Committee and Society Board approved overall budget based on itemised lines including staff salaries. The SDC utilises a Remuneration Committee to approve staff salary rises. The SDC Remuneration Committee is comprised of the Honorary Treasurer, Honorary Secretary (and Chair of the Remuneration Committee), Chair of the Society's Board, SDC President, Immediate Past President and President Elect plus the CEO. In 2022, against an environment of inflation and rises wage settlements, a pay benchmarking report was commissioned by Croner and this has also been the case in 2023 and 2024. This has informed the Remuneration Committee of pay positioning of SDC staff (at median and upper/lower quartile pay levels of the UK, Region and Bradford) and lead to a 5.5% pay rise awarded in 2024.

**The Society of Dyers & Colourists (SDC)**  
**Year ended 31 December 2024**  
**Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statement in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Society's Board on 24 April 2025 and signed on its behalf by:



I Lewis  
Chair of Society's Board



M Catterall  
Honorary Treasurer



V Cheung  
Honorary Secretary



G Clayton  
CEO

#### Opinion

We have audited the financial statements of The Society Of Dyers And Colourists and its subsidiaries (the 'group') for the year ended 31st December 2024 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 parent charity's affairs as at 31st December 2024 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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 group's or parent 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 Report of the Independent Auditors 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

#### Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## The Society of Dyers & Colourists (SDC)

Year ended 31 December 2024

### Independent Auditor's Report to the Trustees of The Society of Dyers & Colourists (SDC)

#### Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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:

Based on our understanding of the entity and industries in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the application of charitable funds and data protection. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls, and ensuring these controls operated as intended. We determined the principal risks were related to posting journal entries to manipulate profits, and management bias in accounting estimates, especially accrued and deferred income.

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

- Performed analytical procedures to identify any unusual or unexpected relationships
- Identified and tested journal entries and identified any significant transactions that were unusual or outside the normal course of business.
- Investigated the rationale behind significant or unusual transactions.
- Challenged assumptions and judgements made by management in determining significant accounting estimates, in particular in relation to accrued and deferred income.

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

- Agreeing financial statements disclosures to underlying supporting documentation.
- Discussions with management of known or suspected instances of non-compliance with laws and regulations.
- Reading the minutes of meetings of those charged with governance.
- Reviewing correspondence with relevant regulators as appropriate.

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 of 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 relating to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

The Society of Dyers & Colourists (SDC)

Year ended 31 December 2024

Independent Auditor's Report to the Trustees of The Society of Dryers & Colourists (SDC)

**Use of our report**

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Coombs Limited  
Statutory Auditor  
Chartered Accountants  
3365 The Pentagon  
Century Way  
Thorpe Park  
Leeds  
West Yorkshire  
LS15 8ZB

Date: 14th May 2025

The Society of Dyers & Colourists (SDC)

Year ended 31 December 2024

Consolidated Statement of Financial Activities for the year ended 31 December 2024

(including Income and Expenditure Account)

	Notes	Unrestricted funds	Restricted funds	Permanent endowment funds	Revaluation reserve	2024 Total Funds	2023 Total Funds
		£	£	£	£	£	£
<b>Income From:</b>							
Donations	3	1,680	-	-	-	1,680	22,000
Charitable activities	4	146,769	-	-	-	146,769	118,144
Other trading activities	5	7,068,200	-	-	-	7,068,200	6,100,943
Investments	6	174,505	-	-	-	174,505	225,772
Other income	7	6,900	-	-	-	6,900	9,598
<b>Total income</b>		<b>7,398,054</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,398,054</b>	<b>6,476,457</b>
<b>Expenditure on:</b>							
Raising funds	8	5,829,175	-	-	-	5,829,175	4,962,125
Charitable activities	9	1,085,451	10,593	-	-	1,096,044	881,927
Taxation	11	182,827	-	-	-	182,827	222,857
<b>Total Expenditure</b>		<b>7,097,453</b>	<b>10,593</b>	<b>-</b>	<b>-</b>	<b>7,108,046</b>	<b>6,066,909</b>
Net gains/losses on investments	12	-	-	-	44,507	44,507	41,348
Gains/Losses on revaluation of fixed assets	17	-	-	-	-	-	6,000
<b>Net income for the year</b>		<b>300,601</b>	<b>(10,593)</b>	<b>-</b>	<b>44,507</b>	<b>334,515</b>	<b>456,896</b>
Transfers between funds	26	-	-	-	-	-	-
<b>Net Movement in funds</b>		<b>300,601</b>	<b>(10,593)</b>	<b>-</b>	<b>44,507</b>	<b>334,515</b>	<b>456,896</b>
<b>Reconciliation of funds:</b>							
<b>Total funds brought forward at 1 January 2024</b>	26	<b>9,751,988</b>	<b>28,041</b>	<b>17,501</b>	<b>223,685</b>	<b>10,021,215</b>	<b>9,564,319</b>
<b>Total funds carried forward at 31 December 2024</b>	26	<b>10,052,589</b>	<b>17,448</b>	<b>17,501</b>	<b>268,192</b>	<b>10,355,730</b>	<b>10,021,215</b>

All amounts relate to continuing operations. The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 41 to 61 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2024  
Charity Statement of Financial Activities for the year ended 31 December 2024  
(including Income and Expenditure Account)

	Notes	Unrestricted funds	Restricted funds	Permanent endowment funds	Revaluation reserve	2024 Total Funds	2023 Total Funds
		£	£	£	£	£	£
<b>Income From:</b>							
Donations	3	601,680	-	-	-	601,680	529,292
Charitable activities	4	146,769	-	-	-	146,769	118,144
Investments	6	118,952	-	-	-	118,952	111,745
Other income	7	-	-	-	-	-	42,708
<b>Total income</b>		<b>867,401</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>867,401</b>	<b>801,889</b>
<b>Expenditure on:</b>							
Raising funds	8	105,507	-	-	-	105,507	81,239
Charitable activities	9	1,116,413	10,593	-	-	1,127,006	874,640
<b>Total Expenditure</b>		<b>1,221,920</b>	<b>10,593</b>	<b>-</b>	<b>-</b>	<b>1,232,513</b>	<b>955,879</b>
Net gains/losses on investments	12	-	-	-	44,507	44,507	41,348
Gains/Losses on revaluation of fixed assets	17	-	-	-	-	-	6,000
<b>Net income for the year</b>		<b>(354,519)</b>	<b>(10,593)</b>	<b>-</b>	<b>44,507</b>	<b>(320,605)</b>	<b>(106,642)</b>
Transfers between funds	26	-	-	-	-	-	-
<b>Net Movement in funds</b>		<b>(354,519)</b>	<b>(10,593)</b>	<b>-</b>	<b>44,507</b>	<b>(320,605)</b>	<b>(106,642)</b>
<b>Reconciliation of funds:</b>							
<b>Total funds brought forward at 1 January 2024</b>	26	<b>2,586,083</b>	<b>28,041</b>	<b>17,501</b>	<b>223,685</b>	<b>2,855,310</b>	<b>2,961,952</b>
<b>Total funds carried forward at 31 December 2024</b>	26	<b>2,231,564</b>	<b>17,448</b>	<b>17,501</b>	<b>268,192</b>	<b>2,534,705</b>	<b>2,855,310</b>

All amounts relate to continuing operations. The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 41 to 61 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2024  
Consolidated Balance Sheet as at 31 December 2024

	Notes	£	2024 £	£	2023 £
<b>Fixed Assets</b>					
Intangible Assets	15		31,129		43,645
Tangible Assets	16		3,710,499		3,322,493
Heritage Assets	17		63,500		63,500
Investments	18		913,435		975,697
Investment Property	19		320,866		320,866
			<u>5,039,429</u>		<u>4,726,201</u>
<b>Current Assets</b>					
Stock	20	2,762,698		2,496,222	
Debtors	21	1,768,081		1,284,076	
Cash at bank and in hand		<u>2,677,972</u>		<u>3,433,387</u>	
		7,208,751		7,213,685	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	22	<u>(1,118,782)</u>		<u>(1,101,631)</u>	
<b>Net current assets</b>			6,089,969		6,112,054
<b>Total assets less current liabilities</b>			<u>11,129,398</u>		<u>10,838,255</u>
Creditors: amounts falling due after more than one year	23		(564,683)		(626,426)
<b>Provisions for liabilities</b>					
Deferred tax	25		<u>(208,985)</u>		<u>(190,614)</u>
<b>Total Assets</b>			<u><b>10,355,730</b></u>		<u><b>10,021,215</b></u>
<b>The funds of the charity:</b>					
Unrestricted funds					
Accumulated fund			1,956,869		2,180,706
Funds retained in SDC Enterprises Group			7,821,025		7,165,905
Designated funds			274,695		405,377
Revaluation reserve			<u>268,192</u>		<u>223,685</u>
<b>Total unrestricted funds</b>			<u>10,320,781</u>		<u>9,975,673</u>
Restricted funds					
Permanent endowment funds			17,448		28,041
			<u>17,501</u>		<u>17,501</u>
			34,949		45,542
<b>Total Charity Funds</b>			<u><b>10,355,730</b></u>		<u><b>10,021,215</b></u>

The financial statements were authorised for issue and signed on behalf of the Society's Board on 24 April 2025.



I Lewis  
Chair of Society's Board



M Catterall  
Honorary Treasurer



V Cheung  
Honorary Secretary



G Clayton  
CEO

The notes on pages 41 to 61 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2024  
Charity Balance Sheet as at 31 December 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible Assets	15		10,024		20,056
Tangible Assets	16		722,335		713,377
Heritage Assets	17		63,500		63,500
Investments	18		1,359,134		1,421,396
Investment Property	19		320,866		320,866
			<u>2,475,859</u>		<u>2,539,195</u>
<b>Current Assets</b>					
Stock	20	5,606		4,257	
Debtors	21	131,132		158,244	
Cash at bank and in hand		<u>78,119</u>		<u>260,502</u>	
		214,857		423,003	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	22	<u>(156,011)</u>		<u>(106,888)</u>	
<b>Net current assets</b>			58,846		316,115
<b>Net Assets</b>			<u>2,534,705</u>		<u>2,855,310</u>
<b>The funds of the charity:</b>					
26					
<b>Unrestricted funds</b>					
Accumulated fund			1,956,869		2,180,706
Designated funds			274,695		405,377
Revaluation reserve			<u>268,192</u>		<u>223,685</u>
<b>Total unrestricted funds</b>			<u>2,499,756</u>		<u>2,809,768</u>
<b>Restricted funds</b>					
Permanent endowment funds			17,448		28,041
			<u>17,501</u>		<u>17,501</u>
			34,949		45,542
<b>Total Charity Funds</b>			<u>2,534,705</u>		<u>2,855,310</u>

The financial statements were authorised for issue and signed on behalf of the Society's Board on 24 April 2025.



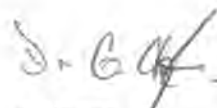
I Lewis  
Chair of Society's Board



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V Cheung  
Honorary Secretary



G Clayton  
CEO

The notes on pages 41 to 61 form part of these financial statements.

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

	Group	
	2024	2023
	Total funds	Total Funds
	£	£
Net income for the reporting period (as per the statement of financial activities)	334,515	456,896
Adjustments for:		
Revaluation of fixed assets	-	(28,000)
Revaluation of investment property	-	-
Gains(losses) on investments	(44,507)	(41,348)
(Profit)/Loss on disposal of fixed assets	-	-
Finance income	(76,251)	(68,769)
Tax expense	182,827	222,857
Tax paid	(183,243)	(234,220)
Amortisation	12,516	11,269
Depreciation charge	125,580	123,845
Decrease/(Increase) in stocks	(266,476)	(494,991)
Decrease/(Increase) in debtors	(484,005)	247,813
(Decrease)/increase in creditors	35,462	83,892
<b>Net cash provided (used in) operating activities</b>	<b>(363,582)</b>	<b>279,244</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(513,586)	(241,992)
Purchase of intangible assets		
Proceeds from the sale of investments	378,307	156,103
Purchase of subsidiary	-	(432,699)
Cash acquired in purchase of subsidiary	-	343,101
Proceeds from the sale of fixed assets	-	-
Purchase of investments	(271,955)	(147,681)
Purchase of investment property	-	(280,942)
Interest received	76,251	68,769
Movement in cash held within investments	417	(2,134)
<b>Net cash provided by (used in) investing activities</b>	<b>(330,566)</b>	<b>(537,475)</b>
<b>Cash flows from financing activities:</b>		
Repayments of loans	(61,267)	(58,836)
<b>Net cash provided by (used in) financing activities</b>	<b>(61,267)</b>	<b>(58,836)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(755,415)</b>	<b>(317,067)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>3,433,387</b>	<b>3,750,454</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,677,972</b>	<b>3,433,387</b>

The notes on pages 41 to 61 form part of these financial statements.

## 1. General Information

The Society of Dyers & Colourist is a charitable body, incorporated by Royal Charter (RC000576) with the governing documents being the Royal Charter (1963), with Amendments, By-laws (2009) and Rules (2012, 2014, 2015, 2017, 2018 and 2019 as amended). The address of the registered office is shown in the Trustees' Annual Report. The nature of the group's operations and its principal activities are outlined in the Trustees' Annual Report. The presentational currency is sterling and amounts are rounded to the nearest whole £.

## 2. Accounting Policies

### Basis of preparation

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction values unless otherwise stated in the relevant note to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities' preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity as defined by FRS 102.

The trustees consider that there are not material uncertainties about the charity's ability to continue as a going concern.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### Basis of consolidation

The group financial statements consolidate the accounts of the Society of Dyers and Colourists and its subsidiaries accounts on a line by line basis. Transactions between the group companies are eliminated on consolidation.

The consolidated financial statements include the financial statements of the charity and its subsidiary undertakings made up to 31 December 2024. The acquisitions method of accounting has been adopted. Under this method the group net incoming resources include the results of subsidiaries from the date of acquisition and to the date of sale outside the group in case of disposals and subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

### Fund accounting

The fund held by the charity are:

- Unrestricted funds - these are general funds which can be used in accordance with the charitable objectives at the discretion of the trustees. Included in unrestricted funds are certain designated funds set aside by the trustees for specific purposes.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Permanent endowment funds - these represent the fixed asset investments which must be held permanently by the charity.

The objectives of the various designated, restricted and permanent endowment funds are set out in note 26.

#### Income

All income from membership subscriptions, donations, charitable activities, income from other trading activities, investment income, government and capital grants, are included in the Statement of Financial Activities when the SDC is entitled to the income and the amount can be quantified with reasonable accuracy.

Investment income and gains/(losses) are allocated to the appropriate funds.

Income from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Gift aid income

Taxable profits transferred from the subsidiaries are recognised as donations when the subsidiary has made an irrevocable commitment to the charity to pay the Gift Aid donation.

During the year the charity has received Gift Aid from subsidiaries of £600,000 (2023 - £507,292).

#### Expenditure

- Raising funds: The following activities - trading costs of the subsidiary, car park lease, cost of managing investments and general marketing - are for the purpose of raising funds.
- Charitable activities: The following activities - colour experience, membership and qualifications, publications, technical, the day to day running of the SDC consisting of staff and administration costs - are of charitable nature and are provided for the benefit of members and the general public.
- Governance Costs include the day to day governance running of the SDC consisting of administration costs including audit and other professional costs, trustee travel, training, meetings and excludes any costs running funds.

All resources expended are on an accrual basis.

Grants payable are charged in the year when the offer is conveyed to the recipient.

Support costs and overheads are allocated in line with the relevant percentage of income receivable for that related activity.

Trading expenses are those of the charity's wholly owned subsidiary and do not include any of charity's overheads. Support costs are those of managing and administering the SDC and represent expenses incurred attributable to the management of charity's assets.

#### Tangible fixed assets and depreciation - held at cost less depreciation.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all the fixed assets except freehold land, over their expected useful lives. It is calculated on the following rates:

Freehold property	- 5% straight line
Freehold land	- not depreciated
Plant & machinery	- 15% - 33.3% straight line
Furnishing and general equipment	- 15% - 33.3% straight line
Leasehold improvements	- over the term of the lease

#### Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually. Valuations are based on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the income and expenditure account.

**Building revaluation - Investment Property and Freehold Property**

The basis of building revaluation was Market Value with vacant possession and existing use. Revaluation is performed in accordance with the RICS Valuation – Professional Standards January 2014 Edition (the "Red Book"), where applicable having due regard to the Practice Statements and Guidance Notes therein for valuations of this nature.

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

**Mixed use**

A judgement has been made to split the property value between investment property and freehold property based upon the used by the Group compared to the area rented externally.

**Heritage assets**

Heritage assets are initially recognised at cost and carried at historical cost subject to any depreciation or impairment. The charity has adopted a policy of valuation.

**Fixed asset investments**

Listed investments are stated at Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

The investment in the SDC's trading subsidiary, SDC Enterprises Limited, is stated at cost, less provision for impairment.

**Stock**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. Work in progress and finished goods include labour and attributable overheads.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Intangible assets**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquire at the date of the acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the consolidated statement of comprehensive income over its useful economic life (UEL). Trustees have assessed the UEL of goodwill to be 5 years.

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful life as follows:

Website Development	- 33.3% straight line
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**Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

#### Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to income and expenditure account on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the income and expenditure account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

#### Pension costs

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the charitable company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### Research and developments

Research and development costs are written off to the profit and loss account when incurred.

#### Tax - Charity

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### Tax - Trading subsidiaries

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current Corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

#### Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

#### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset. The carrying amount is £3,710,499 (2023-£3,322,493).

#### Stock provision

The group makes an estimate of the recoverability of the cost of stock. When calculating the stock provision, management consider the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods. The carrying amount is £2,762,698 (2023 - £2,496,222).

#### Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors management considers factors which include the current credit rating of the debtor, the ageing profile of debtors and historical experience. The carrying amount is £1,768,081 (2023 - £1,284,076).

#### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

#### Financial Instruments

##### Financial assets

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar asset. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss and any subsequent reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**3. Income from donations**

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Gifts and donations	1,680	22,000	601,680	529,292

Included within gifts and donations is £Nil (2023 - £Nil) of restricted income.

**4. Income from charitable activities**

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Day of Celebration	2,085	3,536	2,085	3,536
Seminars and conferences	37,115	10,873	37,115	10,873
Books and publications:				
Academic books	1,882	709	1,882	709
Childrens	7,126	4,340	7,126	4,340
Coloration Technology	33,001	31,891	33,001	31,891
Training	25,090	25,663	25,090	25,663
Membership subscriptions	38,578	40,097	38,578	40,097
UK Government grants	-	-	-	-
Qualifications	1,715	510	1,715	510
Other	177	525	177	525
	<u>146,769</u>	<u>118,144</u>	<u>146,769</u>	<u>118,144</u>

All income from charitable activities was unrestricted in the current and preceding year.

**Analysis of Income by activity (Group and Charity - current and previous year)**

	2024	2023
	£	£
Seminars & conferences	37,115	10,873
Training	25,090	25,663
Qualifications	1,715	510
Education	<u>63,920</u>	<u>37,046</u>
Day of celebration	2,085	3,536
Membership subscriptions	38,578	40,097
Membership	<u>40,663</u>	<u>43,633</u>
Books - Academic	1,882	709
Books - Childrens	7,126	4,340
Coloration technology	33,001	31,891
Publications	<u>42,009</u>	<u>36,940</u>
UK Government grants	-	-
Other	177	525
Other	<u>177</u>	<u>525</u>
<b>Total</b>	<u><b>146,769</b></u>	<u><b>118,144</b></u>

**5. Income from other trading activities**

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trading income from subsidiaries	7,068,200	6,100,943	-	-

All income from other trading activities was unrestricted in the current and preceding year.

6. Income from investments

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Rental Income	73,153	130,379	91,471	81,741
Interest received	76,251	68,769	2,380	3,380
Dividends from listed investments	25,101	26,624	25,101	26,624
	<u>174,505</u>	<u>225,772</u>	<u>118,952</u>	<u>111,745</u>

All income from investments was unrestricted in the current and preceding year.

7. Other income

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
License fee received from subsidiary	-	-	-	42,708
Government grants	-	2,698	-	-
Other income from subsidiaries	6,900	6,900	-	-
	<u>6,900</u>	<u>9,598</u>	<u>-</u>	<u>42,708</u>

All other income was unrestricted in the current and preceding year.

8. Expenditure on raising funds

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Outsourced general marketing	31,888	28,474	31,888	28,474
Bradford Council car park lease	4,550	4,551	4,550	4,551
Investment property costs	63,267	42,479	63,267	42,479
Broker fees	5,802	5,735	5,802	5,735
Trading by subsidiaries	5,723,668	4,880,886	-	-
	<u>5,829,175</u>	<u>4,962,125</u>	<u>105,507</u>	<u>81,239</u>

All expenditure on raising funds was unrestricted in the current and preceding year.

9. Expenditure on charitable activities

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Books - Childrens	9,338	-	9,338	-
Coloration Technology	35,790	30,576	35,790	30,576
Qualifications costs	5,096	4,788	5,096	4,788
Training costs	9,890	4,615	9,890	4,615
Salary costs (including redundancy costs)	440,380	378,114	425,559	370,994
Travel and subsistence	20,718	16,621	20,718	16,621
Operational costs (including property costs)	198,424	163,767	198,424	163,767
Depreciation	25,961	25,704	25,961	25,704
Governance costs (Note 10)	61,682	56,357	61,682	56,357
Bursaries / Awards	14,722	12,559	14,722	12,559
Seminar and conference costs	106,075	32,918	98,012	32,918
Day of Celebration	27,969	36,659	27,969	36,659
Other SDC committees	950	2,942	950	2,942
Irrecoverable input VAT	49,837	27,231	49,837	27,231
Provision for the recoverability of activity and conference costs	-	-	54,000	-
Outsourced service costs:				
Facilities management services	5,148	20,124	5,148	20,124
External accountancy and consultancy fees	4,870	5,737	4,870	5,570
General admin support	6,591	6,302	6,557	6,302
HR helpline services	4,679	3,895	4,679	3,895
Bookkeeping services	39,124	35,098	39,004	35,098
The Colourist	28,800	17,920	28,800	17,920
	<u>1,096,044</u>	<u>881,927</u>	<u>1,127,006</u>	<u>874,640</u>

## 9 Expenditure on charitable activities

### Analysis of expenditure by activity:

#### Group and Charity - current year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Seminars & conferences	106,075	116,261	106,615	18,457	347,408
Training costs	9,890	42,276	25,015	4,331	81,512
Qualification costs	5,096	17,615	10,891	1,885	35,487
Education	121,061	176,152	142,521	24,673	464,407
Membership Management	-	96,884	55,757	9,653	162,294
Day of Celebration	27,969	35,230	36,372	6,297	105,868
The Colourist	28,800	35,230	36,850	6,379	107,259
Bursaries/awards	14,722	8,808	13,541	2,344	39,415
Membership	71,491	176,152	142,520	24,673	414,836
Books - Academic	-	3,523	1,250	216	4,989
Books - Childrens	9,338	3,523	4,562	790	18,213
Coloration Technology	35,790	28,184	22,693	3,928	90,595
Publications	45,128	35,230	28,505	4,934	113,797
Administrative costs	-	52,846	42,756	7,402	103,004
<b>Total</b>	<b>237,680</b>	<b>440,380</b>	<b>356,302</b>	<b>61,682</b>	<b>1,096,044</b>

#### Group and Charity - prior year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Education	42,321	151,251	122,965	22,543	339,080
Membership and Qualifications	67,138	139,645	113,535	20,814	341,132
Publications	30,576	41,858	34,030	6,238	112,702
Administrative costs	-	45,361	36,890	6,762	89,013
	140,035	378,115	307,420	56,357	881,927

Total expenditure on charitable activities was £1,096,044 (2023 - £881,927) of which £10,593 (2023 - £9,951) was restricted.

Expenditure for staff costs, shared costs and support costs has been apportioned across charitable activities as follows:

Education	40% (2023 - 40%)
Membership and Qualifications	40% (2023 - 36.9%)
Publications	8% (2023 - 11.1%)
Administrative costs	12% (2023 - 12%)

## 10. Governance costs

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Committee meetings	1,927	2,496	1,927	2,496
Miscellaneous governance costs	9,109	694	9,109	694
Legal fees and trademark protection	16,481	18,002	16,481	18,002
Trustees liability insurance	2,029	1,963	2,029	1,963
Trustees training	2,799	4,173	2,799	4,173
Auditors remuneration- audit fees	14,795	15,448	14,795	15,448
Auditors remuneration- preparation of financial statements 2024	2,500	-	2,500	-
Auditors remuneration- preparation of financial statements 2023	2,100	-	2,100	-
Bank charges	2,849	2,612	2,849	2,612
Subscriptions & licences (inc data protection)	2,806	3,687	2,806	3,687
Grants in support of SDC regions	2,849	225	2,849	225
Medals & plaques	1,438	7,057	1,438	7,057
	61,682	56,357	61,682	56,357

## 11. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
<b>Corporation tax</b>				
Current tax on profits for the year	181,514	188,243	-	-
Adjustments in respect of previous periods	(17,058)	-	-	-
<b>Deferred tax</b>				
Origination and reversal of timing differences	18,371	34,614	-	-
Adjustments in respect of prior periods	-	-	-	-
<b>Taxation</b>	<b>182,827</b>	<b>222,857</b>	<b>-</b>	<b>-</b>

### Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax (2023 - lower than) in the UK of 25% (2023 - 25%). The differences are explained below:

	2024	2023	2024	2023
	£	£	£	£
<b>Profit on taxable activities before tax</b>	1,406,985	1,301,349	-	-
Profit on taxable activities multiplied by standard rate of corporation tax in the UK of 25% (2022-19%)	351,746	325,337	-	-
<b>Effects of:</b>				
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	453	929	-	-
Difference in accelerated CA's due to non qual dep'n	(1,799)	1,353	-	-
Effect of tax rate charges	1,073	(10,762)	-	-
Under/(over) provision in prior year	(17,058)	-	-	-
Other timing differences leading to an increase (decrease) in taxation	(2,209)	20,326	-	-
Super deduction difference	-	(46)	-	-
Distribution to parent made in Gift Aid	(150,000)	(126,823)	-	-
Losses not provided for	-	15,982	-	-
Goodwill amortisation	621	311	-	-
Capital allowances on investment property additions	-	(3,750)	-	-
<b>Total tax charge for the year</b>	<b>182,827</b>	<b>222,857</b>	<b>-</b>	<b>-</b>

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

## 12 Net losses on Investments

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Realised gains/(losses)	-	-	-	-
Unrealised gains/(losses)	44,507	41,348	44,507	41,348
Gain/(loss) on revaluation of investment property	-	-	-	-
	<b>44,507</b>	<b>41,348</b>	<b>44,507</b>	<b>41,348</b>

13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Salaries and wages	1,974,884	1,579,266	358,545	316,154
Social security costs	159,220	150,698	34,017	23,723
Pension costs	190,672	152,738	32,997	31,117
	<u>2,324,776</u>	<u>1,882,702</u>	<u>425,559</u>	<u>370,994</u>

The group paid £27,111 (2023 - £23,478) in respect of employer's life assurance contributions and £10,248 (2023 - £11,880) in respect of employer's private medical contributions during the year. The charity paid £4,228 (2023 - £3,886) in respect of employer's life assurance contributions and £6,744 (2023 - £3,719) in respect of employer's private medical contributions during the year.

There were 3 employees of the group with employment benefits in excess of £60,000 (2023 - 3).

	Group		Charity	
	2024	2023	2024	2023
	No.	No.	No.	No.
Bands:				
£190,001 - £200,000	1	1	-	-
£100,001 - £110,000	1	-	1	-
£90,001 - £100,000	-	1	-	1
£60,001 - £70,000	1	1	1	1
	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>

The number of staff who received in excess of £60,000 to whom retirement benefits are accruing under defined contributions schemes was 3 (2023 - 3).

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Employer's pension contributions to defined contribution schemes in respect of the employees receiving in excess of £60,000	72,014	55,464	16,979	16,094
	<u>72,014</u>	<u>55,464</u>	<u>16,979</u>	<u>16,094</u>

The key management personnel of the group includes a director from SDC Enterprises, CEO of SDC Charity and Deputy CEO of Charity. The total employment costs to the group was £480,848 (2023 - £453,038).

None of the Trustees (2023 - None) have been paid any remuneration or received any other benefits from the Charity. During the year 5 Trustees (2023 - 6) were reimbursed for expenses incurred on behalf of the Charity to the sum of £2,721 (2023 - £1,784). During the year 8 Trustees (2023 - 11) were invoiced for subscriptions totalling £925 (2023 - £506). At the year end there was £Nil due from Trustees, at the previous year end £Nil was due from Trustees.

14. Average staff numbers

	Group		Charity	
	2024	2023	2024	2023
	No.	No.	No.	No.
Charitable activities	7	6	7	6
Management administration	49	42	2	2
	<u>56</u>	<u>48</u>	<u>9</u>	<u>8</u>

**15. Intangible assets**

<b>Group</b>	<b>Goodwill</b>	<b>Website Development</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2024	233,831	30,083	263,914
Additions	-	-	-
As at 31 December 2024	<u>233,831</u>	<u>30,083</u>	<u>263,914</u>
<b>Amortisation</b>			
At 1 January 2024	210,242	10,027	220,269
Charge for the year	2,484	10,032	12,516
As at 31 December 2024	<u>212,726</u>	<u>20,059</u>	<u>232,785</u>
<b>Net book value</b>			
As at 31 December 2024	<u>21,105</u>	<u>10,024</u>	<u>31,129</u>
As at 31 December 2023	<u>23,589</u>	<u>20,056</u>	<u>43,645</u>

<b>Charity</b>	<b>Website Development</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2024	30,083
Additions	-
As at 31 December 2024	<u>30,083</u>
<b>Amortisation</b>	
At 1 January 2024	10,027
Charge for the year	10,032
As at 31 December 2024	<u>20,059</u>
<b>Net book value</b>	
As at 31 December 2024	<u>10,024</u>
As at 31 December 2023	<u>20,056</u>

16. Tangible fixed assets

	Leasehold improvements	Freehold property	Plant, machinery and equipment	Total
	£	£	£	£
<b>Group cost or revaluation</b>				
Cost at 1 January 2024	81,925	2,511,319	4,049,742	6,642,986
Additions	-	337,569	176,017	513,586
Reclassification/transfer	-	-	-	-
Disposals	-	-	(70,610)	(70,610)
Acquired through business combination	-	-	-	-
Cost at 31 December 2024	81,925	2,848,888	4,155,149	7,085,962
Depreciation at 1 January 2024	70,598	-	3,249,895	3,320,493
Charge for the year	5,412	-	120,168	125,580
Eliminated on disposal	-	-	(70,610)	(70,610)
Acquired through business combination	-	-	-	-
Depreciation at 31 December 2024	76,010	-	3,299,453	3,375,463
Net book value at 31 December 2024	5,915	2,848,888	855,696	3,710,499
Net book value at 31 December 2023	11,327	2,511,319	799,847	3,322,493

Freehold property held by the charity was revalued in March 2025 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2.

Included within the net book value of land and buildings of subsidiaries consolidated is £2,158,888 in respect of freehold land and buildings. The freehold property was valued at £1,500,000 by Walker Singleton on 27 October 2020 on an open market basis. Since this date there have been additions to the freehold property at a cost of £658,888.

The historical cost of the freehold property above at 31 December 2024 was £2,888,945 (2023 - £2,551,376).

	Leasehold improvements	Freehold property	Furnishings and equipment	Total
	£	£	£	£
<b>Charity cost or revaluation</b>				
Cost at 1 January 2024	45,439	690,000	123,477	858,916
Additions	-	-	24,887	24,887
Transfer from investment property	-	-	-	-
Cost at 31 December 2024	45,439	690,000	148,364	883,803
Depreciation at 1 January 2024	45,439	-	100,100	145,539
Charge for the year	-	-	15,929	15,929
Eliminated on revaluation	-	-	-	-
Depreciation at 31 December 2024	45,439	-	116,029	161,468
Net book value at 31 December 2024	-	690,000	32,335	722,335
Net book value at 31 December 2023	-	690,000	23,377	713,377

Freehold property was revalued in March 2025 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2.

The historical cost of the freehold property above at 31 December 2024 was £653,996 (2023 - £653,996).

17. Heritage assets Group and charity

	Heritage Assets £
Brought forward as 1 January 2024	63,500
Additions	-
Disposals	-
Revaluation	-
Carried forward 31 December 2024	<u>63,500</u>

Heritage assets include a collection of historical artifacts held by the charity that have been donated over the years and acquired dating back to the inception of the charity.

Heritage assets were revalued in January 2024 by an external valuer for insurance purposes. The valuation was conducted by Gary Don Auctioneers and Valuers.

**Heritage assets not been recognised in the balance sheet**

A collection of heritage assets are not recognised in the balance sheet, information on their valuation is not available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity. These assets include items of museum exhibits which are uncatalogued and would be extremely difficult to value due to the nature of the collection.

18. Investments

	At 1 January 2024 £	Additions £	Disposals £	Realised/ Unrealised gains £	At 31 December 2024 £
<b>Market value</b>					
Quoted investments at market value	966,999	271,955	(378,307)	44,507	905,154
Cash	8,698	-	(417)	-	8,281
	<u>975,697</u>	<u>271,955</u>	<u>(378,724)</u>	<u>44,507</u>	<u>913,435</u>
Quoted investments at cost	<u>853,058</u>	-	-	-	<u>853,058</u>
Investment in subsidiaries					
SDC Enterprises Limited	445,600	-	-	-	445,600
SDC International Limited	99	-	-	-	99
	<u>445,699</u>	-	-	-	<u>445,699</u>

A detailed listing of investments will be available at the AGM and is available to Members on request. The investments are held primarily to provide an investment return.

**Investments in subsidiaries**

SDC owns 100% of the £1 ordinary shares issued in SDC Enterprises Limited, the investment is £445,600 (2023 - £445,600). SDC Enterprises Limited (Company number 00433197) owns 100% of the £1 ordinary shares issued in Sam Weller Limited (Company number 00433197) and 100% of the £1 ordinary shares issued in Northern Dyers Limited (Company number 02256990). The results of both companies are consolidated in these financial statements.

The SDC's investment in SDC International (Company number - 04309970) represents £99 (2023 - £99) ordinary shares of £1 each which is wholly owned.

All subsidiaries are incorporated and registered in England and Wales.

The consolidated results of the trading subsidiaries for the financial period were as follows:

	2024	2023
	£	£
Turnover	7,068,200	6,100,943
Other Income	62,453	123,625
Expenditure	(5,906,495)	(5,146,076)
Profit for the year	<u>1,224,158</u>	<u>1,078,492</u>
Assets	10,057,024	9,508,211
Liabilities	(1,736,317)	(1,811,663)
Net assets	<u>8,320,707</u>	<u>7,696,548</u>

## 19. Investment Property

Group	Freehold Investment Property £
<b>Valuation</b>	
At 1 January 2024	320,866
Additions at cost	-
Revaluations	-
Transfers (to)/from freehold property	-
<b>At 31 December 2024</b>	<u>320,866</u>
<b>Charity</b>	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 January 2024	320,866
Additions at cost	-
Revaluations	-
Transfers (to)/from freehold property	-
<b>At 31 December 2024</b>	<u>320,866</u>

### Group and Charity

Investment property was revalued in March 2025 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2.

The historical cost of the freehold investment property above at 31 December 2024 was £323,336 (2023 - £323,336).

## 20. Stock

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Raw materials and consumables	761,546	681,517	-	-
Work in progress	195,548	229,937	-	-
Finished goods for resale	1,805,604	1,584,768	5,606	4,257
	<u>2,762,698</u>	<u>2,496,222</u>	<u>5,606</u>	<u>4,257</u>

Total carrying amount of stocks pledged as security for liabilities was £2,757,092 (2023 - £2,491,965).

21. Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
<b>Amounts falling within one year</b>				
Trade debtors	1,233,639	1,061,470	14,222	13,887
Amounts owed by group undertakings	-	-	54,193	85,155
Other debtors	166,539	118,086	43,669	41,633
Prepayments	367,903	104,520	19,048	17,569
	<u>1,768,081</u>	<u>1,284,076</u>	<u>131,132</u>	<u>158,244</u>

A specific bad debt provision, amounting to £40,052 (2023 - £40,052), has been raised in respect of amounts due from SDC EC. The bad debt recognised within the Statement of Financial Activity for the year was £Nil (2023 -£Nil).

A specific bad debt provision, amounting to £54,000 (2023 - £Nil), has been raised in respect of amounts due from SDC International Ltd. The bad debt recognised within the Statement of Financial Activity for the Charity during year was £54,000 (2023 -£Nil). The bad debt recognised within the consolidated Statement of Financial Activity for the group during the year was £Nil (2023 - £Nil).

22. Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
<b>Amounts falling within one year</b>				
Bank loans	61,267	60,791	-	-
Trade creditors	309,415	412,178	85,230	22,776
Taxes and Social Security	124,631	143,061	11,890	14,214
Accruals and deferred income	593,467	465,202	38,853	54,074
Other creditors	30,002	20,399	20,038	15,824
	<u>1,118,782</u>	<u>1,101,631</u>	<u>156,011</u>	<u>106,888</u>

Deferred income relates to income received for subscription and member fees which is not relatable to the year end 31 December 2024.

23. Creditors: amounts falling due after more than one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	564,683	626,426	-	-
	<u>564,683</u>	<u>626,426</u>	<u>-</u>	<u>-</u>

A debenture is in place which includes a charge over all assets both present and future of the subsidiary SDC Enterprises Limited dated 9 February 2016, in respect of the bank loans held by the Group.

The bank loan above is secured on the property to which it relates to.

24. Loans

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
<b>Bank loans:</b>				
Amounts falling due within one year	61,267	60,791	-	-
Amounts falling due 2-5 years	564,683	626,426	-	-
	<u>625,950</u>	<u>687,217</u>	<u>-</u>	<u>-</u>

25. Deferred tax

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
At beginning of year	190,614	156,000	-	-
(Released)/charged during year	18,371	34,614	-	-
At end of year	208,985	190,614	-	-

The provision for deferred taxation is made up as follows:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Accelerated capital allowances	208,985	190,614	-	-
Other timing differences	-	-	-	-
Losses c/fwd	-	-	-	-
<b>Total</b>	208,985	190,614	-	-

26.	Funds - current year	Fund balance 01/01/2024 £	Income £	Expenditure £	Transfer £	Gains and Losses £	Net movement In funds £	Fund balance 31/12/2024 £
	<b>Unrestricted funds</b>							
	Accumulated funds	2,180,706	867,401	(1,095,238)	4,000	-	(223,837)	1,956,869
	<b>Designated funds</b>							
	Centenary educational trust	60,909	-	(4,129)	-	-	(4,129)	56,780
	Tordoff memorial	94,885	-	-	(4,000)	-	(4,000)	90,885
	Unfunded projects reserve	249,583	-	(122,553)	-	-	(122,553)	127,030
	<b>Total designated funds</b>	405,377	-	(126,682)	(4,000)	-	(130,682)	274,695
	<b>Revaluation Reserve</b>	223,685	-	-	-	44,507	44,507	268,192
	<b>Total unrestricted funds - Charity</b>	2,809,768	867,401	(1,221,920)	-	44,507	(310,012)	2,499,756
	<b>Restricted funds</b>							
	George Douglas Lecture	1,730	-	-	-	-	-	1,730
	Turner Scholefield Award	8,510	-	-	-	-	-	8,510
	Future Textile Dyers Fund	17,801	-	(10,593)	-	-	(10,593)	7,208
		28,041	-	(10,593)	-	-	(10,593)	17,448
	<b>Permanent endowment funds</b>							
	George Douglas Lecture	2,128	-	-	-	-	-	2,128
	Turner Scholefield Award	2,497	-	-	-	-	-	2,497
	Veronica Bell Award	12,876	-	-	-	-	-	12,876
		17,501	-	-	-	-	-	17,501
	<b>Total funds - Charity</b>	2,855,310	867,401	(1,232,513)	-	44,507	(320,605)	2,534,705
	Funds retained in trading subsidiaries	7,165,905	6,530,653	(5,875,533)	-	-	655,120	7,821,025
	<b>Total funds - Group</b>	10,021,215	7,398,054	(7,108,046)	-	44,507	334,515	10,355,730

26. Funds - previous year	Fund balance 01/01/2023	Income	Expenditure	Transfer	Gains and Losses	Net movement In funds	Fund balance 31/12/2023
	£	£	£	£	£	£	£
<b>Unrestricted funds</b>							
Accumulated funds	2,315,275	801,889	(943,359)	6,901	-	(134,569)	2,180,706
<b>Designated funds</b>							
Centenary educational trust	63,478	-	(2,569)		-	(2,569)	60,909
Tordoff memorial	96,385	-	-	(1,500)	-	(1,500)	94,885
Unfunded projects reserve	254,984	-	-	(5,401)	-	(5,401)	249,583
<b>Total designated funds</b>	414,847	-	(2,569)	(6,901)	-	(9,470)	405,377
<b>Revaluation Reserve</b>	176,337	-	-		47,348	47,348	223,685
<b>Total unrestricted funds - Charity</b>	2,906,459	801,889	(945,928)	-	47,348	(96,691)	2,809,768
<b>Restricted funds</b>							
George Douglas Lecture	1,730	-	-	-	-	-	1,730
Turner Scholefield Award	8,510	-	-	-	-	-	8,510
Future Textile Dyers Fund	27,752	-	(9,951)	-	-	(9,951)	17,801
	37,992	-	(9,951)	-	-	(9,951)	28,041
<b>Permanent endowment funds</b>							
George Douglas Lecture	2,128	-	-	-	-	-	2,128
Turner Scholefield Award	2,497	-	-	-	-	-	2,497
Veronica Bell Award	12,876	-	-	-	-	-	12,876
	17,501	-	-	-	-	-	17,501
<b>Total funds - Charity</b>	2,961,952	801,889	(955,879)	-	47,348	(106,642)	2,855,310
Funds retained in trading subsidiaries	6,602,367	5,674,568	(5,111,030)	-	-	563,538	7,165,905
<b>Total funds - Group</b>	9,564,319	6,476,457	(6,066,909)	-	47,348	456,896	10,021,215

## 26 Funds (continued)

The specific purpose for which the funds are to be applied are as follows:

### Designated Funds:

#### Centenary Educational Trust Fund

Established in the SDC's Centenary year (1984) to provide finance to stimulate the recruitment of highly talented and well-motivated young people onto full-time courses in colour science and technology.

#### Tordoff Memorial Fund

Established in 1992 in memory of the late Dr Maurice Tordoff, former Chief Executive and General Secretary of the SDC. To provide finance to support students undertaking part-time education in colour science and technology.

### Unfunded projects reserve

This fund is designated for additional Gift Aid received over and above the Society's Board agreed baseline level required for general running of the Society. These reserves are then available via the Project Evaluation Group (PEG) for specific projects to develop the SDC products and services.

### Restricted Funds:

#### George Douglas Lecture

Represents income arising from the George Douglas Lecture permanent endowment fund and the use of that income.

#### Turner Scholefield Award

Represents income arising from the Turner Scholefield Award permanent endowment fund and the use of that income.

#### Future Textile Dyers Fund

To support the apprenticeship program FTCC TCC, this money has been received from Worshipful Company of Dyers.

### Permanent Endowment Funds:

#### George Douglas Lecture

The Lecture was started in 1948 with a fund established by the Bradford Dyers' Association Ltd to finance a biennial memorial lecture. The lecture to be on a subject related to the dyeing and finishing of textiles. The fund now allows for promoting education in colour science and technology by the holding of public lectures.

#### Turner Scholefield Award

A medal, awarded annually, to an Associate of the SDC, under the age of 33 who has made the most notable contribution to the science and technology of colouring matters and their application.

#### Veronica Bell Award

Presented to the winner of the student International Design Competition in memory of the SDC's first lady president, Veronica Bell.

### Revaluation reserve

To record any gains from revaluations of freehold property and investment property.

27. Analysis of net assets by funds - Group

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Revaluation Reserve Funds	Total Funds
	£	£	£	£	£
<b>At 31 December 2024</b>					
Intangible fixed assets	31,129	-	-	-	31,129
Heritage assets	63,500	-	-	-	63,500
Tangible fixed assets	3,710,499	-	-	-	3,710,499
Investments	913,435	-	-	-	913,435
Investment property	320,866	-	-	-	320,866
Current assets	7,153,258	37,992	17,501	-	7,208,751
Current liabilities	(1,118,782)	-	-	-	(1,118,782)
Long term liabilities	(564,683)	-	-	-	(564,683)
Provisions for liabilities	(208,985)	-	-	-	(208,985)
	<u>10,300,237</u>	<u>37,992</u>	<u>17,501</u>	<u>-</u>	<u>10,355,730</u>

Analysis of net assets by funds - Group - previous year

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Revaluation Reserve Funds	Total Funds
	£	£	£	£	£
<b>At 31 December 2023</b>					
Intangible fixed assets	43,645	-	-	-	43,645
Heritage assets	63,500	-	-	-	63,500
Tangible fixed assets	3,322,493	-	-	-	3,322,493
Investments	975,697	-	-	-	975,697
Investment property	320,866	-	-	-	320,866
Current assets	7,168,143	28,041	17,501	-	7,213,685
Current liabilities	(1,101,631)	-	-	-	(1,101,631)
Long term liabilities	(626,426)	-	-	-	(626,426)
Provisions for liabilities	(190,614)	-	-	-	(190,614)
	<u>9,975,673</u>	<u>28,041</u>	<u>17,501</u>	<u>-</u>	<u>10,021,215</u>

28. Analysis of changes in net debt

	Net debt at 1 January 2024	Cash flow	Net debt 31 December 2024
Long term borrowings	626,426	(61,743)	564,683
Short term borrowings	60,791	476	61,267
	<u>687,217</u>	<u>(61,267)</u>	<u>625,950</u>

**29. Commitments under operating leases - lessee**

At 31 December 2024 the group and the charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	152,829	156,445	12,829	12,829
Later than 1 year and not later than 5 years	36,162	152,829	12,829	12,829
Later than five years	9,545	46,750	9,545	23,417
	<u>198,536</u>	<u>356,024</u>	<u>35,203</u>	<u>49,075</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was Group £156,445 (2023 - £228,030) and Charity £12,829 (2023 - £12,680).

**Commitments under operating leases - lessor**

At 31 December 2024 the group and the charity had future minimum lease payments receivable under non-cancellable operating leases as follows:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	964	11,004	964	11,004
Later than 1 year and not later than 5 years	-	964	-	964
Later than five years	-	-	-	-
	<u>964</u>	<u>11,968</u>	<u>964</u>	<u>11,968</u>

The amount of contingent rents recognised as income during the year was £91,471 (2023 - £81,741).

Capital commitments £Nil (2023 - £Nil)

**30. Related party transactions**

During the year the Charity entered into the following transactions with related parties:

**Group**

During the year ended 31<sup>st</sup> December 2024 the group made purchases totalling £371,027 (2023: £262,117) from Advanced Colours and Chemicals Limited, a company of which one of the trustees of the Charity, I Lewis, is the ultimate controlling party. All purchases were made by the Charity's trading subsidiaries and were done so on normal arm's length terms.

**Charity**

Other than transactions disclosed above, the charity's only related party transactions were with wholly owned subsidiaries and accordingly have not been disclosed.

**31. Ultimate Control**

The society of Dyers & Colourists is a Charitable body. SDC Voting Members elect the Trustees to be voting members of the Society's Board, and the trustees ultimately control the charity.



**THE SOCIETY OF DYERS AND COLOURISTS**

England & Wales - Charity number 212331

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# Accounts

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**The Society of Dyers & Colourists (SDC)**

**Annual Report &**

**Financial Statements**

**as revised 21 May 2024**

**For the Year ended 31<sup>st</sup> December 2023**

Charity Number 212331

Royal Charter Number RC000567

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## Foreword by SDC Chief Executive Officer

The year 2023 was very much about moving into the new normal post covid for the Society, as in person events started to resume and the SDC Staff started to travel once again to ITMA in Italy, the SDC Hong Kong Conference and we saw the holding of the first UK Technical Conference.

In 2022's Annual Report I also referred to global events that are impacting everyone, and in that respect 2023 continued, not only unabated, but with even more global disruption and uncertainty. The conflict in Ukraine continued and was joined by other Middle East conflicts. Their existence affected items such as the prices of almost everything in inflation, to my flight to and from Hong Kong being much longer in time, and more costly, than in the past due to routes that have to be taken.

On a positive note, the financial markets were less thrown by these international events in late 2023 than in the prior year and SDC investments actually grew in value, as opposed to the huge fall in value in 2022. Once again though the SDC only utilised dividends from these financial investments thus allowing the core financial investment value to grow.

The SDC Governance in 2023 was still very much in virtual mood, with attendance at committees now almost exclusively by remote attendance. This saved attendees time and made their lives more efficient, whilst reducing SDC expenses and avoided long running UK train strikes for committee attendees. However, some discussion topics, were less fruitful in my view.

Attendance at the ongoing SDC Webinar programme reduced from the very large numbers during Covid, as people had more to attend to in their workplaces and social lives. The SDC Webinar programme remained in place though, with each webinar recorded. In 2023, unlike many other organisations, the SDC did not cancel a single Webinar due to lack of registrants and we now, by the end of March 2024, have a catalogue of 38 Webinar Recordings on the SDC website (access is free of charge to SDC Members, so this is also being used as a driver to gain new members).

The Annual Report does, and should, look forward, as well as back over the past year. 2024 is a significant year for the SDC in that it is the 140<sup>th</sup> year of the Society and the 100<sup>th</sup> year of the Colour Index™. Hence, 2024 is going to be a busy year with an expanded AGM also covering displays and presentations on SDC activity and plans. The year has in store three conferences: an International Conference in Manchester in June; a UK Technical Conference in Bradford in October; plus, an International Conference in Leeds the SDC are hosting for the Dyes in History and Archaeology Group.

The Society has also been developing a renewed Strategy, commencing with a Board Day in November 2023 followed up by a more detailed development day for SDC Staff and Committees in April 2024. It is intended to provide many communication and sharing opportunities on this Strategy as 2024 progresses.

The work on the revision of the Society's Royal Charter, By-laws and Rules is also progressing at an ever-increasing pace following a very long period of review by a task group of the Audit Committee. Initial draft changes are now with legal experts to ensure all is covered and in the appropriate form and relevant Governance document. SDC Members will receive many opportunities to understand these changes in the coming months before also being asked to vote on the proposed changes.

At the end of 2022 the SDC website was completely renewed and re-launched in early 2023 but, as anyone who has been involved in websites will be aware, a launch of a new site is not the end, but

just the start! Much of the past year has been spent on getting the member experience smoothed and enhanced. The Digital Archive for example now has a much-improved search and categorisation, with almost 2,750 items for members to view (some items are open to non-members also). This is not just about more items, but about enhancing those items. Past Medal awardees are now being listed with their citations and images being added. All our Past Presidents are listed, and we are adding images to them also, along with links to their medals awarded and notes on their background where available.

We have also started work on the SDC Textile Collection in early 2024. This will catalogue and digitise items held by the SDC in Perkin House, many of which are 'back home' there after many years of being away. In time members will have access to the collection as items are put online in a new purpose designed database, plus there will be growing opportunities to view and access items in person. As this work proceeds, we have been astounded at the historical gems found in the SDC collection in terms of their age, significance and condition, so be prepared to be amazed at them when we make them accessible to many more people.

November 2023 saw our Annual Awards and Celebration Dinner in York once again. Immediately post the event and to the end of January 2024 members were asked for feedback on the venue, timing and other aspects. The responses were very varied and the ability to make changes limited by available time and other events. In 2024 these events will be slightly earlier in November, but a very busy month of October, for both the SDC and the wider industry, prevents a move of the event any earlier this year. Accommodation suggestions have already been provided to members so they can pre-book at reasonable rates, this being based on feedback from the survey.

I look forward to your participation in online and in-person events across this significant year for the Society and encourage you to share the schedule of activities with others and encourage them to join the SDC community.



Dr Graham Clayton  
Chief Executive Officer.

## 2023 SDC Performance Summary

### SDC Membership

- In 2023 Membership numbers continued to decline by almost 6% although membership income rose very slightly. Much improved systems are now in place to ensure members do not lapse and renew, plus in-person events to promote membership have taken place. In 2024, with the conferences being held, it is planned see membership growth finally arrive.
- The annual reduction in membership numbers of individual members was the lowest reduction since 2017
- Company memberships rose by 2 over the past year and Educational Provider (College / University) memberships grew by 12 almost doubling their 2022 number.

### SDC Course Participants

- It was hoped to grow the ASDC Course participant number in 2023 but engagement numbers remained disappointingly low at 2 with companies, who support ASDC students, still seeing this as a large commitment post pandemic.
- The Maurice Tordoff Bursary was launched to promote the ASDC Course and ensure in the next few years a defined number of candidates requiring support to so could take this prestigious SDC qualification.
- The FTCC/TCC course participant numbers were more encouraging growing from 10 to 15 in 2023. Companies again predominately support their employees on these courses, and it is considered that the shorter time commitment (and hence lower cost) for these courses encouraged such company support.

### Office Rental within Perkin House

- 2023 Office Rental income rose by 12% to almost £82,000 pa. Whilst the end of year was 2.7% short of the target this was the highest rental income for over 15 years (before which the accounts structure was not directly comparable)
- In early 2024 some additional space has been upgraded for office rental and so it is planned to grow further this use of Perkin House.

### SDC Media Performance

- 42 Blog posts – almost one per week - were posted on the SDC website and promoted via social media across 2023
- 1,368 new followers, taking the total to over 6,000 followers, were gained across 2023 on LinkedIn, which is almost 4 per day
- Across 2023 over 75 MailChimp email campaigns were produced and sent, including a revamped monthly eNewsletter. In addition, smaller MailChimp campaigns were sent to Regional Groups.
- SDC social media across 2023 gained 4,165 reactions, 144 comments and 373 reposts. On top of this many SDC staff and members post or repost items relating to the SDC and gain further comments and reactions, thus extending the reach of the SDC activity.

## SDC Communications

- The Mailchimp Campaign open rate remained relatively constant. In 2022 the open rate averaged 33% and the average across 2023 was 32%, although individual campaigns can vary widely and may reach over 50% of recipients.
- Blog content on the SDC website grew considerably in 2023 – Blogs are available to all website users
- 8 webinars were delivered and recorded in 2023. No webinars were cancelled, although scheduling of some proved a challenge due to availabilities of speakers.
- *The Colourist* eMagazine for SDC Members saw 4 editions (quarterly) produced and circulated online. All editions are available in the Digital Archive on the SDC website.
- 10 editions of the SDC eNewsletter were compiled and sent to members across 2023 – August & September were months without a SDC eNewsletter
- The Digital Archive on the SDC website now has over 2,700 entries (1,400 Oct '22). Many of these are more than just an entry also *e.g.* medal awardee details include the citation and photograph in a growing number of cases.
- The SDC website was re-launched January 2023 with GA4 Analytics active from July 2023. Up to 2,400 active user visits were seen per month (equivalent to 28,800 pa) by the end of 2023 with each user viewing 5 to 6 pages.
- *Coloration Technology*, the SDC peer reviewed publication produced in conjunction with Wiley Publications has continued to see article access growth with levels of over 80,000 article accesses made in 2023, being double the level of 8 years ago.
- The SDC also held a very successful UK Technical Conference in November 2023 with almost 10 attendees.
- The SDC also launched the Global Colourist Award which was well received by many at the November 2023 Awards and Celebration Dinner, which was a fully booked (160 individuals for the dinner) event this year.

## Environmental, Social and Governance (ESG)

- The inclusion of ESG in the 2023 Annual Report demonstrates the level of activity in place currently.
- The CO<sub>2</sub> footprint from electricity usage in Perkin House is 84% lower than predicted with potential to reduce this further.
- SDC travel costs in 2023 were 16% higher than in 2022 at £16,621. However, this is historically low (2019 travel costs being £41,025) resulting in a much-reduced carbon footprint from travel, predominately from continued use of online communication tools.
- Governance of the Society is regularly reviewed by the SDC Audit Committee in the light of Charity Commission Guidance and specialist charity legal advice. Governance is a developing field with new requirements almost every year. Where performance of the SDC has been slow or fallen short measures have been taken to ensure full performance in future. In the year 2023 the Charity Commission made no specific improvements to the Society.

## Society of Dyers and Colourists Annual Report

The Society's Board is comprised of nine elected trustees from amongst its Voting Member population, SDC Honorary Officers and the Chief Executive Officer, together with any co-opted Board members, who present their report together with the financial statements of the charity for the year ended 31 December 2023. The Board are of the view that the funds and assets have been prudently managed and effectively applied during the year, solely in furtherance of the objectives described in the SDC Governance documents and reproduced below. Financial performance is continually under review against these. The Board are satisfied that the financial policies and plans presently being applied are relevant, appropriate, and adequate to support and sustain the charitable activities of the SDC.

### Honorary Officers

President	Ullhas Nimkar (appointed AGM 2022 to AGM 2023)
President	Chris Carr (appointed AGM 2023 to AGM 2024)
Immediate Past President	John Hansford (from AGM 2022 to AGM 2023)
Immediate Past President	Ullhas Nimkar (from AGM 2023 to AGM 2024)
President Elect	Susan Kay-Williams (appointed AGM 2023)
Honorary Secretary	Stuart Wilkinson (appointed AGM 2018 until AGM 2021 and re-appointed AGM 2021 until AGM 2024)
Honorary Treasurer	Michael Catterall (appointed AGM 2021 to 2024)

### Trustees during 2023

Chris Carr – appointed at the AGM 2018 and re-appointed AGM 2021 until AGM 2024<sup>#</sup>  
 Ela Dedhia – appointed at the AGM 2022 and retires AGM 2025\*  
 Eamon Furey – appointed at the AGM 2022 and retires AGM 2025\*  
 Parik Goswami – appointed at the AGM 2020 and re-appointed AGM 2023 until AGM 2026\*  
 Linda Hodgson - appointed AGM 2023 until AGM 2026\*  
 Ian Lewis - retired by rotation AGM 2020 and re-appointed until AGM 2023  
 Siva Pariti – appointed at the AGM 2022 and retires AGM 2025\*  
 Adam Pursell – appointed at the AGM 2023 until AGM 2026\*  
 Paul Santohki – appointed at the AGM 2022 and retires AGM 2025\*  
 Gavin Thatcher – appointed at the AGM 2018 and re-appointed AGM 2021 until AGM 2024\*  
 Katherine Wells – appointed at the AGM 2020 and re-appointed AGM 2023 until AGM 2026\*

\*Denotes the nine trustees on the Society's Board post AGM 2023

<sup>#</sup>Chris Carr stood down as a Trustee at AGM 2023 to enable him to take up the post of SDC President as a person is unable to hold more than one Office.

### Co-opted Board Members

Paul Hamilton was appointed Vice-President (Projects) at the AGM 2022 and was re-appointed at AGM 2023 for a further year.

### Chief Executive Officer

Graham Clayton

Principal Office

Perkin House, Longlands Street, Bradford, BD1 2LU

#### Auditors

Thomas Coombs, 3365 The Pentagon, Century Way, Thorpe Park, Leeds, Yorkshire, LS15 8ZB  
NB. The previous Auditors, Watson Buckle Limited, were re-appointed at the AGM 2023 but on 19 October 2023 informed the SDC that Watson Buckle were withdrawing from the Charity market. A rapid search for new Auditors late in the year was successful in the appointment of Thomas Coombs, established in 1878 with a long-standing charity support portfolio.

#### Bankers

National Westminster Bank plc, 1 Market Street, Bradford, BD1 1EG

#### Investment Managers

Brewin Dolphin Securities Limited, 10 Wellington Place, Leeds, LS1 4AN

#### Governance

The SDC is a charitable body, incorporated by Royal Charter (RC000567) with the governing documents being the Royal Charter (1963) with Amendments, By-laws (2009) and Rules (2012 as amended 2014, 2015, 2016, 2017, 2018 & 2019). These documents are available for public access on the [SDC website](#).

#### Charitable Objectives

The SDC was established in 1884 to advance the science of colour. The SDC achieves this aim by global dissemination of colour knowledge to members, industry and the public, via publications of scientific papers, lectures and electronic media. The charitable objectives are contained within the [Royal Charter](#) of 1963 and are:

- a) To promote the advancement of technology both in the theory and in the practice of the creation and use of colour and colouring matters
- b) To provide means for the wider dissemination and interchange of knowledge concerning the science and technology of colour and colouring matters including knowledge of the application to substrates and of the materials to which they may be applied
- c) To encourage education and research in all and any subjects concerned with the science of colour
- d) To hold meetings for the reading of papers and giving of lectures on coloration and colouring matters and for discussion of the same
- e) To publish scientific literature and a journal for the promotion and correlation of knowledge of the science of colour
- f) To initiate and stimulate research and education in the interests of coloration in all aspects of human life
- g) To co-operate with other scientific organisations and bodies in relation to colour and its application and use
- h) To acquire by purchase, devise, bequest, donation or otherwise lands and hereditaments of any description and tenure and to accept any gift, endowment or bequest and the office of trustee and to carry out any trusts attached to any such gift, endowment or bequest or attached to such office
- i) To do all such lawful things as are incidental or conducive to the attainment of the above objects or any of them.

#### Structure and Governance

The Society's Board is the Governing Body of the Charity with up to nine trustees elected from among the Voting Members of the Society by the Voting Members (Rule 101). The Chief Executive Officer, the Honorary Treasurer and the Honorary Secretary are also entitled to attend meetings of the Board (By-law 36.2), which may also co-opt a maximum of three members (Rule 104 & By-law 36.2). Only trustees take part in any vote of the Board, a quorum of which is 50% of the voting members on the Society's Board (ie trustees), rounded up to the nearest whole number, present either in person or electronically in real time (Rule 115).

The Audit Committee comprises (By-law 37) the Honorary Secretary, the Honorary Treasurer, the President, the President Elect, the Immediate Past President and four elected Voting Members of the Society (Rule 125). It reports to the Society's Board and monitors legal compliance of all activities related to the Royal Charter, By-laws, SDC Rules, agreed policies and strategies.

The Nominations Committee (By-law 38 & Rule 126) comprises the Chair of the Society's Board, the Honorary Secretary, the Honorary Treasurer and Voting Members representing UK members, members from outside the UK, the Committees and the Regions. The Nominations Committee also ensures the procedure for the appointment of Trustees, Honorary Officers and members of the Audit and Nominations Committees is rigorous and transparent (Rule 126).

The finances of the SDC are the responsibility of the Society's Board (Rule 47) and the Board appoints a Finance Committee, chaired by the Honorary Treasurer, to manage the Society's finances (Rule 48). The composition of the Finance Committee and its appointment is made annually by the Society's Board (Rule 49) at their first full meeting after the AGM.

The SDC's other committees report to the Society's Board and the Chief Executive Officer and develop, direct and monitor the charity's activities in accordance with its' Charitable Objectives and Strategic Plan. The SDC's day-to-day operational activity is managed by the Chief Executive Officer with a complement of appropriately skilled staff and external service providers under the CEO's management.

The Society's Board are advised of their responsibilities under charity and company law, the requirements of the Royal Charter, By-laws and SDC Rules. Formal training of the Board members, Audit Committee, Nominations Committee and those standing for election is made available at least annually, with attendance recorded. This training is delivered by experts in their field who also have wide experience in the charity sector. In 2020 the move was made to make this available via the SDC main website and 3 new Governance training sessions were held in 2023, with the recordings available for members of the Board, Audit and Finance Committees online.

### **Governance Review**

A Governance Task Group Working Party of the SDC Audit Committee has spent some considerable time examining the SDC Royal Charter, By-laws and Rules. The Working Party was formed by the SDC Audit Committee in December 2020 and concluded its work, reporting to a meeting of the SDC Audit Committee, in February 2024. Three fully revised Governing documents are now being drafted by the Society's legal advisors, with the work almost complete in April 2024. These documents will then be presented to the Society's Board and, if accepted, communicated at many opportunities to SDC Members before being taken to a specific General Meeting of SDC Voting Members for final approval following which the Royal Charter and By-laws will be submitted to the Privy Council for their approval.

### **SDC Committees**

The following committees comprise the SDC Governance bodies:

- The Society's Board – Chair Gavin Thatcher. In 2023 the Society's Board met on 8 occasions, plus met at 3 Governance Training sessions which were also recorded.
- Audit Committee – Chair Stuart Wilkinson. In 2023 the Audit Committee met on 3 occasions plus a joint meeting with the Finance Committee to review the Annual Accounts.
- Finance Committee – Chair Michael Catterall. In 2023 the Finance Committee met on 2 occasions plus a joint meeting with the Audit Committee to review the Annual Accounts.

- Nominations Committee – Chair Stuart Wilkinson. In 2023 the Nominations Committee met on 1 occasion.
- Medals Committee – Chair Stuart Wilkinson. In 2023 the Medals committee met on 3 occasions.
- Examinations, Qualifications and Accreditation Board – Chair Prof Stephen Westland. In 2023 EQAB met on 3 occasions plus an examination board meeting.
- Publications Committee – Chair John Easton. In 2023 the Publications Committee met on 2 occasions.
- Publications Award Committee – Chaired at their single 2023 meeting by David Lewis. This committee reviews all papers published in the year by *Coloration Technology* resulting in a single meeting with a huge amount of preparation in reading every paper published that year.
- Colour Index Pigment and Solvent Dyes Technical Board. Chair Adrian Abel. In 2023 the CIPSDTB met 3 occasions.

It is very much appreciated, and here recognised, that these committees operate due to the substantial input of volunteers. The number of committee meetings above conceals the duration of the volunteer input with preparation as well as the meetings themselves.

All SDC Committees meet within Microsoft Teams. This means there is a single committee meeting place and depository of Agendas, meeting papers and Minutes for each meeting and future reference.

There are several measures that could be used to report volunteer input to the Society, but which all generalise the volunteer input to some extent. The number of volunteers on committees alone conceals the fact that more than a few volunteers are on several different committees. The SDC website lists all SDC Staff and all SDC Committee members (91 in total in 2023) as one Team (with the ability to filter by committee) which is appropriate, as it is the whole Team of staff and volunteers who deliver the Society's activity and impact.

This narrative on volunteer input has also thus far erroneously focused on the main SDC Governance Committees and coverage here would not be complete without also including the regional volunteers who manage their Region and arrange and deliver regional events. Such volunteers are typically exceedingly rich in experience whilst also extremely welcoming of new and early career volunteers. The committees of regions are now also listed on the SDC website under 'About Us' and 'The Team' as they do form part of the whole SDC Team.

A conservative estimate of the combined hours of volunteer input of the above just in actual meetings is over 1,500 hours per annum, or around 40 person weeks of work. This estimate does not include preparation time which will vary by volunteer role, but it is quite probable that the volunteer input time could be two or three times the conservative estimate.

### **Regional AGMs**

The Society's Rule 55 states that: "*Regions, or Student Section, where it has no parent Region, shall submit a statement of accounts to the Chief Executive Officer at least one week before the Society's Annual General Meeting. These will be presented to the Society's Board at the first meeting after the Annual General Meeting.*" This had not been adhered to for many years, but the Governance of the Society is ensuring success in getting this schedule reinstated. Regions have held their own AGMs and provided a Statement of Accounts but at different times across the year. In 2024 the UK regions will all have held their AGMs ahead of the main SDC AGM, as will have many international regions.

## SDC Performance

### **Mission**

Educating the world in the science of colour.

### **Objectives**

The objectives of the SDC for 2023 were to:

- 1) To *Educate* in the field of colour and the science of coloration
- 2) To *Collaborate* with SDC members and the wider colour community, whilst developing the SDC Communities for the SDC future world.
- 3) To *Include* all staff, members, collaborators and interested parties as appropriate in the SDC *Colour Education* and the *SDC Communities*
- 4) To *Increase* the reach of the SDC to deliver its' services to a wide *Colour and Education Community* globally
- 5) To *Build* and deliver a sustainable business model that ensures the future availability of SDC resources.

The Objectives of the Society are reviewed annually. Informed by ongoing Governance Training, the Society Objectives for the year are kept in agreement with the Royal Charter Objectives.

### **Public benefit**

The SDC public benefit arises from a wide range of events and activities provided for the public to gain greater knowledge through education in the science of colour:

- The [SDC website](#) and associated Digital Archive grew across 2023. Some content is only available to current members, with some content available to all.
- Bursaries and grants have been awarded and a new Global Colourist Award introduced in 2023.
- Lectures, seminars / webinars and conference presentations on colour. The SDC now has a [list of all webinar recordings available online](#) which number 38. These are available free of charge to members and at a nominal charge to non-members
- Colour training courses – these courses take place internationally delivered by SDC staff and agreed partners
- Colour products such as the [STEM \(Science, Technology, Engineering & Mathematics\) Dyes kit](#) are available. Due to increased export controls this is now only available to UK customers due to the administration involved in overseas shipment of chemicals.
- Provision of the Secretariat to the BSI (British Standards Institution) Technical Committee, TCI 81, for Colour fastness and colour measurement of textiles, thus supporting all industries for colour and textiles.
- Supporting the provision of the Secretariat for the International Standards Organisation Technical Committee, ISO TC 38 SC1, for Coloured textiles and Colorants, for global standardisation.
- The SDC also has representation on several other international technical committees relating to colour.

The SDC provides benefit to both the public and to its' members. The Society's Board confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The public benefit has also been a feature of trustee and interested party training on governance provided by a charity governance lawyer and a charity accountant.

## The SDC Trading Companies

### **SDC Enterprises Group Ltd**

The consolidated results of SDC Enterprises Group (incorporating SDCE Enterprises Limited (SDCE) and Sam Weller & Sons Limited (SW)) show a small reduction in revenue, < 1%, as 2nd half-year trade returned to more normal levels after the post Covid 'mini boom'. Margins were reduced through the combined impact of cost inflation and returning exhibition costs, running ahead of sales price inflation. Despite this, pre-tax profitability remained healthy.

As SDCE looked to refresh its branding, and security identification, with a simplified logo, the 20-year-old licence agreement with the Society for use of the previous version of the Society's logo ended in February 2023. Funding to the Society was maintained, at 10% above the 2022 level, by an increase in Gift Aid. SDCE remain fully committed to supporting the Society's charitable activities, though the Board of SDCE must balance this distribution of resources versus the needs of the long-term development plan for commercial activities. Total funds provided to the Society, by SDCE, in 2023 were £550,000, or 71 % of the Society's total income (excluding revaluations).

During 2023 the acquisition of Northern Dyers (ND) was completed, providing strategic growth opportunities in wet processing activities, and enabling the reallocation of space within the Spinksmire Mill site. This ability to reallocate space is key to maximising the efficiency and cost effectiveness of developing the entire site. Work began on a renovation to a unit for use in the production of Multifibre. Renovations work will accelerate in 2024 with the refurbishment of the former Quarmby and Sykes dyehouse, to accommodate ND. This will allow for limited modernisation and increased scope of activities at ND, whilst freeing the optimal site for building a new weaving shed for SW. This property development and new capital plant requirement will require significant new investment from SDCE. SDCE aims to fund this from retained profits and a minimal amount of borrowing.

SDCE' Board judge that the pressure on SDCE' resources should not reduce the ability to maintain its funding of charitable activity. For 2024 a 9% increase in funds provided to the Society has been agreed, subject to trading results. The Board also recognise that, any medium-term risk to funding charitable activity, is also negated by the considerable reserves the Society has built up for that specific purpose.

The Society's total equity in SDCE Group remains strong, with shareholder funds standing at £7,696,548 versus the Society's investment of £445,600.

The Directors are confident that the implementation of the commercial strategy, as agreed with the Society, is delivering tangible results. The ongoing investment is affordable and will provide long-term growth for SDCE, whilst protecting and enhancing the Society's shareholding value in the Group.

Mark Yare  
March 2024

### **SDC International Ltd**

The SDC wholly owned company, SDC International Ltd is UK based and has Directors appointed by The Society's Board who are the post holders of the roles of Honorary Treasurer, CEO and ASEAN Region Manager.

SDC International activity was severely curtailed in 2020, just as it was planned to grow, due to the pandemic. In following years there were conferences and exhibition activity planned and arranged, but again cancelled due to the pandemic. In 2023 SDC International was evident, through Indian registered SDC International India pvt Ltd, at large Indian exhibitions and conferences and SDC necessary financial support started to reduce. A plan being delivered in 2024 exists for further exhibitions and conferences that will result in repayment of the monies owed to the Society by SDC International and also further contributions to the work of the Society over and above that in the longer term.

2023 saw organisation of income realising Indian exhibitions in Ludhiana and Tirupur by SDC International India pvt Ltd. In 2024 SDC International India pvt Ltd is organising a large exhibition and conference in Dhaka, Bangladesh in November entitled C3M-Expo showcasing Chemicals, Compliance and Machinery. This event is forecast to see SDC International Ltd start to provide an income stream to the Society.

### Charity Financial Activity

The Society's Board monitor monthly the financial activities of the charity via the Finance Committee and SDC Management Accounts. The Finance Committee and Society's Board take appropriate action as necessary.

### **Investments**

Over the year 2023 the Charity's net downward movement of all funds was less than 2022, being £106,642 lower 2023 vs 2022 (cf £207,298 lower in 2022 cf 2021). Charity income was up £54,180 in 2023 at £801,889 although expenditure rose by £115,671.

The investments managed by Brewin Dolphin come under their specific charity team and the SDC portfolio will typically have 55% exposed to equities, 26.5% to fixed interest, 14% to alternative investments and 4.5% to cash. The portfolio, which is managed at Risk Category 5, is likely to have moderate market volatility. The Charity's investment assets are invested in line with its aims. The Investment Managers are aware that the Trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Charity's purpose. The investment objective of the SDC with Brewin Dolphin managed funds remains unchanged:

*"The trustees view the portfolio over the long-term and see the portfolio as providing a 'safety net' against any unforeseen costs. With that in mind the trustees are concerned with growing the invested assets ahead of inflation so that they retain their real buying power.*

*The trustees would also like the portfolio to produce an income to assist in the smoothing of the charities annual cash flow."*

Net losses on Brewin Dolphin managed investments in 2022 was £139,087 which turned to modest gains of £41,348 in 2023.

Quoted investments at market value, plus cash held associated with those investments, rose £35,060 in 2023. The total value of Brewin Dolphin managed investments on 31st December 2022 was £940,637, hence this was 3.7% growth in 2023. In addition, these investments realised dividends of £26,624, resulting in total SDC return on these investments managed by Brewin Dolphin of 6.6% over the year.

The audit requirement for the annual revaluation of the Perkin House asset, the outcome of which is based on market prices, produced little change this past year. In 2022 the total value of Perkin House was assessed to be £1,000,000, with £310,000 of that in the investment (i.e. rented or immediately rentable) part of the building. By the end of 2023 the total value of Perkin House was given as £1,039,721, hence a 4% annual growth in total value of the building asset.

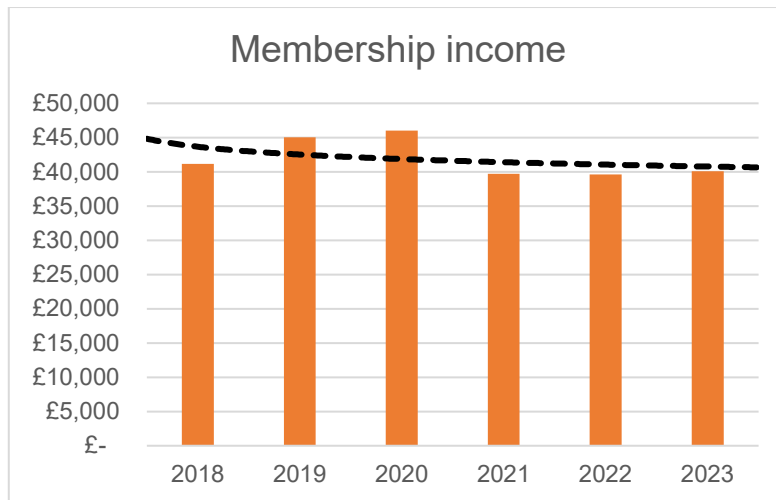
Perkin House rental income has risen from mid-2015, with rental income to the SDC rising to £81,741 in 2023, hence up 12% on 2022 and up 21% from the 2021 income levels. The investment portion of the Perkin House value above is given as £320,866 at 31<sup>st</sup> December 2023, making rental income a 25% Return on Investment.

The largest SDC investment is in SDC Enterprises Group Ltd, the wholly owned subsidiary of the SDC Charity. The investment value of SDC Enterprises Ltd has, for many years, been given in the annual accounts as £445,600 and this has not changed. SDC Shareholder funds in SDC Enterprises Group Ltd now are at £7,696,548. In 2023 the Charity received from SDC Enterprises Group Ltd Licence Fee of £42,708 plus Gift Aid at £507,292, making a total return of £550,000 (£500,000 in 2022). This equates to 7% of shareholder funds.

### **Other Financial Activity**

Auditors examining 2022 accounts recommended a VAT review. The SDC moved some years ago, at HMRC behest, to partial exemption of VAT. The calculations of such are not simple and a regular review is recommended and was undertaken with support of Watson Buckle VAT experts in early 2022. VAT submissions since have adhered to the recommendations from that VAT review, including increased payments to HMRC in SDC VAT submissions.

Membership income was effectively static in 2017 after several years of gradual decline. Partly due to membership subscription price rises, membership income was £41,156 in 2018 and in 2019 £45,042. In 2020 it rose marginally to £46,039 but in 2021 membership income fell to £39,706, largely due to companies not renewing memberships. The Society's Board also made the price for Individual Non-Voting and Individual Voting membership identical to encourage members to upgrade at no additional cost. Membership income in 2022 amounted to £39,639 and in 2023 rose only marginally to £40,097. Hence, 2023 membership income was up annually by only 1% and was at a level 12% below the 2020 peak of recent years. As the chart below shows though the overall trend is therefore now one of arresting the decline in membership income, despite the harmonisation of Voting and Non-Voting individual membership subscription rates.



Membership renewals are now enabled via the SDC website and members can pay by debit or with credit card and set payments to auto-renew. Each membership subscription also has monthly, annual and every three-year option for payment. It has been very promising to see that many members are renewing with auto-renewal enabled.

Books sales income in 2023 was largely supported by Malcolm the Weaver book sale income which was up slightly at £4,340. The aged SDC textbook stock is now a very small income stream to the SDC, and the new titles are all produced and sold via Wiley Publishing. By 2023 many SDC books were made available via the SDC website as [eBooks](#), reducing the price for them (and reduced further for current SDC Members) and also permitting immediate access to the eBook. This has made this aged book stock available at lower prices to those interested in accessing their content.

Salary costs of the charity (including social security costs and pensions) rose only marginally (<0.5%) in 2023 when Charity costs amounted to £370,994 (see note 13 of the Accounts). Whilst salaries and pension costs rose through annual pay rises, social security costs fell with changes in Government policies. Charity staff numbers remained unchanged throughout 2023.

In 2020 the global pandemic hit SDC Enterprises Group Ltd sales. Consequently, the SDC parent charity received zero Gift Aid in 2021. In 2022 the trading activities of the SDC Enterprises Group Ltd rose income by half a million to £6,148,251, falling again by almost 1% in 2023 to £6,100,943. Associated trading costs rose in 2023 by almost 12% to £4,880,886. In 2023 SDC Enterprises Group Ltd assimilated into the Group fully the acquisition of Northern Dyers on its Spinksmire site. This also changed a tenant in Northern Dyers into a part of the Group, hence the reclassification of Group fixed assets in Note 16 of the Accounts.

## Environmental, Social and Governance Report

### Energy Usage and Emissions

In 2023 Perkin House consumed 56,699 kWh of electricity – this included the SDC and all Perkin House tenants. The supply of electricity in 2023 was via 3 different energy companies: Valda Energy (8% of annual consumption); Opus Energy (9% of annual consumption) and Drax Power Station (83% of annual consumption).

In September 2023 a Resource Efficiency Audit was undertaken of Perkin House via the West Yorkshire Combined Authority Sustainability Support Service. That report was based on data that extended back

beyond January 2023 and placed the electricity consumption of Perkin House at 50,316 kWh, so 11% lower than just 2023 data. The predicted annual CO<sub>2</sub> generation from that level of electricity usage was 10.2 tonnes.

Electricity in 2023 supplied through Drax Power Station, Selby was, according to a Drax statement, 92.1% from renewable resources (cf an average for all UK suppliers of 40.8%) with 6.6% being of the supply mix from natural gas, 0.6% from coal, 0.2% from nuclear and 0.5% from other fuels. Drax electricity supply generated 34g of CO<sub>2</sub> per kWh cf the average of 186g CO<sub>2</sub> per kWh for all UK suppliers. The Drax energy usage alone (which is 83% of Perkin House consumption) therefore would produce just 1.6 tonnes of CO<sub>2</sub> annually. The result is a much lower CO<sub>2</sub> generation figure (84% lower) than predicted.

Gas consumption in 2023 from actual gas invoices amounted to 56,699 kWh leading to 10.4 tonnes of CO<sub>2</sub> emissions. Gas use is entirely connected to Perkin House heating via two gas boilers. Measures to reduce gas consumption and hence related CO<sub>2</sub> are under evaluation.

The CO<sub>2</sub> survey suggested that 5,820 kWh pa of gas generated heat could be saved from improved insulation on the roof-based air handling system on Perkin House and this work has just been completed in Q1 of 2024. This kWh reduction of course also saved heating costs and reduces CO<sub>2</sub> emissions. The installation of a solar power system is also being scoped now that solar panels have improved, and electricity costs have risen dramatically.

### **Waste & Recycling**

The Perkin House waste is collected weekly, and cardboard is separated and sent for recycling. Other waste is sent as mixed waste but sorted and graded by the collection service providers.

### **Resource Consumption**

The SDC has largely reduced the consumption of many of the resources historically used. Integral to this has been the move to digital provision of many aspects of the SDCs activities. This has, for example, hugely reduced the need for photocopier paper and ink, as well as a huge reduction in travel to meetings. Post Covid the level of online meetings continues to be high and is often the preference of those with whom we are meeting. A consequence of this has been a huge reduction in travel and subsistence costs. In 2023 efforts were made to travel more and meet more people face to face, but, even with the ITMA exhibition in Italy in June 2023, travel was at a much lower level than in pre-pandemic years. SDC Committee meetings are also now attended online by most participants whereas pre-pandemic most would attend in person.

Travel costs in 2023 were 16% higher than in 2022 at £16,621. However, this is historically low with 2019 travel costs being £41,025. Travel via public transport is used whenever practically possible and now online meetings, thus reducing time, cost and pollution from travel, are sometimes even the first option as opposed to an alternative option.

### **Reserves Policy**

The SDC Finance Committee reviews the Reserves Policy detail at regular intervals, in line with the SDC strategy and financial compendium. The SDC aims to hold between 12 and 15 months of budgeted total costs in its free Reserves. In accordance with Charity Commission guidance this is to: protect and safeguard the assets of their charity; permit the Society's Board to act with reasonable care and skill; and ensure the charity is accountable.

In establishing this Reserves Policy, the SDC Finance Committee assessed: why reserves might be needed for the charity to be effective and how much was needed in Reserves. An impact and risk assessment were undertaken to arrive at the Reserves Policy for the SDC in its current form.

The Group reserves are represented by the Group funds of £10,021,215 on 31<sup>st</sup> December (2022 - £9,564,319). Group cash at bank and in hand, on 31<sup>st</sup> December 2023, amounted to £3,433,387 (2022 - £3,750,454) whilst the cash at bank and in hand for the Charity alone was £260,502 on 31<sup>st</sup> December 2023 (£353,492 on 31<sup>st</sup> December 2022). Total resources expended by the charity alone in 2023 were up 14% at £955,879 (2022 £840,208), although removing expenditure undertaken from restricted funds from this figure shows an underlying rise of 12%.

The SDC had free cash at bank and in hand (not designated for current or future PEG Projects), plus Brewin Dolphin managed investments, and taking into account debtors and creditors, on December 31<sup>st</sup>, 2023, that amounted to 10 months of 2023 expenditure and thus slightly below the reserves policy above.

Where funds held are restricted these are shown in the Annual Accounts (See Note 26 Funds) where permanent endowment funds are also detailed. A substantial amount is held in the Unfunded Projects Reserve which is actively managed by the Project Evaluation Group that in turn reports to the Society's Board regularly. The Unfunded Projects Reserve had few allocated projects in 2023 although has projects that will incur expenditure in 2024.

### Project development 2023

It became possible in late 2017 / early 2018 to consider and evaluate specific SDC development projects. Following a strategy set out in prior years for such events, the Society's Board identified a Project Evaluation Group (PEG), which has assessed development projects and prioritised them. The Board have identified and designated total funds for these projects to ensure they can be concluded. The projects are key to SDC impact and delivery over the future years, ensuring delivery of charitable objectives and growth in sustainable income.

In 2022 a thorough re-write of the SDC websites (including Governance and Blog sub-sites) was concluded after some delays to bring the sites up to date to ensure data security and enable up to date functionality including key developments of the Members area Continuing Professional Development capabilities and a Digital Archive section. This went live in late 2022/early 2023 and incorporated also linkages to Mailchimp to effectively replace the membership database, thus reducing costs and increasing functionality simultaneously. During 2023 there was still much work that was done on the 'new' website ensuring membership subscriptions were in place for all members and renewal reminders and dates correct. As the Society moves on into 2024 the website is now operating much more effectively, and content is being added and expanded.

In 2023 the PEG Group agreed to progress several projects to enhance SDC Membership, Early Career Mentoring, the SDC Archive, a UK Technical Conference and an International Conference in mid-2024. A further project is to examine the potential and interest in further development of the Design Coloration Certificate course.

Membership promotion events were held in Birmingham in October 2023 and a similar London event was not possible until mid-March 2024. Both events saw individuals who were either lapsed members or never members attend with some success of new memberships. Both events however also experienced poor attendance of those registered as the events were provided free of charge to

attendees and hence not attending was at no cost to those who had registered. The events therefore did produce new/renewed memberships but at a cost of time and money.

The Early Career Mentoring Project has now been shelved as whilst it was approved by PEG getting a group to take ownership of the project and take it forward proved an issue. The Design Coloration Certificate Course further development was also mothballed as interest in looking at further developments waned. The one module developed already is now to be offered to members free of charge as a membership benefit.

A UK Technical Conference was held in Bradford in November 2023 and will be held again in October 2024 at the same location. The PEG funds ensured the conference was under pinned financially and sponsorships ensured it was delivered at minimal cost to the Society.

The Textile Collection in Perkin House is being catalogued and made available for others to access via procurement of an archive database and a fixed term appointment of a SDC Archivist. This work is predominately underway in 2024.

## Review of Activities

### Bursaries

The SDC Bursary scheme has two funding streams:

- A. Main Bursary (Up to £500) For undergraduate and postgraduate students on a relevant course (e.g. Colour Chemistry, Fashion & Design, Textiles)
- B. ASDC Bursary (Up to £250) For students registered for the ASDC examinations.

The SDC Bursary scheme is managed overall by the SDC Education, Qualification and Accreditation Board (EQAB). In 2021 no bursaries were awarded as the pandemic prevented activity by applicants – indeed one bursary was refunded to the Society due to the recipient not being able to undertake the planned activity. In 2022 there was an increase but still only 3 bursaries were awarded as activity once again resumed. In 2023 there was strong specific marketing promotion of the bursaries to grow the number of applications, but the number of bursaries in 2023 was only 4 as follows:

- Caroline Coyne of Leeds University Textile Design (BA Hons) was supported in her project on thermal waste energy in the knitwear industry.<sup>1 2</sup>
- Monika Dolbniak studying for a Masters at the Royal College of Art was supported in a sensory storytelling project exploring the sensory preferences of people with autism in classroom environments.<sup>1 2</sup>
- Gail Jones was supported on her Masters course at Manchester Metropolitan University in purchasing specialist yarns and dyes to explore ways to create 3D pieces of knitwear
- Caroline Douglas at Douglas Royal College of Art was supported in her PhD work to undertake new practice led research on Mary Somerville's *Experiments on Light* of 1845 adding new

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<sup>1</sup> See page 15 of the December 2023 edition of The Colourist for more details. The Colourist Magazine can be accessed by current SDC Members on the SDC website in the Digital Archive section.

<sup>2</sup> See [Bursary Catch-up! Monika Dolbniak and Caroline Coyne](#) - SDC W35 by Monika Dolbniak and Caroline Coyne and the related [Blog on the SDC Website](#)

knowledge on early colour photography which occurred some 67 years before James Clerk Maxwell's invention of colour photography.

These bursaries support colour science education of the recipients. The sharing of their activity and reports at events and through *The Colourist* magazine and Blogs on the SDC website ensures that several of the Royal Charter Objectives are addressed more widely, especially the dissemination of knowledge about colour.

## Training

SDC Training courses continue to be delivered by external partner companies. In 2023 Colour Training Courses were provided to one company in the UK, and to 5 individuals and one company in China, as well as three individuals in Pakistan. It should be noted that SDC International India pvt Ltd also provided similar training to many individuals in India and Sri Lanka.

In 2020 due to the pandemic effects on physical meetings the Society started a Webinar programme in April 2020 with the first live webinar airing in May 2020. There now stands a collection 38 SDC Webinar Recordings on the SDC website which are available free of charge to current SDC Members and at a nominal £20+VAT charge to non-members. The eight SDC Webinars first aired live in 2023 are listed below:

- [Vicki Walker – Coloration of Cosmetics](#) – SDC W38 by Vicki Walker
- [Amelia Twine – Sustainable Fashion Week](#) – SDC W37 by Amelia Twine
- [Meriel Chamberlin – From Mud to Marle](#) – SDC W36 by Meriel Chamberlin
- [Bursary Catch-up! Monika Dolbniak and Caroline Coyne](#) – SDC W35 by Monika Dolbniak and Caroline Coyne
- [ColourQ – Colour and its Relationship within Film Production](#) – SDC W34 by Daniel Mulligan, Founder ColourQ
- [COLOURizd Quantum Colour for Yarn: A Deep Dive into the Process, Benefits and Limitations](#) SDC-W33 by Jennifer Thompson – CEO and Co-Founder of COLOURizd
- [Fibre 52 – The Future of Sustainable Cotton](#) – SDC-W32 by Graham Stewart – EVP, Fibre 52
- [Schutzen Chemical Group – Next Generation Bio-based, Bio-degradable Textile Chemicals](#) SDC-W31 by Raj Mahendra – Founder and Managing Director of SCHUTZEN Chemical Group

## Foundation Textile Coloration Certificate (FTCC) & Textile Coloration Certificate (TCC)

These two courses form the first year (FTCC) and second and third years (FTCC) of a restructured 3-year course.

Eleven students studied the first year (FTCC) course for the academic year 2022 – 2023, completing in June 2023. Five of these were from England, two from Scotland, two from Northern Ireland, one from the Republic of Ireland and one from Thailand. Four students were studying the TCC Course, including one from New Zealand, one from Zimbabwe and two from England.

This spread of numbers supports the theory that the market is still interested in such qualifications but is cautious about longer term commitment (financially and in terms of their staffs time) unless prior engagement has proven some merit to the qualification. This is further reflected in the ASDC qualification take up (see below) where caution by industry has seen a fall in numbers.

### ASDC Qualification

Textile Coloration Science and Technology (Level 6) – leading to Associateship of the Society of Dyers and Colourists (ASDC) - is a three-year (minimum) distance learning course, leading to a benchmarked honour's degree level qualification. The programme has received the Ecctis benchmarking assessment that it is a Level 6 qualification (equivalent to a good honours degree, as defined within the Framework for Higher Education Qualifications). Ecctis introduced a time limit on such benchmarking, such that the benchmarking of the ASDC would expire at the end of 2022. However, hard work by the Education, Qualifications and Accreditation Board of the SDC, along with SDC staff, ensured the benchmarking of the ASDC was renewed successfully for another five years. Ultimately gaining this qualification allows students to apply to be a Chartered Colourist (CCol).

The online course covers the fundamental textile coloration principles and processes and is made up of 6 modules that are designed to meet the needs of the students and their chosen industry: Dyeing of Natural Fibres, Dyeing Theory, Textile Printing, Dyeing of Synthetic Fibres, Chemistry of Colourants and Colour Physics.

The cost of the degree equivalent ASDC is much lower than a university degree, plus students typically 'earn as they learn' in employment and their employer therefore also reaps immediate benefits from their studies. However, the impact on industry from pandemic recovery is considered to be behind the lower uptake of the ASDC currently until confidence in business resumes.

Five students graduated from the ASDC Course in 2021 which reduced to two students graduating in 2022 (one with ASDC and one with LSDC). These graduates of the ASDC Course all have more senior roles within their companies. In the first half of 2023 just one student was enrolled on the ASDC Course but was joined by a second course participant in October 2023. This was the first recipient of a Maurice Tordoff bursary to undertake the ASDC and was an outstanding graduate of the TCC course.

### Publications

Four issues of *The Colourist*, an SDC member benefit, are produced per year, with production now outsourced to an external marketing company. The external team work closely with all SDC staff in the content collation and even undertake interviews and photography on behalf of the SDC to make production happen. In 2022 the 4 editions of the *Colourist* amounted to 76 pages in total whereas in 2023 this was increased very marginally to 77 pages in the usual 4 editions.

Availability of *The Colourist* is communicated to members via email and so the SDC has measures of the open rates and click through activity to *The Colourist*. Members were also provided with free access in the Members area of the website to *International Dyer* and *Science in Parliament*, both of which receive a great deal of interest. However, WTiN no longer produce *International Dyer* and so new editions are not available.

*Coloration Technology*, the SDC academic journal published in conjunction with Wiley, covers many aspects of coloration with a detailed overview available on the [Wiley's website](#) for the journal. The Wiley's goals for *Coloration Technology* have been to grow readership of the journal, ensure the right authors submit papers and enhance the Society's reputation.



Coloration Technology moved to Institutional Print Only from 2023. Institutions access Coloration Technology via a specific subscription or, more commonly, through a license that allows the institute to access a whole host of Wiley's titles, which includes Coloration Technology.

Individual subscribers are very much in the minority and will only be provided with electronic access, as is commonplace for the vast majority of Wiley's journals today. Wiley do offer a Print-on-Demand option however where hard copies of issues or articles can be obtained.

The Coloration Technology Impact Factor has been an important publishing metric and one that has seen positive growth over the years. In 2022 (latest data) the Impact Factor was 1.8 vs 2.049 in 2021. Wiley is now a *Declaration on Research Assessment* (DORA) signatory whose guiding principles involve moving away from journal-based metrics and specifically the Journal Impact Factor. Article level metrics and individual author contribution are now the metrics of choice.

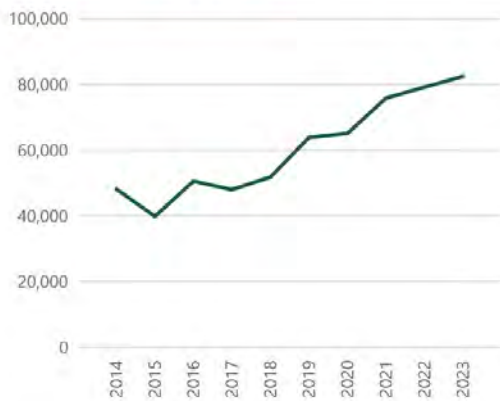
Articles in Coloration Technology were available in 2023 to 6,803 institutions offered access, an increase of 1% on 2022. It can also be seen that access via an 'All Journals license' and Transformational Agreements rose whilst other licence access fell – a scenario seen in many publications. The reach by region had some slight changes but remained relatively constant.

Reach by region			
Region	2021	2022	2023
Australia & NZ	165	167	167
Canada	85	88	90
China	196	192	231
Europe	3,085	2,910	2,978
Japan	168	184	178
Rest of World	2,522	2,213	2,141
UK	183	187	189
USA	695	778	829
<b>Grand Total</b>	<b>7,099</b>	<b>6,719</b>	<b>6,803</b>

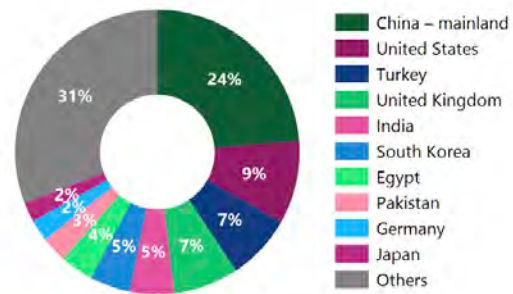
Reach by access type			
Sales Model	2021	2022	2023
<b>Institutions with access via a Wiley license</b>	<b>7,077</b>	<b>6,700</b>	<b>6,783</b>
All Journals license	2,347	1,340	1,738
Transformational agreements	1,398	2,825	3,297
Other licenses	3,332	2,535	1,748
<b>Institutions with access via traditional subscriptions</b>	<b>22</b>	<b>19</b>	<b>20</b>
Online	3	3	3
Print and online	19	16	17
Print	0	0	0
<b>Total</b>	<b>7,099</b>	<b>6,719</b>	<b>6,803</b>

The trend of Article views of Coloration Technology articles continues to grow, as can be seen in the chart below. The countries around the globe who access Coloration Technology continues to be large with a similar annual profile as shown for 2023 below.

### Article views trend



### Top 10 usage countries/regions

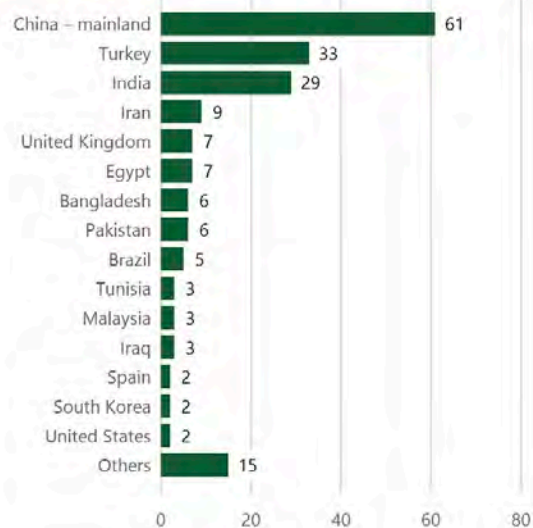


The number of accepted articles continues to grow steadily with the number rejected without review decreasing in 2023. China, Turkey and India were the three top countries where submissions arose.

### Accepted and rejected articles



### Country/region of submissions



The SDC is very grateful to Wiley for its assistance in terms of both resources and expertise. Wiley has a marketing plan in place for Coloration Technology. In 2023 the number of pages in Coloration Technology across the year rose from 678 in 2022 to 732, a rise of 8%.

### **Colour Index™**

The Colour Index™ is known worldwide and is used by many companies, research institutes, universities and government bodies. Many Colour Index™ users are, significantly, outside the traditional textile manufacturing and dye houses SDC sectors.

The decision was taken in late 2018, by the Society's Board, to transfer the Colour Index™ sales and marketing to SDC Enterprises Ltd. This took some time to complete for several reasons, including appropriate HR consultations and processes, but the transfer took place from 1<sup>st</sup> June 2019. The Colour Index Pigment and Solvent Dyes Board continues to meet under the auspices of the Society to maintain independence from the marketing and sales function.

### **Standards**

SDC's active involvement with BSI standards ensured their continued relevance, accuracy and usability, based on sound scientific knowledge for the benefit of the supply chain. The areas covered chemical, physical and flammability testing of textiles, textile cleansing and care labelling, and apparel and interior textile (product specification). The SDC provided the Secretariat to the BSI technical committee TCI 81 for colour fastness of textiles and colour communication thus supporting all UK industries for colour and textiles.

The SDC, as required by our contract with ISO, has the secretariat of TC38 SC1 Coloured textiles and Colorants, with partners in China. Brian Woolley continued as secretary to this committee although has now retired at the end of 2022.

The SDC's Technical Director Andrew Filarowski is the secretary for TCI 81 as stated above and representation on the following committees is as indicated:

- TCI/100 Co-ordination of activities in textiles and clothing A Filarowski
  - TCI/24 Physical Testing of Textiles Jonathan Foister (SDC Enterprises)
  - TCI/80 Chemical Testing of Textiles A Filarowski/ S Bolton/ Jonathan Foister (SDC Enterprises)
- TCI/066/0-/08 Burning behaviour A Filarowski
- TCI/81 Colour Fastness & Colour Measurement of Textiles Jonathan Foister (SDC Enterprises)
- TCI/082 Textiles care labelling, dry cleaning, domestic laundering and drying A Filarowski/ Jonathan Foister (SDC Enterprises)
- British Standards Institution Technical Committees – A Filarowski as SDC representative
- CW/15 Safety of Toys S Bolton
- STI/14 Colour Measurement & Schedules M R Luo

The SDC would like to thank all the above individuals for all their work on behalf of the SDC on these committees.

### **Events**

The SDC events showcase research and best practice in coloration. They also provide education, inspiration and networking opportunities. SDC events are regional, national and international, with wide ranging topics and diverse audiences. Many are free to attend, especially for members, with a strong focus on supporting students and young professionals. The SDC also jointly organises events and participates in events organised by others, thereby spreading SDC's educational reach and profile. Such events very much align with the Objects of the SDC Royal Charter also. That Governing document describes events in a language of its time to "*hold meetings for the reading of papers and giving of*

*lectures on coloration and colouring matters and for discussion of the same*". In 2023 this Object in the Royal Charter was delivered partly online via SDC Webinars which are listed in the above in this Annual Report.

Details of all SDC events can be found on the SDC website and many have featured reports after the event in editions of The Colourist which SDC Members can access via the SDC website Members area. In 2023 events were held: 'Chemical Compliance and Biobased Solutions in Ludhiana, India in February 2023; ITMA Textile Colourants & Chemicals Forum Conference, at ITMA Milan, Italy in June 2023; 'DyeChem World Exhibition – Tiruppur Edition' in July 2023 organised in conjunction with SDC International Ltd; in Hong Kong with the SDC Hong Kong Region 'Minds to Markets: From Coloration to Business Applications in the ESG World' December 2023. Other 2023 SDC involved events included sponsorship of the July Colour 2023 conference at the University of Leeds and the Hong Kong Fashion Summit 2023 on 11 & 12 October 2023.

In 2024 it is the Society's 140<sup>th</sup> year and the Colour Index™ sees its centenary. There will be several SDC connected events including:

- Items from the SDC textile collection feature in 'Colours Uncovered' exhibition at Harewood House, Yorkshire, UK from 22 March - 9 June 2024 with coverage also in local media
- A presentation on 'Weaving Voices - Back Home and Reimagined' at Sunny Bank Mills Archive, Yorkshire in April 2024
- International SDC Conference on 'Sustainability & Circularity in Coloration – Innovations in sustainably supplying the needs of 8+ billion people' in Manchester, UK in June 2024
- The 43<sup>rd</sup> International Conference on Dyes in History and Archaeology in Leeds, UK in October 2024
- The Second UK coloration and finishing Conference in Bradford, UK in October 2024
- The SDC Annual Awards Ceremony at The Merchant Adventurers' Hall, York in November 2024
- The SDC Day of Celebration Dinner at The Merchant Adventurers' Hall, York in November 2024
- The SDC International organized C3M-Expo (Colorants Chemicals Compliance & Machinery) Exhibition in Dhaka Bangladesh in November 2024

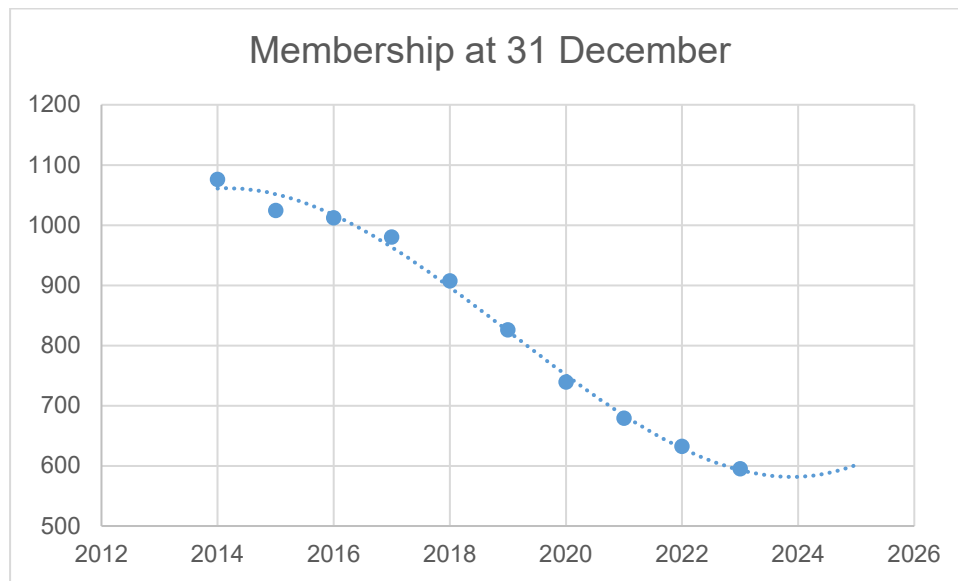
Other SDC involved events in 2023 included regional meetings in the UK and overseas, notably a resurgence of activity in the Sri Lanka Region in late 2023 from which it hoped the Region can once again become active.

## Membership

The SDC membership has continued its decrease, as prior Annual Reports have shown, albeit with some signs in the data of a plateau in numbers. The SDC gained 84 (88 in 2022) new individual SDC Members in 2023 this experiencing member recruitment levels of pre-2020. The total number of individual Members over time can be seen in the plot below – over 50 memberships decline per year up to and including 2022, reducing to an overall decline of 37 in 2023. The Chartered status individual memberships have also fallen in number, at a rate of over 20 per year in the last decade and comprised 34 of the overall 37 decline in 2023.

Work on Membership profiles now held on the SDC website has improved data quality also. All members have been contacted when their membership comes round for renewal and after it has lapsed with a series of communications encouraging them to renew. This has also been applied to

those whose membership lapsed in recent years and a number have come back into membership in the last 12 months.



In the recent past the case for taking up SDC membership has arguably been weak, and work has been put into strengthening that offer. The Colourist Magazine is now only available to members, and some have rejoined to regain access to that once again. Webinars are available free of charge to members, but non-members and lapsed members now need to pay for access – again increasing membership renewals. Privileges of membership are now relinquished on the day the membership lapses which is driving members to renew and auto-renew to retain access to their benefits.

A SDC Membership Committee was proposed in late 2020 and came into being in 2021, many years after such last existed. In late 2020 a Governance Task Group of the SDC Audit Committee was also put in place to update and re-draft the Society's Rules, By-Laws and Royal Charter clauses to put to the SDC Membership at a General Meeting for approval. This was to include the re-structure and naming of some membership categories. That work continues and Audit Committee and the Society's Board are aiming to see that concluded and passed to the SDC Membership as soon as possible. The need for this has also been raised due to the sad passing of Queen Elizabeth II, since the Royal Charter is awarded from a specific monarch. As with all Royal Charter bodies the SDC therefore needs to apply for a new Royal Charter from King Charles III and to incorporate desired changes at that time would be optimal.

That review of the SDC Governance documents is nearing completion with the Governance Working Party having reported to Audit Committee in early 2024. Those proposed changes have now (April 2024) been reviewed by external charity lawyers and are being checked and proofread before being presented to the Society's Board and from there to a General Meeting of the SDC Voting Members. Before that meeting members will have plenty of time to review the revised documents and will be briefed in detail on changes made.

One change the Society's Board made in 2022, was that the fee differential for Voting Members and Non-Voting Members be abolished. All Voting Members now pay the same membership fee as Non-Voting Members, unless they possess a CCol whereby they pay the same level of fee as they did previously as Voting Members. This has increased applications to be regraded from Non-Voting Membership to Voting Membership and the system for such has been further accelerated such that some re-gradings have now been approved within 24 hours. All new Voting Members names are

reported to the next meeting of the Society's Board. It is important to note that the threshold to become a Voting Member has not been changed but the drive to have Non-Voting Members apply for upgrading their membership, and the turnaround time to evaluate such applications, has been greatly improved. The number of non-voting members is therefore declining.

### **Membership value for money**

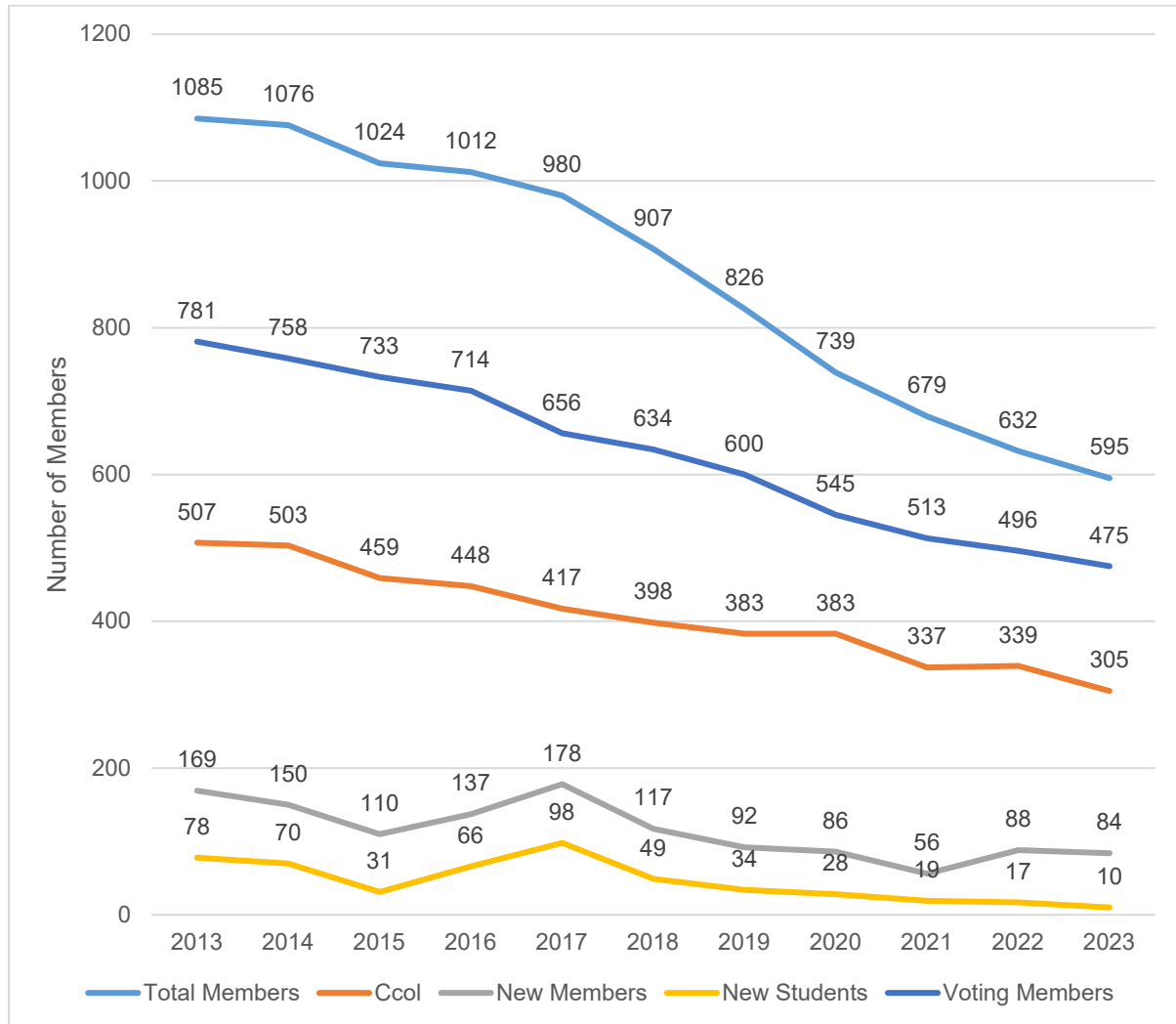
Going forward more is being made of the membership benefits and their value for money, as evidence exists to demonstrate these are ill-understood by members and prospective members alike.

- *The Colourist* member magazine was re-launched in 2021 as an electronic only publication (thus addressing production costs but also environmental impacts of paper production and international postage, a task made more difficult and costly by the pandemic and Brexit). *The Colourist* features more company member news and profiles and is being produced by outsourced marketing specialists. The cost of *The Colourist* amounts to approx. 25% of SDC Membership fee income.
- Many members also welcome the free access to SDC webinars (usually charged at £20 per Webinar for non-members) including access to recordings of past webinars. For Non-Voting and Voting Members the annual membership fee is the equivalent of just 3 live or recorded webinar accesses per year, whilst for Chartered Colourists the number is 5 live or recorded webinars per year.
- *The Science in Parliament* publication, also available in the members area of the SDC website, is a wide-ranging publication available free of charge as part of the SDC membership subscription.
- Members also receive generous discounts on: SDC books; *Coloration Technology* subscriptions; and SDC short courses. The website has made book purchases much easier, and members will see discount offers on SDC books after they are logged into their members area.
- From time-to-time SDC Membership also entitles access to webinars and events of other organisation free of charge or at reduced cost, plus (to support internet access to SDC webinars, committees, and meetings) members can access discounts on Dell computer and accessory purchases (with some country limitations applied by Dell).
- Members often have opportunity to provide presentations via the SDC Webinar series, of which the marketing and promotional value of their company and personal brand far exceeds annual membership subscription rates.
- Members of the SDC are also part of the regional activity where sufficient members exist to make regional activity viable. These regional networks have always been core to SDC membership benefits and their value is hard to estimate. Members who engage with regional activity however value them both very highly and for a long duration, often counted in decades. In 2024 members will soon be able to control the Regions they receive details from and indeed register interest in new Regions being formed.

Before the discounts above are taken into consideration, the cost of individual membership to the SDC is ca £39 pa before any staff time at all is taken into consideration. Student membership is priced at less than this, so many members support our student members through their membership subscriptions. For all other membership types, once staff time is added, the cost of membership exceeds the subscription price. SDC membership subscriptions do deliver value for money when the features and benefits are considered and, like all memberships, the more one engages with the organisation, the greater your value for money from your SDC membership.

Company memberships numbered 24 at the end of 2023 (22 at end of 2021) and Educational Provider (College / University) memberships numbered 23 (12 at the end of 2022). The movements in these

memberships were notable in that companies were the first not to renew during the pandemic and the first to start to re-join or join as the pandemic lifted. The Educational Provider memberships were slower to not-renew and are only just starting to come back. The latter is also influenced by a need for Educational Providers to now be SDC Members in order to submit entries to the International Design Competition.



### Sponsorship

The Worshipful Company of Dyers have generously sponsored the Society over many years. This demonstrates the ongoing commitment of both organisations to the skills development in the coloration sector and the SDC is very grateful and encouraged by their generous support. It should also be added that their keen interest in the developments is very much expressed and is as welcome as their funding. In 2020 the Worshipful Company commenced support of the SDC in setting up the 'Future Dyers Fund' to help financially anyone from England applying for our FTCC and TCC courses. This was an excellent initiative that turned into an even better one as the pandemic impacted individuals and through the Fund the SDC can ensure students continue their studies and skills development to assist them in securing future employment also. Seven such students were supported in 2023 (six in 2022) and the fund now sits at £17,801 (down from £27,752 in 2022, but still with

sufficient resource to support UK based applicants). Applicants living in England can receive up to 60% of their fees paid and in the case of those unemployed have all their fees paid.

### Partner and Affiliate organisations

The SDC Charitable Objectives from the Royal Charter includes “*To co-operate with other scientific organisations and bodies in relation to colour and its application and use*”. To this end the SDC is an active member of The Science Council and The Parliamentary and Scientific Committee. Other active network links to partner organisations include the AATCC, ASBCI, several universities, and The Society of Leather Technologists and Chemists.

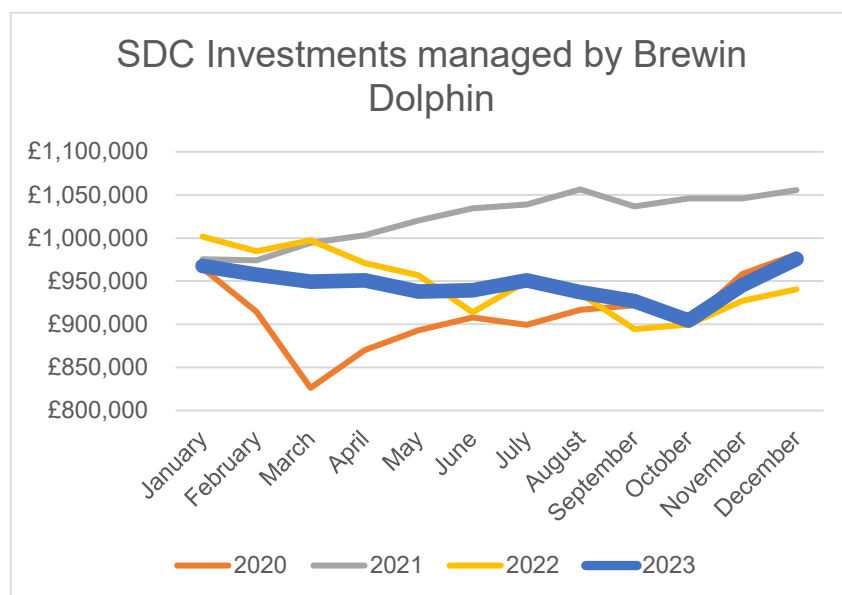
The SDC also has long-standing affiliate relationships with the Society of Dyers and Colourists of Australia and New Zealand (see <http://www.sdcanz.com>) and The South African Dyers’ and Finishers’ Association (SADFA) (see [www.sadfa.org.za](http://www.sadfa.org.za)).

In 2024 onwards as part of the SDC Strategic Plan, the relationships with partner and affiliate bodies will be clarified and expanded to ensure this Royal Charter Object is further adhered to and also that the work of the Society can be expanded.

### Investment Policy

The SDC funds include equities held in a managed portfolio at medium risk and cash held on term deposit accounts not required for current activities. Equities are held in fixed interest, ordinary shares and government stocks. The portfolio value on 31<sup>st</sup> December 2022 was £940,637 and by the end of 2023 this had risen 3.7% to £975,697. In addition, during 2023 £26,624 was received into general funds from dividends arising from these investments (£25,285 in 2022). Including this income the return on investments in 2023 was 6.6% in 2023 (whereas 2022 was a loss of 8.5%).

The SDC investments are intended for the long term. In recent years there have been huge international impacts on investments (the Corona virus pandemic, wars in Ukraine and the Middle East and associated international higher interest rates and their consequences on economies) but in late 2023 some recovery was seen in the markets.



### Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as “soliciting or otherwise procuring money or other property for charitable purposes.” Such amounts receivable is presented in our accounts as “voluntary income” and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Society’s Board.

The charity is not bound by any undertaking or bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds, we do not have to particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

### Risk Assessment

The risk situation is reviewed by the Society’s Board who judge that over the next three years the SDC has a low to medium risk that charitable activities may be less because of a reduction of available funds. Insurances are held wherever possible to cover for external events and internal management is used to minimise potential occurrence and impact. In 2023 Gift Aid was received and this assisted in smoothening the SDC finances and lowering risk once again, although the UK and international economies were not without financial pressures and turbulence.

### Human Resources and Equality, Diversity and Discrimination Policy

The SDC is an equal opportunities employer and encourages diversity. It is non-discriminatory on age, disability, ethnicity, gender reassignment, marriage and civil partnership, race and religion, sex and sexual orientation in all operations and in all membership matters.

The SDC now has to account each year in financial terms to our Auditors for the annual leave and flexitime carried forward. Hence, through a time management system linked to the Building Security System, the SDC can now manage the staff time delivery.

HR support and expert advice is provided by an external HR company. This includes remote and on-site support for staff and managers, as well as a web based secure HR portal for HR records, and holiday and sick leave monitoring.

### Data security

Data security has been, and will continue to be, a very important issue and the SDC will ensure that user information is protected and IT systems secure. In addition to protecting such information the SDC does not supply any individual’s information to others unless it is for a specific SDC purpose (e.g. management of the call for nominations and related voting for trustees and other positions on committees). No issues arose from any breaches of data security in the year.

### GDPR

The EU General Data Protection Regulations (GDPR) came into force in May 2018. The SDC prepared for this new data regulation for many months. The data managed by the Society remains to be held and used under GDPR regulations.

### Health and Safety

The Health & Safety policy of the SDC is to ensure as far as reasonably practical public, staff and the environment are protected and that all legal requirements are met. Each year the SDC has two risk assessment reports produced by external experts on Perkin House Health and Safety and Perkin House Fire Risk. These reports highlight a few actions to be taken based on Low-Medium-High risk prioritisation. In 2016 this resulted in a renewed asbestos survey of the building, which established small amounts of asbestos has been used but were in little used areas and in safe condition. In April 2024 some internal building work uncovered some potential asbestos, which is in the process of being tested by an accredited body. 2021 saw the Building Manager post outsourced to Entire FM, still with a Building Manager present in Perkin House Monday-Thursday mornings. In early 2024 this post has been migrated to a SDC post as Entire FM went into administration and the company set up in its place, Alkota, was not paying staff wages on time and still owes its staff some wages in April 2024.

### UK Pension Auto-enrolment

The UK Government phased in auto-enrolment for employee pension schemes over some years. In 2023 all of the SDC staff members were in the SDC Peoples Pension scheme.

### Remuneration Policy

The salaries of all SDC staff are set based on a Finance Committee and Society Board approved overall budget based on itemised lines including staff salaries. The SDC utilises a Remuneration Committee to approve staff salary rises. The SDC Remuneration Committee is comprised of the Honorary Treasurer, Honorary Secretary (and Chair of the Remuneration Committee), Chair of the Society's Board, SDC President, Immediate Past President and President Elect plus the CEO. In 2022, against an environment of inflation and rises wage settlements, a pay benchmarking report was commissioned by Croner and this has also been the case in 2023 and 2024. This has informed the Remuneration Committee of pay positioning of SDC staff (at median and upper/lower quartile pay levels of the UK, Region and Bradford) and lead to a 5% pay rise awarded in 2023.

**The Society of Dyers & Colourists (SDC)**  
**Year ended 31 December 2023**  
**Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statement in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.



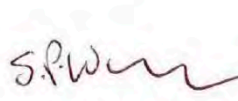

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Society's Board on **24 May 2024** and signed on its behalf by:

			
G Thatcher	M Catterall	S Wilkinson	G Clayton
Chair of Society's Board	Honorary Treasurer	Honorary Secretary	CEO

### Opinion

We have audited the financial statements of The Society Of Dyers And Colourists (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31st December 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 parent charity's affairs as at 31st December 2023 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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 group's or parent 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 Report of the Independent Auditors 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

### Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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:

Based on our understanding of the entity and industries in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the application of charitable funds and data protection. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls, and ensuring these controls operated as intended. We determined the principal risks were related to posting journal entries to manipulate profits, and management bias in accounting estimates, especially accrued and deferred income.

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

- Performed analytical procedures to identify any unusual or unexpected relationships
- Identified and tested journal entries and identified any significant transactions that were unusual or outside the normal course of business.
- Investigated the rationale behind significant or unusual transactions.
- Challenged assumptions and judgements made by management in determining significant accounting estimates, in particular in relation to accrued and deferred income.

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

- Agreeing financial statements disclosures to underlying supporting documentation.
- Discussions with management of known or suspected instances of non-compliance with laws and regulations.
- Reading the minutes of meetings of those charged with governance.
- Reviewing correspondence with HMRC and relevant regulators.

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 of 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 relating to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**The Society of Dyers & Colourists (SDC)**

**Year ended 31 December 2023**

**Independent Auditor's Report to the Trustees of The Society of Dryers & Colourists (SDC)**

**Use of our report**

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Coombs Limited  
Statutory Auditor  
Chartered Accountants  
3365 The Pentagon  
Century Way  
Thorpe Park  
Leeds  
West Yorkshire  
LS15 8ZB

Date: 24 May 2024

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2023  
Consolidated Statement of Financial Activities for the year ended 31 December 2023  
(including Income and Expenditure Account)

	Notes	Unrestricted funds	Restricted funds	Permanent endowment funds	Revaluation reserve	2023 Total Funds	2022 Total Funds
		£	£	£	£	£	£
<b>Income From:</b>							
Donations	3	22,000	-	-	-	22,000	20,164
Charitable activities	4	118,144	-	-	-	118,144	128,085
Other trading activities	5	6,100,943	-	-	-	6,100,943	6,148,251
Investments	6	225,772	-	-	-	225,772	195,647
Other income	7	9,598	-	-	-	9,598	34,332
<b>Total income</b>		<b>6,476,457</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,476,457</b>	<b>6,526,479</b>
<b>Expenditure on:</b>							
Raising funds	8	4,962,125	-	-	-	4,962,125	4,444,158
Charitable activities	9	871,976	9,951	-	-	881,927	760,076
Taxation	11	222,857	-	-	-	222,857	324,174
<b>Total Expenditure</b>		<b>6,056,958</b>	<b>9,951</b>	<b>-</b>	<b>-</b>	<b>6,066,909</b>	<b>5,528,408</b>
Net gains/losses on investments	12	-	-	-	41,348	41,348	(139,087)
Gains/Losses on revaluation of fixed assets	17	-	-	-	6,000	6,000	24,288
<b>Net income for the year</b>		<b>419,499</b>	<b>(9,951)</b>	<b>-</b>	<b>47,348</b>	<b>456,896</b>	<b>883,272</b>
Transfers between funds	26	-	-	-	-	-	-
<b>Net Movement in funds</b>		<b>419,499</b>	<b>(9,951)</b>	<b>-</b>	<b>47,348</b>	<b>456,896</b>	<b>883,272</b>
<b>Reconciliation of funds:</b>							
<b>Total funds brought forward at 1 January 2023</b>	26	<b>9,332,489</b>	<b>37,992</b>	<b>17,501</b>	<b>176,337</b>	<b>9,564,319</b>	<b>8,681,047</b>
<b>Total funds carried forward at 31 December 2023</b>	26	<b>9,751,988</b>	<b>28,041</b>	<b>17,501</b>	<b>223,685</b>	<b>10,021,215</b>	<b>9,564,319</b>

All amounts relate to continuing operations. The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 40 to 60 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2023  
Charity Statement of Financial Activities for the year ended 31 December 2023  
(including Income and Expenditure Account)

	Notes	Unrestricted funds	Restricted funds	Permanent endowment funds	Revaluation reserve	2023 Total Funds	2022 Total Funds
		£	£	£	£	£	£
<b>Income From:</b>							
Donations	3	529,292	-	-	-	529,292	170,164
Charitable activities	4	118,144	-	-	-	118,144	128,085
Investments	6	111,745	-	-	-	111,745	99,460
Other income	7	42,708	-	-	-	42,708	350,000
<b>Total income</b>		<b>801,889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>801,889</b>	<b>747,709</b>
<b>Expenditure on:</b>							
Raising funds	8	81,239	-	-	-	81,239	80,132
Charitable activities	9	864,689	9,951	-	-	874,640	760,076
<b>Total Expenditure</b>		<b>945,928</b>	<b>9,951</b>	<b>-</b>	<b>-</b>	<b>955,879</b>	<b>840,208</b>
Net gains/losses on investments	12	-	-	-	41,348	41,348	(139,087)
Gains/Losses on revaluation of fixed assets	17	-	-	-	6,000	6,000	24,288
<b>Net income for the year</b>		<b>(144,039)</b>	<b>(9,951)</b>	<b>-</b>	<b>47,348</b>	<b>(106,642)</b>	<b>(207,298)</b>
Transfers between funds	26	-	-	-	-	-	-
<b>Net Movement in funds</b>		<b>(144,039)</b>	<b>(9,951)</b>	<b>-</b>	<b>47,348</b>	<b>(106,642)</b>	<b>(207,298)</b>
<b>Reconciliation of funds:</b>							
<b>Total funds brought forward at 1 January 2023</b>	26	<b>2,730,122</b>	<b>37,992</b>	<b>17,501</b>	<b>176,337</b>	<b>2,961,952</b>	<b>3,169,250</b>
<b>Total funds carried forward at 31 December 2023</b>	26	<b>2,586,083</b>	<b>28,041</b>	<b>17,501</b>	<b>223,685</b>	<b>2,855,310</b>	<b>2,961,952</b>



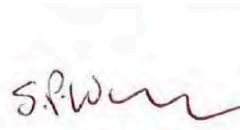

All amounts relate to continuing operations. The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 40 to 60 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2023  
Consolidated Balance Sheet as at 31 December 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible Assets	15		43,645		30,083
Tangible Assets	16		3,322,493		1,430,021
Heritage Assets	17		63,500		35,500
Investments	18		975,697		940,637
Investment Property	19		320,866		1,811,243
			<u>4,726,201</u>		<u>4,247,484</u>
<b>Current Assets</b>					
Stock	20	2,496,222		1,958,599	
Debtors	21	1,284,076		1,329,368	
Cash at bank and in hand		<u>3,433,387</u>		<u>3,750,454</u>	
		7,213,685		7,038,421	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	22	<u>(1,101,631)</u>		<u>(878,732)</u>	
<b>Net current assets</b>			<u>6,112,054</u>		<u>6,159,689</u>
<b>Total assets less current liabilities</b>			<u>10,838,255</u>		<u>10,407,173</u>
Creditors: amounts falling due after more than one year	23		(626,426)		(686,854)
<b>Provisions for liabilities</b>					
Deferred tax	25		<u>(190,614)</u>		<u>(156,000)</u>
<b>Total Assets</b>			<u><b>10,021,215</b></u>		<u><b>9,564,319</b></u>
<b>The funds of the charity:</b>					
26					
Unrestricted funds					
Accumulated fund			2,180,706		2,315,275
Funds retained in SDC Enterprises Group			7,165,905		6,602,367
Designated funds			405,377		414,847
Revaluation reserve			223,685		176,337
<b>Total unrestricted funds</b>			<u>9,975,673</u>		<u>9,508,826</u>
Restricted funds					
Permanent endowment funds			28,041		37,992
			<u>17,501</u>		<u>17,501</u>
			45,542		55,493
<b>Total Charity Funds</b>			<u><b>10,021,215</b></u>		<u><b>9,564,319</b></u>



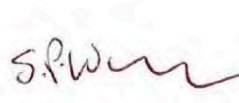

The financial statements were authorised for issue and signed on behalf of the Society's Board on **24 May 2024**.

			
G Thatcher	M Catterall	S Wilkinson	G Clayton
Chair of Society's Board	Honorary Treasurer	Honorary Secretary	CEO

The notes on pages 40 to 60 form part of these financial statements.

	Notes	2023		2022	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible Assets	15		20,056		30,083
Tangible Assets	16		713,377		668,855
Heritage Assets	17		63,500		35,500
Investments	18		1,421,396		1,386,336
Investment Property	19		320,866		360,000
			<u>2,539,195</u>		<u>2,480,774</u>
<b>Current Assets</b>					
Stock	20	4,257		10,068	
Debtors	21	158,244		222,599	
Cash at bank and in hand		<u>260,502</u>		<u>353,492</u>	
		423,003		586,159	
<b>Liabilities</b>					
Creditors: amounts failing due within one year	22	<u>(106,888)</u>		<u>(104,981)</u>	
<b>Net current assets</b>			<u>316,115</u>		<u>481,178</u>
<b>Net Assets</b>			<u><b>2,855,310</b></u>		<u><b>2,961,952</b></u>
<b>The funds of the charity:</b>					
26					
Unrestricted funds					
Accumulated fund			2,180,706		2,315,275
Designated funds			405,377		414,847
Revaluation reserve			<u>223,685</u>		<u>176,337</u>
<b>Total unrestricted funds</b>			<u>2,809,768</u>		<u>2,906,459</u>
Restricted funds					
Permanent endowment funds			28,041		37,992
			<u>17,501</u>		<u>17,501</u>
			<u>45,542</u>		<u>55,493</u>
<b>Total Charity Funds</b>			<u><b>2,855,310</b></u>		<u><b>2,961,952</b></u>

The financial statements were authorised for issue and signed on behalf of the Society's Board on **24 May 2024**.

			
G Thatcher	M Catterall	S Wilkinson	G Clayton
Chair of Society's Board	Honorary Treasurer	Honorary Secretary	CEO

The notes on pages 40 to 60 form part of these financial statements.

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

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>Total funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period (as per the statement of financial activities)	456,896	883,272
Adjustments for:		
Revaluation of fixed assets	(28,000)	(24,288)
Revaluation of investment property	-	8,606
Gains(losses) on investments	(41,348)	130,481
(Profit)/Loss on disposal of fixed assets	-	(850)
Finance income	(68,769)	(10,330)
Tax expense	222,857	324,174
Tax paid	(234,220)	(161,458)
Amortisation	11,269	-
Depreciation charge	123,845	100,218
Decrease/(Increase) in stocks	(494,991)	(308,550)
Decrease/(Increase) in debtors	247,813	(193,220)
(Decrease)/increase in creditors	83,892	(52,805)
<b>Net cash provided (used in) operating activities</b>	<b>279,244</b>	<b>695,250</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(241,992)	(301,941)
Purchase of intangible assets	-	(83)
Proceeds from the sale of investments	156,103	74,894
Purchase of subsidiary	(432,699)	-
Cash acquired in purchase of subsidiary	343,101	-
Proceeds from the sale of fixed assets	-	850
Purchase of investments	(147,681)	(90,421)
Purchase of investment property	(280,942)	(45,041)
Interest received	68,769	10,330
Movement in cash held within investments	(2,134)	(117)
<b>Net cash provided by (used in) investing activities</b>	<b>(537,475)</b>	<b>(351,529)</b>
<b>Cash flows from financing activities:</b>		
Repayments of loans	(58,836)	(62,035)
<b>Net cash provided by (used in) financing activities</b>	<b>(58,836)</b>	<b>(62,035)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(317,067)</b>	<b>281,686</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>3,750,454</b>	<b>3,468,768</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,433,387</b>	<b>3,750,454</b>

The notes on pages 40 to 60 form part of these financial statements.

**1. General Information**

The Society of Dyers & Colourist is a charitable body, incorporated by Royal Charter (RC000576) with the governing documents being the Royal Charter (1963), with Amendments, By-laws (2009) and Rules (2012, 2014, 2015, 2017, 2018 and 2019 as amended). The address of the registered office is shown in the Trustees' Annual Report. The nature of the group's operations and its principal activities are outlined in the Trustees' Annual Report. The presentational currency is sterling and amounts are rounded to the nearest whole £.

**2. Accounting Policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction values unless otherwise stated in the relevant note to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities' preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity as defined by FRS 102.

The trustees consider that there are not material uncertainties about the charity's ability to continue as a going concern.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**Basis of consolidation**

The group financial statements consolidate the accounts of the Society of Dyers and Colourists and its subsidiaries accounts on a line by line basis. Transactions between the group companies are eliminated on consolidation.

The consolidated financial statements include the financial statements of the charity and its subsidiary undertakings made up to 31 December 2023. The acquisitions method of accounting has been adopted. Under this method the group net incoming resources include the results of subsidiaries from the date of acquisition and to the date of sale outside the group in case of disposals and subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

**Fund accounting**

The fund held by the charity are:

- Unrestricted funds - these are general funds which can be used in accordance with the charitable objectives at the discretion of the trustees. Included in unrestricted funds are certain designated funds set aside by the trustees for specific purposes.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Permanent endowment funds - these represent the fixed asset investments which must be held permanently by the charity.

The objectives of the various designated, restricted and permanent endowment funds are set out in note 26.

#### Income

All income from membership subscriptions, donations, charitable activities, income from other trading activities, investment income, government and capital grants, are included in the Statement of Financial Activities when the SDC is entitled to the income and the amount can be quantified with reasonable accuracy.

Investment income and gains/(losses) are allocated to the appropriate funds.

Income from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Gift aid income

Taxable profits transferred from the subsidiaries are recognised as donations when the subsidiary has made an irrevocable commitment to the charity to pay the Gift Aid donation.

During the year the charity has received Gift Aid from subsidiaries of £507,292 (2022 - £150,000).

#### Expenditure

- Raising funds: The following activities - trading costs of the subsidiary, car park lease, cost of managing investments and general marketing - are for the purpose of raising funds.
- Charitable activities: The following activities - colour experience, membership and qualifications, publications, technical, the day to day running of the SDC consisting of staff and administration costs - are of charitable nature and are provided for the benefit of members and the general public.
- Governance Costs include the day to day governance running of the SDC consisting of administration costs including audit and other professional costs, trustee travel, training, meetings and excludes any costs running funds.

All resources expended are on an accrual basis.

Grants payable are charged in the year when the offer is conveyed to the recipient.

Support costs and overheads are allocated in line with the relevant percentage of income receivable for that related activity.

Trading expenses are those of the charity's wholly owned subsidiary and do not include any of charity's overheads. Support costs are those of managing and administering the SDC and represent expenses incurred attributable to the management of charity's assets.

#### Tangible fixed assets and depreciation - held at cost less depreciation.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all the fixed assets except freehold land, over their expected useful lives. It is calculated on the following rates:

Freehold property	- 5% straight line
Freehold land	- not depreciated
Plant & machinery	- 15% - 33.3% straight line
Furnishing and general equipment	- 15% - 33.3% straight line
Leasehold improvements	- over the term of the lease

#### Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually. Valuations are based on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the income and expenditure account.

#### **Building revaluation - Investment Property and Freehold Property**

The basis of building revaluation was Market Value with vacant possession and existing use. Revaluation is performed in accordance with the RICS Valuation - Professional Standards January 2014 Edition (the "Red Book"), where applicable having due regard to the Practice Statements and Guidance Notes therein for valuations of this nature.

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

#### **Mixed use**

A judgement has been made to split the property value between investment property and freehold property based upon the used by the Group compared to the area rented externally.

#### **Heritage assets**

Heritage assets are initially recognised at cost and carried at historical cost subject to any depreciation or impairment. The charity has adopted a policy of valuation.

#### **Fixed asset investments**

Listed investments are stated at Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

The investment in the SDC's trading subsidiary, SDC Enterprises Limited, is stated at cost, less provision for impairment.

#### **Stock**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. Work in progress and finished goods include labour and attributable overheads.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### **Intangible assets**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquire at the date of the acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the consolidated statement of comprehensive income over its useful economic life (UEL). Trustees have assessed the UEL of goodwill to be 5 years.

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful life as follows:

Website Development	- 33.3% straight line
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#### **Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

#### **Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to income and expenditure account on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the income and expenditure account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Foreign currency**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

#### **Pension costs**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the charitable company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Research and developments**

Research and development costs are written off to the profit and loss account when incurred.

#### **Tax - Charity**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### **Tax - Trading subsidiaries**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current Corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

#### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

#### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset. The carrying amount is £3,322,493 (2022-£1,430,021).

#### Stock provision

The group makes an estimate of the recoverability of the cost of stock. When calculating the stock provision, management consider the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods. The carrying amount is £2,496,222 (2022 - £1,958,599).

#### Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors management considers factors which include the current credit rating of the debtor, the ageing profile of debtors and historical experience. The carrying amount is £1,284,076 (2022 - £1,329,368).

#### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

#### Financial Instruments

##### Financial assets

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar asset. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss and any subsequent reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**3. Income from donations**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Gifts and donations	22,000	20,164	529,292	170,164

Included within gifts and donations is £Nil (2022 - £Nil) of restricted income.

**4. Income from charitable activities**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Day of Celebration	3,536	3,200	3,536	3,200
Seminars and conferences	10,873	1,054	10,873	1,054
Books and publications:	-	-	-	-
Academic books	709	1,841	709	1,841
Malcolm the Weaver books	4,340	4,019	4,340	4,019
Coloration Technology	31,891	35,543	31,891	35,543
Training	25,663	32,778	25,663	32,778
Membership subscriptions	40,097	39,639	40,097	39,639
UK Government grants	-	9,504	-	9,504
Qualifications	510	100	510	100
Other	525	407	525	407
	<b>118,144</b>	<b>128,085</b>	<b>118,144</b>	<b>128,085</b>

All income from charitable activities was unrestricted in the current and preceding year.

**Analysis of Income by activity (Group and Charity - current and previous year)**

	2023	2022
	£	£
Seminars & conferences	10,873	1,054
Training	25,663	32,778
Qualifications	510	100
Education	<b>37,046</b>	<b>33,932</b>
Day of celebration	3,536	3,200
Membership subscriptions	40,097	39,639
Membership	<b>43,633</b>	<b>42,839</b>
Books academic	709	1,841
Books - Colour experience Malcolm Weaver	4,340	4,019
Coloration technology	31,891	35,543
Publications	<b>36,940</b>	<b>41,403</b>
UK Government grants	-	9,504
Other	525	407
Other	<b>525</b>	<b>9,911</b>
<b>Total</b>	<b>118,144</b>	<b>128,085</b>

**5. Income from other trading activities**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trading income from subsidiaries	6,100,943	6,148,251	-	-

All income from other trading activities was unrestricted in the current and preceding year.

**6. Income from investments**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Rental Income	130,379	160,032	81,741	72,723
Interest received	68,769	8,991	3,380	1,452
Other interest receivable	-	1,339	-	-
Dividends from listed investments	26,624	25,285	26,624	25,285
	<u>225,772</u>	<u>195,647</u>	<u>111,745</u>	<u>99,460</u>

All income from investments was unrestricted in the current and preceding year.

**7. Other income**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
License fee received from subsidiary	-	-	42,708	350,000
Government grants	2,698	27,432	-	-
Other income from subsidiaries	6,900	6,900	-	-
	<u>9,598</u>	<u>34,332</u>	<u>42,708</u>	<u>350,000</u>

All other income was unrestricted in the current and preceding year.

**8. Expenditure on raising funds**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Outsourced general marketing	28,474	38,905	28,474	38,905
Bradford Council car park lease	4,551	4,539	4,551	4,539
Investment property costs	42,479	30,882	42,479	30,882
Broker fees	5,735	5,806	5,735	5,806
Trading by subsidiaries	4,880,886	4,364,026	-	-
	<u>4,962,125</u>	<u>4,444,158</u>	<u>81,239</u>	<u>80,132</u>

All expenditure on raising funds was unrestricted in the current and preceding year.

**9. Expenditure on charitable activities**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Books Colour Experience	-	13,174	-	13,174
Coloration Technology	30,576	31,672	30,576	31,672
Qualifications costs	4,788	9,785	4,788	9,785
Training costs	4,615	4,699	4,615	4,699
Salary costs (including redundancy costs)	378,114	377,073	370,994	377,073
Travel and subsistence	16,621	14,318	16,621	14,318
Operational costs	163,767	115,603	163,767	115,603
Depreciation	25,704	34,161	25,704	34,161
(Profit) on disposal of tangible fixed assets	-	(450)	-	(450)
Governance costs (Note 10)	56,357	28,798	56,357	28,798
Bursaries / Awards	12,559	16,254	12,559	16,254
Seminar and conference costs	32,918	1,793	32,918	1,793
Day of Celebration	36,659	22,548	36,659	22,548
Other SDC committees	2,942	1,317	2,942	1,317
Irrecoverable input VAT	27,231	14,417	27,231	14,417
Outsourced service costs:				
Facilities management services	20,124	19,149	20,124	19,149
External accountancy and consultancy fees	5,737	3,018	5,570	3,018
General admin support	6,302	2,958	6,302	2,958
HR helpline services	3,895	5,609	3,895	5,609
Bookkeeping services	35,098	32,282	35,098	32,282
The Colourist	17,920	11,898	17,920	11,898
	<u>881,927</u>	<u>760,076</u>	<u>874,640</u>	<u>760,076</u>

## 9 Expenditure on charitable activities

### Analysis of expenditure by activity:

#### Group and Charity - current year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Seminars & conferences	32,918	44,391	49,110	9,003	135,422
Training costs	4,615	91,735	61,206	11,221	168,777
Qualification costs	4,788	15,125	12,649	2,319	34,881
Education	42,321	151,251	122,965	22,543	339,080
					-
Membership Management	-	76,805	42,170	7,731	126,706
Day of Celebration	36,659	20,947	31,629	5,798	95,033
The Colourist	17,920	27,929	25,173	4,615	75,637
Bursaries/awards	12,559	13,964	14,563	2,670	43,756
Membership	67,138	139,645	113,535	20,814	341,132
					-
Books Academic	-	2,093	983	180	3,256
Books Childrens	-	6,279	2,950	541	9,770
Coloration Technology	30,576	33,486	30,097	5,517	99,676
Publications	30,576	41,858	34,030	6,238	112,702
					-
Administrative costs	-	45,361	36,890	6,762	89,013
<b>Total</b>	<b>140,035</b>	<b>378,115</b>	<b>307,420</b>	<b>56,357</b>	<b>881,927</b>

#### Group and Charity - prior year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Education	11,898	99,893	64,212	7,629	183,632
Membership and Qualifications	55,079	126,115	81,067	9,632	271,893
Publications	44,846	121,887	78,349	9,309	254,391
Administrative costs	-	29,177	18,755	2,228	50,160
	111,823	377,072	242,383	28,798	760,076

Total expenditure on charitable activities was £881,927 (2022 - £760,076) of which £9,951 (2022 - £11,877) was unrestricted.

## 10. Governance costs

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Committee meetings	2,496	2,705	2,496	2,705
Miscellaneous governance costs	694	2,207	694	2,207
Legal fees and trademark protection	18,002	4,744	18,002	4,744
Trustees liability insurance	1,963	1,707	1,963	1,707
Trustees training	4,173	-	4,173	-
Audit fees	15,448	14,267	15,448	14,267
Bank charges	2,612	2,249	2,612	2,249
PayPal charges	-	17	-	17
Subscriptions & licences (inc data protection)	3,687	2,476	3,687	2,476
Grants in support of SDC regions	225	1,703	225	1,703
Medals & plaques	7,057	(3,277)	7,057	(3,277)
	56,357	28,798	56,357	28,798

## 11. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
<b>Corporation tax</b>				
Current tax on profits for the year	188,243	240,400	-	-
Adjustments in respect of previous periods	-	(226)	-	-
<b>Deferred tax</b>				
Origination and reversal of timing differences	34,614	84,000	-	-
Adjustments in respect of prior periods	-	-	-	-
<b>Taxation</b>	<b>222,857</b>	<b>324,174</b>	<b>-</b>	<b>-</b>

### Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax (2022 - higher than) in the UK of 25% (2022 - 19%). The differences are explained below:

	2023	2022	2023	2022
	£	£	£	£
<b>Profit on taxable activities before tax</b>	1,301,349	1,589,933	-	-
Profit on taxable activities multiplied by standard rate of corporation tax in the UK of 25% (2022-19%)	325,337	302,087	-	-
<b>Effects of:</b>				
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	929	888	-	-
Difference in accelerated CA's due to non qual dep'n	1,353	645	-	-
Effect of tax rate charges	(10,762)	37,439	-	-
Under/(over) provision in prior year	-	(226)	-	-
Other timing differences leading to an increase (decrease) in taxation	20,326	-	-	-
Super deduction difference	(46)	(16,881)	-	-
Rounding	-	222	-	-
Distribution to parent made in Gift Aid	(126,823)	-	-	-
Losses not provided for	15,982	-	-	-
Goodwill amortisation	311	-	-	-
Capital allowances on investment property additions	(3,750)	-	-	-
<b>Total tax charge for the year</b>	<b>222,857</b>	<b>324,174</b>	<b>-</b>	<b>-</b>

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

## 12 Net losses on Investments

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Realised gains/(losses)	-	2,470	-	2,470
Unrealised gains/(losses)	41,348	(132,951)	41,348	(132,951)
Gain/(loss) on revaluation of investment property	-	(8,606)	-	(8,606)
	<b>41,348</b>	<b>(139,087)</b>	<b>41,348</b>	<b>(139,087)</b>

**13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Salaries and wages	1,579,266	1,334,933	316,154	307,396
Social security costs	150,698	141,750	23,723	34,450
Pension costs	152,738	126,778	31,117	27,827
	<u>1,882,702</u>	<u>1,603,461</u>	<u>370,994</u>	<u>369,673</u>

The group paid £3,886 (2022 - £3,691) in respect of employer's life assurance contributions and £11,880 (2022 - £5,545) in respect of employer's private medical contributions during the year. The charity paid £3,886 (2022 - £3,691) in respect of employer's life assurance contributions and £3,719 (2022 - £2,330) in respect of employer's private medical contributions during the year.

There were 3 employees of the group with employment benefits in excess of £60,000 (2022 - 3).

	Group		Charity	
	2023	2022	2023	2022
	No.	No.	No.	No.
Bands:				
£220,001 - £230,000	-	1	-	-
£190,001 - £220,000	1	-	-	-
£110,001 - £120,000	-	1	-	1
£90,001 - £100,000	1	-	1	-
£70,001 - £80,000	-	1	-	1
£60,001 - £70,000	1	-	1	-
	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>

The number of staff who received in excess of £60,000 to whom retirement benefits are accruing under defined contributions schemes was 3 (2022 - 3).

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Employer's pension contributions to defined contribution schemes in respect of the employees receiving in excess of £60,000	55,464	50,267	16,094	15,328
	<u>55,464</u>	<u>50,267</u>	<u>16,094</u>	<u>15,328</u>

The key management personnel of the group includes a director from SDC Enterprises, CEO of SDC Charity and Deputy CEO of Charity. The total employment costs to the group was £453,038 (2022 - £416,076).

None of the Trustees (2022 - None) have been paid any remuneration or received any other benefits from the Charity. During the year 6 Trustees (2022 - 1) were reimbursed for expenses incurred on behalf of the Charity to the sum of £1,784 (2022 - £1,213). During the year 11 Trustees (2022 - 11) were invoiced for subscriptions totalling £506 (2022 - £1,081). At the year end there was £Nil due from Trustees, at the previous year end £Nil was due from Trustees.

**14. Average staff numbers**

	Group		Charity	
	2023	2022	2023	2022
	No.	No.	No.	No.
Charitable activities	6	6	6	6
Management administration	42	33	2	2
	<u>48</u>	<u>39</u>	<u>8</u>	<u>8</u>

**15. Intangible assets**

<b>Group</b>	<b>Goodwill</b>	<b>Website Development</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2023	209,000	30,083	239,083
Additions	24,831	-	24,831
As at 31 December 2023	<u>233,831</u>	<u>30,083</u>	<u>263,914</u>
<b>Amortisation</b>			
At 1 January 2023	209,000	-	209,000
Charge for the year	1,242	10,027	11,269
As at 31 December 2023	<u>210,242</u>	<u>10,027</u>	<u>220,269</u>
<b>Net book value</b>			
As at 31 December 2023	<u>23,589</u>	<u>20,056</u>	<u>43,645</u>
As at 31 December 2022	<u>-</u>	<u>30,083</u>	<u>30,083</u>

<b>Charity</b>	<b>Website Development</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2023	30,083
Additions	-
As at 31 December 2023	<u>30,083</u>
<b>Amortisation</b>	
At 1 January 2023	-
Charge for the year	10,027
As at 31 December 2023	<u>10,027</u>
<b>Net book value</b>	
As at 31 December 2023	<u>20,056</u>
As at 31 December 2022	<u>30,083</u>

16. Tangible fixed assets

	Leasehold improvements £	Freehold property £	Plant, machinery and equipment £	Total £
<b>Group cost or revaluation</b>				
Cost at 1 January 2023	81,925	740,000	2,506,676	3,328,601
Additions	-	-	241,992	241,992
Reclassification/transfer	-	1,771,319	-	1,771,319
Disposals	-	-	(1,200)	(1,200)
Acquired through business combination	-	-	1,302,274	1,302,274
Cost at 31 December 2023	<u>81,925</u>	<u>2,511,319</u>	<u>4,049,742</u>	<u>6,642,986</u>
Depreciation at 1 January 2023	65,186	-	1,833,394	1,898,580
Charge for the year	5,412	-	118,433	123,845
Eliminated on disposal	-	-	(1,200)	(1,200)
Acquired through business combination	-	-	1,299,268	1,299,268
Depreciation at 31 December 2023	<u>70,598</u>	<u>-</u>	<u>3,249,895</u>	<u>3,320,493</u>
Net book value at 31 December 2023	<u>11,327</u>	<u>2,511,319</u>	<u>799,847</u>	<u>3,322,493</u>
Net book value at 31 December 2022	<u>16,739</u>	<u>740,000</u>	<u>673,282</u>	<u>1,430,021</u>

Freehold property was revalued in December 2022 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2. It was agreed to use the previous year figures as the report was issued in March 2023.

During the year ended 31st December 2023 there was a change in the use of property previously classified as investment property, as a result of 3rd party tenants becoming tenants within the group. As such property previously held as investment property was reclassified as freehold property.

Included within the net book value of land and buildings of subsidiaries consolidated is £1,821,319 in respect of freehold land and buildings. The freehold property was valued at £1,500,000 by Walker Singleton on 27 October 2020 on an open market basis. Since this date there have been additions to the freehold property at a cost of £321,319.

The historical cost of the freehold property above at 31 December 2023 was £2,551,376 (2022 - £653,996).

	Leasehold improvements £	Freehold property £	Furnishings and equipment £	Total £
<b>Charity cost or revaluation</b>				
Cost at 1 January 2023	45,439	640,000	113,278	798,717
Additions	-	-	10,199	10,199
Transfer from investment property	-	50,000	-	50,000
Cost at 31 December 2023	<u>45,439</u>	<u>690,000</u>	<u>123,477</u>	<u>858,916</u>
Depreciation at 1 January 2023	45,439	-	84,423	129,862
Charge for the year	-	-	15,677	15,677
Eliminated on revaluation	-	-	-	-
Depreciation at 31 December 2023	<u>45,439</u>	<u>-</u>	<u>100,100</u>	<u>145,539</u>
Net book value at 31 December 2023	<u>-</u>	<u>690,000</u>	<u>23,377</u>	<u>713,377</u>
Net book value at 31 December 2022	<u>-</u>	<u>640,000</u>	<u>28,855</u>	<u>668,855</u>

Freehold property was revalued in December 2023 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2.

The historical cost of the freehold property above at 31 December 2023 was £653,996 (2022 - £653,996).

**17. Heritage assets Group and charity**

	<b>Heritage Assets £</b>
Brought forward as 1 January 2023 (as restated)	35,500
Additions	22,000
Disposals	-
Revaluation	6,000
Carried forward 31 December 2023	<u>63,500</u>

Heritage assets include a collection of historical artifacts held by the charity that have been donated over the years and acquired dating back to the inception of the charity.

Heritage assets were revalued in January 2024 by an external valuer for insurance purposes. The valuation was conducted by Gary Don Auctioneers and Valuers.

**Heritage assets not been recognised in the balance sheet**

A collection of heritage assets are not recognised in the balance sheet, information on their valuation is not available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity. These assets include items of museum exhibits which are uncatalogued and would be extremely difficult to value due to the nature of the collection.

**18. Investments**

	<b>At 1 January 2023 £</b>	<b>Additions £</b>	<b>Disposals £</b>	<b>Realised/ Unrealised gains £</b>	<b>At 31 December 2023 £</b>
Quoted investments at market value	934,073	147,681	(156,103)	41,348	966,999
Cash	6,564	185,859	(183,725)	-	8,698
	<u>940,637</u>	<u>333,540</u>	<u>(339,828)</u>	<u>41,348</u>	<u>975,697</u>
Investment in subsidiaries					
SDC Enterprises Limited	445,600	-	-	-	445,600
SDC International Limited	99	-	-	-	99
	<u>445,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,699</u>
Quoted investments at cost	<u>854,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>853,058</u>

A detailed listing of investments will be available at the AGM and is available to Members on request. The investments are held primarily to provide an investment return.

**Investments in subsidiaries**

SDC owns 100% of the £1 ordinary shares issued in SDC Enterprises Limited, the investment is £445,600 (2022 £445,600). SDC Enterprises Limited (Company number 00433197) owns 100% of the £1 ordinary shares issued in Sam Weller Limited (Company number 00433197), the results of both companies are consolidated in these financial statements.

On 19th July 2023, SDC Enterprises acquired 100% of the £1 ordinary shares issued in Northern Dyers Limited (Company number 02256990). The results of Northern Dyers Limited from the date of acquisition are consolidated in these financial statements.

The SDC's investment in SDC International (Company number - 04309970) represents £99 (2022 - £99) ordinary shares of £1 each which is wholly owned.

All subsidiaries are incorporated and registered in England and Wales.

The consolidated results of the trading subsidiaries for the financial period were as follows:

	2023	2022
	£	£
Turnover	6,100,943	6,148,251
Other Income	123,625	130,519
Expenditure	(5,146,076)	(5,038,576)
Profit for the year	<u>1,078,492</u>	<u>1,240,194</u>
Assets	9,508,211	8,807,075
Liabilities	(1,811,663)	(1,681,727)
Net assets	<u>7,696,548</u>	<u>7,125,348</u>

## 19. Investment Property

Group	Freehold Investment Property £
<b>Valuation</b>	
At 1 January 2023	1,811,243
Additions at cost	280,942
Revaluations	-
Transfers (to)/from freehold property	(1,771,319)
<b>At 31 December 2023</b>	<u>320,866</u>
<b>Charity</b>	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 January 2023	360,000
Additions at cost	10,866
Revaluations	-
Transfers (to)/from freehold property	(50,000)
<b>At 31 December 2023</b>	<u>320,866</u>

### Group and Charity

Investment property was revalued in December 2022 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2. It was agreed to use the previous year figures as the report was issued in March 2023.

The historical cost of the freehold investment property above at 31 December 2023 was £323,336 (2022 - £1,950,638).

As described in note 16 investment property has been reclassified as freehold property during the year ended 31st December 2023.

## 20. Stock

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Raw materials and consumables	681,517	660,121	-	-
Work in progress	229,937	187,240	-	-
Finished goods for resale	1,584,768	1,111,238	4,257	10,068
	<u>2,496,222</u>	<u>1,958,599</u>	<u>4,257</u>	<u>10,068</u>

Total carrying amount of stocks pledged as security for liabilities was £2,491,965 (2022 - £1,948,531).

**21. Debtors**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
<b>Amounts falling within one year</b>				
Trade debtors	1,061,470	1,079,072	13,887	12,206
Amounts owed by group undertakings	-	-	85,155	143,097
Other debtors	118,086	154,688	41,633	44,175
Prepayments	104,520	95,608	17,569	23,121
	<u>1,284,076</u>	<u>1,329,368</u>	<u>158,244</u>	<u>222,599</u>

A specific bad debt provision, amounting to £40,052 (2022 - £40,052), has been raised in respect of amounts due from SDC EC. The bad debt recognised within the Statement of Financial Activity for the year was £Nil (2022 -£Nil).

**22. Creditors: amounts falling due within one year**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
<b>Amounts falling within one year</b>				
Bank loans	60,791	59,199	-	-
Trade creditors	412,178	330,224	22,776	33,173
Taxes and Social Security	143,061	196,922	14,214	28,653
Accruals and deferred income	465,202	273,132	54,074	27,686
Other creditors	20,399	19,255	15,824	15,469
	<u>1,101,631</u>	<u>878,732</u>	<u>106,888</u>	<u>104,981</u>

Deferred income relates to income received for subscription and member fees which is not relatable to the year end 31 December 2023.

**23. Creditors: amounts falling due after more than one year**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	626,426	686,854	-	-
	<u>626,426</u>	<u>686,854</u>	<u>-</u>	<u>-</u>

A debenture is in place which includes a charge over all assets both present and future of the subsidiary SDC Enterprises Limited dated 9 February 2016, in respect of the bank loans held by the Group.

The bank loan above is secured on the property to which it relates to.

**24. Loans**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
<b>Bank loans:</b>				
Amounts falling due within one year	60,791	59,199	-	-
Amounts falling due 2-5 years	626,426	686,854	-	-
	<u>687,217</u>	<u>746,053</u>	<u>-</u>	<u>-</u>

**25. Deferred tax**

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of year	156,000	72,000	-	-
(Released)/charged during year	34,614	84,000	-	-
At end of year	<b>190,614</b>	<b>156,000</b>	-	-

The provision for deferred taxation is made up as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	190,614	159,000	-	-
Other timing differences	-	(2,000)	-	-
Losses c/fwd	-	(1,000)	-	-
<b>Total</b>	<b>190,614</b>	<b>156,000</b>	-	-

26. Funds - current year	Fund balance 01/01/2023 £	Income £	Expenditure £	Transfer £	Gains and Losses £	Net movement In funds £	Fund balance 31/12/2023 £
<b>Unrestricted funds</b>							
Accumulated funds	2,315,275	801,889	(943,359)	6,901	-	(134,569)	2,180,706
<b>Designated funds</b>							
Centenary educational trust	63,478	-	(2,569)		-	(2,569)	60,909
Tordoff memorial	96,385	-	-	(1,500)	-	(1,500)	94,885
Unfunded projects reserve	254,984	-	-	(5,401)	-	(5,401)	249,583
<b>Total designated funds</b>	414,847	-	(2,569)	(6,901)	-	(9,470)	405,377
<b>Revaluation Reserve</b>	176,337	-	-		47,348	47,348	223,685
<b>Total unrestricted funds - Charity</b>	2,906,459	801,889	(945,928)	-	47,348	(96,691)	2,809,768
<b>Restricted funds</b>							
George Douglas Lecture	1,730	-	-	-	-	-	1,730
Turner Scholefield Award	8,510	-	-	-	-	-	8,510
Future Textile Dyers Fund	27,752	-	(9,951)		-	(9,951)	17,801
	37,992	-	(9,951)	-	-	(9,951)	28,041
<b>Permanent endowment funds</b>							
George Douglas Lecture	2,128	-	-	-	-	-	2,128
Turner Scholefield Award	2,497	-	-	-	-	-	2,497
Veronica Bell Award	12,876	-	-	-	-	-	12,876
	17,501	-	-	-	-	-	17,501
<b>Total funds - Charity</b>	2,961,952	801,889	(955,879)	-	47,348	(106,642)	2,855,310
Funds retained in trading subsidiaries	6,602,367	5,674,568	(5,111,030)	-	-	563,538	7,165,905
<b>Total funds - Group</b>	9,564,319	6,476,457	(6,066,909)	-	47,348	456,896	10,021,215

26. Funds - previous year	Fund balance 01/01/2022	Income	Expenditure	Transfer	Gains and Losses	Net movement In funds	Fund balance 31/12/2022
	£	£	£	£	£	£	£
<b>Unrestricted funds</b>							
Accumulated funds	2,396,350	747,709	(823,954)	(31,588)	26,758	(81,075)	2,315,275
<b>Designated funds</b>							
Centenary educational trust	67,855	-	(4,377)	-	-	(4,377)	63,478
Tordoff memorial	96,385	-	-	-	-	-	96,385
Unfunded projects reserve	236,205	-	-	18,779	-	18,779	254,984
<b>Total designated funds</b>	400,445	-	(4,377)	18,779	-	14,402	414,847
<b>Revaluation Reserve</b>	305,085	-	-	12,809	(141,557)	(128,748)	176,337
<b>Total unrestricted funds - Charity</b>	3,101,880	747,709	(828,331)	-	(139,087)	(195,421)	2,906,459
<b>Restricted funds</b>							
George Douglas Lecture	1,730	-	-	-	-	-	1,730
Turner Scholefield Award	8,510	-	-	-	-	-	8,510
Future Textile Dyers Fund	39,629	-	(11,877)	-	-	(11,877)	27,752
	49,869	-	(11,877)	-	-	(11,877)	37,992
<b>Permanent endowment funds</b>							
George Douglas Lecture	2,128	-	-	-	-	-	2,128
Turner Scholefield Award	2,497	-	-	-	-	-	2,497
Veronica Bell Award	12,876	-	-	-	-	-	12,876
	17,501	-	-	-	-	-	17,501
<b>Total funds - Charity</b>	3,169,250	747,709	(840,208)	-	(139,087)	(207,298)	2,961,952
Funds retained in trading subsidiaries	5,511,797	5,778,770	(4,688,200)	-	-	1,090,570	6,602,367
<b>Total funds - Group</b>	8,681,047	6,526,479	(5,528,408)	-	(139,087)	883,272	9,564,319

## 26 Funds (continued)

The specific purpose for which the funds are to be applied are as follows:

### Designated Funds:

#### Centenary Educational Trust Fund

Established in the SDC's Centenary year (1984) to provide finance to stimulate the recruitment of highly talented and well-motivated young people onto full-time courses in colour science and technology.

#### Tordoff Memorial Fund

Established in 1992 in memory of the late Dr Maurice Tordoff, former Chief Executive and General Secretary of the SDC. To provide finance to support students undertaking part-time education in colour science and technology.

### Unfunded projects reserve

This fund is designated for additional Gift Aid received over and above the Society's Board agreed baseline level required for general running of the Society. These reserves are then available via the Project Evaluation Group (PEG) for specific projects to develop the SDC products and services.

### Restricted Funds:

#### George Douglas Lecture

Represents income arising from the George Douglas Lecture permanent endowment fund and the use of that income.

#### Turner Scholefield Award

Represents income arising from the Turner Scholefield Award permanent endowment fund and the use of that income.

#### Future Textile Dyers Fund

To support the apprenticeship program FTCC TCC, this money has been received from Worshipful Company of Dyers.

### Permanent Endowment Funds:

#### George Douglas Lecture

The Lecture was started in 1948 with a fund established by the Bradford Dyers' Association Ltd to finance a biennial memorial lecture. The lecture to be on a subject related to the dyeing and finishing of textiles. The fund now allows for promoting education in colour science and technology by the holding of public lectures.

#### Turner Scholefield Award

A medal, awarded annually, to an Associate of the SDC, under the age of 33 who has made the most notable contribution to the science and technology of colouring matters and their application.

#### Veronica Bell Award

Presented to the winner of the student International Design Competition in memory of the SDC's first lady president, Veronica Bell.

### Revaluation reserve

To record any gains from revaluations of freehold property and investment property.

**27. Analysis of net assets by funds - Group**

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Revaluation Reserve Funds	Total Funds
	£	£	£	£	£
<b>At 31 December 2023</b>					
Intangible fixed assets	43,645	-	-	-	43,645
Heritage assets	63,500	-	-	-	63,500
Tangible fixed assets	3,322,493	-	-	-	3,322,493
Investments	975,697	-	-	-	975,697
Investment property	320,866	-	-	-	320,866
Current assets	7,158,192	37,992	17,501	-	7,213,685
Current liabilities	(1,101,631)	-	-	-	(1,101,631)
Long term liabilities	(626,426)	-	-	-	(626,426)
Provisions for liabilities	(190,614)	-	-	-	(190,614)
	<u>9,965,722</u>	<u>37,992</u>	<u>17,501</u>	<u>-</u>	<u>10,021,215</u>

**Analysis of net assets by funds - Group - previous year**

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Revaluation Reserve Funds	Total Funds
	£	£	£	£	£
<b>At 31 December 2022</b>					
Intangible fixed assets	30,083	-	-	-	30,083
Heritage assets	35,500	-	-	-	35,500
Tangible fixed assets	1,430,021	-	-	-	1,430,021
Investments	940,637	-	-	-	940,637
Investment property	1,811,243	-	-	-	1,811,243
Current assets	6,982,928	37,992	17,501	-	7,038,421
Current liabilities	(878,732)	-	-	-	(878,732)
Long term liabilities	(686,854)	-	-	-	(686,854)
Provisions for liabilities	(156,000)	-	-	-	(156,000)
	<u>9,508,826</u>	<u>37,992</u>	<u>17,501</u>	<u>-</u>	<u>9,564,319</u>

**28. Analysis of changes in net debt**

	Net debt at 1 January 2023	Cash flow	Net debt 31 December 2023
Long term borrowings	686,854	(60,428)	626,426
Short term borrowings	59,199	1,592	60,791
	<u>746,053</u>	<u>(58,836)</u>	<u>687,217</u>

**29. Commitments under operating leases - lessee**

At 31 December 2022 the group and the charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	156,445	127,873	12,829	12,523
Later than 1 year and not later than 5 years	152,829	120,639	12,829	12,523
Later than five years	46,750	151,146	23,417	35,480
	<u>356,024</u>	<u>399,658</u>	<u>49,075</u>	<u>60,526</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was Group £228,030 (2022 - £134,393) and Charity £12,680 (2022 - £19,043).

**Commitments under operating leases - lessor**

At 31 December 2023 the group and the charity had future minimum lease payments receivable under non-cancellable operating leases as follows:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	11,004	79,607	11,004	15,232
Later than 1 year and not later than 5 years	964	261,405	964	21,155
Later than five years	-	287,375	-	-
	<u>11,968</u>	<u>628,387</u>	<u>11,968</u>	<u>36,387</u>

The amount of contingent rents recognised as income during the year was £81,741 (2022 - £104,167).

Capital commitments £Nil (2022 - £Nil)

**30. Related party transactions**

During the year the Charity entered into the following transactions with related parties:

**Charity**

Other than transactions disclosed above, the charity's other related party transactions were wholly owned subsidiaries and so have not been disclosed.

**31. Ultimate Control**

The society of Dyers & Colourists is a Charitable body. SDC Voting Members elect the Trustees to be voting members of the Society's Board, and the trustees ultimately control the charity.

**THE SOCIETY OF DYERS AND COLOURISTS**

England & Wales - Charity number 212331

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# Accounts

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society of dyers  
and colourists

# **The Society of Dyers & Colourists (SDC)**

## **Annual Report &**

## **Financial Statements**

**For the Year ended 31<sup>st</sup> December 2022**

Charity Number 212331

Royal Charter Number RC000567



A Chartered Society  
since 1963

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## Foreword by SDC Chief Executive Officer

The impact of the Covid pandemic remains with everyone and has changed many things forever. Other global events also are impacting everyone, not least the conflict in Ukraine and associated global rises in prices and inflation on many items. However, 2022 was a year in which activity slowly resumed and the 'new normal' that had been talked about started to arrive. This will continue into 2023 also – the SDC will be back to the 'new normal plus' and we can resume our developments that were not possible under the recent huge uncertainties.

The Governance of the Society in 2022 continued to address this new world in pandemic learned style. Our committees are now typically hybrid and indeed most attend remotely, even if geographically close by. Our webinar programme continues due to great interest and demand. The number of available webinar recordings now exceed 30 and continues to grow.

The finances of the Society are also more stable, although international uncertainty still impacts SDC investments. That impacts much less on day-to-day activity given the Society does not rely on investment income for its day to day operations.

Whilst the Annual Report covers a specific year it also looks ahead to where the organisation is heading. The Future World Working Party did a questionnaire in 2021 and the work of delivering the outcomes of that continued into 2022, with foci being environmental issues, sustainability issues and design. In 2023 plans have been put in place already to hold an International Conference in Manchester mid-year 2024.

The SDC website was also completely re-written and launched at the end of 2022. This provides updated software for the website, but what makes the site useful is the content and this now includes improved member profiles and linkages to our emails – see more detail in the Report below.

In November 2022 our Annual Awards and Celebration Dinner returned in York after a break of three and a half years! The event being held in November as opposed to May had the dramatic impact of lessening the organisation burden. Holding this event alongside the Annual General Meeting was a huge load and separating the two means the AGM can also be held in Perkin House as a hybrid meeting. The latter has been requested for some years prior to Covid. We therefore intend to continue to May AGM and November Day of Celebration cycle of these events.

We look forward to engaging much more with our members online and in person as suits your needs and also the nature of those events. We also are now actively looking to grow our membership once again and for that we also need members to talk about the SDC to non-members and encourage them to take up SDC membership. I look forward to your participation with the SDC in many ways in 2023 and beyond and particularly in growing our membership community.



Dr Graham Clayton, Chief Executive Officer.

## Society of Dyers and Colourists Annual Report

The Society's Board is comprised of nine elected trustees from amongst its Voting Member population, SDC Honorary Officers and the Chief Executive Officer, together with any co-opted Board members, who present their report together with the financial statements of the charity for the year ended 31 December 2022. The Board are of the view that the funds and assets have been prudently managed and effectively applied during the year, solely in furtherance of the objectives described in the SDC Governance documents and reproduced below, with financial performance continually under review against these, with monthly management accounts produced and evaluated. The Board are satisfied that the financial policies and plans presently being applied are relevant, appropriate, and adequate to support and sustain the charitable activities of the SDC.

### Honorary Officers

President	John Hansford (to AGM 2022)
President	Ullhas Nimkar (appointed AGM 2022)
Immediate Past President	John Hansford (from AGM 2022)
President Designate	Chris Carr (appointed AGM 2022)
Honorary Secretary	Stuart Wilkinson (appointed AGM 2018 until AGM 2021 and re-appointed AGM 2021 until AGM 2024)
Honorary Treasurer	Michael Catterall (appointed AGM's 2021 through 2024)

### Trustees during 2022

Chris Carr – appointed at the AGM 2018 and re-appointed AGM 2021 until AGM 2024\*  
 Ela Dedhia – appointed at the AGM 2022 and retires AGM 2025\*  
 Eamon Furey – appointed at the AGM 2022 and retires AGM 2025\*  
 Parik Goswami – appointed at the AGM 2020 and retires AGM 2023\*  
 Paul Hamilton - retired by rotation AGM 2019 and re-appointed until AGM 2022  
 Ian Lewis - retired by rotation AGM 2020 and re-appointed until AGM 2023\*  
 Spike Ngai - retired by rotation AGM 2019 and re-appointed until AGM 2022  
 Siva Pariti – appointed at the AGM 2022 and retires AGM 2025\*  
 Adam Pursell – appointed at the AGM 2019 and retired AGM 2022  
 Paul Santohki – appointed at the AGM 2022 and retires AGM 2025\*  
 Gavin Thatcher – appointed at the AGM 2018 and re-appointed AGM 2021 until AGM 2024\*  
 Katherine Wells – appointed at the AGM 2020 and retires AGM 2023\*

\*Denotes the nine trustees on the Society's Board post AGM 2022

### Co-opted Board Members

Paul Hamilton was appointed Vice-President (Projects) at the AGM 2022, taking over the position from Trevor Larkins who had served the maximum of three terms in that position.

### Chief Executive Officer

Graham Clayton

### Principal Office

Perkin House, Longlands Street, Bradford, BD1 2LU

#### Auditors

Watson Buckle Limited, York House, Cottingley Business Park, Bradford, BD16 1PE

#### Bankers

National Westminster Bank plc, 1 Market Street, Bradford, BD1 1EG

#### Investment Managers

Brewin Dolphin Securities Limited, 10 Wellington Place, Leeds, LS1 4AN

#### Governance

The SDC is a charitable body, incorporated by Royal Charter (RC000567) with the governing documents being the Royal Charter (1963) with Amendments, By-laws (2009) and Rules (2012 as amended 2014, 2015, 2016, 2017, 2018 & 2019). These documents are available for public access on the [SDC website](#).

#### Charitable Objectives

The SDC was established in 1884 to advance the science of colour. The SDC achieves this aim by global dissemination of colour knowledge to members, industry and the public, via publications of scientific papers, lectures and electronic media. The charitable objectives are contained within the [Royal Charter](#) of 1963 and are:

- a) To promote the advancement of technology both in the theory and in the practice of the creation and use of colour and colouring matters
- b) To provide means for the wider dissemination and interchange of knowledge concerning the science and technology of colour and colouring matters including knowledge of the application to substrates and of the materials to which they may be applied
- c) To encourage education and research in all and any subjects concerned with the science of colour
- d) To hold meetings for the reading of papers and giving of lectures on coloration and colouring matters and for discussion of the same
- e) To publish scientific literature and a monthly journal for the promotion and correlation of knowledge of the science of colour
- f) To initiate and stimulate research and education in the interests of coloration in all aspects of human life
- g) To co-operate with other scientific organisations and bodies in relation to colour and its application and use
- h) To acquire by purchase, devise, bequest, donation or otherwise lands and hereditaments of any description and tenure and to accept any gift, endowment or bequest and the office of trustee and to carry out any trusts attached to any such gift, endowment or bequest or attached to such office
- i) To do all such lawful things as are incidental or conducive to the attainment of the above objects or any of them.

#### Structure and Governance

The Society's Board is the Governing Body of the Charity with up to nine trustees elected from among the Voting Members of the Society by the Voting Members (Rule 101). The Chief Executive Officer, the Honorary Treasurer and the Honorary Secretary are also entitled to attend meetings of the Board (By-law 36.2), which may also co-opt a maximum of three members (Rule 104 & By-law 36.2). Only trustees take part in any vote of the Board, a quorum of which is 50% of the voting members, rounded up to the nearest whole number, present either in person or electronically in real time (Rule 115).

**The Society of Dyers & Colourists**  
**2021 Annual Report & Financial Statements**

The Audit Committee comprises (By-law 37) the Honorary Secretary, the Honorary Treasurer, the President, the President-elect, the Immediate Past President and four elected Voting Members of the Society (Rule 125). It reports to the Society's Board and monitors legal compliance of all activities related to the Royal Charter, By-laws, SDC Rules, agreed policies and strategies.

The Nominations Committee (By-law 38 & Rule 126) comprises the Chair of the Society's Board, the Honorary Secretary, the Honorary Treasurer and Voting Members representing UK members, members from outside the UK, the Committees, and the Regions. The Nominations Committee also ensures the procedure for the appointment of Trustees, Honorary Officers and members of the Audit and Nominations Committees is rigorous and transparent (Rule 126).

The finances of the SDC are the responsibility of the Society's Board (Rule 47) and the Board appoints a Finance Committee, chaired by the Honorary Treasurer, to manage the SDC's finances (Rule 48). The composition of the Finance Committee and its appointment is made annually by the Board (Rule 49) at their first full meeting after the AGM.

The SDC's other committees report to the Society's Board and the Chief Executive Officer and develop, direct and monitor the charity's activities in accordance with its' Charitable Objectives. The SDC's day-to-day operational activity is managed by the Chief Executive Officer with a complement of appropriately skilled staff and external service providers under the CEO's management.

The Society's Board are advised of their responsibilities under charity and company law, the requirements of the Royal Charter, By-laws and SDC Rules. Formal training of the Board members, Audit Committee, Nominations Committee, and those standing for election is made available at least annually, with attendance recorded. This training is delivered by experts in their field who also have wide experience in the charity sector. In 2020 the move was made to make this available via the SDC's own Virtual Learning platform [Colour.Network](#) so Board and Committee members can access this training at any time and progress at their own rate and in their own available time. In late 2022 the SDC website was fully updated and in time Colour.Network will be merged into the main SDC website. The training is now available on the SDC main website therefore and 3 new Governance training sessions have been held in 2023, with the recordings available for members of the Board, Audit and Finance Committees online.

The following committees comprise the SDC Governance bodies:

- The Board – Chair Gavin Thatcher. In 2022 the Society's Board met on 7 occasions.
- Audit Committee – Chair Stuart Wilkinson. In 2022 the Audit Committee met on 4 occasions plus a joint meeting with the Finance Committee to review the Annual Accounts.
- Finance Committee – Chair Michael Catterall. In 2022 the Finance Committee met on 5 occasions plus a joint meeting with the Audit Committee to review the Annual Accounts.
- Nominations Committee – Chair Stuart Wilkinson. In 2022 the Nominations Committee met on 1 occasion.
- Medals Committee – Chair Stuart Wilkinson. In 2022 the Medals committee met on 1 occasion.
- Examinations, Qualifications and Accreditation Board – Chair Prof Stephen Westland. In 2022 EQAB met on 3 occasions plus an examination board meeting.
- Publications Committee – Chair John Easton. In 2022 the Publications Committee met on 3 occasions.
- Publications Award Committee – Chaired at their single 2022 meeting by David Lewis. This committee reviews all papers published in the year by *Coloration Technology* resulting in a single meeting with a huge amount of preparation in reading every paper published that year.

- Colour Index Pigment and Solvent Dyes Technical Board. Chair Adrian Abel. In 2022 the CIPSDTB met 3 occasions.

It is very much appreciated, and here recognised, that these committees operate due to the substantial input of volunteers, and of course due to the Covid pandemic, this required them to adapt and learn new online meeting skills. The number of committee meetings above conceals the duration of the volunteer input with preparation as well as the meetings themselves.

All SDC Committees, with the exception of Regional Committees and one Working Party of Audit Committee, meet within Microsoft Teams. This means there is a single committee meeting place and depository of Agendas, meeting papers and Minutes for each meeting and future reference.

There are several measures that could be used to report volunteer input to the Society, but which all generalise the volunteer input to some extent. The number of volunteers on committees alone conceals the fact that more than a few volunteers are on several different committees. The new SDC website lists all SDC Staff and SDC Committee members (77 in total in 2022) as one Team (with the ability to filter by committee for example) which is appropriate, as it is the whole Team of staff and volunteers who deliver the Society's activity and impact.

This narrative on volunteer input has also thus far erroneously focused on the main SDC Governance Committees and coverage here would not be complete without also including the regional volunteers who manage their Region and arrange and deliver regional events. Such volunteers are typically exceedingly rich in experience whilst also extremely welcoming of new and early career volunteers.

A conservative estimate of the combined hours of volunteer input of the above just in actual meetings is over 1,500 hours per annum, or around 40 person weeks of work. This estimate does not include preparation time which will vary by volunteer role, but it is quite probable that the volunteer input time could be two or three times the conservative estimate.

### **Regional AGMs**

The Society's Rule 55 states that: *"Regions, or Student Section, where it has no parent Region, shall submit a statement of accounts to the Chief Executive Officer at least one week before the Society's Annual General Meeting. These will be presented to the Society's Board at the first meeting after the Annual General Meeting."* This has not been adhered to for many years, but the Governance of the Society is making progress on getting this schedule reinstated. Regions have held their own AGMs and provided a Statement of Accounts but at different times across the year. Effort made in 2020 to deliver a much more in line with the Society's Rules response was thwarted by the international Corona virus pandemic. In 2022 the UK regions will all have held their AGMs ahead of the main SDC AGM, as will have many international regions.

### **SDC Performance**

#### **Mission**

Educating the world in the science of colour.

#### **Objectives**

The objectives of the SDC for 2022 were to:

- 1) To *Educate* in the field of colour and the science of coloration

- 2) To *Focus* the SDC activity on a *Colour Education Pathway* for SDC members and the wider colour community, whilst developing the *SDC Communities* strand of the long-term strategy
- 3) To *Include* all staff, members, collaborators and interested parties as appropriate in the SDC *Colour Education Pathway* and *SDC Communities*
- 4) To *Increase* the reach of the SDC to deliver its' services to a wide *Colour Education Pathway* and *SDC Community* globally
- 5) To *Build* and deliver a sustainable business model – growing in a focused and efficient manner – that ensures the future availability of SDC resources.

The Objectives of the Society are reviewed annually. Informed by ongoing Governance Training, the Society Objectives for the year are kept in agreement with the Royal Charter Objectives. With systems and staff now re-aligned post pandemic 2022 saw delivery of SDC activity once again, including the shaping of the SDC Future World focus and associated objectives.

### **Public benefit**

The SDC public benefit arises from a wide range of events and activities provided for the public to gain greater knowledge through education in the science of colour:

- The [SDC website](#) and associated Knowledge Vault, plus the SDC Virtual Learning Platform [Colour.Network](#). In late 2022 there was a move of the archive material to the online Digital Archive. The amount of material there was expanded and this will progress further in 2023.
- Bursaries and grants have been promoted to foster a return to applicants as movement is now much more possible post pandemic.
- Lectures, seminars / webinars and conference presentations on colour. The SDC now has a [list of all webinar recordings available online](#) which number over 30. These are available free of charge to members and at a nominal charge to non-members
- Colour training courses – a few of these courses did take place internationally delivered by SDC staff and agreed partners
- Colour products such as the [STEM \(Science, Technology, Engineering & Mathematics\) Dyes kit](#). Due to increased export controls this is now only available to UK customers due to the administration involved in overseas shipment of chemicals.
- Provision of the Secretariat to the BSI (British Standards Institution) Technical Committee, TCI 81, for Colour fastness and colour measurement of textiles, thus supporting all industries for colour and textiles.
- Supporting the provision of the Secretariat for the International Standards Organisation Technical Committee, ISO TC 38 SC1, for Coloured textiles and Colorants, for global standardisation.
- The SDC also has representation on a number of other international technical committees relating to colour.

The SDC provides benefit to both the public and to its' members. The Society's Board confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The public benefit has also been a feature of trustee and interested party training on governance provided by a charity governance lawyer and a charity accountant.

### **SDC Enterprises Group Ltd**

The consolidated results of SDC Enterprises Group (incorporating SDCE Enterprises Limited (SDCE) and Sam Weller & Sons Limited (SW)) show continued growth in revenue, close to a 10% increase. Despite rising material and energy costs, pre-tax profitability was also improved, through efficiency improvements and productivity gains.

The strong financial performance will allow the budgeted Gift Aid payments to be made to the Society, along with licence payments, SDCE typically contributes 70% of the Society's income.

Thanks to the reserves SDCE has established, investment in increased production capacity took place during 2022, contributing to the strong results. Further investments are already planned, for commissioning in 2023, to increase capacity and provide growth potential. In addition to these investments SDCE is committing its reserves for the development of its new manufacturing facility. As build costs have risen by more than 40%, since 2019 estimates, and contractor availability remains an issue, SDCE have revised the project accordingly. Work will begin in 2023 renovating some of the existing buildings, for SDCE's use, prior to commencing the new build in 2024/25.

The Society's total equity in SDCE Group remains very strong, with shareholder funds standing at £7,125,000 versus the Society's investment of £445,600.

Accelerated investment in buildings and plant will reduce SDCE's liquid reserves from 2023. As gearing should remain relatively low, and trade continues to be highly cash generative, the Directors are confident that both short-term success and strategic goals can be successfully delivered.

Mark Yare  
April 2023

### **SDC International Ltd**

The SDC wholly owned company, SDC International Ltd has Directors appointed by The Society's Board who are the post holders of the roles of Honorary Treasurer, CEO and ASEAN Region Manager.

SDC International activity was severely curtailed in 2020 due to the pandemic and activity was principally online with training courses and support to the Indian region. In 2021 there were conferences and exhibition activity planned and arranged, but again cancelled due to the pandemic. 2022 saw further cancellations and postponements but activity did finally get underway. This ensured SDC International was evident at large Indian exhibitions and conferences and SDC necessary financial support started to reduce. A plan through to 2024 now exists for further exhibitions and conferences that will result in payment of the monies owed to the Society by SDC International and also further contributions to the work of the Society over and above that.

### **Charity Financial Activity**

The Society's Board monitored monthly the financial activities of the charity in 2022 via the Finance Committee Management Accounts. The Finance Committee and Society's Board take appropriate action as necessary.

Over the year 2022 the Charity's net movement in funds was not insignificant, but mostly as a consequence of investment value falls due to international uncertainty. Net losses on investments were £139,087 in 2022. The Charity income was actually up £97,678 year on year, although expenditure also rose by £39,379. Over a third of that rise in expenditure was an exceptional irrecoverable VAT cost of £14,417. This relates to 4 years of past under-payment of VAT to HMRC identified following the external audit of 2022 accounts. After the impact of large investment value declines and some smaller gains on investments, the net movement on Charity funds was downwards by £207,298 whilst the consolidated funds available rose by £883,272.

The investments managed by Brewin Dolphin come under their specific charity team and the SDC portfolio will typically have 55% exposed to equities, 26.5% to fixed interest, 14% to alternative investments and 4.5% to cash. A portfolio which is managed at Risk Category 5 is likely to have moderate market volatility. The Charity's investment assets are invested in line with its aims. The Investment Managers are aware that the Trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Charity's purpose. The investment objective of the SDC with Brewin Dolphin managed funds remains unchanged however:

*"The trustees view the portfolio over the long-term and see the portfolio as providing a 'safety net' against any unforeseen costs. With that in mind the trustees are concerned with growing the invested assets ahead of inflation so that they retain their real buying power. The trustees would also like the portfolio to produce an income to assist in the smoothing of the charities annual cash flow."*

In early 2022 the exposure of the investment portfolio to Russia was examined. SDC investments were only exposed to Russian investment via one fund, the Fidelity Emerging Markets Fund. This only had a 3.06% exposure to Russia making the SDC investment ca 0.05% of the total invested exposed to Russia.

The audit requirement for the annual revaluation of the Perkin House asset, the outcome of which is based on market prices, produced little change this past year. Nevertheless, the year did start and end with the same Perkin House asset irrespective of its value.

Auditors examining 2022 accounts have also recommended a VAT review. The SDC moved some years ago, at HMRC behest, to partial exemption of VAT. The calculations of such are not simple and a regular review is recommended and now being undertaken with support of Watson Buckle VAT experts.

Perkin House rental income has risen from mid-2015, with rental income to the SDC rising to £72,723 in 2022. This was up from the 2021 income of £67,513 although lower than the budget figure of £80,000. This was due to some tenants closing their business once pandemic furlough support was no longer in place and incomes could not be regained, plus one tenant relocating to more suitable premises.

Membership income was effectively static in 2017 after several years of gradual decline. Partly due to membership subscription prices rises, membership income was £41,156 in 2018 and in 2019 £45,042. In 2020 it rose marginally to £46,039 but in 2021 membership income fell to £39,706, largely due to companies not renewing memberships. The Society's Board also made the price for Individual Non-Voting and Individual Voting membership identical to encourage members to upgrade at no additional cost. This was thought to mean a further reduction in membership income in 2022 although it would increase the number of Voting members. Ultimately however membership income in 2022 amounted to £39,637 so effectively unchanged. Membership renewals are now enabled via the SDC website and members can pay by debit or with credit card and set payments to auto-renew. Each membership

subscription also has monthly, annual and every three-year options for payment. It has been very promising to see that the majority of members are renewing with auto-renewal enabled.

Academic books sales were similar year on year with £1,841 of SDC book sale income. The aged book stock is now a very small income stream to the SDC, and the new titles are all produced and sold via Wiley Publishing. In late 2022 many SDC books were made available via the SDC website as eBooks, reducing the price for them (and reduced further for current SDC Members) and also permitting immediate access to the eBook. Malcolm the Weaver titles bounced back in 2022 when £4,300 of sponsorship was realised.

The total staff costs of the charity (including social security costs and pensions) reduced in 2021, specifically as a result of the staff restructure, by 10% of 2020. The majority of this staff cost reduction was in the second half of 2021, so 2022 saw the full impact of such direct staff cost reductions to the Society. In 2022 the total staff costs amounted to £369,673, a reduction of £52,700 compared to 2021 full costs.

In 2020 the global pandemic hit SDC Enterprises Group Ltd sales, particularly in the Sam Weller & Sons Ltd area with a 43% reduction in Sam Weller income, whilst SDC Enterprises Ltd income was down 14% in 2020. Consequently, the parent charity received zero Gift Aid in 2021. In 2022 the trading activities of the SDC Enterprises Group Ltd rose income by half a million to £6,148,251. Associated costs also rose of course by £414,649.

### Reserves Policy

The SDC Finance Committee reviews the Reserves Policy detail at regular intervals, in line with the SDC strategy and financial compendium. The SDC aims to hold between 12 and 15 months of budgeted total costs in its free Reserves. In accordance with Charity Commission guidance this is to: protect and safeguard the assets of their charity; permit the Society's Board to act with reasonable care and skill; and ensure the charity is accountable.

In establishing this Reserves Policy, the SDC Finance Committee assessed: why reserves might be needed for the charity to be effective and how much was needed in Reserves. An impact and risk assessment were undertaken to arrive at the Reserves Policy for the SDC in its current form. This approach has meant that as the Society exited a tough 2020 into a very challenging 2021 with no Gift Aid arising from SDC Enterprises Group Ltd, the Society had strong reserves. Very close financial management and a staff restructure within the charity during 2021 changed a forecast depletion of cash reserves held in day-to-day banking into a sustainable way forward.

The Group reserves are represented by the Group funds of £9,564,319 (2021 - £8,681,047). Group cash at bank and in hand, on 31<sup>st</sup> December 2022, amounted to £3,750,454 (2021 - £3,648,768) whilst the cash at bank and in hand for the Charity alone was £353,492 on 31<sup>st</sup> December 2022 (£450,699 on 31<sup>st</sup> December 2021). Total resources expended by the charity alone in 2022 were up 3% at £840,208 (2021 - £800,829). The SDC had free cash at bank and in hand (not designated for current or future PEG Projects), plus Brewin Dolphin managed investments, on December 31<sup>st</sup>, 2022, that amounted to 14 months of 2021 expenditure and thus sufficient cover in line with the policy above.

Where funds held are restricted these are shown in the Annual Accounts (See Note 26 Funds) where permanent endowment funds are also detailed. A substantial amount is held in the Unfunded Projects Reserve which is actively managed by the Project Evaluation Group that in turn reports to the Society's Board regularly. The Unfunded Projects Reserve had no allocated project in 2022 as caution was exercised in case these funds were needed to ensure sustainability of the organisation. In 2023

however several new projects have been agreed and this fund will once again start to be accessed to develop the Society's activity and resources.

### Project development

It became possible in late 2017 / early 2018 to consider and evaluate specific SDC development projects. Following a strategy set out in prior years for such events, the Society's Board identified a Project Evaluation Group (PEG), which has assessed development projects and prioritised them. The Board have identified and designated total funds for these projects to ensure they can be concluded. The projects are key to SDC impact and delivery over the future years, ensuring delivery of charitable objectives and growth in sustainable income.

In 2022 a thorough re-write of the SDC websites (including Governance and Blog sub-sites) was concluded after some delays to bring the sites up to date to ensure data security and enable up to date functionality including key developments of the Members area Continuing Professional Development capabilities and a Digital Archive section. This went live in late 2022 and incorporated also linkages to MailChimp to effectively replace the membership database, thus reducing costs and increasing functionality simultaneously.

The PEG Group are aware that substantial monies are residing in the Unfunded Projects Reserve Fund that were not yet allocated to any project. Cash internally 'loaned' from the Unfunded Project Reserve was fully repaid for project use as the Society by the end of 2022.

In 2023 the PEG Group have agreed to progress several projects to enhance SDC Membership, Early Career Mentoring, the SDC Archive and an International Conference in mid-2024. A further project is to examine the potential and interest in further development of the Design Coloration Certificate course. Hence, in 2023 PEG activity has already resumed and members will see activity reaching into 2024 at least.

### Review of Activities

#### **Bursaries**

The SDC Bursary scheme has two funding streams:

A. Main Bursary (Up to £500) For undergraduate and postgraduate students on a relevant course (e.g. Colour Chemistry, Fashion & Design, Textiles)

B. ASDC Bursary (Up to £250) For students registered for the ASDC examinations.

The SDC Bursary scheme is managed overall by the SDC Education, Qualification and Accreditation Board (EQAB). In 2021 no bursaries were awarded as the pandemic prevented activity by applicants – indeed one bursary was refunded to the Society due to the recipient not being able to undertake the planned activity. In 2022 there was an increase but still only 3 bursaries were awarded as activity once again resumed. These bursaries are seen as supporting colour science education of the recipients and the sharing of their activity and reports at events and through *The Colourist* magazine and Blogs on the SDC website ensures that several of the Royal Charter Objectives are addressed more widely, especially the dissemination of knowledge about colour.

### **Training**

SDC Training courses continue to be delivered by external partner companies. Two individuals in Shanghai received Competency in Colour Management training whilst five received Colour Fastness training in Pakistan.

Due to the pandemic 2021 was a particularly difficult year for face-to-face training courses around the world and such many training events were not possible.

The SDC development of the virtual learning environment (VLE) [Colour.Network](#) allows many more courses to be delivered online. These commenced in 2018. In 2020 due to the pandemic effects on physical meetings the Society started a Webinar programme in April 2020 with the first live webinar airing in May 2020. Furlough in 2021 placed a hiatus on the webinar programme but the programme restarted in September 2021.

Building on the five webinars held in 2021, 2022 saw a further eleven webinars delivered. Each was recorded and is available via the SDC website (free of charge to current SDC Members).

- [Imogo Webinar](#) SDC-W20 by Per Stenflo
- [There's nothing small about embroidery](#) SDC-W21 by Dr Susan Kay-Williams
- [Colour Lifecycle Management webinar](#) SDC-W22 by Andrea Roth
- [Hohenstein Webinar](#) SDC-W23 by John Murphy
- [Ecofoot Webinar](#) SDC-W24 by Jamie Gomes
- [Sustainability Series Webinar One](#) SDC-W25 by Meriel Chamberlin, Anna Bateman & Phil Patterson [NB this recording is free of charge to all].
- [Sustainability and circularity – a manufacturer's view](#) SDC-W26 by Leonie Vaas, Tim Clark & Jane Middleton Smith and chaired by Dr Claire Lerpiniere
- [Webinar Series Dyeing and Finishing – a safe and sustainable process?](#) SDC-W27 by Rob Andrews, Prasad Plant Lee Howarth & John Murphy and chaired by SDC President Ullhas Nimkar
- [Sustainability webinar series – Dyeing and Finishing, the innovation](#) SDC-W28 by Jana van Den Bergen, Jim Ajioka & Nikita Jayasuriya and chaired by Anjani Prasad
- [Sustainability webinar series Localisation in the textile market – socio economic impact](#) SDC-W29 by Rashmi Bharti, Sam Erahapola, Nawshin Khair and Chaired by Afsana Ferdousi
- [Natural Dyes / Alternative Dyes](#) SDC-W30 by Jackie Andrews, Jessica Gianotti and Chaired by Dr Mohsin CCoI ASDC

### **Foundation Textile Coloration Certificate (FTCC) & Textile Coloration Certificate (TCC)**

These two courses now form the first year (FTCC) and second and third years (FTCC) of a restructured 3 year course.

Eleven students are studying the first year (FTCC) course for the academic year 2022 – 2023, completing in June 2023. Five of these are from England, two from Scotland, two from Northern Ireland, one from the Republic of Ireland and one from Thailand. Four students are studying the TCC Course, including one from New Zealand, one from Zimbabwe and two from England.

This spread of numbers supports the theory that the market is still interested in such qualifications, but is cautious about longer term commitment (financially and in terms of their staff's time) unless prior engagement has proven some merit to the qualification. This is further reflected in the ASDC qualification take up (see below) where caution by industry has seen a fall in numbers.

### **ASDC Qualification**

Textile Coloration Science and Technology (Level 6) – leading to Associateship of the Society of Dyers and Colourists (ASDC) - is a three-year (minimum) distance learning course, leading to a benchmarked honour's degree level qualification. The programme has received the NARIC (now after Brexit called Ecctis) benchmarking assessment that it is a Level 6 qualification (equivalent to a good honours degree, as defined within the Framework for Higher Education Qualifications (FHEQ)). Ecctis introduced a time limit on such benchmarking, such that the benchmarking of the ASDC would expire at the end of 2022. However, hard work by the Education, Qualifications and Accreditation Board of the SDC, along with SDC staff, ensured the benchmarking of the ASDC was renewed successfully for another five years. Ultimately gaining this qualification allows students to apply to be a Chartered Colourist (CCol).

The online course covers the fundamental textile coloration principles and processes and is made up of 6 modules that are designed to meet the needs of the students and their chosen industry: Dyeing of Natural Fibres, Dyeing Theory, Textile Printing, Dyeing of Synthetic Fibres, Chemistry of Colourants and Colour Physics.

The cost of the degree equivalent ASDC is much lower than a University degree, plus students typically 'earn as they learn' in employment and their employer therefore also reaps immediate benefits from their studies. However, the impact on industry from pandemic recovery is considered to be behind the lower uptake of the ASDC currently until confidence in business resumes.

Five students graduated from the ASDC Course in 2021 which reduced to two students graduating in 2022 (one with ASDC and one with LSDC). These graduates of the ASDC Course all have more senior roles within their companies. Currently just one student is enrolled on the ASDC Course.

Marketing of the course has been increased with several Blogs by graduates of the course, promoted on social media and accessible on the SDC Website Blogs. In 2023 there will also be a series of UK events to recruit company members and some of their employees on to the ASDC course.

### **Publications**

Normally four issues of *The Colourist*, an SDC member benefit, were produced per year. Production is now outsourced to an external marketing company for the slightly lower cost it took to print externally, after internal production, before (£11,898 in 2022 cf £13,000 plus staff time in previous years). The external team work closely with all SDC staff in the content collation and even undertake interviews and photography on behalf of the SDC in order to make production happen.

Availability of *The Colourist* is communicated to members via email and so the SDC has measures of the open rates and click through activity to *The Colourist* and it was encouraging to see some growth in interest in this publication on its return in September 2021. Members are also provided with free access in the Members area of the website to *International Dyer* and *Science in Parliament*, both of which receive a great deal of interest.

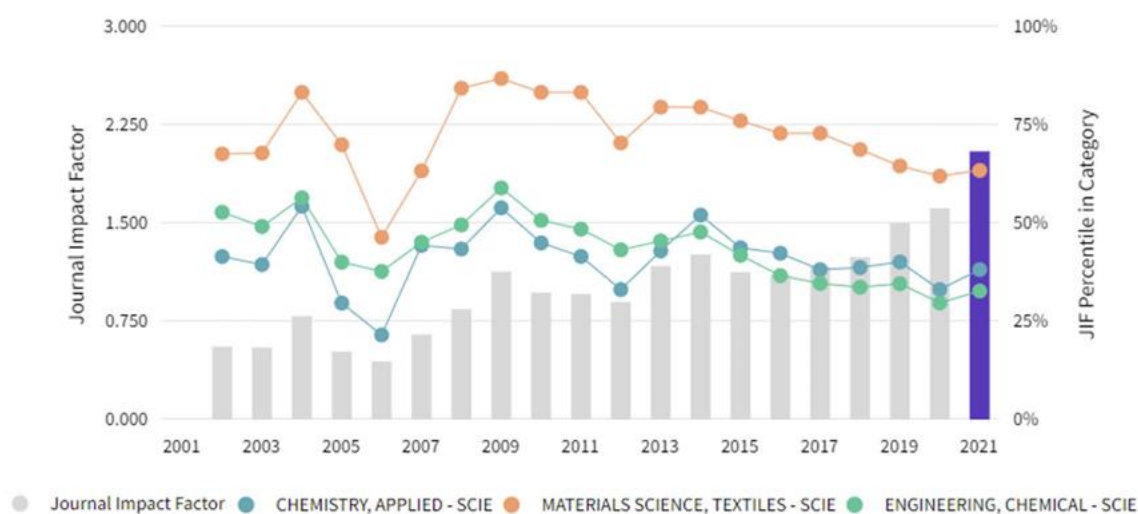
*Coloration Technology*, the SDC academic journal published in conjunction with Wiley, covers many aspects of coloration with a detailed overview available on the [Wiley's website](#) for the journal. The Wiley's goals for *Coloration Technology* have been: to grow readership of the journal, ensure the right authors submit papers and enhance the Society's reputation.



Coloration Technology will be moving to Institutional Print Only from 2023. Institutions access Coloration Technology via a specific subscription or, more commonly, through a license that allows the institute to access a whole host of Wiley's titles, which includes Coloration Technology.

Individual subscribers are very much in the minority and will only be provided with electronic access, as is commonplace for the vast majority of Wiley's journals today. Wiley do offer a Print-on-Demand option however where hard copies of issues or articles can be obtained.

The Coloration Technology Impact Factor is an important publishing metric and one that has seen positive growth over the years. In 2021 (latest data) the Impact Factor achieved a new high and the chart below shows how this growth compares with other similar benchmarked publications.



SUBMISSIONS	
Total 2021 =	167
Total 2022 =	164
Total 2023 =	40 (YTD)

The number of submissions to Coloration Technology also remains strong, with 164-167 in 2021/22. As at quarter 1 of 2023 this level of submissions continues with 40 received.

**MONTHLY TREND OF DOWNLOADS**



The monthly trend of downloads of Coloration Technology articles continues as can be seen in the chart above. Over time the numbers are growing although performance can vary by month.

The SDC is very grateful to Wiley for its assistance in terms of both resources and expertise. Wiley has a marketing plan in place for Coloration Technology and the textbooks they produce and the SDC can supply more detail on request of the publications impact.

**Colour Index™**

The Colour Index™ is known worldwide and is used by many companies, research institutes, universities and government bodies. Many Colour Index™ users are, significantly, outside the traditional textile manufacturing and dye houses SDC sectors.

The decision was taken in late 2018, by the Society’s Board, to transfer the Colour Index™ sales and marketing to SDC Enterprises Ltd. This took some time to complete for several reasons, including appropriate HR consultations and processes, but the transfer took place from 1<sup>st</sup> June 2019. The Colour Index Pigment and Solvent Dyes Board continues to meet under the auspices of the Society to maintain independence from the marketing and sales function.

**Standards**

SDC’s active involvement with BSI standards ensured their continued relevance, accuracy and usability, based on sound scientific knowledge for the benefit of the supply chain. The areas covered chemical, physical and flammability testing of textiles, textile cleansing and care labelling, and apparel and interior textile (product specification). The SDC provided the Secretariat to the BSI technical committee TCI 81 for colour fastness of textiles and colour communication thus supporting all UK industries for colour and textiles.

The SDC, as required by our contract with ISO, has the secretariat of TC38 SC1 Coloured textiles and Colorants, with partners in China. Brian Woolley continued as secretary to this committee although has now retired at the end of 2022.

The SDC’s Technical Director is the secretary for TCI 81 as stated above and representation on the following committees is as indicated:



- TCI/066/0-/08 Burning behaviour A Filarowski
- TCI/080 Chemical testing of textiles A Filarowski
- TCI/082 Textiles care labelling, dry cleaning, domestic laundering and drying A Filarowski
- TCI/100 Co-ordination of activities in textiles and clothing A Filarowski
- British Standards Institution Technical Committees – A Filarowski as SDC representative
- STI/14 Colour Measurement & Schedules M R Luo
- TCI/24 Physical Testing of Textiles Vacant
- TCI/80 Chemical Testing of Textiles A Filarowski & S Bolton
- TCI/81 Colour Fastness & Colour Measurement of Textiles A SDC Enterprises Ltd employee
- TCI/82 Textile Care Labelling A Filarowski
- CW/15 Safety of Toys S Bolton

The SDC would like to thank all the above individuals for all their work on behalf of the SDC on these committees.

### **Events**

The SDC events showcase research and best practice in coloration. They provide education, inspiration and networking opportunities. SDC events are regional, national and international, with wide ranging topics and diverse audiences. Many are free to attend, especially for members, with a strong focus on supporting students and young professionals. The SDC also jointly organises events and participates in events organised by others, thereby spreading SDC's educational reach and profile. Such events very much align with the Objects of the SDC Royal Charter also. That Governing document describes events in a language of its time to "*hold meetings for the reading of papers and giving of lectures on coloration and colouring matters and for discussion of the same*". In 2022 this Object in the Royal Charter was very much delivered online via SDC Webinars which are listed in the above in this Annual Report.

In addition, the SDC has used online meetings as a way of keeping in contact with the SDC Regions as travel that had been curtailed both by the pandemic and by budgetary constraints was further impacted by inflation and industrial action. This has been a positive move in that the SDC President, for example, has been able to engage with more individuals across different countries than simple travel would have permitted.

Details of all SDC events can be found on the SDC website and many have featured reports after the event in editions of The Colourist which SDC Members can access via the SDC website Members area. In 2023 onwards there will be a number of SDC connected events reaching a peak with an International Conference in Manchester, UK in mid-2024. This will be the first International conference of its kind arranged by the SDC for many years. Other SDC involved events in 2023 will and have included regional meetings and visits, a one-day conference at ITMA Milan, Italy as well as SDC presence throughout the ITMA exhibition, sponsorship of the July Colour 2023 conference at the University of Leeds and the Hong Kong Fashion Summit 2023 on 11 & 12 October.

### **Membership**

The SDC membership has continued its decrease, as prior Annual Reports have shown, albeit with some signs in the data of a plateau in numbers and certainly activity to address the decline in place. The SDC gained 88 (56 in 2021) new individual SDC Members in 2022 as the pandemic lifted. The total number of individual Members over time can be seen in the plot below – over 50 members decline

per year. The Chartered status individuals have also fallen in number, at a rate of over 18 per year in the last decade, but a slight growth in 2022.

In recent years the case for taking up SDC membership has arguably been weak, and work has been put into strengthening that offer. A SDC Membership Committee was proposed in late 2020 and came into being in 2021, many years after such last existed. In late 2020 a Governance Task Group of the SDC Audit Committee was also put in place to update and re-draft the Society's Rules, By-Laws and Royal Charter clauses to put to the SDC Membership at a General Meeting for approval. This was to include the re-structure and naming of some membership categories. That work continues and Audit Committee and the Society's Board are aiming to see that concluded and passed to the SDC Membership as soon as possible. The need for this has also been raised due to the sad passing of Queen Elizabeth II, since the Royal Charter is awarded from a specific monarch. As with all Royal Charter bodies the SDC therefore needs to apply for a new Royal Charter from King Charles III and to incorporate desired changes at that time would be optimal.

One change the Society's Board made in 2022, was that the fee differential for Voting Members and Non-Voting Members be abolished. All Voting Members now pay the same membership fee as Non-Voting Members, unless they possess a CCol whereby they pay the same fee as they did previously as Voting Members. This has increased applications to be regraded from Non-Voting Membership to Voting Membership and the system for such has been further accelerated such that some re-gradings have now been approved within 24 hours. All new Voting Members names are reported to the next meeting of the Society's Board. It is important to note that the threshold to become a Voting Member has not been changed but the drive to have Non-Voting Members apply for upgrading their membership, and the turnaround time to evaluate such applications, has been greatly improved.

### **Membership value for money**

Going forward more is being made of the membership benefits and their value for money, as evidence exists to demonstrate these are ill-understood by members and prospective members alike.

- *The Colourist* member magazine was re-launched in 2021 as an electronic only publication (thus addressing production costs but also environmental impacts of paper production and international postage, a task made all the more difficult and costly by the pandemic and Brexit). *The Colourist* features more company member news and profiles and is being produced by outsourced marketing specialists at the same cost as in recent years (ca £13k pa). Members have also been surveyed for input into what they wish to see in *The Colourist* in future.
- Many members also welcome the free access to SDC webinars (usually charged at £20 per Webinar for non-members) including access to recordings of past webinars. In 2022 a new SDC website was launched, and this enabled members to register and access numbers of webinars based on membership category and without the need for discount codes, which were previously different for each webinar and recording.
- *International Dyer* magazine is supplied electronically via the SDC members area of the website free of charge to SDC members and this alone usually costs multiples of the full SDC membership annual subscription.
- The *Science in Parliament* publication, also available in the members area of the SDC website, is a more wide-ranging publication available free of charge as part of the SDC membership subscription
- Members also receive generous discounts on: SDC books; *Coloration Technology* subscriptions; and SDC short courses. The new website has made book purchases much easier and members will see discount offers on SDC books in their new members area.

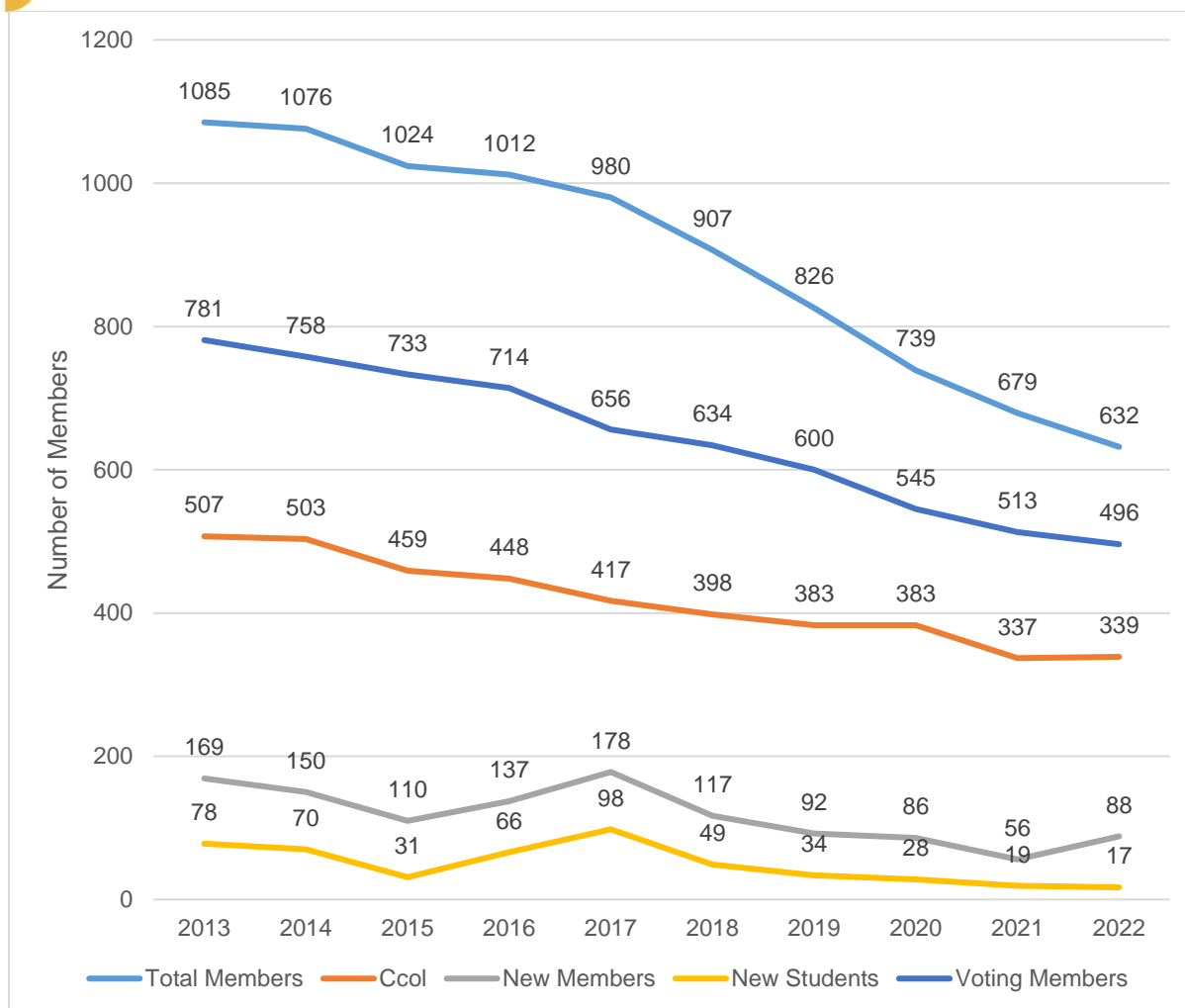


**The Society of Dyers & Colourists**  
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- From time-to-time SDC Membership also entitles access to webinars and events of other organisation free of charge or at reduced cost, plus (to support internet access to SDC webinars, committees, and meetings) members can access discounts on Dell computer and accessory purchases (with some country limitations applied by Dell).
- Members often have opportunity to provide presentations via the SDC Webinar series, of which the marketing and promotional value of their company and personal brand far exceeds annual membership subscription rates.
- Members of the SDC are also part of the regional activity where sufficient members exist to make regional activity viable. These regional networks have always been core to SDC membership benefits and their value is hard to estimate. Members who engage with regional activity however value them both very highly and also for a long duration, often counted in decades.

Before the discounts above are taken into consideration, the cost of individual membership to the SDC is £30 pa before any staff time at all is taken into consideration. Student membership is priced at less than this, so many members support our student members through their membership subscriptions. For all other membership types, once staff time is added, the cost of membership exceeds the subscription price. SDC member subscriptions do deliver value for money when the features and benefits are considered and, like all memberships, the more one engages with the organisation, the greater your value for money from your SDC membership.

Company memberships numbered 25 at the end of 2022 (24 at end of 2021) and Educational Provider (College / University) memberships numbered 15 (17 at the end of 2021). The movements in these memberships was notable in that companies were the first not to renew during the pandemic and the first to start to re-join or join as the pandemic lifted. The Educational Provider memberships were slower to not-renew and are only just starting to come back. The latter may also be influenced by a need for Educational Providers to be SDC Members in order to submit entries to the International Design Competition.



## Sponsorship

The Worshipful Company of Dyers have generously sponsored the Society over many years. This demonstrates the ongoing commitment of both organisations to the skills development in the coloration sector and the SDC is very grateful and encouraged by their generous support. It should also be added that their keen interest in the developments is very much expressed and is as welcome as their funding. In 2020 the Worshipful Company also supported the SDC in setting up the 'Future Dyers Fund' to help financially anyone from England applying for our FTCC and TCC courses. This was an excellent initiative that turned into an even better one as the pandemic impacted individuals and through the Fund the SDC can ensure students continue their studies and skills development to assist them in securing future employment also. Six such students were supported in 2021 and the fund now sits at £27,752 (down from £39,629 in 2021 but still with sufficient resource to support UK based applicants). Applicants living in England can receive up to 60% of their fees paid and in the case of those unemployed have all their fees paid.

## Partner and Affiliate organisations

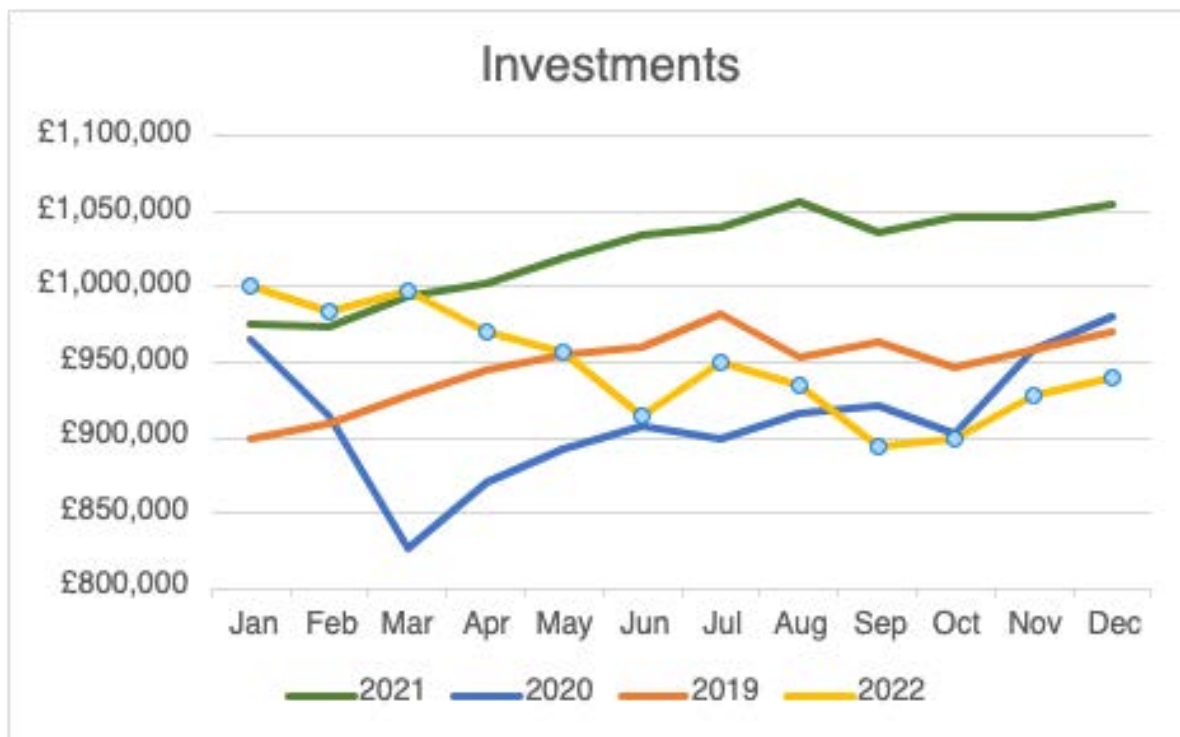
The SDC Charitable Objectives from the Royal Charter includes "To co-operate with other scientific organisations and bodies in relation to colour and its application and use". To this end the SDC is an active member of The Science Council and The Parliamentary and Scientific Committee. Other active network links to partner organisations include the AATCC, ASBCI, several universities, and The Society of Leather Technologists and Chemists.

The SDC also has long-standing affiliate relationships with the Society of Dyers and Colourists of Australia and New Zealand (see <http://www.sdcanz.com>) and The South African Dyers' and Finishers' Association (SADFA) (see [www.sadfa.org.za](http://www.sadfa.org.za)).

### Investment Policy

The SDC funds consist of equities held in a managed portfolio at medium risk and cash held on term deposit accounts not required for current activities. Equities are held in fixed interest, ordinary shares and government stocks. The portfolio value on 1<sup>st</sup> January 2021 was £1,055,708 and by the end of 2021 this had dropped to £940,637.

The SDC investments are intended for the long term and long-term stock performance remained good at the end of 2019. In the first part of 2020 however, there was a huge impact internationally on investments because of the Corona virus pandemic. By the end of 2020 the end position of 2019 was realised. Growth in 2021 was much more consistent and steadier with the portfolio reaching £1,055,708 by the year end. In 2022 however there was huge international turmoil with the Ukraine invasion and rapid rises in inflation, such that the SDC Investments fell across the year before a Q4 slight improvement.



### Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as “soliciting or otherwise procuring money or other property for charitable purposes.” Such amounts receivable is presented in our accounts as “voluntary income” and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management

of all income generation is delegated to the executive team, who are accountable to the Society's Board.

The charity is not bound by any undertaking or bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds, we do not have to particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

#### Risk Assessment

The risk situation is reviewed by the Society's Board who judge that over the next three years the SDC has a low to medium risk that charitable activities may be less because of a reduction of available funds. Insurances are held wherever possible to cover for external events and internal management is used to minimise potential occurrence and impact. The pandemic in 2020 affected the Gift Aid usually received from the trading subsidiary. The effects of this were mitigated in 2021 through reductions in staff costs whilst outsourcing marketing provision in particular to maintain delivery and reduce impact. In 2022 Gift Aid was received and this assisted in smoothing the SDC finances and lowering risk once again, although the UK and international economies were not without financial pressures and turbulence.

#### Human Resources and Equality, Diversity and Discrimination Policy

The SDC is an equal opportunities employer and encourages diversity. It is non-discriminatory on age, disability, ethnicity, gender reassignment, marriage and civil partnership, race and religion, sex and sexual orientation in all operations and in all membership matters.

The SDC now has to account each year in financial terms to our Auditors for the annual leave and flexitime carried forward. Hence, through a time management system linked to the Building Security System, the SDC can now manage the staff time delivery.

HR management was expanded in 2016 and is provided by an external HR company. This includes remote and on-site support for staff and managers, as well as a web based secure HR portal for HR records, and holiday and sick leave monitoring. Outsourced HR management was particularly called upon in 2021 for the necessary staff restructure to enable future sustainability and the SDC is very grateful to Joanna Charles of HR Dept for that ongoing support and advice.

#### Data security

Data security has been, and will continue to be, a very important issue and the SDC will ensure that user information is protected and IT systems secure. In addition to protecting such information the SDC does not supply any individual's information to others unless it is for a specific SDC purpose (e.g. the print / mailing house for fulfilment of *The Colourist* printing and mailings). The SDC has also made available to staff and committee/Board members training on Cyber-security awareness. No issues arose from breaches of data security in the year.

#### GDPR

The EU General Data Protection Regulations (GDPR) came into force in May 2018 and applies to everyone processing data of EU individuals or offering services to EU subjects, regardless of where that processing location is. The SDC prepared for this new data regulation for many months. From an already good starting point GDPR still required some additional changes and clarity within the SDC for staff, Society Board members, committee members and volunteers. GDPR has been specifically a training item and continues to do so.

### Health and Safety

The Health & Safety policy of the SDC is to ensure as far as reasonably practical public, staff and the environment are protected and that all legal requirements are met. Each year the SDC has two risk assessment reports produced by external experts on Perkin House Health and Safety and Perkin House Fire Risk. These reports highlight a number of actions to be taken based on Low-Medium-High risk prioritisation. In 2016 this resulted in a renewed asbestos survey of the building, which established small amounts of asbestos has been used but were in little used areas and in safe condition. Fire safety notices and several other risk areas have also been improved as a consequence. The 2017 assessment produced further recommendations which have been implemented, including all staff fire awareness training. The 2018 report demonstrated the progress made, plus further, less urgent actions to be made, with similar performance in the 2019 report. The appointment of a new Building Manager for Perkin House in late 2019 has ensured health and safety have been improved further with regular checks and action. During 2020 a programme of emergency lighting replacement took place as testing had demonstrated their operation is not maintained for the required duration. 2021 saw the Building Manager take up another post closer to home and Facilities Management was outsourced to Entire FM, still with a Building Manager present in Perkin House Monday-Thursday mornings. Due to the pandemic and remote working the fire steward training was overdue but has now been completed in 2022, with tenants also invited to attend.

### UK Pension Auto-enrolment

The UK Government phased in auto-enrolment for employee pension schemes over some years. The SDC had a Staging Date of February 2017, when it must comply, and actively managed this with its pension agent in order that it fully complied at the start of 2017. No issues were noted, with all of the SDC staff members in the SDC Pension scheme. Good pension scheme performance via The Peoples Pension resulted in lower scheme charges in 2019. As of 2022 no SDC staff are now opted out of the SDC Pension Scheme which is operated and managed by The Peoples Pension.

### Remuneration Policy

The salaries of all SDC staff are set based on a Finance Committee and Society Board approved overall budget based on itemised lines including staff salaries. The SDC utilises a Remuneration Committee to approve all staff salary rises. The SDC Remuneration Committee is comprised of the Honorary Treasurer, Honorary Secretary, Chair of the Society's Board and the SDC CEO. Pay rises in recent years have been zero and this was the case in both 2020 and at the start of 2021. In 2022, against an environment of inflation and rises wage settlements, a pay benchmarking report was commissioned by Croner. This has informed the Remuneration Committee of pay positioning of SDC staff (overall at median pay levels) and lead to a 5% pay rise awarded in 2022.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2022  
Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Society's Board on 27 April 2023 and signed on its behalf by:

G Thatcher

Chair of Society's Board

M Catterall

Honorary Treasurer

S Wilkinson

Honorary Secretary

G Clayton

CEO

## Opinion

We have audited the financial statements of The Society of Dyers & Colourists (SDC) (the 'parent charity and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 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; and
- 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 group and parent charity 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 group and parent 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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement (set out on page 24), 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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 trustees either intend to liquidate the group or the parent charity 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 as auditor under section 1513 of the Charities Act 2011 and report in accordance with regulations made under section 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.

In planning and designing our audit tests, we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override.

Following this assessment we considered the opportunities and incentives that may exist within the group for fraud and identified the greatest potential for fraud in evaluating the stock and cash balances.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, through discussions with directors, trustees and other management, and from our commercial knowledge and experience of the sector in which the charitable company operates, to enable us to identify the key laws and regulations applicable to the charitable company. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We then performed audit procedures after consideration of the above risks which included the following:

- assessing the validity of valuation method of stock;
- obtaining a detailed understanding of the methodology adopted by management and the key assumptions underpinning the calculation of the variable and fixed overhead applied in the valuation of stock;
- performing a retrospective review of the previous year's stock for obsolete or slow moving stock;
- documenting and assessing the internal controls over cash and bank balances;
- performing tests of detail on the balances and reconciliations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims;
- reviewing correspondence with HMRC, and the group's legal advisors;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

All engagement team members were informed of the relevant laws and regulations and potential fraud risks at the planning stage and reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify such items.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Use of our report**

This report is made solely to the charity'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 charity's 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Watson Buckle Limited*

.....  
Watson Buckle Limited, Statutory Auditor  
Bradford  
United Kingdom

27 April 2023

The Society of Dyers & Colourists (SDC)

Year ended 31 December 2022

Consolidated Statement of Financial Activities for the year ended 31 December 2022

(including Income and Expenditure Account)

	Notes	Unrestricted funds	Restricted funds	Permanent endowment funds	Revaluation reserve	2022 Total Funds	2021 Total Funds (as restated)
		£	£	£	£	£	£
<b>Income From:</b>							
Donations	3	20,164	-	-	-	20,164	16,068
Charitable activities	4	128,085	-	-	-	128,085	124,322
Other trading activities	5	6,148,251	-	-	-	6,148,251	5,596,643
Investments	6	195,647	-	-	-	195,647	137,031
Other income	7	34,332	-	-	-	34,332	83,179
<b>Total income</b>		<b>6,526,479</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,526,479</b>	<b>5,957,243</b>
<b>Expenditure on:</b>							
Raising funds	8	4,413,276	-	-	-	4,413,276	4,038,713
Charitable activities	9	779,081	11,877	-	-	790,958	760,673
Taxation	11	324,174	-	-	-	324,174	222,403
<b>Total Expenditure</b>		<b>5,516,531</b>	<b>11,877</b>	<b>-</b>	<b>-</b>	<b>5,528,408</b>	<b>5,021,789</b>
Net gains/losses on investments	12	2,470	-	-	(141,557)	(139,087)	66,795
Gains/Losses on revaluation of fixed assets	16	24,288	-	-	-	24,288	1,675
<b>Net income for the year</b>		<b>1,036,706</b>	<b>(11,877)</b>	<b>-</b>	<b>(141,557)</b>	<b>883,272</b>	<b>1,003,924</b>
<b>Transfers between funds</b>	26	<b>(12,809)</b>	<b>-</b>	<b>-</b>	<b>12,809</b>	<b>-</b>	<b>-</b>
<b>Net Movement in funds</b>		<b>1,023,897</b>	<b>(11,877)</b>	<b>-</b>	<b>(128,748)</b>	<b>883,272</b>	<b>1,003,924</b>
Reconciliation of funds:							
Total funds brought forward at 1 January	26	8,308,592	49,869	17,501	305,085	8,681,047	7,677,123
Total funds carried forward at 31 December	26	9,332,489	37,992	17,501	176,337	9,564,319	8,681,047

All amounts relate to continuing operations. The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 33 to 54 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2022  
Charity Statement of Financial Activities for the year ended 31 December 2022  
(including Income and Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Revaluation reserve £	2022 Total Funds £	2021 Total Funds (as restated) £
<b>Income From:</b>							
Donations	3	170,164	-	-	-	170,164	16,068
Charitable activities	4	128,085	-	-	-	128,085	124,322
Investments	6	99,460	-	-	-	99,460	89,866
Other income	7	350,000	-	-	-	350,000	419,755
<b>Total income</b>		<b>747,709</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>747,709</b>	<b>650,031</b>
<b>Expenditure on:</b>							
Raising funds	8	49,250	-	-	-	45,250	40,156
Charitable activities	9	779,081	11,877	-	-	790,958	760,673
<b>Total Expenditure</b>		<b>828,331</b>	<b>11,877</b>	<b>-</b>	<b>-</b>	<b>840,208</b>	<b>800,829</b>
Net gains/losses on investments	12	2,470	-	-	(141,557)	(139,087)	66,795
Gains/Losses on revaluation of fixed assets	16	24,288	-	-	-	24,288	1,675
<b>Net income for the year</b>		<b>(53,864)</b>	<b>(11,877)</b>	<b>-</b>	<b>(141,557)</b>	<b>(207,298)</b>	<b>(82,328)</b>
<b>Transfers between funds</b>	26	<b>(12,809)</b>	<b>-</b>	<b>-</b>	<b>12,809</b>	<b>-</b>	<b>-</b>
<b>Net Movement in funds</b>		<b>(66,673)</b>	<b>(11,877)</b>	<b>-</b>	<b>(128,748)</b>	<b>(207,298)</b>	<b>(82,328)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward at 1 January	26	2,796,795	49,869	17,501	305,085	3,169,250	3,251,578
<b>Total funds carried forward at 31 December</b>	26	<b>2,730,122</b>	<b>37,992</b>	<b>17,501</b>	<b>176,337</b>	<b>2,961,952</b>	<b>3,169,250</b>





All amounts relate to continuing operations. The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 33 to 54 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2022  
Consolidated Balance Sheet as at 31 December 2022

	Notes	£	2022 £	£	(as restated) 2021 £
<b>Fixed Assets</b>					
Intangible Assets	15		30,083		30,000
Tangible Assets	16		1,430,021		1,234,062
Heritage Assets	17		35,500		35,500
Investments	18		940,637		1,055,708
Investment Property	19		1,811,243		1,744,808
			<u>4,247,484</u>		<u>4,100,078</u>
<b>Current Assets</b>					
Stock	20	1,958,599		1,650,049	
Debtors	21	1,329,368		1,144,861	
Cash at bank and in hand		3,750,454		3,468,768	
		<u>7,038,421</u>		<u>6,263,678</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	22	(878,732)		(862,826)	
<b>Net current assets</b>			6,159,689		5,400,852
<b>Total assets less current liabilities</b>			<u>10,407,173</u>		<u>9,500,930</u>
Creditors: amounts falling due after more than one year	23		(686,854)		(747,883)
<b>Provisions for liabilities</b>					
Deferred tax	25		(156,000)		(72,000)
<b>Total Assets</b>			<u>9,564,319</u>		<u>8,681,047</u>
<b>The funds of the charity:</b>					
<b>26</b>					
Unrestricted funds					
Accumulated fund			2,315,275		2,396,350
Funds retained in SDC Enterprises Group			6,602,367		5,511,797
Designated funds			414,847		400,445
Revaluation reserve			176,337		305,085
<b>Total unrestricted funds</b>			<u>9,508,826</u>		<u>8,613,677</u>
Restricted funds			37,992		49,869
Permanent endowment funds			17,501		17,501
			<u>55,493</u>		<u>67,370</u>
<b>Total Charity Funds</b>			<u>9,564,319</u>		<u>8,681,047</u>

The financial statements were authorised for issue and signed on behalf of the Society's Board on 27 April 2023.

			
G Thatcher	M Catterall	S Wilkinson	G Clayton
Chair of Society's Board	Honorary Treasurer	Honorary Secretary	CEO

The notes on pages 33 to 54 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
 Year ended 31 December 2022  
 Charity Balance Sheet as at 31 December 2022

	Notes	£	2022 £	(as restated) 2021 £	£
<b>Fixed Assets</b>					
Intangible Assets	15		30,083		30,000
Tangible Assets	16		668,855		704,631
Heritage Assets	17		35,500		35,500
Investments	18		1,386,336		1,501,407
Investment Property	19		360,000		330,000
			<u>2,480,774</u>		<u>2,601,538</u>
<b>Current Assets</b>					
Stock	20	10,068		-	
Debtors	21	222,599		210,761	
Cash at bank and in hand			<u>353,492</u>		<u>450,699</u>
			586,159		661,460
<b>Liabilities</b>					
Creditors: amounts falling due within one year	22	(104,981)		(93,748)	
<b>Net current assets</b>			<u>481,178</u>		<u>567,712</u>
<b>Net Assets</b>			<u>2,961,952</u>		<u>3,169,250</u>
<b>The funds of the charity:</b>					
26					
Unrestricted funds					
Accumulated fund			2,315,275		2,380,933
Designated funds			414,847		400,445
Revaluation reserve			<u>176,337</u>		<u>320,502</u>
<b>Total unrestricted funds</b>			<u>2,906,459</u>		<u>3,101,880</u>
Restricted funds					
Permanent endowment funds			37,992		49,869
			<u>17,501</u>		<u>17,501</u>
			55,493		67,370
<b>Total Charity Funds</b>			<u>2,961,952</u>		<u>3,169,250</u>

The financial statements were authorised for issue and signed on behalf of the Society's Board on 27 April 2023.

			
G Thatcher	M Catterall	S Wilkinson	G Clayton
Chair of Society's Board	Honorary Treasurer	Honorary Secretary	CEO

The notes on pages 33 to 54 form part of these financial statements.

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

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>Total funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>(as restated)</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period (as per the statement of financial activities)	883,272	1,003,924
Adjustments for:		
Revaluation of fixed assets	(24,288)	33,500
Revaluation of investment property	8,606	17,092
Gains(losses) on investments	130,481	(83,887)
(Profit)/Loss on disposal of fixed assets	(850)	1,983
Finance income	(10,330)	-
Tax expense	324,174	276,903
Tax paid	(161,458)	(283,616)
Amortisation	-	3,483
Depreciation charge	100,218	83,472
Decrease/(Increase) in stocks	(308,550)	298,937
Decrease/(Increase) in debtors	(193,220)	(231,282)
(Decrease)/increase in creditors	(52,805)	94,778
<b>Net cash provided (used in) operating activities</b>	<b>695,250</b>	<b>1,215,385</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(301,941)	(98,622)
Purchase of intangible assets	(83)	(30,000)
Proceeds from the sale of investments	74,894	196,008
Proceeds from the sale of fixed assets	850	-
Purchase of investments	(90,421)	(183,067)
Purchase of investment property	(45,041)	(15,400)
Interest received	10,330	-
Movement in cash held within investments	(117)	(3,663)
<b>Net cash provided by (used in) investing activities</b>	<b>(351,529)</b>	<b>(134,744)</b>
<b>Cash flows from financing activities:</b>		
Repayments of loans	(62,035)	(61,611)
<b>Net cash provided by (used in) financing activities</b>	<b>(62,035)</b>	<b>(61,611)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>281,686</b>	<b>1,019,030</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>3,468,768</b>	<b>2,449,738</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,750,454</b>	<b>3,468,768</b>

The notes on pages 33 to 54 form part of these financial statements.

## 1. General Information

The Society of Dyers & Colourist is a charitable body, incorporated by Royal Charter (RC000576) with the governing documents being the Royal Charter (1963), with Amendments, By-laws (2009) and Rules (2012, 2014, 2015, 2017, 2018 and 2019 as amended). The address of the registered office is shown in the Trustees' Annual Report. The nature of the group's operations and its principal activities are outlined in the Trustees' Annual Report. The presentational currency is sterling and amounts are rounded to the nearest whole £.

## 2. Accounting Policies

### Basis of preparation

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction values unless otherwise stated in the relevant note to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity as defined by FRS 102.

The trustees consider that there are not material uncertainties about the charity's ability to continue as a going concern.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### Basis of consolidation

The group financial statements consolidate the accounts of the Society of Dyers and Colourists and its subsidiaries accounts on a line by line basis. Transactions between the group companies are eliminated on consolidation.

The consolidated financial statements include the financial statements of the charity and its subsidiary undertakings made up to 31 December 2022. The acquisitions method of accounting has been adopted. Under this method the group net incoming resources include the results of subsidiaries from the date of acquisition and to the date of sale outside the group in case of disposals and subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

### Fund accounting

The fund held by the charity are:

- Unrestricted funds – these are general funds which can be used in accordance with the charitable objectives at the discretion of the trustees. Included in unrestricted funds are certain designated funds set aside by the trustees for specific purposes.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Permanent endowment funds – these represent the fixed asset investments which must be held permanently by the charity.

The objectives of the various designated, restricted and permanent endowment funds are set out in note 26.

### Prior period errors

A prior period error was identified during the current year relating to Heritage assets held by the charity not previously recognised on the balance sheet. A prior period error was also identified relating to the unrealised profits in closing stock. The adjustments above affect unrestricted funds only.

	Relating to current period disclosed in these financial statements	Relating to the prior period disclosed in these financial statements	Relating to earlier periods disclosed in these financial statements
Heritage assets	-	35,500	35,500
Stock	-	(36,334)	-
Unrestricted funds b/fwd	-	834	(35,500)
Unrealised profits	-	1,755	-
Movement in funds	-	(1,755)	-

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2022  
Notes to the Financial Statements (continued)

**Income**

All income from membership subscriptions, donations, charitable activities, income from other trading activities, investment income, government and capital grants, are included in the Statement of Financial Activities when the SDC is entitled to the income and the amount can be quantified with reasonable accuracy.

Investment income and gains/(losses) are allocated to the appropriate funds.

Income from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Gift aid income**

Taxable profits transferred from the subsidiaries are recognised as donations when the subsidiary has made an irrevocable commitment to the charity to pay the Gift Aid donation.

During the year the charity has received Gift Aid from subsidiaries of £150,000 (2021 - £Nil).

**Expenditure**

- Raising funds: The following activities – trading costs of the subsidiary, car park lease, cost of managing investments and general marketing – are for the purpose of raising funds.
- Charitable activities: The following activities – colour experience, membership and qualifications, publications, technical, the day to day running of the SDC consisting of staff and administration costs – are of charitable nature and are provided for the benefit of members and the general public.
- Governance Costs include the day to day governance running of the SDC consisting of administration costs including audit and other professional costs, trustee travel, training, meetings and excludes any costs running funds.

All resources expended are on an accrual basis.

Grants payable are charged in the year when the offer is conveyed to the recipient.

Support costs and overheads are allocated in line with the relevant percentage of income receivable for that related activity.

Trading expenses are those of the charity's wholly owned subsidiary and do not include any of the charity's overheads. Support costs are those of managing and administering the SDC and represent expenses incurred attributable to the management of the charity's assets.

**Tangible fixed assets and depreciation – held at cost less depreciation.**

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all the fixed assets except freehold land, over their expected useful lives. It is calculated on the following rates:

Freehold property	- 5% straight line
Freehold land	- not depreciated
Plant & machinery	- 15% - 33.3% straight line
Furnishing and general equipment	- 15% - 33.3% straight line
Leasehold improvements	- over the term of the lease

**Investment property**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually. Valuations are based on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the income and expenditure account.

### **Building revaluation – Investment Property and Freehold Property**

The basis of building revaluation was Market Value with vacant possession and existing use. Revaluation is performed in accordance with the RICS Valuation – Professional Standards January 2014 Edition (the “Red Book”), where applicable having due regard to the Practice Statements and Guidance Notes therein for valuations of this nature.

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

### **Mixed use**

A judgement has been made to split the property value between investment property and freehold property based upon the used by the Group compared to the area rented externally.

### **Heritage assets**

Heritage assets are initially recognised at cost and carried at historical cost subject to any depreciation or impairment. The charity has adopted a policy of valuation.

### **Fixed asset investments**

Listed investments are stated at Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

The investment in the SDC’s trading subsidiary, SDC Enterprises Limited, is stated at cost, less provision for impairment.

### **Stock**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. Work in progress and finished goods include labour and attributable overheads.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

### **Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### **Intangible assets**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer’s interest in the fair value of the group’s share of its identifiable assets and liabilities of the acquire at the date of the acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the consolidated statement of comprehensive income over its useful economic life (UEL). Trustees have assessed the UEL of goodwill to be 5 years.

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful life as follows:

Website Development	- £Nil as asset not in use
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### **Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

### **Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to income and expenditure account on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the income and expenditure account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

### **Foreign currency**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

### **Pension costs**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the charitable company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **Research and developments**

Research and development costs are written off to the profit and loss account when incurred.

### **Tax – Charity**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

### **Tax – Trading subsidiaries**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current Corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

### **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

#### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset. The carrying amount is £1,430,021 (2021-£1,234,062).

#### **Stock provision**

The group makes an estimate of the recoverability of the cost of stock. When calculating the stock provision, management consider the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods. The carrying amount is £1,958,599 (2021 - £1,650,049).

#### **Impairment of debtors**

The group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors management considers factors which include the current credit rating of the debtor, the ageing profile of debtors an historical experience. The carrying amount is £1,329,368 (2021 - £1,144,861).

#### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

#### **Financial Instruments**

##### **Financial assets**

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar asset. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss and any subsequent reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### **Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**3. Income from donations**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Gifts and donations	20,164	16,068	170,164	16,068

Included within gifts and donations is £Nil (2021 - £16,000) of restricted income.

**4. Income from charitable activities**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Day of Celebration	3,200	145	3,200	145
Seminars and conferences	1,054	1,840	1,054	1,840
Books and publications:				
Academic books	1,841	1,985	1,841	1,985
Malcolm the Weaver books	4,019	1,515	4,019	1,515
Coloration Technology	35,543	38,117	35,543	38,117
Training	32,778	21,545	32,778	21,545
Membership subscriptions	39,639	39,706	39,639	39,706
UK Government grants	9,504	3,000	9,504	3,000
Qualifications	100	-	100	-
Other	407	16,496	407	16,469
	<u>128,085</u>	<u>124,322</u>	<u>128,085</u>	<u>124,322</u>

All income from charitable activities was unrestricted in the current preceding year.

**5. Income from other trading activities**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trading income from subsidiaries	6,148,251	5,596,643	-	-

All income from other trading activities was unrestricted in the current and preceding year.

**6. Income from investments**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Rental Income	160,032	113,860	72,723	67,588
Interest received	8,991	662	1,452	452
Other interest receivable	1,339	683	-	-
Dividends from listed investments	25,285	21,826	25,285	21,826
	<u>195,647</u>	<u>137,031</u>	<u>99,460</u>	<u>89,866</u>

All income from investments was unrestricted in the current and preceding year.

**7. Other income**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
License fee received from subsidiary	-	-	350,000	350,000
Government grants	27,432	6,504	-	-
Government Job Retention Scheme	-	76,675	-	69,775
Other income from subsidiaries	6,900	-	-	-
	<u>34,332</u>	<u>83,179</u>	<u>350,000</u>	<u>419,775</u>

Group Government grants includes Job Retention Scheme income of £Nil (2021 - £76,675) and Charity Government grants includes Job Retention Scheme income of £Nil (2021 - £69,775).

All other income was unrestricted in the current and preceding year.

**8. Expenditure on raising funds**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Outsourced general marketing	38,905	28,547	38,905	28,547
Bradford Council car park lease	4,539	4,733	4,539	4,733
Broker fees	5,806	6,876	5,806	6,876
Trading by subsidiaries	4,364,026	3,998,557	-	-
	<u>4,413,276</u>	<u>4,038,713</u>	<u>49,250</u>	<u>40,156</u>

All expenditure on raising funds was unrestricted in the current and preceding year.

**9. Expenditure on charitable activities**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Books – Colour Experience	13,174	1,116	13,174	1,116
Coloration Technology	31,672	26,293	31,672	26,293
Qualifications costs	9,785	400	9,785	400
Training costs	4,699	4,695	4,699	4,695
Salary costs (including redundancy costs)	377,073	441,152	377,073	441,152
Travel and subsistence	14,318	1,538	14,318	1,538
Operational costs	146,485	134,644	146,485	134,644
Depreciation	34,161	49,951	34,161	49,951
(Profit) on disposal of tangible fixed assets	(450)	1,923	(450)	1,923
Bad debts	-	566	-	566
Governance costs (Note 10)	28,798	24,678	28,798	24,678
Bursaries / Awards	16,254	8,205	16,254	8,205
Seminar and conference costs	1,793	3,225	1,793	3,225
Day of Celebration	22,548	-	22,548	-
Other SDC committees	1,317	2,256	1,317	2,256
Irrecoverable input VAT	14,417	-	14,417	-
Outsourced service costs:				
- Facilities management services	19,149	8,000	19,149	8,000
- External accountancy and consultancy fees	3,018	7,406	3,018	7,406
- General admin support	2,958	-	2,958	-
- HR helpline services	5,609	10,958	5,609	10,958
- Bookkeeping services	32,282	27,517	32,282	27,517
- The Colourist	11,898	6,150	11,898	6,150
	<u>790,958</u>	<u>760,673</u>	<u>790,958</u>	<u>760,673</u>

£11,877 (2021 - £7,062) expenditure on charitable activities was restricted in the current and preceding year.

## 9 Expenditure on charitable activities

### Analysis of expenditure by activity:

#### Group and Charity – current year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Education	11,898	99,893	72,393	7,629	191,813
Membership and Qualifications	55,079	126,115	91,395	9,632	282,221
Publications	44,846	121,887	88,332	9,309	264,374
Administrative costs	-	29,177	21,145	2,228	52,550
	<u>111,823</u>	<u>377,073</u>	<u>273,264</u>	<u>28,798</u>	<u>790,958</u>

#### Group and Charity – prior year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Education	6,150	82,981	96,741	4,642	139,812
Membership and Qualifications	16,525	141,410	74,886	7,910	244,302
Publications	27,409	147,676	69,943	8,261	265,280
Administrative costs	-	69,085	11,553	3,865	111,279
	<u>50,084</u>	<u>441,152</u>	<u>253,123</u>	<u>24,678</u>	<u>760,673</u>

Total expenditure on charitable activities was £795,118 (2021 - £760,673) of which £11,877 (2021 - £7,062) was restricted and £783,241 (2021 £753,611) was unrestricted.

## 10. Governance costs

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Committee meetings	2,705	2,158	2,705	2,158
Miscellaneous governance costs	2,207	139	2,207	139
Legal fees and trademark protection	4,744	1,136	4,744	1,136
Trustees liability insurance	1,707	1,611	1,707	1,611
Trustees training	-	-	-	-
Audit fees	14,267	10,589	14,267	10,589
Bank charges	2,249	1,750	2,249	1,750
PayPal charges	17	11	17	11
Subscriptions & licences (inc data protection)	2,476	3,451	2,476	3,451
Grants in support of SDC regions	1,703	(220)	1,703	(220)
Medals & plaques	(3,277)	4,053	(3,277)	4,053
	<u>28,798</u>	<u>24,678</u>	<u>28,798</u>	<u>24,678</u>

## 11. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
<b>Corporation tax</b>				
Current tax on profits for the year	240,400	213,800	-	-
Adjustments in respect of previous periods	(226)	(397)	-	-
<b>Deferred tax</b>				
Origination and reversal of timing differences	84,000	9,000	-	-
Adjustments in respect of prior periods	-	-	-	-
<b>Taxation</b>	<b>324,174</b>	<b>222,403</b>	<b>-</b>	<b>-</b>

### Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax (2021 – lower than) in the UK of 19% (2021 – 19%). The differences are explained below:

	2022 £	2021 £	2022 £	2021 £
<b>Profit on taxable activities before tax</b>	1,589,933	1,340,264	-	-
Profit on taxable activities multiplied by standard rate of corporation tax in the UK of 19% (2021-19%)	302,087	254,650	-	-
<b>Effects of:</b>				
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	887	(2,075)	-	-
Difference in accelerated CA's due to non qual dep'n	645	-	-	-
Effect of tax rate charges	37,439	-	-	-
Under/(over) provision in prior year	(226)	(397)	-	-
Other timing differences leading to an increase (decrease) in taxation	-	773	-	-
Super deduction difference	(16,881)	(2,048)	-	-
Rounding	222	-	-	-
Distribution to parent made in Gift Aid	-	(28,500)	-	-
<b>Total tax charge for the year</b>	<b>324,174</b>	<b>222,403</b>	<b>-</b>	<b>-</b>

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £10,000.

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

## 12. Net losses on Investments

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Realised gains/(losses)	2,470	15,768	2,470	15,768
Unrealised gains/(losses)	(132,951)	68,119	(132,951)	68,119
Gain/(loss) on revaluation of investment property	(8,606)	1,675	(8,606)	1,675
	<b>(139,087)</b>	<b>85,562</b>	<b>(139,087)</b>	<b>85,562</b>

**13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Salaries and wages	1,334,933	1,238,739	307,396	353,220
Social security costs	141,750	131,599	34,450	35,264
Pension costs	126,778	119,169	27,827	33,889
Redundancy costs	-	18,779	-	18,779
	<u>1,603,461</u>	<u>1,508,286</u>	<u>369,673</u>	<u>441,152</u>

The group paid £3,691 (2021 - £3,814) in respect of employer's life assurance contributions and £5,545 (2021 - £6,232) in respect of employer's private medical contributions during the year. The charity paid £3,691 (2021 - £3,814) in respect of employer's life assurance contributions and £2,330 (2021 £3,218) in respect of employer's private medical contributions during the year.

There were 3 employees of the group with employment benefits in excess of £60,000 (2021 - 3).

	Group		Charity	
	2022	2021	2022	2021
	No.	No.	No.	No.
Bands:				
£220,001 - £230,000	1	-	-	-
£210,001 - £220,000	-	1	-	-
£110,001 - £120,000	1	1	1	1
£70,001 - £80,000	1	1	1	1
	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>

The number of staff who received in excess of £60,000 to whom retirement benefits are accruing under defined contributions schemes was 3 (2021 - 3)

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Employer's pension contributions to defined contribution schemes in respect of the employees receiving in excess of £60,000	50,267	46,936	15,328	14,953
	<u>50,267</u>	<u>46,936</u>	<u>15,328</u>	<u>14,953</u>

The key management personnel of the group comprise the trustees, CEO, and deputy CEO of the charity and the directors of SDC Enterprises Limited. The total employee benefits of this group was £416,076 (2021 - £327,316).

None of the Trustees (2021 - None) have been paid any remuneration or received any other benefits from the Charity. During the year 1 Trustee (2021 - None) was reimbursed for expenses incurred on behalf of the Charity to the sum of £1,213 (2021 - £Nil). During the year 11 Trustees (2021 - 6) were invoiced for subscriptions totalling £1,081 (2021: £580). At the year end there was £Nil due from Trustees, at the previous year end £63 was due from one trustee.

**14. Average staff numbers**

	Group		Charity	
	2022	2021	2022	2021
	No.	No.	No.	No.
Charitable activities	6	6	6	6
Management administration	33	33	2	3
	<u>39</u>	<u>39</u>	<u>8</u>	<u>9</u>

**15. Intangible assets**

<b>Group</b>	<b>Goodwill</b> £	<b>Website Development</b> £	<b>Total</b>
<b>Cost</b>			
At 1 January 2022	209,000	30,000	239,000
Additions	-	83	83
As at 31 December 2022	<u>209,000</u>	<u>30,083</u>	<u>239,083</u>
<b>Amortisation</b>			
At 1 January 2022	209,000	-	209,000
Charge for the year	-	-	-
As at 31 December 2022	<u>209,000</u>	<u>-</u>	<u>209,000</u>
<b>Net book value</b>			
As at 31 December 2022	<u>-</u>	<u>30,083</u>	<u>30,083</u>
As at 31 December 2021	<u>-</u>	<u>30,000</u>	<u>30,000</u>
			<b>Website Development</b>
<b>Charity</b>			
<b>Cost</b>			
At 1 January 2022			30,000
Additions			83
As at 31 December 2022			<u>30,083</u>
<b>Amortisation</b>			
At 1 January 2022			-
Charge for the year			-
As at 31 December 2022			<u>-</u>
<b>Net book value</b>			
As at 31 December 2022			<u>30,083</u>
As at 31 December 2021			<u>30,000</u>

**16. Tangible fixed assets**

	Leasehold improvements £	Freehold property £	Plant, machinery and equipment £	Total £
<b>Group cost or revaluation</b>				
Cost at 1 January 2022	80,229	770,000	2,272,560	3,122,789
Additions	1,696	-	300,245	301,941
Disposals	-	-	(66,129)	(66,129)
Transfers to investment property	-	(30,000)	-	(30,000)
Cost at 31 December 2022	<u>81,925</u>	<u>740,000</u>	<u>2,506,676</u>	<u>3,328,601</u>
Depreciation at 1 January 2022	59,809	-	1,828,920	1,888,729
Charge for the year	5,377	24,288	70,553	100,218
Eliminated on revaluation	-	(24,288)	-	(24,288)
Depreciation on disposal	-	-	(66,079)	(66,079)
Depreciation at 31 December 2022	<u>65,186</u>	<u>-</u>	<u>1,833,394</u>	<u>1,898,580</u>
Net book value at 31 December 2022	<u>16,739</u>	<u>740,000</u>	<u>673,282</u>	<u>1,430,021</u>
Net book value at 31 December 2021	<u>20,420</u>	<u>770,000</u>	<u>443,640</u>	<u>1,234,060</u>

Freehold property was revalued in December 2022 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2.

The historical cost of the freehold property above at 31 December 2022 was £653,996 (2021 - £679,511).

	Leasehold improvements £	Freehold property £	Furnishings and equipment £	Total £
<b>Charity cost or revaluation</b>				
Cost at 1 January 2022	45,439	670,000	109,181	824,620
Additions	-	-	4,097	4,097
Transfer to investment property	-	(30,000)	-	(30,000)
Cost at 31 December 2022	<u>45,439</u>	<u>640,000</u>	<u>113,278</u>	<u>798,717</u>
Depreciation at 1 January 2022	45,439	-	74,550	119,989
Charge for the year	-	24,288	9,873	34,161
Eliminated on revaluation	-	(24,288)	-	(24,288)
Depreciation at 31 December 2022	<u>45,439</u>	<u>-</u>	<u>84,423</u>	<u>129,862</u>
Net book value at 31 December 2022	<u>-</u>	<u>640,000</u>	<u>28,855</u>	<u>668,855</u>
Net book value at 31 December 2021	<u>-</u>	<u>670,000</u>	<u>34,631</u>	<u>704,631</u>

Freehold property was revalued in December 2022 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2.

The historical cost of the freehold property above at 31 December 2022 was £653,996 (2021 - £679,511).

**17. Heritage assets – Group and charity**

	<b>Heritage Assets £</b>
Brought forward as 1 January 2022 (as restated)	
Additions	35,500
Disposals	-
Revaluation	-
Carried forward 31 December 2022	<u>35,500</u>

Heritage assets include a collection of historical artifacts held by the charity that have been donated over the years and acquired dating back to the inception of the charity.

**Heritage assets not been recognised in the balance sheet**

A collection of heritage assets are not recognised in the balance sheet, information on their valuation is not available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity. These assets include items of museum exhibits which are uncatalogued and would be extremely difficult to value due to the nature of the collection.

**18. Investments**

	<b>At 1 January 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Realised/ Unrealised gains</b>	<b>At 31 December 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Quoted investments at market value	1,049,027	90,421	(74,894)	(130,481)	934,073
Cash	6,681	-	(117)	-	6,564
	<u>1,055,708</u>	<u>90,421</u>	<u>(75,011)</u>	<u>(130,481)</u>	<u>940,637</u>
Investment in subsidiaries					
SDC Enterprises Limited	445,600	-	-	-	445,600
SDC International Limited	99	-	-	-	99
	<u>445,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,699</u>
Quoted investments at cost	<u>836,892</u>				<u>854,889</u>

A detailed listing of investments will be available at the AGM and is available to Members on request. The investments are held primarily to provide an investment return.

**Investments in subsidiaries**

SDC owns 100% of the £1 ordinary shares issued in SDC Enterprises Limited, the investment is £445,600 (2021 – £445,600). SDC Enterprises Limited (Company number 00433197) owns 100% of the £1 ordinary shares issued in Sam Weller Limited (Company number 00433197), the results of both companies are consolidated in these financial statements.

The SDC's investment in SDC International (Company number – 04309970) represents £99 (2021 - £99) ordinary shares of £1 each which is wholly owned.

All subsidiaries are incorporated and registered in England and Wales.

The consolidated results of the trading subsidiaries for the financial period were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Turnover	6,148,251	5,596,643
Expenditure	(4,895,158)	(4,480,509)
Profit for the year	<u>1,253,093</u>	<u>1,116,134</u>
Assets	8,807,075	7,539,838
Liabilities	(1,681,727)	(1,517,583)
Net assets	<u>7,125,348</u>	<u>6,022,255</u>

## 19. Investment Property

<b>Group</b>	<b>Freehold Investment Property £</b>
<b>Valuation</b>	
At 1 January 2022	1,744,808
Additions at cost	45,040
Revaluations	(8,606)
Transfers (to)/from freehold property	30,000
<b>At 31 December 2022</b>	<u>1,811,243</u>
<b>Charity</b>	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 January 2022	330,000
Additions at cost	8,606
Revaluations	(8,606)
Transfers (to)/from freehold property	30,000
<b>At 31 December 2022</b>	<u>360,000</u>

### Group and Charity

Investment property was revalued in December 2022 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2.

The historical cost of the freehold investment property above at 31 December 2022 was £1,950,638 (2021 - £1,880,083).

## 20. Stock

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
		<b>(restated)</b>		
Raw materials and consumables	660,121	523,073	-	-
Work in progress	187,240	141,359	-	-
Finished goods for resale	1,111,238	985,617	10,068	-
	<u>1,958,599</u>	<u>1,650,049</u>	<u>10,068</u>	<u>-</u>

Stock recognised in cost of sales during the year as an expense was £1,691,358 (2021 - £1,481,170).

Total carrying amount of stocks pledged as security for liabilities was £1,948,531 (2021 - £1,650,050).

**21. Debtors**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
<b>Amounts falling within one year</b>				
Trade debtors	1,079,072	818,160	12,206	11,530
Amounts owed by group undertakings	-	-	143,097	130,636
Other debtors	154,688	113,566	44,175	45,200
Prepayments	95,608	213,135	23,121	23,395
	<u>1,329,368</u>	<u>1,144,861</u>	<u>222,599</u>	<u>210,761</u>

A specific bad debt provision, amounting to £40,052 (2021 - £40,052), has been raised in respect of amounts due from SDC EC. The bad debt recognised within the Statement of Financial Activity for the year was £Nil (2021 - £566).

**22. Creditors: amounts falling due within one year**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
<b>Amounts falling within one year</b>				
Bank loans	59,199	62,903	-	-
Trade creditors	330,224	280,484	33,173	13,237
Taxes and Social Security	196,922	123,770	28,653	19,252
Accruals and deferred income	273,132	374,652	27,686	43,721
Other creditors	19,255	21,007	15,469	17,538
	<u>878,732</u>	<u>862,816</u>	<u>104,981</u>	<u>93,748</u>

Deferred income relates to income received for subscription and member fees which is not relatable to the year end 31 December 2022.

**23. Creditors: amounts falling due after more than one year**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	686,854	745,185	-	-
Deferred income	-	2,698	-	-
	<u>686,854</u>	<u>747,883</u>	<u>-</u>	<u>-</u>

A debenture is in place which includes a charge over all assets both present and future of the subsidiary SDC Enterprises Limited dated 9 February 2016, in respect of the bank loans held by the Group.

The bank loan above is secured on the property to which it relates to.

**24. Loans**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
<b>Bank loans:</b>				
Amounts falling due within one year	59,199	62,903	-	-
Amounts falling due 2-5 years	686,854	745,185	-	-
	<u>746,053</u>	<u>808,088</u>	<u>-</u>	<u>-</u>

**25. Deferred tax**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of year	72,000	63,000	-	-
(Released)/charged during year	84,000	9,000	-	-
At end of year	<u>156,000</u>	<u>72,000</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	159,000	75,000	-	-
Other timing differences	(2,000)	(1,000)	-	-
Losses c/fwd	(1,000)	(2,000)	-	-
Total	<u>156,000</u>	<u>72,000</u>	<u>-</u>	<u>-</u>

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2022  
Notes to the Financial Statements (continued)

26. Funds	Fund balance 01/01/2022 (restated) £	Income £	Expenditure £	Transfers £	Gains and Losses £	Net movement In funds £	Fund balance 31/12/2022 (restated) £
<b>Unrestricted funds</b>							
Accumulated funds	2,396,350	747,709	(823,954)	(31,588)	26,758	(81,075)	2,315,275
<b>Designated funds</b>							
Centenary educational trust	67,855	-	(4,377)	-	-	(4,377)	63,478
Tordoff memorial	96,385	-	-	-	-	-	96,385
Unfunded projects reserve	226,205	-	-	18,779	-	18,779	254,984
<b>Total designated funds</b>	400,445	-	(4,377)	18,779	-	14,402	414,847
<b>Revaluation Reserve</b>	305,085	-	-	12,809	(141,557)	(128,748)	176,337
<b>Total unrestricted funds - Charity</b>	3,101,880	747,709	(828,331)	-	(139,087)	(195,421)	2,906,459
<b>Restricted funds</b>							
George Douglas Lecture	1,730	-	-	-	-	-	1,730
Turner Scholefield Award	8,510	-	-	-	-	-	8,510
Future Textile Dyers Fund	39,629	-	(11,877)	-	-	(11,877)	27,752
<b>Permanent endowment funds</b>	49,869	-	(11,877)	-	-	(11,877)	37,992
George Douglas Lecture	2,128	-	-	-	-	-	2,128
Turner Scholefield Award	2,497	-	-	-	-	-	2,497
Veronica Bell Award	12,876	-	-	-	-	-	12,876
	17,501	-	-	-	-	-	17,501
<b>Total funds – Charity</b>	3,169,250	747,709	(840,208)	-	(139,087)	(207,298)	2,961,952
Funds retained in trading subsidiaries	5,511,797	5,778,770	(4,688,200)	-	-	1,090,570	6,602,367
<b>Total funds – Group</b>	8,681,047	6,526,479	(5,528,408)	-	(139,087)	883,272	9,564,319

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2022  
Notes to the Financial Statements (continued)

26. Funds – previous year	Fund balance		Income		Expenditure		Transfers		Gains and		Net movement		Fund balance	
	01/01/2021 (restated)	£	£	£	£	£	£	£	Losses	In funds	£	£	31/12/2021 (restated)	£
<b>Unrestricted funds</b>														
Accumulated funds	2,422,277		634,031	(773,845)	30,000	83,887	(25,927)					2,396,350		
<b>Designated funds</b>														
Centenary educational trust	68,998		-	(1,143)	-	-	(1,143)					67,855		
Tordoff memorial	96,385		-	-	-	-	-					96,385		
Unfunded projects reserve	284,984		-	(18,779)	(30,000)	-	(48,779)					236,205		
<b>Total designated funds</b>	450,367		-	(19,992)	-	-	(49,922)					400,445		
<b>Revaluation Reserve</b>	320,502		-	-	-	(15,417)	(15,417)					305,085		
<b>Total unrestricted income funds</b>	3,193,146		634,031	(793,767)	-	68,470	(91,266)					3,101,880		
<b>Restricted funds</b>														
George Douglas Lecture	1,730		-	-	-	-	-					1,730		
Turner Scholefield Award	8,510		-	-	-	-	-					8,510		
Future Textile Dyers Fund	30,691		16,000	(7,062)	-	-	8,938					39,629		
<b>Permanent endowment funds</b>	40,931		16,000	(7,062)	-	-	8,938					49,869		
George Douglas Lecture	2,128		-	-	-	-	-					2,128		
Turner Scholefield Award	2,497		-	-	-	-	-					2,497		
Veronica Bell Award	12,876		-	-	-	-	-					12,876		
	17,501		-	-	-	-	-					17,501		
<b>Total funds – Charity</b>	3,251,578		650,031	(800,829)	-	68,470	(82,328)					3,169,250		
Funds retained in trading subsidiaries	4,425,545		5,307,212	(4,220,960)	-	-	1,086,252					5,511,797		
<b>Total funds – Group</b>	7,677,123		5,957,243	(5,021,789)	-	68,470	1,003,924					8,681,047		

**26 Funds (continued)**

The specific purpose for which the funds are to be applied are as follows:

**Designated Funds:**

***Centenary Educational Trust Fund***

Established in the SDC's centenary year (1984) to provide finance to stimulate the recruitment of highly talented and well-motivated young people onto full-time courses in colour science and technology.

***Tordoff Memorial Fund***

Established in 1992 in memory of the late Dr Maurice Tordoff, former Chief Executive and General Secretary of the SDC. To provide finance to support students undertaking part-time education in colour science and technology.

**Restricted Funds:**

***George Douglas Lecture***

Represents income arising from the George Douglas Lecture permanent endowment fund and the use of that income.

***Turner Scholefield Award***

Represents income arising from the Turner Scholefield Award permanent endowment fund and the use of that income.

***Future Textile Dyers Fund***

To support the apprenticeship program FTCC TCC, this money has been received from Worshipful Company of Dyers.

**Permanent Endowment Funds:**

***George Douglas Lecture***

The Lecture was started in 1948 with a fund established by the Bradford Dyers' Association Ltd to finance a biennial memorial lecture. The lecture to be on a subject related to the dyeing and finishing of textiles. The fund now allows for promoting education in colour science and technology by the holding of public lectures.

***Turner Scholefield Award***

A medal, awarded annually, to an Associate of the SDC, under the age of 33 who has made the most notable contribution to the science and technology of colouring matters and their application.

***Veronica Bell Award***

Presented to the winner of the student International Design Competition in memory of the SDC's first lady president, Veronica Bell.

**Revaluation reserve**

To record any gains from revaluations of freehold property and investment property.

**27. Analysis of net assets by funds – Group**

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Revaluation Reserve Funds £	Total Funds £
<b>At 31 December 2022</b>					
Intangible fixed assets	30,083	-	-	-	30,083
Heritage assets	35,500	-	-	-	35,500
Tangible fixed assets	1,430,021	-	-	-	1,430,021
Investments	940,637	-	-	-	940,637
Investment property	1,811,243	-	-	-	1,811,243
Current assets	6,982,928	37,992	17,501	-	7,038,421
Current liabilities	(878,732)	-	-	-	(878,732)
Long term liabilities	(686,854)	-	-	-	(686,854)
Provisions for liabilities	(156,000)	-	-	-	(156,000)
	<b>9,508,826</b>	<b>37,992</b>	<b>17,501</b>	<b>-</b>	<b>9,564,319</b>

**Analysis of net assets by funds – Group – previous year**

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Revaluation Reserve Funds £	Total Funds £
<b>At 31 December 2021</b>					
Intangible fixed assets	30,000	-	-	-	30,000
Heritage assets	35,500	-	-	-	35,500
Tangible fixed assets	1,234,062	-	-	-	1,234,062
Investments	1,055,708	-	-	-	1,055,708
Investment property	1,744,808	-	-	-	1,744,808
Current assets	6,196,308	49,869	17,501	-	6,263,678
Current liabilities	(862,826)	-	-	-	(862,826)
Long term liabilities	(747,883)	-	-	-	(747,883)
Provisions for liabilities	(72,000)	-	-	-	(72,000)
	<b>8,613,677</b>	<b>49,869</b>	<b>17,501</b>	<b>-</b>	<b>8,681,047</b>

**28. Analysis of changes in net debt**

	Net debt at 1 January 2022	Cash flow	Net debt 31 December 2022
Long term borrowings	745,185	(58,331)	686,854
Short term borrowings	62,903	(3,704)	59,199
	<b>808,088</b>	<b>(62,035)</b>	<b>746,053</b>

**29. Financial instruments**

	Group	
	2022 £	2021 £
<b>Financial assets</b>		
Financial assets measured at fair value through SOFA	3,385,316	3,463,835
	<b>3,385,316</b>	<b>3,463,835</b>

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2022  
Notes to the Financial Statements (continued)

**30. Commitments under operating leases – lessee**

At 31 December 2022 the group and the charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	127,873	130,221	12,523	14,872
Later than 1 year and not later than 5 years	120,639	389,222	12,523	50,090
Later than five years	151,146	10,436	35,480	10,436
	<u>399,658</u>	<u>529,879</u>	<u>60,526</u>	<u>75,398</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was Group £134,393 (2021 - £133,650) and Charity £19,043 (2021 - £21,013).

**Commitments under operating leases – lessor**

At 31 December 2022 the group and the charity had future minimum lease payments receivable under non-cancellable operating leases as follows:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	79,607	81,316	15,232	16,941
Later than 1 year and not later than 5 years	261,405	251,945	21,155	4,795
Later than five years	287,375	344,850	-	-
	<u>628,387</u>	<u>678,111</u>	<u>36,387</u>	<u>21,736</u>

The amount of contingent rents recognised as income during the year was £104,167 (2021 - £131,234).

Capital commitments £Nil (2021 - £201,991)

**31. Related party transactions**

During the year the Charity entered into the following transactions with related parties:

**Charity**

Other than transactions disclosed above, the charity's other related party transactions were wholly owned subsidiaries and so have not been disclosed.

**32. Ultimate Control**

The society of Dyers & Colourists is a Charitable body. SDC Voting Members elect the Trustees to be voting members of the Society's Board, and the trustees ultimately control the charity.

**THE SOCIETY OF DYERS AND COLOURISTS**

England & Wales - Charity number 212331

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# Accounts

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**The Society of Dyers & Colourists (SDC)**

**Annual Report &**

**Financial Statements**

**For the Year ended 31<sup>st</sup> December 2021**

Charity Number 212331

Royal Charter Number RC000567



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### Foreword by SDC Chief Executive Officer

I often need to remind myself that the global Covid pandemic started in 2020 and, as we construct the Annual Report and Accounts for 2021 in 2022, that means it is now over two years since our lives, the activity of the Society and our world changed. In my introduction to the Annual Report last year, I made the comment that this has not been a negative experience for SDC, with many upsides, and this remains the case. 2021 though was for the Society a much harder year than 2020. The impact of the pandemic on our trading subsidiary inevitably impacted the parent charity a year later as reductions in SDC Enterprises Ltd business in the pandemic resulted in reduced, indeed zero, Gift Aid to the Society the following year, 2021.

Losing a six-figure annual income was clearly going to impact the Society. We were however 'fortunate' to know this was going to happen (many had found their income changed overnight) and so the Society set about to somehow plan for something that had never been experienced before. The Society's Board at the very start of 2021 set up a Current Environment Mitigation Working Party. Early in the year SDC staff were placed on furlough in order to be able to access Government grant support and ensure impacts of the reduced income were lessened.

Additionally, our focus on structuring SDC finances to be resilient to financial variables during the past few years has meant we were positioned to implement the necessary changes to secure the SDC finances and weather loss of income due to downturns in SDC Enterprises business.

However, such measures were also known to not be sufficient. The future was extremely uncertain and forecast modelling showed what many thought would be the case – the Society was on a slide of unsustainability into its future. The outcome of this was that all options that could be postulated were considered and a sustainable direction was developed and proposed to the Society's Board by the Current Environment Mitigation Working Party. This resulted in a restructure of the Society's staff with much of that work outsourced then to external service providers, especially in the marketing area. This was forecast to bring the Society back into a sustainable future position and this has been achieved.

If 2021 at times seemed like the Society was not doing much engagement activities, then at some levels this was true. Post restructure the Society's staff collectively delivered internally a third less hours than before the restructure. Furlough usage from January continued until September by which time collectively over 700 delivery days in 2021 had been lost to furlough.

The Current Environment Mitigation Working Party was then renamed to the Future World Working Party and in 2021 put in a colossal amount of work looking at how to be sustainable for the future and what the future would be like. The latter work continues into 2022 and in 2021 this Working Party met online 24 times, initially at weekly intervals and with regular reporting back to the Society's Board. Post September 2021 the member magazine *The Colourist*, was reinstated, delivered by external marketing providers who also re-started the regular SDC eNewsletters and the SDC webinar programme promotion.

Whilst the Annual Report covers a specific year it also looks ahead to where the organisation is heading. The Future World Working Party did a questionnaire in 2021 and the work of delivering the outcomes of that continues into 2022, with foci being environmental issues, sustainability issues and design. 2022 will also see the return of the in-person AGM (as a hybrid event so that overseas members and others who welcomed the possibility of joining online can continue to do so) and in November 2022 our Annual Awards and Celebration Dinner returns in York too. The 'new normal' is

materialising as the world adapts to life with coronavirus. SDC overseas travel is still curtailed, due to both insurance cover and available funds due to reduced income.

Following in-depth evaluation of expert sources along with a detailed members questionnaire, the Future World Working Party has developed a series of actions addressing the predicted likely environment and the responses the SDC needs to make to future proof its operation and maintain its relevance to the coloration industry.

I would like to conclude my introduction to this year's Annual Report, as I did last year, with our condolences for all who have lost friends and loved ones in the past year. Some of these have been as a direct consequence of the pandemic, whilst others have passed away from other causes, but in a time when grieving and mourning are much more difficult. We particularly note the passing of two past SDC Presidents in Prof Jim Keaton and Richard Straughan, who both did much in life and much in the life of the Society.



Dr Graham Clayton, Chief Executive Officer.

## Society of Dyers and Colourists Annual Report

The Society's Board is comprised of nine elected trustees from amongst its Voting Member population, SDC Honorary Officers and the Chief Executive Officer, together with any co-opted Board members, who present their report together with the financial statements of the charity for the year ended 31 December 2021. The Board are of the view that the funds and assets have been prudently managed and effectively applied during the year, solely in furtherance of the objectives described in the SDC Governance documents and reproduced below, with financial performance continually under review against these, with monthly management accounts produced and evaluated. The Board are satisfied that the financial policies and plans presently being applied are relevant, appropriate, and adequate to support and sustain the charitable activities of the SDC.

### Honorary Officers

President	John Hansford (Appointed AGM 2020 and serving until AGM 2022)
Immediate Past President	Susan Bolton (from AGM 2020)
President-elect	Ullhas Nimkar (Appointed AGM 2020)
Honorary Secretary	Stuart Wilkinson (Appointed AGM 2018 until AGM 2021 and re-appointed AGM 2021 until AGM 2024)
Honorary Treasurer	Michael Catterall (Appointed AGM's 2021 through 2024)
Honorary Treasurer	Deborah Bamford (Appointed AGM 2020 until AGM 2021)

### Trustees during 2021

Chris Carr – appointed at the AGM 2018 and re-appointed AGM 2021 until AGM 2024  
Ian Lewis - retired by rotation AGM 2020 and re-appointed until AGM 2023  
Paul Hamilton - retired by rotation AGM 2019 and re-appointed until AGM 2022  
Spike Ngai - retired by rotation AGM 2019 and re-appointed until AGM 2022  
Adam Pursell – appointed at the AGM 2019 and retires by rotation AGM 2022  
Gavin Thatcher – appointed at the AGM 2018 and re-appointed AGM 2021 until AGM 2024  
Katherine Wells – appointed at the AGM 2020 and retires by rotation AGM 2023  
Parik Goswami – appointed at the AGM 2020 and retires by rotation AGM 2023

### Co-opted Board Members

During 2018 the Society's Board appointed Trevor Larkins as Co-opted Board Member in his role as Chair of the Projects Evaluation Group (PEG). In 2019 the role was made one of Vice-President (Projects) by the Board and Trevor Larkins continued to serve on the Society's Board during 2021. SDC Rule 94 covers Vice-Presidents and Rule 94b states that Vice-Presidents may be re-elected, but shall retire after their third term of office. Hence Trevor Larkins will be required to retire at the 2022 AGM.

### Chief Executive Officer

Graham Clayton

### Principal Office

Perkin House, Longlands Street, Bradford, BD1 2LU

### Auditors

Watson Buckle Limited, York House, Cottingley Business Park, Bradford, BD16 1PE

### Bankers

National Westminster Bank plc, 1 Market Street, Bradford, BD1 1EG

## Investment Managers

Brewin Dolphin Securities Limited, 10 Wellington Place, Leeds, LS1 4AN

## Governance

The SDC is a charitable body, incorporated by Royal Charter (RC000567) with the governing documents being the Royal Charter (1963) with Amendments, By-laws (2009) and Rules (2012 as amended 2014, 2015, 2016, 2017, 2018 & 2019). These documents are available for public access on the [SDC website](#).

## Charitable Objectives

The SDC was established in 1884 to advance the science of colour. The SDC achieves this aim by global dissemination of colour knowledge to members, industry and the public, via publications of scientific papers, lectures and electronic media. The charitable objectives are contained within the [Royal Charter](#) of 1963 and are:

- a) To promote the advancement of technology both in the theory and in the practice of the creation and use of colour and colouring matters
- b) To provide means for the wider dissemination and interchange of knowledge concerning the science and technology of colour and colouring matters including knowledge of the application to substrates and of the materials to which they may be applied
- c) To encourage education and research in all and any subjects concerned with the science of colour
- d) To hold meetings for the reading of papers and giving of lectures on coloration and colouring matters and for discussion of the same
- e) To publish scientific literature and a monthly journal for the promotion and correlation of knowledge of the science of colour
- f) To initiate and stimulate research and education in the interests of coloration in all aspects of human life
- g) To co-operate with other scientific organisations and bodies in relation to colour and its application and use
- h) To acquire by purchase, devise, bequest, donation or otherwise lands and hereditaments of any description and tenure and to accept any gift, endowment or bequest and the office of trustee and to carry out any trusts attached to any such gift, endowment or bequest or attached to such office
- i) To do all such lawful things as are incidental or conducive to the attainment of the above objects or any of them.

## Structure and Governance

The Society's Board is the Governing Body of the Charity with up to nine trustees elected from among the Voting Members of the Society by the Voting Members (Rule 101). The Chief Executive Officer, the Honorary Treasurer and the Honorary Secretary are also entitled to attend meetings of the Board (By-law 36.2), which may also co-opt a maximum of three members (Rule 104 & By-law 36.2). Only trustees take part in any vote of the Board, a quorum of which is 50% of the voting members, rounded up to the nearest whole number, present either in person or electronically in real time (Rule 115).

The Governance of the SDC, is evaluated against independent Governance standards and since October 2018 the SDC has achieved the Charity Excellence Quality Mark. This Quality Mark is based on the UK Charity Commission's Good Governance Code.



The Audit Committee comprises (By-law 37) the Honorary Secretary, the Honorary Treasurer, the President, the President-elect, the Immediate

Past President and four elected Voting Members of the Society (Rule 125). It reports to the Society's Board and monitors legal compliance of all activities related to the Royal Charter, By-laws, SDC Rules, agreed policies and strategies.

The Nominations Committee (By-law 38 & Rule 126) comprises the Chair of the Society's Board, the Honorary Secretary, the Honorary Treasurer and Voting Members representing UK members, members from outside the UK, the Committees and the Regions. The Nominations Committee also ensures the procedure for the appointment of Trustees, Honorary Officers and members of the Audit and Nominations Committees is rigorous and transparent (Rule 126).

The finances of the SDC are the responsibility of the Society's Board (Rule 47) and the Board appoints a Finance Committee, chaired by the Honorary Treasurer, to manage the SDC's finances (Rule 48). The composition of the Finance Committee and its appointment is made annually by the Board (Rule 49) at their first full meeting after the AGM.

The SDC's other committees report to the Society's Board and the Chief Executive Officer and develop, direct and monitor the charity's activities in accordance with its' Charitable Objectives. The SDC's day-to-day operational activity is managed by the Chief Executive Officer with a complement of appropriately skilled staff and external service providers under the CEO's management.

The Society's Board are advised of their responsibilities under charity and company law, the requirements of the Royal Charter, By-laws and SDC Rules. Formal training of the Board members, Audit Committee, Nominations Committee and those standing for election is made available at least annually, with attendance recorded. This training is delivered by experts in their field who also have wide experience in the charity sector. In 2020 the move was made to make this available via the SDC's own Virtual Learning platform [Colour.Network](#) so Board and Committee members can access this training at any time and progress at their own rate and in their own available time.

The following committees comprise the SDC Governance bodies:

- The Board – Chair Gavin Thatcher. In 2021 the Society's Board met on 7 occasions.
- Audit Committee – Chair Stuart Wilkinson. In 2021 the Audit Committee met on 7 occasions plus a joint meeting with the Finance Committee to review the Annual Accounts.
- Finance Committee – Chair Debbie Bamford until AGM 2021 and then Michael Catterall. In 2021 the Finance Committee met on 7 occasions plus a joint meeting with the Audit Committee to review the Annual Accounts.
- Nominations Committee – Chair Stuart Wilkinson. In 2021 the Nominations Committee met on 1 occasion.
- Medals Committee – Chair Stuart Wilkinson. In 2021 the Medals committee met on 1 occasion.
- Examinations, Qualifications and Accreditation Board – Chair Prof Stephen Westland. In 2021 EQAB met on 3 occasions plus an examination board meeting.
- Publications Committee – Chair John Easton. In 2021 the Publications Committee met on 1 occasion.
- Publications Award Committee – Chair Kelvin Tapley. This committee reviews all papers published in the year by *Coloration Technology* resulting in a single meeting with a huge amount of preparation in reading every paper published that year.
- Colour Index Pigment and Solvent Dyes Technical Board. Chair Adrian Abel. In 2021 the CIPSDTB met 3 occasions.

It is very much appreciated, and here recognised, that these committees operate due to the substantial input of volunteers, and of course in 2021, as in 2020, this required them to adapt and

learn new online meeting skills. There are several measures that could be used to report volunteer input to the Society, but which all generalise the volunteer input to some extent. The number of volunteers on committees alone (the SDC Teams facility serves 97 unique users, which includes SDC Staff) conceals the fact that more than a few volunteers are on several different committees. The new SDC website being launched in 2022 lists all SDC Staff and SDC Committee members as one Team (with the ability to filter by committee for example) which is appropriate, as it is the whole Team of staff and volunteers who deliver the Society's activity and impact.

The number of committee meetings above conceals the duration of the volunteer input with preparation as well as the meetings themselves. In 2020 of course committee meetings moved online thus reducing volunteers time to perform their duties with many no longer travelling large distances in order to attend meetings. This has positive environmental as well as financial impacts, plus is beneficial for the wellbeing of volunteers undertaking their tasks. A few committee meetings have trialled in person committee meetings in 2021 and into 2022, although on the day the majority are still attending online for practical, convenience, and cost and risk reduction reasons.

This narrative on volunteer input has also thus far erroneously focused on the main SDC Governance Committees and coverage here would not be complete without also including the regional volunteers who manage their Region and arrange and deliver regional events. Such volunteers are typically exceedingly rich in experience whilst also extremely welcoming of new and early career volunteers.

A conservative estimate of the combined hours of volunteer input of the above just in actual meetings is over 1,500 hours per annum, or around 40 person weeks of work. This estimate does not include preparation time which will vary by volunteer role, but it is quite probable that the volunteer input time could be two or three times the conservative estimate.

### **Regional AGMs**

The Society's Rule 55 states that: *"Regions, or Student Section, where it has no parent Region, shall submit a statement of accounts to the Chief Executive Officer at least one week before the Society's Annual General Meeting. These will be presented to the Society's Board at the first meeting after the Annual General Meeting."* This has not been adhered to for many years, but the Governance of the Society is making progress on getting this schedule reinstated. Regions have held their own AGMs and provided a Statement of Accounts but at different times across the year. Effort made in 2020 to deliver a much more in line with the Society's Rules response was thwarted by the international Corona virus pandemic. Work will continue to ensure this section of the Annual Report is complete with region and reporting date but once again the duration of the impact of the pandemic was not foreseen. In 2022 the UK regions will all have held their AGMs ahead of the main SDC AGM, as will have many international regions.

## **SDC Performance**

### **Mission**

Educating the world in the science of colour.

### **Objectives**

The objectives of the SDC for 2021 were to:

- 1) To *Educate* in the field of colour and the science of coloration

- 2) To *Focus* the SDC activity on a *Colour Education Pathway* for SDC members and the wider colour community, whilst developing the *SDC Communities* strand of the long-term strategy
- 3) To *Include* all staff, members, collaborators and interested parties as appropriate in the SDC *Colour Education Pathway* and *SDC Communities*
- 4) To *Increase* the reach of the SDC to deliver its' services to a wide *Colour Education Pathway* and *SDC Community* globally
- 5) To *Build* and deliver a sustainable business model – growing in a focused and efficient manner – that ensures the future availability of SDC resources.

The Objectives of the Society are reviewed annually. Informed by ongoing Governance Training, the Society Objectives for the year are kept in agreement with the Royal Charter Objectives. The SDC business plan is unchanged by the pandemic, although the tactics used to deliver it have had to adapt. In December 2020 the Society's Board asked the SDC President, John Hansford, to set up a Current Environment Mitigation (CEM) Group that would also move on to look at the Future World of the Society. The Future World Group consulted with members around the world to inform the SDC activity and business plan for 2022 onwards. Progress in 2021 however was hampered by the important distraction of the future sustainability of the Society. The correct decision was taken to access the UK Government furlough scheme whilst changes were made, but this did result in the loss of a third of the working days of staff in 2021, amounting to some 700 working days. Consequently, a significant amount of SDC activity did not take place and work that was undertaken focused firstly on the restructure of SDC activity and then on setting up the new modes of delivery, particularly the outsourced marketing and administrative tasks. With systems and staff now re-aligned however, 2022 is starting to see delivery of SDC activity once again, including the shaping of the SDC Future World focus and associated objectives.

### **Public benefit**

The SDC public benefit arises from a wide range of events and activities provided for the public to gain greater knowledge through education in the science of colour:

- The [SDC website](#) and associated Knowledge Vault, plus the SDC Virtual Learning Platform [Colour.Network](#). In 2022 onwards more of the archive material within Perkin House will be digitized and made available online.
- Bursaries and grants were poorly taken up in 2021 as individuals were unable to travel. Bursaries have been promoted to foster a return to applicants as movement is now much more possible.
- Lectures, seminars / webinars and conference presentations on colour. The 2021 furlough resulted in a hiatus in the SDC webinar series which recommenced in September 2021 and continues to be developed and grown, with 'watch live' and 'watch again' possible for each webinar.
- Colour training courses – despite covid a few of these courses did take place internationally and will continue to grow as countries manage the pandemic.
- Colour products such as the STEM (Science, Technology, Engineering & Mathematics) Dyes kit.



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- Provision of the Secretariat to the BSI (British Standards Institution) Technical Committee, TCI 81, for Colour fastness and colour measurement of textiles, thus supporting all industries for colour and textiles.
- Supporting the provision of the Secretariat for the International Standards Organisation Technical Committee, ISO TC 38 SC1, for Coloured textiles and Colorants, for global standardisation.
- The SDC also has representation on a number of other international technical committees relating to colour and these are covered in more detail later in this report.

The SDC provides benefit to both the public and to its' members. The Society's Board confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The public benefit has also been a feature of trustee and interested party training on governance provided by a charity governance lawyer and a charity accountant.

### The SDC Trading Companies

#### **SDC Enterprises Group Ltd**

The consolidated results of SDC Enterprises Group (incorporating SDCE Enterprises Limited (SDCE) and Sam Weller & Sons Limited (SW)) show an excellent recovery in revenue, an increase of nearly 28%, since the dramatic fall in 2020. SW's recovery was particularly remarkable given a 33% reduction in operating hours. A new staffing structure and improved weaving efficiency combined to increase productivity. SDCE results would have been better, if shortage of space and recruitment difficulties had not delayed the expansion of manufacturing capacity. SDCE finished the year with a very healthy order book following the post Covid 'bounce' in trade.

The recovery in SDCE profits will enable the restoration of Gift Aid payments to The Society during 2022, though it has been agreed to keep the level modest, as SDCE still need to address its long-term strategic challenges. Foremost of these challenges is to accelerate the building and renovation of our land/ factory assets, to provide increased space for diversification and expansion in production capacity. Building and civil engineering materials, and labour costs, have risen dramatically since the planning of SDCE' new factory, so extensive work is underway to ensure the final factory investment provides a suitable return and is affordable without requiring excessively high levels of gearing.

The Society's total equity in SDCE Group remains very strong, increasing by 17% on the year, and valued at £7,326,695.

Continuing raw material supply disruption, combined with double digit percentage increases in input costs, will make 2022 difficult to manage, and impossible to accurately forecast the financial impacts, however, SDCE remains confident that it is well positioned to deliver good trading results, and advances towards strategic goals, during 2022.

Mark Yare  
April 2022

## **SDC International Ltd**

The SDC wholly owned company, SDC International Ltd has Directors appointed by The Society's Board who are the post holders of the roles of Honorary Treasurer, CEO and ASEAN Region Manager.

SDC International activity was severely curtailed in 2020 due to the pandemic and activity was principally online with training courses and support to the Indian region. In 2021 there were conferences and exhibition activity planned and arranged, but again cancelled due to the pandemic. 2022 however is looking much more positive with several re-scheduled events as well as new ones across India. This will ensure SDC International is evident at several large Indian exhibitions and conferences as well as generate a good income flow in 2022.

## Charity Financial Activity

The Society's Board monitored monthly the financial activities of the charity in 2021 via the Finance Committee Management Accounts and particularly the Current Environment Mitigation Working Party who had at times weekly cashflow reports and forecasts. The Finance Committee and Society's Board take appropriate action as necessary.

Over the year 2021 the Charity's net movement in funds was minor. The audit requirement for the annual revaluation of the Perkin House asset, the outcome of which is based on market prices, produced little change this past year. Nevertheless, the year did start and end with the same Perkin House asset irrespective of its value.

The Charity net movement of funds was down by £82,828, whilst the consolidated balance sheet saw a net movement of total charity funds upwards by £880,478 as the SDC's trading subsidiaries activity started to pick up once again. For the consolidated Group, incoming resources for 2021 rose by over £1.0 million (20% of total 2020 income) whilst expenditure rose by a lesser amount of £522,715 (12% of 2020 expenditure levels). At a Charity only level, expenditure dropped by 10% (ie £93,135) whilst income plummeted by 38% (i.e. £403,911). Charity finance investments, managed by Brewin Dolphin, that saw losses of £87,540 in 2018 turned to gains of £101,294 in 2019, but 2020 was a turbulent year. The end of Q1 2020 saw huge investment losses as stock markets fell around the world as the Covid pandemic spread, but by the end of 2020 the investment portfolio was showing a growth of £10,877. 2021 was a much better year with such investments rising £74,608 or 8%, although matters between Russia and Ukraine have negatively impacted investments in 2022 to date.

The investments managed by Brewin Dolphin come under their specific charity team and the SDC portfolio will typically have 55% exposed to equities, 26.5% to fixed interest, 14% to alternative investments and 4.5% to cash. A portfolio which is managed at Risk Category 5 is likely to have moderate market volatility. The Charity's investment assets are invested in line with its aims. The Investment Managers are aware that the Trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Charity's purpose. The outlook for investments in 2021 is positive although with dividends expected to be lower than recent years. The investment objective of the SDC with Brewin Dolphin managed funds remains unchanged however:

*"The trustees view the portfolio over the long-term and see the portfolio as providing a 'safety net' against any unforeseen costs. With that in mind the trustees are concerned with growing the invested assets ahead of inflation so that they retain their real buying power. The trustees would also like the portfolio to produce an income to assist in the smoothing of the charities annual cash flow."*

In early 2022 the exposure of the investment portfolio to Russia was examined. SDC investments are only exposed to Russian investment (at mid-March 2022) via one fund, the Fidelity Emerging Markets Fund. This only has a 3.06% exposure to Russia making the SDC investment ca 0.05% of the total invested exposed to Russia. The Fidelity Emerging Markets Fund is being monitored and is expected to divest its Russian interests over time.

Perkin House rental income rose from mid-2015, with rental income to the SDC rising to £55,657 in 2019. The effect of the Corona virus pandemic on small businesses and charities had little impact on rental income in 2020 with income via this route rising by a further 12% to £62,161 and 2021 saw rental income rise again by 9% to £67,588. Notably, Perkin House now provides the rented offices for the local MP. In 2022 some tenants have or will vacate office space as pandemic changes impact them. 2022 therefore will be a challenging year to maintain rental incomes.

Membership income was effectively static in 2017 after several years of gradual decline, but with annual price rises agreed three years ahead of implementation, in 2018 membership income rose 7% to £41,156; in 2019 membership income rose by almost 10% to £45,042; and in 2020 it rose but just by 2% to £46,039. In 2021 membership income fell to £39,706, largely due to companies cutting back in the pandemic and not renewing memberships. The Society's Board have now made the price for non-Voting and Voting membership identical to encourage members to upgrade at no additional cost. This will further reduce membership income in 2022 by ca £4,000 although it will increase the number of Voting members.

Academic books sales were down 70% to just £755 in 2019 and 2020 was a similar year with just £1,065 of SDC book sale income. The aged book stock is now a very small income stream to the SDC, and the new titles are all produced and sold via Wiley Publishing (see the Publications section of this report). In 2021 however, book sales rose to £1,985 which, although still small overall, demonstrates that the book stock still holds appeal to purchasers.

Malcolm the Weaver titles bounced back in 2018 when sales income just over doubled year on year to £16,255. 2019 saw another fall though to just £946 of income from sponsorships – primarily companies. The Corona virus pandemic was expected to have a large impact in this area of optional sponsorship spend by companies and 2020 ended with just £1,095 of income. However, no new stock or titles were added in year and in 2021 £1,515 of sponsorship was realised. 2022 has been a much better year already with almost three times that amount in sponsorships already in Q1.

The total salary costs of the charity (including social security costs and pensions) reduced in 2021, specifically as a result of the staff restructure, by 10% of 2020. The majority of this staff cost reduction was in the second half of the year, making the staff cost reduction from the restructure of the order of £90k pa. Pension costs were slightly lower compared to the prior year for the charity and for the group as a consequence of such staff number reductions. Overall group total salary costs increased by 4% as staff numbers reduced by 3.

SDC Enterprises Ltd performed well in 2019 raising gift aid to the charity of £400,000 whilst also retaining profits for ensuring future company strength and return to the SDC parent body, especially given its acquisition of Sam Weller Ltd in early 2016 and the purchase of a new site in 2018 which it intended to develop in 2021. In 2020 however the global pandemic hit SDC Enterprises Group Ltd sales, particularly in the Sam Weller & Sons Ltd area with a 43% reduction in Sam Weller income, whilst SDC Enterprises Ltd income was down 14% in 2020. Consequently, the parent charity received zero Gift Aid in 2021. 2021 however was an improved year as markets and trade once again grew with SDC Enterprises Ltd profitability increasing over 300% year on year to over £1m, and Sam Weller Ltd turning from a £100k loss in 2020 to a profit of £115k in 2021.

### Reserves Policy

The SDC Finance Committee reviews the Reserves Policy detail at regular intervals, in line with the SDC strategy and financial compendium. The SDC aims to hold between 12 and 15 months of budgeted total costs in its free Reserves. In accordance with Charity Commission guidance this is to: protect and safeguard the assets of their charity; permit the Society's Board to act with reasonable care and skill; and ensure the charity is accountable.

In establishing this Reserves Policy, the SDC Finance Committee assessed: why reserves might be needed for the charity to be effective and how much was needed in Reserves. An impact and risk assessment were undertaken to arrive at the Reserves Policy for the SDC in its current form. This approach has meant that as the Society exited a tough 2020 into a very challenging 2021 with no Gift Aid arising from SDC Enterprises Group Ltd, the Society had strong reserves. Very close financial management and a staff restructure within the charity during 2021 changed a forecast depletion of cash reserves held in day-to-day banking into a sustainable way forward, provided further financial shocks were not experienced.

The Group reserves are represented by the Group funds of £8,680,126 (2020 - £7,799,648). Group cash at bank and in hand, on 31<sup>st</sup> December 2021, amounted to £3,648,768 (2019 - £2,449,738) whilst the cash at bank and in hand for the Charity alone was £450,699 on 31<sup>st</sup> December 2021 (£605,192 on 31<sup>st</sup> December 2020). Total resources expended by the charity alone in 2021 were down 10% at £800,829 (2020 £893,964). The SDC had free cash at bank and in hand (not designated for current or future PEG Projects), plus Brewin Dolphin managed investments, on December 31<sup>st</sup>, 2021, that amounted to 14 months of 2021 expenditure (down from 17.1 months the previous year) and thus sufficient cover in line with the policy above.

Where funds held are restricted these are shown in the Annual Accounts (See Note 25 Funds) where permanent endowment funds are also detailed. A substantial amount is held in the Unfunded Projects Reserve which is actively managed by the Project Evaluation Group that in turn reports to the Society's Board regularly. Some of the Unfunded Projects Reserve has no allocated project as yet and in 2021 caution was exercised in case these funds were needed to ensure sustainability of the organisation.

### Project development 2021

It became possible in late 2017 / early 2018 to consider and evaluate specific SDC development projects. Following a strategy set out in prior years for such events, the Society's Board identified a Project Evaluation Group (PEG), chaired by SDC Vice President (Projects) Trevor Larkins, which has assessed development projects and prioritised them. The Board have identified and designated total funds for these projects to ensure they can be concluded. The projects are key to SDC impact and delivery over the future years, ensuring delivery of charitable objectives and growth in sustainable income.

In 2021 a thorough re-write of the SDC websites (including Governance and Blog sub-sites) was commenced to bring the sites up to date to ensure data security and enable up to date functionality including key developments of the Members area Continuing Professional Development capabilities and a Digital Archive section. This will go live in 2022 and is, in May 2022, in final testing which is quite detailed as the member / contact database is being incorporated also with linkages to MailChimp.

The PEG Group are aware that substantial monies are residing in the Unfunded Projects Reserve Fund that are not yet allocated to any project. Given the impact of the international pandemic at the start of 2020 the funds were prudently conserved as the Unfunded Project Reserve may be temporarily

called up on to ensure the Society maintains its' necessary cash flow in 2021 and beyond. Cash internally 'loaned' from the Unfunded Project Reserve will be repaid for project use as the Society is able to do so. Some £18k was 'loaned' in such a manner and will internally be reallocated across 2022.

## Review of Activities

### **Bursaries**

The SDC Bursary scheme has two funding streams:

- A. Main Bursary (Up to £500) For undergraduate and postgraduate students on a relevant course (e.g. Colour Chemistry, Fashion & Design, Textiles)
- B. ASDC Bursary (Up to £250) For students registered for the ASDC examinations.

The SDC Bursary scheme is managed overall by the SDC Education, Qualification and Accreditation Board (EQAB). In 2021 no bursaries were awarded as the pandemic prevented activity by applicants – indeed one bursary was refunded to the Society due to the recipient not being able to undertake the planned activity. These bursaries are seen as supporting colour science education of the recipients and the sharing of their activity and reports at events and through *The Colourist* magazine ensures that several of the Royal Charter Objectives are addressed more widely, especially the dissemination of knowledge about colour. Bursaries in 2022 are being promoted to gain resurgent interest from applicants.

### **Training**

SDC Training courses continue to be delivered by external partner companies. Two individuals in Shanghai received Competency in Colour Management training whilst five received Colour Fastness training in Pakistan.

Due to the pandemic 2021 was a particularly difficult year for face-to-face training courses around the world and such many training events were not possible.

The SDC development of the virtual learning environment (VLE) [Colour.Network](#) allows many more courses to be delivered online. These commenced in 2018. In 2020 due to the pandemic effects on physical meetings the Society started a Webinar programme in April 2020 with the first live webinar airing in May 2020. Furlough in 2021 placed a hiatus on the webinar programme but the programme restarted in September 2021.

Below is a list of the five webinars held in 2021 along with the speaker and live webinar attendee number (more individuals always register for the event than attend the live event).

- Colour in Stage and Costume Design, Julane Sullivan (All Dressed Up Costumes, USA), 161 attendees (January 2021 broadcast)
- Colour in our Lives: creating spaces for our well-being, Lucy Zacaria, (Imperial College Healthcare Charity); Tim Shaw, (Hospital Rooms); Marianne Shillingford, (Dulux), 211 attendees (March 2021 broadcast)
- Principles of Printed Textiles, Trevor Larkins & Pat Hardcastle, 102 attendees (September 2021 broadcast)
- New Technology Series – Alchemie, Dr Simon Kew of Alchemie Technology, 84 attendees (November 2021 broadcast)
- New Technology Series – Colorifix, Dave Callaghan of Colorifix, 88 attendees (December 2021 broadcast)

These webinars were all recorded and are available on [Colour.Network](#) for SDC Members (free of charge) and non-members (chargeable). In 2022 on the new SDC website access will change and be via the Members area or the general website for paying viewers and attendees. In 2021 SDC individual Members gained free access on Colour.Network to SDC Webinars that would have otherwise generated £2,000 of income. Those who attended live webinars and College/University members, who can access webinars free of charge, accessed webinar recordings on Colour.Network to the value of £2,110 in 2021.

The Colour.Network access to webinar recordings and short courses in 2021 was as follows:

Course / Webinar title	Number of Colour.Network accesses
Introduction to Textile Dyeing	97
Introduction to Colour Communication	68
Introduction to Cotton	58
Introduction to Reactive Dyes	53
Introduction to Sustainability	51
Introduction to Acid Dyes	51
Guide to Making Dyeing Safer	50
Introduction to Polyester	47
Introduction to Nylon	45
Introduction to Disperse Dyes	45
Colour in our Lives: creating spaces for our well-being – SDC Webinar	23
New Technology Series - Alchemie - SDC Webinar	21
Colour in Stage and Costume Design – SDC Webinar	17
Principles of Printed Textiles – SDC Webinar	14
New Technology Series - Colorifix - SDC Webinar	12
A History of Dyes: from Ancient Egypt to modern times – SDC Webinar	11
Colour Communication – SDC Webinar	11
A History of Pigments: from cave paintings to the present day – SDC Webinar	9
Dyeing with GOTS – An Organic Perspective – SDC Webinar	9
Colour and Vision - your entry to another world!	8
The Crutchley Archive – A Colourful Textile History – SDC Webinar	8
The History and Development of Colour Measurement – SDC Webinar	6
Colour Management for Print Designers and Printers – SDC Webinar	6

Of course, some of these short courses and webinar recordings have not been available for all of 2021 (e.g. the Colorific webinar was only first broadcast on 7<sup>th</sup> December 2021) whilst others have been available for some time and even in 2020 (e.g. Dyeing with GOTS was first broadcast in July 2020). The staff return from furlough in September 2021 enabled the webinar programme to restart and webinar engagement in 2022 is already noticeably rising again. In Quarter 1 2022 SDC individual members have already consumed £1,420 of free webinar access for example.

#### **FTCC & TCC Background**

In September 2020 delivery of both the Foundation Textile Coloration Certificate (FTCC) and the Textile Coloration Certificate (TCC) was moved from the calendar year to the academic year. There remained, however, a final group of TCC students completing their two-year course during the

calendar year 2021. The TCC data for 2021 includes only these students, since those working to the new academic year schedule were only coming to the end of Year 1 in July of that year. Certain other changes have been implemented throughout 2020 and 2021, including modifications in course structure and the introduction of remote examination to accommodate the move to full online provision.

### **Foundation Textile Coloration Certificate (FTCC)**

Six students, representing four companies, and two independently enrolled, studied the FTCC course for the academic year 2020 – 2021, completing in June 2021. Of these, 4 students passed the course, 1 did not (resit discussions are ongoing) and 1 left the course due to external pressures but has returned to complete their qualification this academic year.

The course includes 30 hours contact time comprising scientific lectures, learning skills and strategies development, discussions and tutorials, plus 60 hours of independent study per student. Additional personal tuition is provided as required. One important milestone with the course this year was also the geographical reach, with students as far away as New Zealand taking the FTCC Course online.

The FTCC course, which was developed after the TCC course started, has now been delivered to a total of 31 students with 29 successfully completing the course to date.

### **Textile Coloration Certificate (TCC)**

Six students initially enrolled on the TCC for completion in November 2021 representing five companies and one university. Of these, 2 students passed the course, 1 is returning to re-sit in summer 2022 and the 3 remaining left the course, 2 of those being for pandemic related issues and 1 due the content providing too great an academic challenge.

Two students, representing two companies, completed the Year 1 of the TCC in July 2021 and have both continued successfully into Year 2 being joined by a returning student from 2019 who had taken break from their studies due to work pressures.

The course includes 40 contact hours per year, comprising scientific lectures, learning skills and strategies development, discussions and tutorials, plus 80 hours of independent study per student. Additional personal tuition is provided as required.

The TCC has now seen, since 2012 when the TCC commenced, in total 35 students with 26 of them going on to successful completion and with some continuing into the second year of their course or re-sitting 2021 final exams. Thirteen students have successfully completed both FTCC and TCC courses within that number.

### **ASDC Qualification**

Textile Coloration Science and Technology (Level 6) – leading to Associateship of the Society of Dyers and Colourists (ASDC) - is a three-year (minimum) distance learning course, leading to a benchmarked honour's degree level qualification. The programme has received the NARIC (now after Brexit called Ecctis) benchmarking assessment that it is a Level 6 qualification (equivalent to a good honours degree, as defined within the Framework for Higher Education Qualifications (FHEQ)). Ultimately gaining this qualification allows students to apply to be a Chartered Colourist (CCol).

The online course covers the fundamental textile coloration principles and processes and is made up of 6 modules that are designed to meet the needs of the students and their chosen industry. In 2021 modules were maintained within the Colour.Network website portal.

In the 2021 exam year (which runs from October 2020 to May 2021) eight students from seven companies undertook on-line learning, with 5 students studying 2 course modules and 3 students studying 1 course module. The course module undertaken by all 8 students is new and was running for the first time. Of the 13 examinations, 12 passes were recorded.

Preparation work for future modules and current module development work continued, with much of the focus targeted towards development of student learning outcomes and assessment techniques for an improved learning experience: Examples included Lesson/Topic quizzes and longer written assessments for uploading and reviewing.

Qualifications awarded in 2021 were: five ASDC's. Significantly all of these individuals have now completed the full SDC Education Pathway from FTCC, through TCC and now ASDC.

### **Publications**

Normally four issues of *The Colourist*, an SDC member benefit, were produced per year. The furlough of staff and subsequent staff restructure impacted on the production of *The Colourist* which did not appear until the usual third issue in 2021. Production is now outsourced to an external marketing company for the same cost it took to print externally, after internal production, before. The external team work closely with all SDC staff in the content collation and even undertake interviews and photography on behalf of the SDC in order to make production happen. Another significant change in 2021 was the move to electronic only distribution, partly due to cost but also due to increased shipping costs and shipping delays due to Brexit and the pandemic.

Many features remain, such as the annual Chartered Colourist listing and details of new members, but the opportunity has been taken to introduce new article features such as company member profiles and articles on our archive and work in the environment and sustainability areas.

Availability of *The Colourist* is communicated to members via email and so the SDC has measures of the open rates and click through activity to *The Colourist* and it was encouraging to see some growth in interest in this publication on its return in September 2021. Members are also provided with free access in the Members area of the website to *International Dyer* and *Science in Parliament*, both of which receive a great deal of interest.

*Coloration Technology*, the SDC academic journal published in conjunction with Wiley, covers many aspects of coloration with a detailed overview available on the [Wiley's website](#) for the journal. The Wiley's goals for Coloration Technology have been: to grow readership of the journal, ensure the right authors submit papers and enhance the Society's reputation.

Wiley's marketing intelligence reports that researchers are consuming more articles (possibly due to restrictions on other research activity during the pandemic) but are spending less time reading each one.



Coloration Technology will be moving to Institutional Print Only from 2023. Institutions access Coloration Technology via a specific subscription or, more commonly, through a license that allows the institute to access a whole host of Wiley's titles, which includes Coloration Technology.

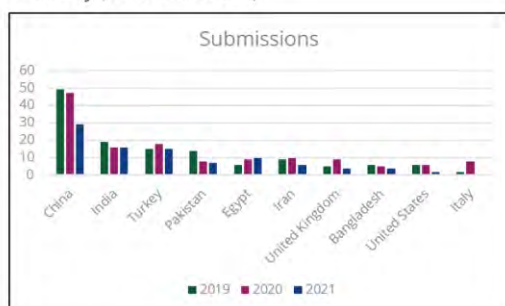
Individual subscribers are very much in the minority and will only be provided with electronic access, as is commonplace for the vast majority of Wiley's journals today. Wiley do offer a Print-on-Demand option however where hard copies of issues or articles can be obtained.

**Submissions 2019-2021 YTD\***

Total Submissions 2021 YTD\*: **131**

Top 3 countries:

- China (29 submissions)
- India (16 submissions)
- Turkey (15 submissions)

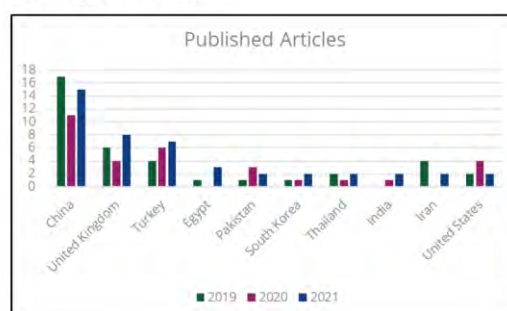


**Articles published 2019-2021 YTD\***

Articles published 2021 YTD\*: **55**

Top 3 countries:

- China (15 articles)
- UK (8 articles)
- Turkey (7 articles)



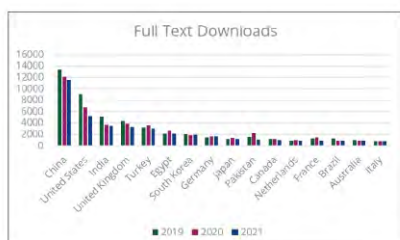
\*All 2021 YTD data is through 9/27/21

**Full text downloads 2019-2021 YTD\***

Total FTD 2021 YTD\*: **52,429**

Top 3 countries:

- China (11,583 FTD)
- US (5,168 FTD)
- India (3,499 FTD)



\*All 2021 YTD data is through 9/27/21

**Open access growth**

**2019-2021 YTD\***

Open access publication has increased in your journal over the past couple years.

OA articles 2021 YTD\*: **3**



In 2014 it was announced that the Coloration Technology Impact Factor was 1.173 and since then the Impact Factor has indicated that competition is strong but the SDC publication through Wiley's is keeping up the competitive advantage battle. This was confirmed in the Impact Factor now reaching

1.614 for 2020 as reported in mid-2021, a 37% rise from the original Impact Factor data. This coverage shows how the Coloration Technology peer reviewed publication continues its sustained growth in influence worldwide.

The SDC is very grateful to Wiley for its assistance in terms of both resources and expertise. Wiley has a marketing plan in place for Coloration Technology and the textbooks they produce and the SDC can supply more detail on request of the publications impact.

### **Colour Index™**

The Colour Index™ is known worldwide and is used by many companies, research institutes, universities and government bodies. Many Colour Index™ users are, significantly, outside the traditional textile manufacturing and dye houses SDC sectors.

The decision was taken in late 2018, by the Society's Board, to transfer the Colour Index™ sales and marketing to SDC Enterprises Ltd. This took some time to complete for several reasons, including appropriate HR consultations and processes, but the transfer took place from 1<sup>st</sup> June 2019. The Colour Index Pigment and Solvent Dyes Board continues to meet under the auspices of the Society to maintain independence from the marketing and sales function.

### **Standards**

SDC's active involvement with BSI standards ensured their continued relevance, accuracy and usability, based on sound scientific knowledge for the benefit of the supply chain. The areas covered chemical, physical and flammability testing of textiles, textile cleansing and care labelling, and apparel and interior textile (product specification). The SDC provided the Secretariat to the BSI technical committee TCI 81 for colour fastness of textiles and colour communication thus supporting all UK industries for colour and textiles.

The SDC, as required by our contract with ISO, has the secretariat of TC38 SC1 Coloured textiles and Colorants, with partners in China. Brian Woolley continues as secretary to this committee. The UK passed on the secretariat to our Chinese partners and their representative Mr Xueqian Zhao in 2019.

Plenary meetings of ISO TC38 SC1 took place virtually in October 2021.

The SDC's Technical Director is the secretary for TCI 81 as stated above and representation on the following committees is as indicated:

- TCI/066/0-/08 Burning behaviour A Filarowski
- TCI/080 Chemical testing of textiles A Filarowski
- TCI/082 Textiles care labelling, dry cleaning, domestic laundering and drying A Filarowski
- TCI/100 Co-ordination of activities in textiles and clothing A Filarowski
- British Standards Institution Technical Committees – A Filarowski as SDC representative
- STI/14 Colour Measurement & Schedules M R Luo
- TCI/24 Physical Testing of Textiles Vacant
- TCI/80 Chemical Testing of Textiles A Filarowski & S Bolton
- TCI/81 Colour Fastness & Colour Measurement of Textiles An employee of SDC Enterprises Ltd
- TCI/82 Textile Care Labelling A Filarowski
- CW/15 Safety of Toys S Bolton

The SDC would like to thank all the above individuals for all their work on behalf of the SDC on these committees.

## **Events**

The SDC events showcase research and best practice in coloration. They provide education, inspiration and networking opportunities. SDC events are regional, national and international, with wide ranging topics and diverse audiences. Many are free to attend, with a strong focus on supporting students and young professionals. The SDC also jointly organises events and participates in events organised by others, thereby spreading SDC's educational reach and profile. Such events very much align with the Objects of the SDC Royal Charter also. That Governing document describes events in a language of its time to *"hold meetings for the reading of papers and giving of lectures on coloration and colouring matters and for discussion of the same"*. In 2021 this Object in the Royal Charter was very much delivered online via SDC Webinars which are listed in the Training section of this Annual Report.

In addition, the SDC has used online meetings as a way of keeping in contact with the SDC Regions as travel has been curtailed both by the pandemic and by budgetary constraints. This has been a positive move in that the SDC President, for example, has been able to engage with more individuals across different countries than simple travel would have permitted. This benefit has been so marked that it is the intention of the SDC President and the organisation to continue such member engagement events in the future.

Details of all SDC events can be found on the SDC website and many have featured reports after the event in editions of The Colourist which SDC Members can access via the SDC website Members area.

## **Membership**

The SDC membership has continued its decrease, as prior Annual Reports have shown. The SDC gained 56 (86 in 2020) new individual SDC Members in 2021 as the pandemic limited member recruitment world-wide and many cut back on membership spend as incomes fell and jobs were lost. The total number of individual Members over time can be seen in the plot below. The Chartered status individuals have also fallen in number, more so than in recent years.

In recent years the case for taking up SDC membership has arguably been weak, and work has been put into strengthening that offer. A SDC Membership Committee was proposed in late 2020 and came into being in 2021, many years after such last existed. This committee was informed by several focus group meetings held by the SDC in the second half of 2020 and has much important work to do over the coming few years. In 2022 Membership Committee changes to the Membership nomenclature and structure will be put to the Society's Board and, if approved, thereafter to a General Meeting of the Society, as these will need to be written into the Society Rules, By-laws and Royal Charter.

One change proposed to the Society's Board and accepted by them, was that the fee differential for Voting Members and Non-Voting Members be abolished. All Voting Members now pay the same membership fee as Non-Voting Members, unless they possess a CCol whereby they pay the same fee as they did previously as Voting Members. This has increased applications to be regraded from Non-Voting Membership to Voting Membership and the system for such has been further accelerated such that some re-gradings have now been approved within 24 hours. All new Voting Members names are reported to the next meeting of the Society's Board. The next challenge is to grow overall membership numbers, particularly now pandemic restrictions are easing around the world.

### **Membership value for money**

Going forward more will be made of the membership benefits and their value for money, as evidence exists to demonstrate these are ill-understood by members and prospective members alike.

- *The Colourist* member magazine was re-launched in 2021 as an electronic only publication (thus addressing production costs but also environmental impacts of paper production and international postage, a task made all the more difficult and costly by the pandemic and Brexit). *The Colourist* features more company member news and profiles and is being produced by outsourced marketing specialists at the same cost as in recent years (ca £13k pa). Members have also been surveyed for input into what they wish to see in *The Colourist* in future.
- Many members also welcome the free access to SDC webinars (usually charged at £20 per Webinar for non-members) including access to recordings of past webinars via Colour.Network. In 2022 a new SDC website will be launched, and this will enable members to register and access specific numbers of webinars based on membership category and without the need for discount codes, which are currently different for each webinar.
- *International Dyer* magazine is supplied electronically via the SDC members area of the website free of charge to SDC members and this alone usually costs multiples of the full SDC membership annual subscription.
- The *Science in Parliament* publication, also available in the members area of the SDC website, is a more wide-ranging publication available free of charge as part of the SDC membership subscription
- Members also receive generous discounts on: SDC books; *Coloration Technology* subscriptions; and SDC short courses. The new website will make book purchases much easier and members will see discount offers on SDC books in their new members area.
- From time-to-time SDC Membership also entitles access to webinars and events of other organisation free of charge or at reduced cost, plus (to support internet access to SDC webinars, committees, and meetings) members can access discounts on Dell computer and accessory purchases (with some country limitations applied by Dell).
- Members often have opportunity to provide presentations via the SDC Webinar series, of which the marketing and promotional value of their company and personal brand far exceeds annual membership subscription rates.
- Members of the SDC are also part of the regional activity where sufficient members exist to make regional activity viable. These regional networks have always been core to SDC membership benefits and their value is hard to estimate. Members who engage with regional activity however value then both very highly and also for a long duration, often counted in decades.

Before the discounts above are taken into consideration, the cost of individual membership to the SDC is £25 pa before any staff time at all is taken into consideration. Student membership is priced at less than this, so many members support our student members through their membership subscriptions. For all other membership types, once staff time is added, the cost of membership exceeds the subscription price. SDC member subscriptions do deliver value for money when the features and benefits are considered and, like all memberships, the more one engages with the organisation, the greater your value for money from your SDC membership.

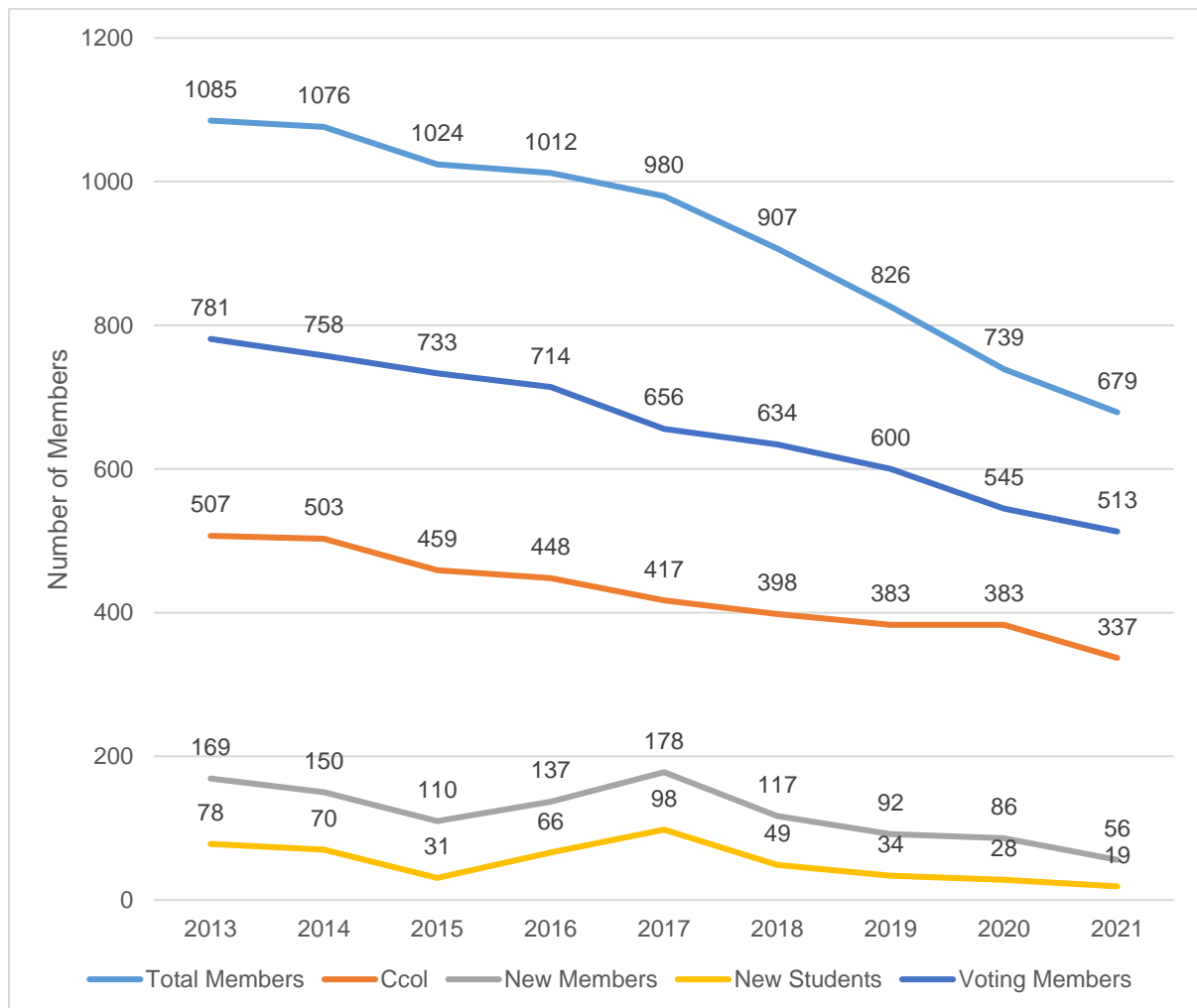
Membership retention is a particular focus for the SDC over many years. Overall, the individual SDC Membership retention rate is 84%, with some regions higher than this (UK 87% & Hong Kong 89%) whilst the Rest of the World retention rate is lower at 77% and India is at 74%. In 2021 new members recruited numbered 56, a quarter of which were individuals re-joining the Society, four of whom held



**The Society of Dyers & Colourists**  
**2021 Annual Report & Financial Statements**

ASDC. Nineteen new students were recruited as members in 2021. The overall drop in membership numbers was 60, so new membership recruitment needs to double to just maintain membership levels.

Company memberships numbered 24 at the end of 2021 (20 at end of 2020) and College / University memberships numbered 17 (20 at the end of 2020). The UK-Rest of the World spread on company memberships is almost two-third UK (15 or 62% of the 24 are UK based). A very similar position exists for College/University memberships with 11 of the 17 (65%) such memberships being UK based. New memberships are being taken up and in 2021 new company members were Coloro and Colorifix, with new College/University members of University of the Creative Arts Farnham and University of West of England Centre for Fine Print Research. Re-joining organisational members were VF Asia Ltd and the Stroudwater Textile Trust. The SDC Membership Committee also has representatives from industry and universities, as well as early career individuals, in order to gain feedback on revised approaches and activities.



## **Sponsorship**

The Worshipful Company of Dyers have generously sponsored the Society over many years. This demonstrates the ongoing commitment of both organisations to the skills development in the coloration sector and the SDC is very grateful and encouraged by their generous support. It should also be added that their keen interest in the developments is very much expressed and is as welcome as their funding. In 2020 the Worshipful Company also supported the SDC in setting up the 'Future Dyers Fund' to help financially anyone from England applying for our FTCC and TCC courses. This was an excellent initiative that turned into an even better one as the pandemic impacted individuals and through the Fund the SDC can ensure students continue their studies and skills development to assist them in securing future employment also. Six such students were supported in 2021 and the fund now sits at £39,629. Applicants living in England can receive up to 60% of their fees paid and in the case of those unemployed have all their fees paid.

## **Partner and Affiliate organisations**

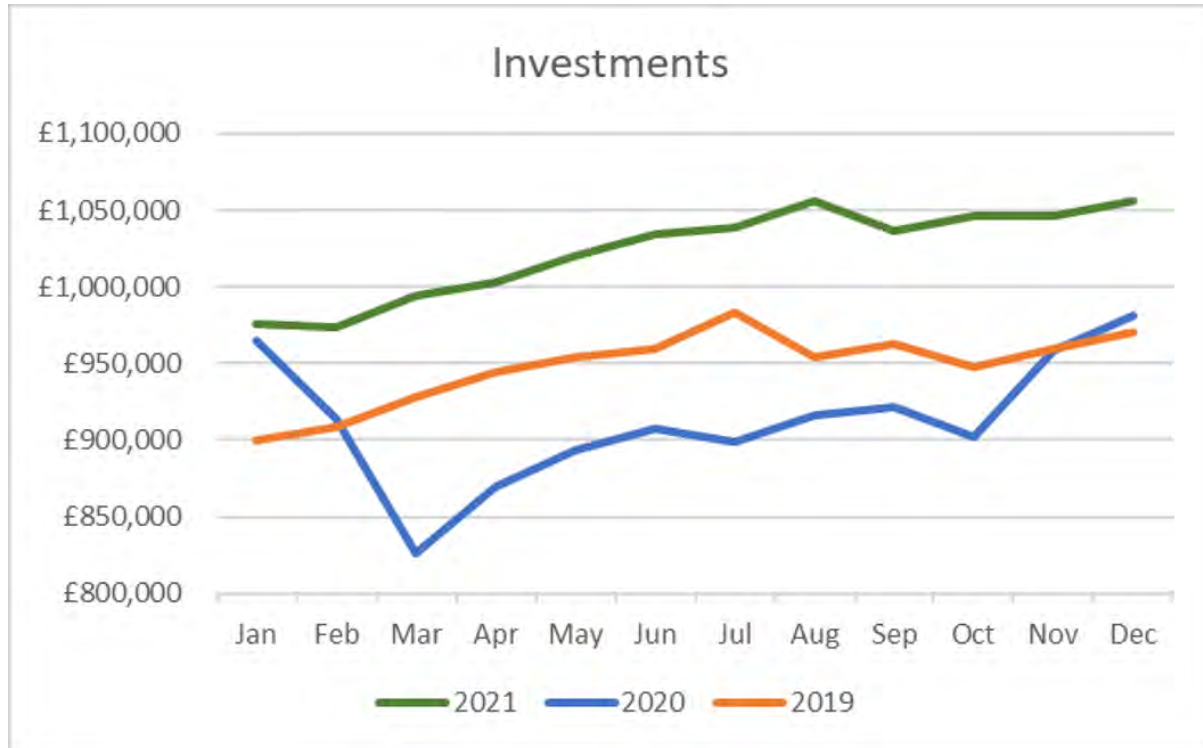
The SDC Charitable Objectives from the Royal Charter includes *"To co-operate with other scientific organisations and bodies in relation to colour and its application and use"*. To this end the SDC is an active member of The Science Council and The Parliamentary and Scientific Committee. Other active network links to partner organisations include the AATCC, ASBCI, several universities, Huddersfield Textile Centre of Excellence and The Society of Leather Technologists and Chemists.

The SDC also has long-standing affiliate relationships with the Society of Dyers and Colourists of Australia and New Zealand (see <http://www.sdcanz.com>) and The South African Dyers' and Finishers' Association (SADFA) (see [www.sadfa.org.za](http://www.sadfa.org.za)).

## **Investment Policy**

The SDC funds consist of equities held in a managed portfolio at medium risk and cash held on term deposit accounts not required for current activities. Equities are held in fixed interest, ordinary shares and government stocks. The portfolio value on 1<sup>st</sup> January 2021 was £975,560 and by the end of 2021 this had risen to £1,055,708.

The SDC investments are intended for the long term and long-term stock performance remained good at the end of 2019. In the first part of 2020 however, there was a huge impact internationally on investments because of the Corona virus pandemic. The SDC Finance Committee and Society's Board are in regular contact with the investment managers (Brewin Dolphin) and expected it to be many months before markets slowly recover. Indeed, by the end of 2020 the end position of 2019 was realised. Growth in 2021 was much more consistent and steadier with the portfolio reaching £1,055,708 by the year end. [NB since then the Russian invasion of Ukraine has pushed investment values down once again].



### Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as “soliciting or otherwise procuring money or other property for charitable purposes.” Such amounts receivable is presented in our accounts as “voluntary income” and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Society’s Board.

The charity is not bound by any undertaking or bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds, we do not have to particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

### Risk Assessment

The risk situation is reviewed by the Society’s Board who judge that over the next three years the SDC has a low to medium risk that charitable activities may be less because of a reduction of available funds. Insurances are held wherever possible to cover for external events and internal management is used to minimise potential occurrence and impact. The pandemic in 2020 has affected the Gift Aid usually received from the trading subsidiary. The effects of this have been mitigated in 2021 through reductions in staff costs whilst outsourcing marketing provision in particular to maintain delivery and reduce impact.

### Human Resources and Equality, Diversity and Discrimination Policy

The SDC is an equal opportunities employer and encourages diversity. It is non-discriminatory on age, disability, ethnicity, gender reassignment, marriage and civil partnership, race and religion, sex and sexual orientation in all operations and in all membership matters.

In 2016 improvements were made in human resource management, in part as a consequence of financial reporting standards requirements. The SDC now has to account each year in financial terms to our Auditors for the annual leave and flexitime carried forward. Hence, through a time management system linked to the Building Security System, the SDC can now manage the staff time delivery.

HR management was expanded in 2016 and is provided by an external HR company. This includes remote and on-site support for staff and managers, as well as a web based secure HR portal for HR records, and holiday and sick leave monitoring. Outsourced HR management was particularly called upon in 2021 for the necessary staff restructure to enable future sustainability and the SDC is very grateful to Joanna Charles of HR Dept for that support and advice.

### Data security

Data security has been, and will continue to be, a very important issue and the SDC will ensure that user information is protected and IT systems secure. In addition to protecting such information the SDC does not supply any individual's information to others unless it is for a specific SDC purpose (e.g. the print / mailing house for fulfilment of *The Colourist* printing and mailings). The SDC has also made available to staff and committee/Board members training on Cyber-security awareness. No issues arose from breaches of data security in the year.

### GDPR

The EU General Data Protection Regulations (GDPR) came into force in May 2018 and applies to everyone processing data of EU individuals or offering services to EU subjects, regardless of where that processing location is. The SDC prepared for this new data regulation for many months. From an already good starting point GDPR still required some additional changes and clarity within the SDC for staff, Society Board members, committee members and volunteers. GDPR has been specifically a training item and continues to do so.

### Health and Safety

The Health & Safety policy of the SDC is to ensure as far as reasonably practical public, staff and the environment are protected and that all legal requirements are met. Each year the SDC has two risk assessment reports produced by external experts on Perkin House Health and Safety and Perkin House Fire Risk. These reports highlight a number of actions to be taken based on Low-Medium-High risk prioritisation. In 2016 this resulted in a renewed asbestos survey of the building, which established small amounts of asbestos has been used but were in little used areas and in safe condition. Fire safety notices and several other risk areas have also been improved as a consequence. The 2017 assessment produced further recommendations which have been implemented, including all staff fire awareness training. The 2018 report demonstrated the progress made, plus further, less urgent actions to be made, with similar performance in the 2019 report. The appointment of a new Building Manager for Perkin House in late 2019 has ensured health and safety have been improved further with regular checks and action. During 2020 a programme of emergency lighting replacement took place as testing had demonstrated their operation is not maintained for the required duration. 2021 saw the Building Manager take up another post closer to home and Facilities Management was outsourced to Entire FM, still with a Building Manager present in Perkin House Monday-Thursday mornings. Due to the pandemic and remote working the fire steward training was overdue but has now been completed in 2022, with tenants also invited to attend.

### UK Pension Auto-enrolment

The UK Government phased in auto-enrolment for employee pension schemes over some years. The SDC had a Staging Date of February 2017, when it must comply, and actively managed this with its pension agent in order that it fully complied at the start of 2017. No issues were noted, with the vast majority of the SDC staff members in the SDC Pension scheme. Good pension scheme performance via The Peoples Pension has resulted in lower scheme charges in 2019. The second phase of auto-enrolment was entered with staff who had opted out of the scheme having to opt out once again after a specific time period has passed. As of 2022 no SDC staff are now opted out of the SDC Pension Scheme which is operated and managed by The Peoples Pension.

### Remuneration Policy

The salaries of all SDC staff are set based on a Finance Committee and Society Board approved overall budget based on itemised lines including staff salaries. The SDC utilises a Remuneration Committee to approve all staff salary rises. The SDC Remuneration Committee is comprised of the Honorary Treasurer, Honorary Secretary, Chair of the Society's Board and the SDC CEO. Pay rises in recent years have been zero and this was the case in both 2020 and at the start of 2021.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2021  
Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

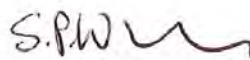
This report was approved by the Society's Board on 9th May 2022 and signed on its behalf by:



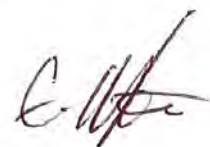
G Thatcher  
Chair of Society's Board



M Catterall  
Honorary Treasurer



S Wilkinson  
Honorary Secretary



G Clayton  
CEO

## Opinion

We have audited the financial statements of The Society of Dyers & Colourists (SDC) (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2021, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 group and parent charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **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:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement [set out on page 27], the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity'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 group or the parent charity 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 as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 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.

In planning and designing our audit tests, we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override.

Following this assessment we considered the opportunities and incentives that may exist within the group for fraud and identified the greatest potential for fraud in evaluating the stock and cash balances.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, through discussions with directors, trustees and other management, and from our commercial knowledge and experience of the sector in which the company operates, to enable us to identify the key laws and regulations applicable to the company. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Charities Act 2011, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We then performed audit procedures after consideration of the above risks which included the following:

- assessing the validity of valuation method of stock;
- obtaining a detailed understanding of the methodology adopted by management and the key assumptions underpinning the calculation of the variable and fixed overhead applied in the valuation of stock;
- performing a retrospective review of the previous year's stock for obsolete or slow moving stock;
- Documenting and assessing the internal controls over cash and bank balances
- performing tests if detail on the balance sand reconciliations
- enquiring of management concerning actual and potential litigation and claims;
- reviewing correspondence with HMRC, and the company's legal advisors;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

All engagement team members were informed of the relevant laws and regulations and potential fraud risks at the planning stage and reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify such items.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Use of our report**

This report is made solely to the charity'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 charity's 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Watson Buckle Limited*

Watson Buckle Limited, Statutory Auditor  
Bradford  
United Kingdom

9 May 2022

The Society of Dyers & Colourists (SDC)

Year ended 31 December 2021

Consolidated Statement of Financial Activities for the year ended 31 December 2021

(including Income and Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Revaluation reserve £	2021 Total funds £	2020 Total funds £
<b>Income From:</b>							
Donations	3	68	16,000	-	-	16,068	55,030
Charitable activities	4	124,322	-	-	-	124,322	156,195
Other trading activities	5	5,596,643	-	-	-	5,596,643	4,549,550
Investments	6	137,031	-	-	-	137,031	138,104
Other income	7	83,179	-	-	-	83,179	48,973
<b>Total income</b>		<b>5,941,243</b>	<b>16,000</b>	<b>-</b>	<b>-</b>	<b>5,957,243</b>	<b>4,947,852</b>
<b>Expenditure on:</b>							
Raising funds	8	4,040,468	-	-	-	4,040,468	3,488,263
Charitable activities	9	753,611	7,062	-	-	760,673	869,854
Taxation	11	222,403	-	-	-	222,403	142,712
<b>Total Expenditure</b>		<b>5,016,482</b>	<b>7,062</b>	<b>-</b>	<b>-</b>	<b>5,023,544</b>	<b>4,500,829</b>
Net gains/losses on investments	12	83,887	-	-	(17,092)	66,795	122,927
Gains/Losses on revaluation of fixed assets	16/18	-	-	-	1,675	1,675	106,565
<b>Net income for the year</b>		<b>1,008,648</b>	<b>8,938</b>	<b>-</b>	<b>(15,417)</b>	<b>1,002,169</b>	<b>676,515</b>
<b>Transfers between funds</b>	25	-	-	-	-	-	-
<b>Net Movement in funds</b>		<b>1,008,648</b>	<b>8,938</b>	<b>-</b>	<b>(15,417)</b>	<b>1,002,169</b>	<b>676,515</b>
Reconciliation of funds:							
Total funds brought forward at 1 January	25	7,449,568	40,931	17,501	169,957	7,677,957	7,001,442
Total funds carried forward at 31 December	25	8,458,216	49,869	17,501	154,540	8,680,126	7,677,957

All amounts relate to continuing operations. The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 36 to 55 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2021  
Charity Statement of Financial Activities for the year ended 31 December 2021  
(including Income and Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Revaluation reserve £	2021 Total Funds £	2020 Total Funds £
<b>Income From:</b>							
Donations	3	68	16,000	-	-	16,068	455,030
Charitable activities	4	124,322	-	-	-	124,322	156,195
Investments	6	89,866	-	-	-	89,866	85,920
Other income	7	419,775	-	-	-	419,775	356,797
<b>Total income</b>		<b>634,031</b>	<b>16,000</b>	<b>-</b>	<b>-</b>	<b>650,031</b>	<b>1,053,942</b>
<b>Expenditure on:</b>							
Raising funds	8	40,156	-	-	-	40,156	24,110
Charitable activities	9	753,611	7,062	-	-	760,673	869,854
<b>Total Expenditure</b>		<b>793,767</b>	<b>7,062</b>	<b>-</b>	<b>-</b>	<b>800,829</b>	<b>893,964</b>
Net gains/losses on investments	12	83,887	-	-	(17,092)	66,795	122,927
Gains/Losses on revaluation of fixed assets	16/ 18	-	-	-	1,675	1,675	257,110
<b>Net income for the year</b>		<b>(75,849)</b>	<b>8,938</b>	<b>-</b>	<b>(15,417)</b>	<b>(82,328)</b>	<b>540,015</b>
<b>Transfers between funds</b>	25	-	-	-	-	-	-
<b>Net Movement in funds</b>		<b>(75,849)</b>	<b>8,938</b>	<b>-</b>	<b>(15,417)</b>	<b>(82,328)</b>	<b>540,015</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward at 1 January	25	2,837,144	40,931	17,501	320,502	3,216,078	2,676,063
<b>Total funds carried forward at 31 December</b>	25	<b>2,761,295</b>	<b>49,869</b>	<b>17,501</b>	<b>305,085</b>	<b>3,133,750</b>	<b>3,216,078</b>



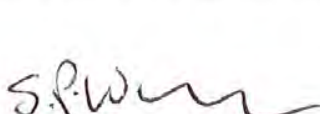
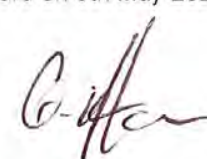
All amounts relate to continuing operations. The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 36 to 55 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2021  
Consolidated Balance Sheet as at 31 December 2021

	Notes	£	2021 £	£	2020 £
<b>Fixed Assets</b>					
Intangible Assets	15		30,000		3,483
Tangible Assets	16		1,234,062		1,254,382
Investments	17		1,055,708		981,100
Investment Property	18		<u>1,744,808</u>		<u>1,746,500</u>
			<u>4,064,578</u>		<u>3,985,465</u>
<b>Current Assets</b>					
Stock	19	1,684,628		1,985,320	
Debtors	20	1,144,861		926,866	
Cash at bank and in hand		<u>3,648,768</u>		<u>2,449,738</u>	
		<u>6,298,257</u>		<u>5,361,924</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	21	<u>(862,826)</u>		<u>(667,441)</u>	
<b>Net current assets</b>			<u>5,435,431</u>		<u>4,694,483</u>
<b>Total assets less current liabilities</b>			<u>9,500,009</u>		<u>8,679,948</u>
Creditors: amounts falling due after more than one year	22		(747,883)		(817,300)
<b>Provisions for liabilities</b>					
Deferred tax	24		(72,000)		(63,000)
<b>Total Assets</b>			<u>8,680,126</u>		<u>7,799,648</u>
<b>The funds of the charity:</b>					
<b>Unrestricted funds</b>					
Accumulated fund			2,360,850		2,386,777
Funds retained in SDC Enterprises Group			5,546,376		4,583,570
Designated funds			400,445		450,367
Revaluation reserve			<u>305,085</u>		<u>320,502</u>
<b>Total unrestricted funds</b>			<u>8,612,756</u>		<u>7,741,216</u>
Restricted funds			49,869		40,931
Permanent endowment funds			<u>17,501</u>		<u>17,501</u>
			<u>66,370</u>		<u>58,432</u>
<b>Total Charity Funds</b>			<u>8,680,126</u>		<u>7,799,648</u>

The financial statements were authorised for issue and signed on behalf of the Society's Board on 9th May 2022.

			
G Thatcher	M Catterall	S Wilkinson	G Clayton
Chair of Society's Board	Honorary Treasurer	Honorary Secretary	CEO

The notes on pages 36 to 55 form part of these financial statements.


The Society of Dyers & Colourists (SDC)  
 Year ended 31 December 2021  
 Charity Balance Sheet as at 31 December 2021

	Notes	£	2021 £	£	2020 £
<b>Fixed Assets</b>					
Intangible Assets	15		30,000		-
Tangible Assets	16		704,631		754,830
Investments	17		1,501,407		1,426,799
Investment Property	18		330,000		346,500
			<u>2,566,038</u>		<u>2,528,129</u>
<b>Current Assets</b>					
Debtors	20	210,761		215,516	
Cash at bank and in hand		<u>450,699</u>		<u>605,192</u>	
		661,460		820,708	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	21	<u>(93,748)</u>		<u>(132,759)</u>	
<b>Net current assets</b>			567,712		687,949
<b>Net Assets</b>			<u>3,133,750</u>		<u>3,216,078</u>
<b>The funds of the charity:</b>					
25					
Unrestricted funds					
Accumulated fund			2,360,850		2,386,777
Designated funds			400,445		450,367
Revaluation reserve			<u>305,085</u>		<u>320,502</u>
<b>Total unrestricted funds</b>			<u>3,066,380</u>		<u>3,157,646</u>
Restricted funds					
Permanent endowment funds			49,869		40,931
			<u>17,501</u>		<u>17,501</u>
			67,370		58,432
<b>Total Charity Funds</b>			<u>3,133,750</u>		<u>3,216,078</u>

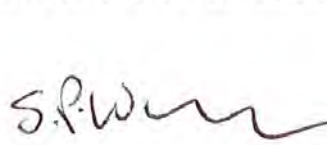
The financial statements were authorised for issue and signed on behalf of the Society's Board on 9th May 2022.



G Thatcher  
 Chair of Society's Board



M Catterall  
 Honorary Treasurer



S.P. Wilkinson  
 Honorary Secretary



G Clayton  
 CEO

The notes on pages 36 to 55 form part of these financial statements.

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

	Group	
	2021	2020
	Total funds	Total Funds
	£	£
Net income for the reporting period (as per the statement of financial activities)	1,002,169	798,206
Adjustments for:		
Revaluation of fixed assets	33,500	(257,110)
Revaluation of investment property	17,092	47,793
Gains(losses) on investments	(83,887)	(20,175)
(Profit)/Loss on disposal of fixed assets	1,983	-
Tax expense	276,903	106,712
Tax paid	(283,616)	(275,697)
Amortisation	3,483	41,800
Depreciation charge	83,472	128,557
Decrease/(Increase) in stocks	300,692	45,483
Decrease/(Increase) in debtors	(231,282)	329,557
Decrease in creditors	94,876	(101,760)
<b>Net cash provided (used in) operating activities</b>	<b>1,215,385</b>	<b>843,366</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(98,622)	(70,228)
Purchase of intangible assets	(30,000)	-
Proceeds from the sale of investments	196,008	341,650
Purchase of investments	(183,067)	(345,452)
Purchase of investment property	(15,400)	(13,948)
Movement in cash held within investments	(3,663)	13,100
<b>Net cash provided by (used in) investing activities</b>	<b>(134,744)</b>	<b>(74,878)</b>
<b>Cash flows from financing activities:</b>		
New loan/ (repayments)	(61,611)	(89,521)
<b>Net cash provided by (used in) financing activities</b>	<b>(61,611)</b>	<b>(89,521)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>1,019,030</b>	<b>678,967</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>2,449,738</b>	<b>1,770,771</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,468,768</b>	<b>2,449,738</b>

The notes on pages 36 to 55 form part of these financial statements.

## 1 General Information

The Society of Dyers & Colourist is a charitable body, incorporated by Royal Charter (RC000576) with the governing documents being the Royal Charter (1963), with Amendments, By-laws (2009) and Rules (2012, 2014, 2015, 2017, 2018 and 2019 as amended). The address of the registered office is shown in the Trustees' Annual Report. The nature of the group's operations and its principal activities are outlined in the Trustees' Annual Report. The presentational currency is sterling and amounts are rounded to the nearest whole £.

## 2 Accounting Policies

### Basis of preparation

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction values unless otherwise stated in the relevant note to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity as defined by FRS 102.

The trustees consider that there are not material uncertainties about the charity's ability to continue as a going concern.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies.

The following principal accounting policies have been applied:

### Basis of consolidation

The group financial statements consolidate the accounts of the Society of Dyers and Colourists and its subsidiary's accounts on a line by line basis. Transactions between the group companies are eliminated on consolidation.

The consolidated financial statements include the financial statements of the charity and its subsidiary undertakings made up to 31 December 2021. The acquisitions method of accounting has been adopted. Under this method the group net incoming resources include the results of subsidiaries from the date of acquisition and to the date of sale outside the group in case of disposals and subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition

### Going concern

The Trustees have reviewed the budgets and cash flow forecasts for the period at least 12 months from the approval of these financial statements and consider that there are no material uncertainties about the group and charity's ability to continue as a going concern.

### Fund accounting

The fund held by the charity are:

- Unrestricted funds – these are general funds which can be used in accordance with the charitable objectives at the discretion of the trustees. Included in unrestricted funds are certain designated funds set aside by the trustees for specific purposes.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Permanent endowment funds – these represent the fixed asset investments which must be held permanently by the charity.

The objectives of the various designated, restricted and permanent endowment funds are set out in note 25.

### Income

All income from membership subscriptions, donations, charitable activities, income from other trading activities, investment income, government and capital grants, are included in the Statement of Financial Activities when the SDC is entitled to the income and the amount can be quantified with reasonable accuracy.

Investment income and gains/(losses) are allocated to the appropriate funds.

Income from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Gift aid income

Taxable profits transferred from the subsidiaries are recognised as donations when the subsidiary has made an irrevocable commitment to the charity to pay the Gift Aid donation.

During the year the charity has received Gift Aid from subsidiaries of £Nil (2020 - £400,000).

### Expenditure

- Raising funds: The following activities – trading costs of the subsidiary, car park lease, cost of managing investments and general marketing – are for the purpose of raising funds.
- Charitable activities: The following activities – colour experience, membership and qualifications, publications, technical, the day to day running of the SDC consisting of staff and administration costs – are of charitable nature and are provided for the benefit of members and the general public.
- Governance Costs include the day to day governance running of the SDC consisting of administration costs including audit and other professional costs, trustee travel, training, meetings and excludes any costs running funds.

All resources expended are on an accrual basis.

Grants payable are charged in the year when the offer is conveyed to the recipient.

Support costs and overheads are allocated in line with the relevant percentage of income receivable for that related activity.

Trading expenses are those of the charity's wholly owned subsidiary and do not include any of the charity's overheads. Support costs are those of managing and administering the SDC and represent expenses incurred attributable to the management of the charity's assets.

### Tangible fixed assets and depreciation – held at cost less depreciation.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all the fixed assets except freehold land, over their expected useful lives. It is calculated on the following rates:

Freehold property	- 5% straight line
Furnishing and general equipment	- 15-25% straight line
Computer equipment	- 33.3% straight line
Leasehold improvements	- over the term of the lease

### Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually. Valuations are based on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the income and expenditure account.

### **Building revaluation – Investment Property and Freehold Property**

The basis of building revaluation was Market Value with vacant possession and existing use. Revaluation is performed in accordance with the RICS Valuation – Professional Standards January 2014 Edition (the “Red Book”), where applicable having due regard to the Practice Statements and Guidance Notes therein for valuations of this nature.

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated SOFA.

### **Fixed asset investments**

Listed investments are stated at Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in the SOFA. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

The investment in the SDC’s trading subsidiary, SDC Enterprises Limited, is stated at cost, less provision for impairment.

### **Intangible assets**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer’s interest in the fair value of the group’s share of its identifiable assets and liabilities of the acquiree at the date of the acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the consolidated statement of comprehensive income over its useful economic life (UEL). Directors have assessed the UEL of goodwill to be 5 years.

Website is measured at cost less amortisation. Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful life as follows:

Website Development	- £Nil as asset not in use
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### **Debtors**

Debtors are recognised initially when they become due at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the debtors.

### **Creditors**

Creditors are obligations to pay for goods and services that have been acquired by the charity. Creditors are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **Pension costs**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to income and expenditure account on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the income and expenditure account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

### **Foreign currencies**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

### **Research and developments**

Research and development costs are written off to the profit and loss account when incurred.

### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

### **Deferred tax**

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

### **Key sources of estimation uncertainty**

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset. The carrying amount is £1,234,062 (2020-£1,254,382).

### Stock provision

The group makes an estimate of the recoverability of the cost of stock. When calculating the stock provision, management consider the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods. The carrying amount is £1,684,628 (2020 - £1,985,320).

### Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors management considers factors which include the current credit rating of the debtor, the ageing profile of debtors and historical experience. The carrying amount is £1,144,861 (2020 - £926,866).

### 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 measure at their settlement value.

### Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. Work in progress and finished goods include labour and attributable overheads.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

### Mixed use

A judgement has been made to split the property value between investment property and freehold property based upon the used by the Group compared to the area rented externally.

### 3 Income from donations

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Gifts and donations	16,068	55,030	16,068	455,030

Included within gifts and donations is £16,000 (2020 - £55,000) of restricted income.

### 4 Income from charitable activities

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Day of Celebration	145	171	145	171
Seminars and conferences	1,840	1,063	1,840	1,063
Books and publications:				
Academic books	1,985	1,065	1,985	1,065
Malcolm the Weaver books	1,515	1,095	1,515	1,095
Coloration Technology	38,117	41,000	38,117	41,000
Training	21,545	58,273	21,545	58,273
Membership subscriptions	39,706	46,039	39,706	46,039
UK Government grants	3,000	-	3,000	-
Qualifications	-	360	-	360
Other	16,469	7,129	16,469	7,129
	<u>124,322</u>	<u>156,195</u>	<u>124,322</u>	<u>156,195</u>

All income from charitable activities was unrestricted in the current preceding year.

## 5 Income from other trading activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trading income from subsidiaries	5,596,643	4,549,550	-	-

All income from other trading activities was unrestricted in the current and preceding year.

## 6 Income from investments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Rental Income	113,860	112,290	67,588	62,161
Interest received	662	3,084	452	1,029
Other interest receivable	683	-	-	-
Dividends from listed investments	21,826	22,730	21,826	22,730
	137,031	138,104	89,866	85,920

All income from investments was unrestricted in the current and preceding year.

## 7 Other income

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
License fee received from subsidiary	-	-	350,000	350,000
Government grants	6,504	6,504	-	-
Government Job Retention Scheme	76,675	42,469	69,775	6,797
	83,179	48,973	419,775	356,797

Group Government grants includes Job Retention Scheme income of £76,675 (2020 £42,469) and Charity Government grants includes Job Retention Scheme income of £69,775 (2020 £6,797).

All other income was unrestricted in the current and preceding year.

## 8 Expenditure on raising funds

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
General marketing	28,547	12,094	28,547	12,094
Bradford Council car park lease	4,773	4,667	4,773	4,667
Broker fees	6,876	7,349	6,876	7,349
Trading by subsidiaries	4,000,314	3,378,462	-	-
	4,040,470	3,402,572	24,110	24,110

All expenditure on raising funds was unrestricted in the current and preceding year.

**9 Expenditure on charitable activities**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Books – Academic	-	67	-	67
Books – Malcolm the Weaver & Colour Experience	1,116	3,116	1,116	3,116
Coloration Technology	26,293	27,840	26,293	27,840
The Colourist	6,150	13,181	6,150	13,181
Qualifications costs	400	3,460	400	3,460
Training costs	4,695	16,237	4,695	16,237
Salary costs (including redundancy costs)	441,152	489,643	441,152	489,643
Travel and subsistence	1,538	16,216	1,538	16,216
Operational costs	134,644	139,758	134,644	139,758
Depreciation	49,951	53,599	49,951	53,599
(Profit) on disposal of tangible fixed assets	1,923	-	1,923	-
(Profit) on reclassification to investment properties	-	-	-	-
Bad debts	566	(2,088)	566	(2,088)
Governance costs (Note 10)	24,678	41,982	24,678	41,982
Bursaries / Awards	8,205	14,799	8,205	14,799
Seminar and conference costs	3,225	500	3,225	500
Colour Education	-	5,151	-	5,151
Day of Celebration	-	755	-	755
Other SDC committees	2,256	2,631	2,256	2,631
Outsourced service costs:				
- Facilities Management Services	8,000	-	8,000	-
- External accountancy and consultancy fees	7,406	5,083	7,406	5,083
- HR helpline services	10,958	10,318	10,958	10,318
- Bookkeeping services	27,517	27,606	27,517	27,606
	<b>760,673</b>	<b>869,854</b>	<b>760,673</b>	<b>869,854</b>

£7,062 (2020 £9,309) expenditure on charitable activities was restricted in the current and preceding year.

## 9 Expenditure on charitable activities

### Analysis of expenditure by activity:

#### Group and Charity – current year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Education	6,150	82,981	46,039	4,642	139,812
Membership and Qualifications	16,525	141,410	78,457	7,910	244,302
Publications	27,409	147,676	81,933	8,261	265,279
Administrative costs	-	69,085	38,330	3,865	111,280
	<u>50,084</u>	<u>441,152</u>	<u>244,759</u>	<u>24,678</u>	<u>760,673</u>

#### Group and Charity – prior year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Education	18,332	187,136	96,741	16,045	318,254
Membership and Qualifications	35,751	144,860	74,886	12,420	267,917
Publications	31,023	135,299	69,943	11,601	247,866
Administrative costs		22,348	11,553	1,916	35,817
	<u>85,106</u>	<u>489,643</u>	<u>253,123</u>	<u>41,982</u>	<u>869,854</u>

Total expenditure on charitable activities was £760,673 (2020 £869,854) of which £7,062 (2020 £9,309) was restricted and £753,611 (2020 £860,545) was unrestricted.

## 10 Governance costs

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Committee meetings	2,158	3,504	2,158	3,504
Miscellaneous governance costs	139	1,903	139	1,903
Legal fees and trademark protection	1,136	10,957	1,136	10,957
Trustees liability insurance	1,611	1,748	1,611	1,748
Trustees training	-	899	-	899
Audit fees	10,589	13,938	10,589	13,938
Bank charges	1,750	2,575	1,750	2,575
PayPal charges	11	17	11	17
Subscriptions & licences (inc data protection)	3,451	4,020	3,451	4,020
Grants in support of SDC regions	(220)	1,032	(220)	1,032
Medals & plaques	4,053	1,389	4,053	1,389
	<u>24,678</u>	<u>41,982</u>	<u>24,678</u>	<u>41,982</u>

## 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
<b>Corporation tax</b>				
Current tax on profits for the year	213,800	105,000	-	-
Adjustments in respect of previous periods	(397)	(3,288)	-	-
<b>Deferred tax</b>				
Origination and reversal of timing differences	9,000	5,000	-	-
Adjustments in respect of prior periods	-	-	-	-
<b>Taxation</b>	<b>222,403</b>	<b>106,712</b>	<b>-</b>	<b>-</b>

### Factors affecting tax charge for the year

The tax assessed for the year is lower (2020 – lower than) the standard rate of corporation tax in the UK of 19% (2020 – 19%). The differences are explained below:

	2021 £	2020 £	2021 £	2020 £
<b>Profit on taxable activities before tax</b>	1,340,264	823,563	-	-
Profit on taxable activities multiplied by standard rate of corporation tax in the UK of 19% (2020-19%)	254,650	156,477	-	-
<b>Effects of:</b>				
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(4,123)	29,282	-	-
Effect of tax rate charges	-	645	-	-
Adjustments to tax charge in respect of prior periods	(397)	(3,288)	-	-
Other timing differences leading to an increase (decrease) in taxation	773	(404)	-	-
Distribution to parent made in Gift Aid	(28,500)	(76,000)	-	-
<b>Total tax charge for the year</b>	<b>222,403</b>	<b>106,712</b>	<b>-</b>	<b>-</b>

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £10,000.

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

## 12 Net gains on Investments

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Realised (losses)/gains	15,768	(26,118)	15,768	(26,118)
Unrealised gains	68,460	46,293	68,119	46,293
Loss on revaluation of investment property	(17,092)	102,752	1,675	102,752
	<b>66,795</b>	<b>122,927</b>	<b>85,562</b>	<b>122,927</b>

### 13 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Salaries and wages	1,238,739	1,339,987	353,220	413,712
Social security costs	131,599	140,297	35,264	38,514
Pension costs	119,169	126,403	33,889	37,417
Redundancy costs	18,779	-	18,779	-
	<u>1,508,286</u>	<u>1,606,687</u>	<u>441,152</u>	<u>489,643</u>

The group paid £3,814 (2020 £4,163) in respect of employer's life assurance contributions and £6,232 (2020 £8,120) in respect of employer's private medical contributions during the year. The charity paid £3,814 (2020 £4,163) in respect of employer's life assurance contributions and £3,218 (2020 £4,231) in respect of employer's private medical contributions during the year.

There were 3 employees of the group with employment benefits in excess of £60,000 (2020 4).

	Group		Charity	
	2021	2020	2021	2020
	No.	No.	No.	No.
Bands:				
£210,001 - £220,000	1	-	-	-
£160,001 - £170,000	-	1	-	-
£110,001 - £120,000	1	1	1	1
£70,001 - £80,000	1	1	1	1
£60,000 - £70,000	-	1	-	1
	<u>3</u>	<u>4</u>	<u>2</u>	<u>3</u>

The number of staff who received in excess of £60,000 to whom retirement benefits are accruing under defined contributions schemes was 3 (2020 4)

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Employer's pension contributions to defined contribution schemes in respect of the employees receiving in excess of £60,000	46,936	58,371	14,953	20,364
	<u>46,936</u>	<u>58,371</u>	<u>14,953</u>	<u>20,364</u>

The key management personnel of the group comprise the trustees and the CEO of the charity and the directors of SDC Enterprises Limited. The total employee benefits of this group was £327,316 (2020 £294,899).

None of the Trustees (2020: None) have been paid any remuneration or received any other benefits from the Charity. During the year 3 Trustees were reimbursed for any expenses incurred on behalf of the Charity to the sum of £429 (2020: £135 – 2 Trustees). During the year 6 Trustees were invoiced for subscriptions totalling £580 (2020: £Nil). At the year end there was £63 (2020: £Nil) due from 1 Trustee (2020: None).

### 14 Staff numbers

	2021	2020	2021	2020
	No.	No.	No.	No.
Charitable activities	6	8	6	8
Management administration	33	35	3	4
	<u>39</u>	<u>43</u>	<u>9</u>	<u>12</u>

### 15 Intangible assets

Group	Goodwill £	Website Development £	Total £
<b>Cost</b>			
At 1 January 2021	209,000	-	209,000
Additions	-	30,000	30,000
As at 31 December 2021	<u>209,000</u>	<u>30,000</u>	<u>239,000</u>
<b>Amortisation</b>			
At 1 January 2021	205,517	-	205,517
Charge for the year	3,483	-	3,483
As at 31 December 2021	<u>209,000</u>	<u>-</u>	<u>209,000</u>
<b>Net book value</b>			
As at 31 December 2021	<u>-</u>	<u>30,000</u>	<u>30,000</u>
As at 31 December 2020	<u>3,483</u>	<u>-</u>	<u>3,483</u>

### 16 Tangible fixed assets

Group cost or revaluation	Leasehold improvements £	Freehold property £	Furnishings and equipment £	Total £
Cost at 1 January 2021	151,594	803,500	475,655	1,430,748
Additions	6,890	-	91,732	98,622
Revaluation	-	(33,500)	-	(33,500)
Disposals	-	-	(84,136)	(84,136)
Cost at 31 December 2021	<u>158,483</u>	<u>770,000</u>	<u>483,251</u>	<u>1,411,734</u>
Depreciation at 1 January 2021	132,471	-	43,882	176,353
Charge for the year	5,592	35,175	77,880	118,647
Eliminated on revaluation	-	(35,175)	-	(35,175)
Depreciation on disposal	-	-	(82,153)	(82,153)
Depreciation at 31 December 2021	<u>138,063</u>	<u>-</u>	<u>39,609</u>	<u>177,672</u>
Net book value at 31 December 2021	<u>20,420</u>	<u>770,000</u>	<u>443,642</u>	<u>1,234,062</u>
Net book value at 31 December 2020	<u>19,122</u>	<u>803,500</u>	<u>431,773</u>	<u>1,254,395</u>

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Notes to the Financial Statements (continued)

**16 Tangible fixed assets (continued)**

	Leasehold improvements £	Freehold property £	Furnishings and equipment £	Total £
<b>Charity cost or revaluation</b>				
Cost at 1 January 2021	45,439	703,500	111,736	860,675
Additions	-	-	-	-
Revaluation	-	(33,500)	-	(33,500)
Disposals	-	-	(2,555)	(2,555)
Cost at 31 December 2021	<u>45,439</u>	<u>670,000</u>	<u>109,181</u>	<u>824,620</u>
Depreciation at 1 January 2021	43,616	-	62,228	105,844
Charge for the year	1,823	35,175	12,954	49,952
Eliminated on revaluation	-	(35,175)	-	(35,175)
Depreciation on disposal	-	-	(632)	(632)
Depreciation at 31 December 2021	<u>45,439</u>	<u>-</u>	<u>74,550</u>	<u>119,989</u>
Net book value at 31 December 2021	<u>-</u>	<u>670,000</u>	<u>34,631</u>	<u>704,631</u>
Net book value at 31 December 2020	<u>1,823</u>	<u>703,500</u>	<u>49,508</u>	<u>754,831</u>

Freehold property was revalued at the year by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2.

The historical cost of the freehold property above at 31 December 2021 was £865,266 (2020 - £864,674).

**17 Investments**

	At 1 January 2021 £	Additions £	Disposals £	Realised/ Unrealised gains £	At 31 December 2021 £
Quoted investments at market value	981,756	183,067	(188,683)	83,887	1,049,027
Cash	10,344	-	(3,663)	-	6,681
	<u>981,100</u>	<u>183,067</u>	<u>(192,346)</u>	<u>83,887</u>	<u>1,055,708</u>
Investment in subsidiary					
SDC Enterprises Limited	445,600	-	-	-	445,600
SDC International Limited	99	-	-	-	99
	<u>445,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,699</u>
Quoted investments at cost	<u>796,298</u>				<u>836,892</u>

A detailed listing of investments will be available at the AGM and is available to Members on request. The investments are held primarily to provide an investment return.

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**Investments in subsidiaries**

SDC owns 100% of the £1 ordinary shares issued in SDC Enterprises Limited, the investment is £445,600 (2020 – £445,600). SDC Enterprises Limited (Company number 00433197) owns 100% of the £1 ordinary shares issued in Sam Weller Limited (Company number 00433197), the results of both companies are consolidated in these financial statements.

The SDC's investment in SDC International Ltd (Company number 04309970) represents £100 (2020 - £100) ordinary shares of £1 each which is wholly owned.

All subsidiaries are incorporated and registered in England and Wales.

The results of the trading subsidiaries for the financial period were as follows:

	<b>SDC Enterprises Limited</b>		<b>Sam Weller Limited</b>		<b>SDC International Ltd</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Turnover	3,884,009	3,295,580	2,050,827	1,350,635	-	-
Expenditure	2,881,115	2,973,436	1,935,860	1,454,694	14,450	(15,312)
Profit for the year	<u>1,002,894</u>	<u>322,144</u>	<u>114,967</u>	<u>(104,059)</u>	<u>(14,450)</u>	<u>(15,312)</u>
Transfers	-	-	-	-	(21)	-
Reserves movement	<u>1,002,894</u>	<u>322,144</u>	<u>114,967</u>	<u>(104,059)</u>	<u>(14,471)</u>	<u>(15,312)</u>
Assets	6,724,672	5,760,709	2,286,836	2,078,888	756	777
Liabilities	(1,361,390)	(1,400,321)	(323,423)	(207,517)	(65,514)	(51,064)
Net assets	<u>5,363,282</u>	<u>4,360,388</u>	<u>1,963,413</u>	<u>1,871,371</u>	<u>(64,758)</u>	<u>(50,287)</u>

**18 Investment Property**

<b>Group</b>	<b>Freehold Investment Property</b>
	<b>£</b>
<b>Valuation</b>	
At 1 January 2021	1,746,500
Additions at cost	15,400
Revaluations	(17,092)
<b>At 31 December 2021</b>	<u>1,744,808</u>
<b>Charity</b>	<b>Freehold investment property</b>
	<b>£</b>
<b>Valuation</b>	
At 1 January 2021	346,500
Additions at cost	592
Revaluations	(17,092)
<b>At 31 December 2021</b>	<u>330,000</u>

**Group and Charity**

Investment properties in the Charity were revalued in March 2022 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2. The historical cost of the freehold property above at 31 December 2021 was £2,430,619 (2020 - £2,415,219).

## 19 Stock

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	523,073	497,528	-	-
Work in progress	141,359	179,921	-	-
Finished goods for resale	1,020,196	1,307,871	-	-
	<u>1,684,628</u>	<u>1,985,320</u>	-	-

Stock recognised in cost of sales during the year as an expense was £3,022,701 (2020 - £1,747,432).

Total carrying amount of stocks pledged as security for liabilities was £894,761 (2020 - £874,519).

## 20 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
<b>Amounts falling within one year</b>				
Trade debtors	818,160	608,467	11,530	27,914
Amounts owed by group undertakings	-	-	130,636	116,306
Other debtors	113,566	108,168	45,200	29,484
Prepayments	213,135	210,231	23,395	41,812
	<u>1,144,861</u>	<u>926,866</u>	<u>210,761</u>	<u>215,516</u>

A specific bad debt provision, amounting to £40,052 (2020: £40,052), has been raised in respect of amounts due from SDC EC. The bad debt recognised within the Statement of Financial Activity for the year was £566 (2020: £(2,193)).

## 21 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
<b>Amounts falling within one year</b>				
Bank loans	62,903	61,601	-	-
Trade creditors	280,484	220,238	13,237	24,252
Taxes and Social Security	123,770	144,896	19,252	36,255
Accruals and deferred income	374,652	224,809	43,721	56,375
Other creditors	21,017	15,897	17,538	15,877
	<u>862,826</u>	<u>667,441</u>	<u>93,748</u>	<u>132,759</u>

Deferred income relates to income received for subscription and member fees which is not relatable to the year end 31 December 2021.

## 22 Creditors: amounts falling due after more than one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	745,185	808,098	-	-
Deferred income	2,698	9,202	-	-
	<u>747,883</u>	<u>817,300</u>	-	-

A debenture is in place which includes a charge over all assets both present and future of the subsidiary SDC Enterprises Limited dated 9 February 2016, in respect of the bank loans held by the Group.

The bank loan above is secured on the property to which it relates.

**23 Loans**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Bank loans:</b>				
Amounts falling due within one year	62,903	61,601	-	-
Amounts falling due 2-5 years	745,185	808,098	-	-
	<b>808,088</b>	<b>869,699</b>	<b>-</b>	<b>-</b>

**24 Deferred tax**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of year	63,000	58,000	-	-
(Released)/charged during year	9,000	5,000	-	-
At end of year	<b>72,000</b>	<b>63,000</b>	<b>-</b>	<b>-</b>

The provision for deferred taxation is made up as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	75,000	67,000	-	-
Other timing differences	(1,000)	(4,000)	-	-
Losses c/fwd	(2,000)	-	-	-
Total	<b>72,000</b>	<b>63,000</b>	<b>-</b>	<b>-</b>

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2021  
Notes to the Financial Statements (continued)

<b>25 Funds</b>	<b>Fund balance 01/01/2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Gains and Losses £</b>	<b>Net movement In funds £</b>	<b>Fund balance 31/12/2021 £</b>
<b>Unrestricted funds</b>							
Accumulated funds	2,386,777	634,031	(773,845)	30,000	83,887	(25,927)	2,360,850
<b>Designated funds</b>							
Centenary educational trust	68,998	-	(1,143)	-	-	(1,143)	67,855
Tordoff memorial	96,385	-	-	-	-	-	96,385
Unfunded projects reserve	284,984	-	(18,779)	(30,000)	-	(48,779)	236,205
<b>Total designated funds</b>	<b>450,367</b>	<b>-</b>	<b>(10,502)</b>	<b>-</b>	<b>-</b>	<b>(49,922)</b>	<b>400,445</b>
Funds retained in trading subsidiaries	4,461,879	5,307,212	(4,222,715)	-	-	1,084,497	5,546,376
	<b>7,299,023</b>	<b>5,941,243</b>	<b>(5,016,482)</b>	<b>-</b>	<b>83,887</b>	<b>1,008,648</b>	<b>8,307,671</b>
<b>Restricted funds</b>							
George Douglas Lecture	1,730	-	-	-	-	-	1,730
Turner Scholefield award	8,510	-	-	-	-	-	8,510
Future Textile Dyers fund	30,691	16,000	(7,062)	-	-	8,938	39,629
	<b>40,931</b>	<b>16,000</b>	<b>(7,062)</b>	<b>-</b>	<b>-</b>	<b>8,938</b>	<b>49,869</b>
<b>Permanent endowment funds</b>							
George Douglas Lecture	2,128	-	-	-	-	-	2,128
Turner Scholefield Award	2,497	-	-	-	-	-	2,497
Veronica Bell Award	12,876	-	-	-	-	-	12,876
	<b>17,501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,501</b>
<b>Revaluation Reserve</b>	<b>320,502</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,417)</b>	<b>(15,417)</b>	<b>305,085</b>
<b>Total funds – Group</b>	<b>7,677,957</b>	<b>5,957,243</b>	<b>(5,023,544)</b>	<b>-</b>	<b>68,470</b>	<b>1,002,169</b>	<b>8,680,126</b>
Deduct funds retained in trading subsidiaries	(4,461,879)	(5,307,212)	4,222,715	-	-	(1,084,497)	(5,546,376)
<b>Total funds – Charity</b>	<b>3,216,078</b>	<b>650,031</b>	<b>(800,829)</b>	<b>-</b>	<b>68,470</b>	<b>(82,328)</b>	<b>3,133,750</b>

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2021  
Notes to the Financial Statements (continued)

<b>25 Funds – previous year</b>	<b>Fund balance 01/01/2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Gains and Losses £</b>	<b>Net movement In funds £</b>	<b>Fund balance 31/12/2020 £</b>
<b>Unrestricted funds</b>							
Accumulated funds	2,304,771	998,942	(874,153)	(102,318)	59,535	82,006	2,386,777
<b>Designated funds</b>							
Colour experience	7,200	-	(7,387)	187	-	(7,200)	-
Centenary educational trust	72,113	-	(3,115)	-	-	(3,115)	68,998
Tordoff memorial	96,385	-	-	-	-	-	96,385
Unfunded projects reserve	166,669	-	-	118,315	-	118,315	284,984
<b>Total designated funds</b>	<b>342,367</b>	<b>-</b>	<b>(10,502)</b>	<b>118,502</b>	<b>-</b>	<b>108,000</b>	<b>450,367</b>
Funds retained in trading subsidiaries	4,325,379	3,990,575	(3,854,075)	-	-	136,500	4,461,879
	<b>6,972,517</b>	<b>4,989,517</b>	<b>(4,738,730)</b>	<b>16,184</b>	<b>59,535</b>	<b>326,506</b>	<b>7,299,023</b>
<b>Restricted funds</b>							
George Douglas Lecture	2,300	-	-	(570)	-	(570)	1,730
Turner Scholefield award	8,509	-	-	1	-	1	8,510
Veronica Bell award	615	-	-	(615)	-	(615)	-
Future Textile Dyers fund	-	40,000	(9,309)	-	-	30,691	30,691
Dyers Co. Charitable Trust	-	15,000	-	(15,000)	-	-	-
	<b>11,424</b>	<b>55,000</b>	<b>(9,309)</b>	<b>(16,184)</b>	<b>-</b>	<b>29,507</b>	<b>40,931</b>
<b>Permanent endowment funds</b>							
George Douglas Lecture	2,128	-	-	-	-	-	2,128
Turner Scholefield Award	2,497	-	-	-	-	-	2,497
Veronica Bell Award	12,876	-	-	-	-	-	12,876
	<b>17,501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,501</b>
<b>Revaluation Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320,502</b>	<b>320,502</b>	<b>320,502</b>
<b>Total funds – Group</b>	<b>7,001,442</b>	<b>5,044,517</b>	<b>(4,748,039)</b>	<b>-</b>	<b>380,037</b>	<b>676,515</b>	<b>7,677,957</b>
Deduct funds retained in trading subsidiaries	(4,325,379)	(3,990,575)	3,854,075	-	-	(136,500)	(4,461,879)
<b>Total funds – Charity</b>	<b>2,676,063</b>	<b>1,053,942</b>	<b>(893,964)</b>	<b>-</b>	<b>380,037</b>	<b>540,015</b>	<b>3,216,078</b>

## 25 Funds (continued)

The specific purpose for which the funds are to be applied are as follows:

### Designated Funds:

#### ***Centenary Educational Trust Fund***

Established in the SDC's centenary year (1984) to provide finance to stimulate the recruitment of highly talented and well-motivated young people onto full-time courses in colour science and technology.

#### ***Tordoff Memorial Fund***

Established in 1992 in memory of the late Dr Maurice Tordoff, former Chief Executive and General Secretary of the SDC. To provide finance to support students undertaking part-time education in colour science and technology.

### Restricted Funds:

#### ***Future Textile Dyers***

To support the apprenticeship program FTCC TCC, this money has been received from Worshipful Company of Dyers.

#### ***Dyers Co. Charitable Trust Fund***

As restricted fund from the Worshipful Company of Dyers specifically in relation to support of the ASDC scheme.

#### ***George Douglas Lecture***

Represents income arising from the George Douglas Lecture permanent endowment fund and the use of that income.

#### ***Turner Scholefield Award***

Represents income arising from the Turner Scholefield Award permanent endowment fund and the use of that income.

#### ***Veronica Bell Award***

Represents income arising from the Veronica Bell Award permanent endowment fund and the use of that income.

### Permanent Endowment Funds:

#### ***George Douglas Lecture***

The Lecture was started in 1948 with a fund established by the Bradford Dyers' Association Ltd to finance a biennial memorial lecture. The lecture to be on a subject related to the dyeing and finishing of textiles. The fund now allows for promoting education in colour science and technology by the holding of public lectures.

#### ***Turner Scholefield Award***

A medal, awarded annually, to an Associate of the SDC, under the age of 33 who has made the most notable contribution to the science and technology of colouring matters and their application.

#### ***Veronica Bell Award***

Presented to the winner of the student International Design Competition in memory of the SDC's first lady president, Veronica Bell.

### Revaluation reserve

To record any gains from revaluations of freehold property and investment property.

**26 Analysis of net assets by funds – Group**

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Revaluation Reserve Funds £	Total Funds £
<b>At 31 December 2021</b>					
Intangible fixed assets	30,000	-	-	-	30,000
Tangible fixed assets	1,234,062	-	-	-	1,234,062
Investments	1,055,708	-	-	-	1,055,708
Investment property	1,744,808	-	-	-	1,744,808
Current assets	6,230,887	49,869	17,501	-	6,298,257
Current liabilities	(862,826)	-	-	-	(862,826)
Long term liabilities	(747,883)	-	-	-	(747,883)
Provisions for liabilities	(72,000)	-	-	-	(72,000)
	<u>8,612,756</u>	<u>49,869</u>	<u>17,501</u>	<u>-</u>	<u>8,680,126</u>

**Analysis of net assets by funds – Group – previous year**

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Revaluation Reserve Funds £	Total Funds £
<b>At 31 December 2020</b>					
Intangible fixed assets	3,483	-	-	-	3,483
Tangible fixed assets	1,254,382	-	-	-	1,254,382
Investments	981,100	-	-	-	981,100
Investment property	1,746,500	-	-	-	1,746,500
Current assets	5,303,492	40,931	17,501	-	5,361,924
Current liabilities	(667,441)	-	-	-	(667,441)
Long term liabilities	(817,300)	-	-	-	(817,300)
Provisions for liabilities	(63,000)	-	-	-	(63,000)
	<u>7,741,216</u>	<u>40,931</u>	<u>17,501</u>	<u>-</u>	<u>7,799,648</u>

**27 financial instruments**

	Group	
	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at fair value through SOFA	<u>3,463,835</u>	<u>3,420,756</u>
	<u>3,463,835</u>	<u>3,420,756</u>

## 28 Commitments under operating leases – lessee

At 31 December 2021 the group and the charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
<b>Not later than 1 year</b>	130,221	128,191	14,872	21,816
Later than 1 year and not later than 5 years	389,222	482,878	50,090	53,712
Later than five years	10,436	22,958	10,436	22,958
	<u>529,879</u>	<u>634,027</u>	<u>75,398</u>	<u>98,486</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was Group £133,650 (31 December 2020 - £130,433) and Charity £21,013 (31 December 2020 - £24,058).

## Commitments under operating leases – lessor

At 31 December 2021 the group and the charity had future minimum lease payments receivable under non-cancellable operating leases as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
<b>Not later than 1 year</b>	81,316	8,250	16,941	8,250
Later than 1 year and not later than 5 years	251,945	-	4,795	-
Later than five years	344,850	-	-	-
	<u>678,111</u>	<u>8,250</u>	<u>21,736</u>	<u>8,250</u>

The amount of rents receivable recognised as income during the year was £131,234 (31 December 2020 - £62,161).

Capital commitments £201,991 (2020: £Nil)

## 29 Related party transactions

During the year the Charity entered into the following transactions with related parties:

### Charity

Other than transactions disclosed above in note 13, there were no other related party transaction that required disclosure.

## 30 Ultimate Control

The society of Dyers & Colourists is a Charitable body. SDC Voting Members elect the Trustees to be voting members of the Society's Board, and the trustees ultimately control the charity



**THE SOCIETY OF DYERS AND COLOURISTS**

England & Wales - Charity number 212331

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# Accounts

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**The Society of Dyers & Colourists (SDC)**  
**Annual Report &**  
**Financial Statements**  
**For the Year ended 31<sup>st</sup> December 2020**

Charity Number 212331

Royal Charter Number RC000567



The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2020  
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### Foreword by SDC Chief Executive Officer

There was an intention, when the 2019 Annual Report was completed, to change the format of the Annual Report for 2020. The aim was to achieve a reduction in the length of the Report, and by doing so focus more on what had been achieved over the past year and where the Society was heading in the future. At that time, we could not foresee the extent to which 2020 was going to be a very different kind of year. It started almost normally – I say almost as we were aware of a new disease in the Far East that appeared to be spreading at a fast rate. However, in March 2020 the SDC President at that point, Sue Bolton, and myself were intending to travel to the USA to attend the AATCC Annual Conference in Greenville, South Carolina (an event held each year and attended by the SDC for many, many years). We undertook a risk assessment before we departed the UK, and the decision was still to attend. However, the speed of the pandemic then swung rapidly around the globe in a manner none of us envisaged, which resulted in our early and hurried departure back to the UK. On 15th March 2020, as SDC Chief Executive, I took the decision to close Perkin House to all SDC staff and visitors and so we entered an exceptionally different year in the whole history of the Society.

During the remainder of the year things have been very different with staff working from home and all Board and Committee meetings moving online. This has not been a negative experience, with many upsides, as well as a webinar programme introduced with astounding international participation each time. Our education courses were already online, and both delivery and participation continued unabated. One might also argue we became much more efficient, with shorter meetings and no travel to attend them. This of course did not just happen, but was made possible because SDC Members and SDC Staff made an effort and tried new ways of working, for which I am very grateful indeed. Collectively the Society continued in a very turbulent and very uncertain year. Some use of Perkin House returned as the year progressed, but in the main all SDC desk-based staff continued to work from home using the integrated IT solution of Microsoft Teams and the Office 365 suite. Being apart actually resulted in SDC staff meetings online, at a frequency of approximately two per week, which is an increase in SDC team working hitherto unknown.

Whilst the Annual Report covers a specific year it also looks ahead to where the organisation is heading. It is in this area that the Society was impacted much more than in 2020, due to the international downturn in trade affecting the Gift Aid the Society will receive from the 2020 trading of our subsidiary SDC Enterprises Group Ltd. Fortunately, this is a situation where the Society has had 9 months' notice that the 2020 Gift Aid, typically received the following September, will not be forthcoming. Unfortunately, that has resulted in the Society's Board having to make some hard decisions regarding the sustainability of the organisation. In April 2021 therefore the Society, to reduce its expenditure commitment to a more sustainable level, was forced to make four staff posts redundant. This has only in part addressed the shortfall in income and 2021 at least will see a zero-travel expenditure policy across the SDC for example. A comprehensive spending review is underway to reduce expenditure wherever possible without impacting the delivery of membership and educational services. Indeed, the reduction in staff numbers is a move accompanied by outsourcing of SDC Marketing, adding this to the long-standing list of outsourced functions such as HR, Bookkeeping and IT support.

In summary 2020 was not the year we envisaged and 2021 will be different again, as will the SDC future. I say different as the changes can be said to be positive ones. The pace of change has been exacerbated by the pandemic and this is certainly true for the Society. I recall more than a single committee meeting in 2020 where we left the meeting and the world had changed during the time we had met! The changes will result in a different Society addressing the current colour world in which we live, but a Society that still exists and serves its members and its colour communities.

I would like to conclude my introduction to this year's Annual Report with our condolences for all who have lost friends and loved ones in the past year. Some of these have been as a direct consequence of the pandemic, whilst others have passed away from other causes, but in a time when grieving and mourning are much more difficult. Sadly, one such loss, not though caused by the pandemic, was the passing of a serving Trustee of the Society's Board. Trevor Lambourne was a welcome addition to the Society's Board in 2015 and known to myself as a work colleague from 2004 when I was employed at the University of Leeds. Many have benefitted from the work Trevor undertook for the Society both collectively and personally. He will be, and is, missed by those in the Society who knew him and who will remember him with grateful hearts. May all those who lost someone over recent months never forget the great influence and impact those individuals contributed to our lives.



Dr Graham Clayton, Chief Executive Officer

## SDC Annual Report

The Society's Board is comprised of nine elected trustees from amongst its Voting Member population, SDC Honorary Officers and the Chief Executive Officer, together with any co-opted Board members, who present their report together with the financial statements of the charity for the year ended 31 December 2020. The Board are of the view that the funds and assets have been prudently managed and effectively applied during the year, solely in furtherance of the objectives described in the SDC Governance documents and reproduced below, with financial performance continually under review against these, with monthly management accounts produced and evaluated. The Board are satisfied that the financial policies and plans presently being applied are relevant, appropriate, and adequate to support and sustain the charitable activities of the SDC.

### Honorary Officers

President	Susan Bolton (Retired AGM 2020)
President	John Hansford (Appointed AGM 2020)
Immediate Past President	Stephen Westland (from AGM 2019 until AGM 2020)
Immediate Past President	Susan Bolton (from AGM 2020)
President-elect	Ullhas Nimkar (Appointed AGM 2020)
Honorary Secretary	Stuart Wilkinson (Appointed AGM 2018 until AGM 2021)
Honorary Treasurer	John Hansford (Appointed AGM's 2015 through 2019)
Honorary Treasurer	Deborah Bamford (Appointed AGM 2020 until AGM 2021)

### Trustees

Deborah Bamford - retired by rotation AGM 2020  
Chris Carr – appointed at the AGM 2018 and retires by rotation AGM 2021  
Trevor Lambourne – retired by rotation AGM 2020 and re-appointed AGM 2020<sup>1</sup>  
Ian Lewis - retired by rotation AGM 2020 and re-appointed until AGM 2023  
Paul Hamilton - retired by rotation AGM 2019 and re-appointed until AGM 2022  
Spike Ngai - retired by rotation AGM 2019 and re-appointed until AGM 2022  
Adam Pursell – appointed at the AGM 2019 and retires by rotation AGM 2022  
Geoff Rudkin - retired by rotation AGM 2020  
Gavin Thatcher – appointed at the AGM 2018 and retires by rotation AGM 2021  
Katherine Wells – appointed at the AGM 2020 and retires by rotation AGM 2023  
Parik Goswami – appointed at the AGM 2020 and retires by rotation AGM 2023

<sup>1</sup> Trevor Lambourne sadly passed away in April 2021 leaving a Trustee vacancy on the Society's Board.

### Co-opted Board Members

During 2018 the Society's Board appointed Trevor Larkins as Co-opted Board Member in his role as Chair of the Projects Evaluation Group (PEG). In 2019 the role was made one of Vice-President (Projects) by the Board and Trevor Larkins continued to serve on the Society's Board during 2020.

Due to a delayed AGM as a result of the pandemic in 2020 Dr Parik Goswami and Dr Katherine Wells were co-opted to the Society's Board from May 2020 until their appointment as Trustees at the July 2020 Annual General Meeting.

### Chief Executive Officer

Graham Clayton

### Principal Office

Perkin House, Longlands Street, Bradford, BD1 2LU

### Auditors

Watson Buckle Limited, York House, Cottingley Business Park, Bradford, BD16 1PE

### Bankers

National Westminster Bank plc, 1 Market Street, Bradford, BD1 1EG

### Investment Managers

Brewin Dolphin Securities Limited, 10 Wellington Place, Leeds, LS1 4AN

## Governance

The SDC is a charitable body, incorporated by Royal Charter (RC000567) with the governing documents being the Royal Charter (1963) with Amendments, By-laws (2009) and Rules (2012 as amended 2014, 2015, 2016, 2017, 2018 & 2019). These documents are available for public access on the [SDC website](#).

## Charitable Objectives

The SDC was established in 1884 to advance the science of colour. The SDC achieves this aim by global dissemination of colour knowledge to members, industry and the public, via publications of scientific papers, lectures and e-media. The charitable objectives are contained within the [Royal Charter](#) of 1963 and are:

- a) To promote the advancement of technology both in the theory and in the practice of the creation and use of colour and colouring matters
- b) To provide means for the wider dissemination and interchange of knowledge concerning the science and technology of colour and colouring matters including knowledge of the application to substrates and of the materials to which they may be applied
- c) To encourage education and research in all and any subjects concerned with the science of colour
- d) To hold meetings for the reading of papers and giving of lectures on coloration and colouring matters and for discussion of the same
- e) To publish scientific literature and a monthly journal for the promotion and correlation of knowledge of the science of colour
- f) To initiate and stimulate research and education in the interests of coloration in all aspects of human life
- g) To co-operate with other scientific organisations and bodies in relation to colour and its application and use
- h) To acquire by purchase, devise, bequest, donation or otherwise lands and hereditaments of any description and tenure and to accept any gift, endowment or bequest and the office of trustee and to carry out any trusts attached to any such gift, endowment or bequest or attached to such office
- i) To do all such lawful things as are incidental or conducive to the attainment of the above objects or any of them.

## Structure and Governance

The Society's Board is the Governing Body of the Charity with up to nine trustees elected from among the Voting Members of the Society by the Voting Members (Rule 101). The Chief Executive Officer, the Honorary Treasurer and the Honorary Secretary are also entitled to attend meetings of the Board (By-law 36.2), which may also co-opt a maximum of three members (Rule 104 & By-law 36.2). Only trustees take part in any vote of the Board, a quorum of which is 50% of the voting members, rounded up to the nearest whole number present either in person or electronically in real time (Rule 115).

The Governance of the SDC, is evaluated against independent Governance standards and since October 2018 the SDC has achieved the Charity Excellence Quality Mark. This Quality Mark is based on the UK Charity Commission's Good Governance Code.

The Audit Committee comprises (By-law 37) the Honorary Secretary, the Honorary Treasurer, the President, the President-elect, the Immediate Past President and four elected Voting Members of the Society (Rule 125). It reports to the Society's Board and monitors legal compliance of all activities related to the Royal Charter, By-laws, SDC Rules, agreed policies and strategies.



The Nominations Committee (By-law 38 & Rule 126) comprises the Chair of the Society's Board, the Honorary Secretary, the Honorary Treasurer and Voting Members representing UK members, members from outside the UK, the Committees and the Regions. The Nominations Committee also ensures the procedure for the appointment of Trustees, Honorary Officers and members of the Audit and Nominations Committees is rigorous and transparent (Rule 126).

The finances of the SDC are the responsibility of the Society's Board (Rule 47) and the Board appoints a Finance Committee, chaired by the Honorary Treasurer, to manage the SDC's finances (Rule 48). The composition of the Finance Committee and its appointment is made annually by the Board (Rule 49) at their first full meeting after the AGM.

The SDC's other committees report to the Society's Board and the Chief Executive Officer and develop, direct and monitor the charity's activities in accordance with its' Charitable Objectives. The SDC's day-to-day operational activity is managed by the Chief Executive Officer with a complement of appropriately skilled staff and external service providers under the CEO's management.

The Society's Board are advised of their responsibilities under charity and company law, the requirements of the Royal Charter, By-laws and SDC Rules. Formal training of the Board members, Audit Committee, Nominations Committee and those standing for election is made available at least annually, with attendance recorded. This training is delivered by experts in their field who also have wide experience in the charity sector. In 2020 the move was made to make this available via the SDC's own Virtual Learning platform Colour.Network so Board and Committee members can access this training at any time and progress at their own rate and in their own available time. In 2020 seven Board members and five members of SDC Staff undertook the online Governance training course.

The following comprise the Chair of the Society's Board and Chairs of Committees:

- The Board – Chair Gavin Thatcher. In 2020 the Society's Board met on 11 occasions.
- Audit Committee – Chair Stuart Wilkinson. In 2020 the Audit Committee met on 6 occasions plus a joint meeting with the Finance Committee to review the Annual Accounts.
- Finance Committee – Chair John Hansford until AGM 2020 and then Debbie Bamford. In 2020 the Finance Committee met on 6 occasions plus a joint meeting with the Audit Committee to review the Annual Accounts.
- Nominations Committee – Chair Stuart Wilkinson. In 2020 the Nominations Committee met on 3 occasions.
- Medals Committee – Chair Stuart Wilkinson. In 2020 the Medals committee met on 1 occasion.
- Examinations, Qualifications and Accreditation Board – Chair Roger Wardman. In 2020 EQAB met on 4 occasions plus an examination board meeting.
- Publications Committee – Chair John Easton. In 2020 the Publications Committee met on 2 occasions.
- Publications Award Committee – Chair Kelvin Tapley. This committee reviews all papers published in the year by Coloration Technology resulting in a single meeting with a huge amount of preparation in reading every paper published that year.
- Colour Index Pigment and Solvent Dyes Technical Board. Chair Adrian Abel. In 2020 the CIPSDTB met 3 occasions.

It is very much appreciated, and here recognised, that these committees operate due to the substantial input of volunteers, and of course in 2020 required them to adapt and learn new online meeting skills. There are several measures that could be used to report volunteer input to the Society, but which all generalise the volunteer input to some extent. The number of volunteers on committees alone (the SDC Teams facility serves 83 unique users, which includes SDC Staff) conceals the fact that more than a few volunteers are on several different committees. The number of committee meetings above conceals the duration of the volunteer input with preparation as well as the meetings themselves. In 2020 of course committee meetings moved online thus reducing volunteers time to perform their duties with many no longer travelling large distances in order to attend meetings. This has positive environmental as well as financial impacts, plus is beneficial for the wellbeing of volunteers undertaking their tasks.

This narrative on volunteer input has also thus far erroneously focused on the main SDC Governance Committees and coverage here would not be complete without also including the regional volunteers who manage their Region and arrange and deliver regional events. The SDC has eight member-based regions (Northern England, Midlands, London, Hong Kong, Bangladesh, India, Pakistan, & Sri Lanka).

A conservative estimate of the combined hours of volunteer input of the above just in actual meetings is over 1,500 hours per annum, or around 40 person weeks of work. This estimate does not include preparation time which will vary by volunteer role, but it is probable that the volunteer input time could be two or three times the conservative estimate.

### **Regional AGMs**

The Society's Rule 55 states that: "Regions, or Student Section, where it has no parent Region, shall submit a statement of accounts to the Chief Executive Officer at least one week before the Society's Annual General Meeting. These will be presented to the Society's Board at the first meeting after the Annual General Meeting." This has not been adhered to for many years, but the Governance of the Society is making progress on getting this schedule reinstated. Regions have held their own AGMs and provided a Statement of Accounts but at different times across the year. Effort made in 2020 to deliver a much more in line with the Society's Rules response has been thwarted by the international Corona virus pandemic. Work will continue to ensure this section of the Annual Report is complete with region and reporting date but once again the duration of the impact of the pandemic was not foreseen and in many countries it continues to have severe impact and will do so until the close of 2021 at least.

## SDC Performance

### Mission

Educating the world in the science of colour.

### Objectives

The objectives of the SDC for 2020 were to:

- 1) To *Educate* in the field of colour and the science of coloration
- 2) To *Focus* the SDC activity on a *Lifelong Learning Colour Education Pathway* for SDC members and the wider colour community, whilst developing the *SDC Communities* strand of the long-term strategy
- 3) To *Include* all staff, members, collaborators and interested parties as appropriate in the *SDC Lifelong Learning Colour Education Pathway* and *SDC Communities*
- 4) To *Increase* the reach of the SDC to deliver its' services to a wide *Lifelong Learning Colour Education Pathway* and *SDC Community* globally
- 5) To *Build* and deliver a sustainable business model – growing in a focused and efficient manner – that ensures the future availability of SDC resources.

The Objectives of the Society are reviewed annually. Informed by ongoing Governance Training, the Society Objectives for the year are kept in agreement with the Royal Charter Objectives. The reader will gain from this report the understanding that these Objectives are still in progress and recognise that substantial achievements have been made towards them in 2020. In the first quarter of 2020 a new international challenge arose in the Corona virus pandemic. Given the move over recent years to online colour education by the Society, it was well placed to survive the crisis in terms of activity and has strong financial reserves to continue. The SDC saw the launch in May 2020 of the SDC Webinar series, which was extremely well attended by individuals from around the globe. This addresses the Royal Charter Objectives as well as the operational Objectives. There is much talk still of what the 'new normal' might look like but clearly the SDC Webinar series that is 'educating the world in the science of colour' will continue. The SDC business plan is unchanged by the pandemic, although the tactics used to deliver it have had to adapt. In December 2020 the Society's Board asked the SDC President, John Hansford, to set up a Current Environment Mitigation (CEM) Group that would also move on to look at the Future World of the Society. The Future World Group will be consulting with members around the world to inform the SDC activity and business plan for 2022 onwards.

### Public benefit

The SDC public benefit arises from a wide range of events and activities provided for the public to gain greater knowledge through education in the science of colour:

- The [SDC website](#) and associated Knowledge Vault, plus the SDC Virtual Learning Platform [Colour.Network](#)
- Bursaries and grants
- Lectures, seminars / webinars and conference presentations on colour
- Colour training courses
- Colour products such as the STEM (Science, Technology, Engineering & Mathematics) Dyes kit
- Provision of the Secretariat to the BSI (British Standards Institution) Technical Committee, TCI 81, for Colour fastness and colour measurement of textiles, thus supporting all industries for colour and textiles
- Supporting the provision of the Secretariat for the International Standards Organisation Technical Committee, ISO TC 38 SC1, for Coloured textiles and Colorants, for global standardisation.
- The SDC also has representation on a number of other international technical committees relating to colour and these are covered in more detail later in this report.

The SDC provides benefit to both the public and to its' members. The Society's Board confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The public benefit has also been a feature of trustee and interested party training on governance provided by a charity governance lawyer and a charity accountant.

## The SDC Trading Companies

### SDC Enterprises Limited

The consolidated results of SDC Enterprises Group - SDCEG (incorporating SDCE Enterprises Limited (SDCE) and Sam Weller & Sons Limited (SW)) show the largest numerical and percentage reduction in revenue since 2004. Combined revenue fell by 24%. Covid disruption was severe for Sam Weller, in both UK and overseas markets. Whilst Enterprises fared better, periodic shutdowns in major export markets, combined with shipping difficulties, hit sales from the end of February 2020, onwards. In the context of World macro-economics, as a result of the global pandemic, and the severe impact on many industries SDCE results are very robust. The quality and brand reputation, built over many years, proved resilient in the face of exceptional challenges.

Significant, and rapid, fluctuations in trade, limited excess production capacity, and a desire to continue serving those markets that were still operating, meant that SDCEG were unable to mothball operations and take full advantage of UK Government Covid support. Despite great flexibility on the part of staff (varying employment contracts; accepting shutdown holidays at short notice; and agreeing to short-time working) and a period of furlough, it was necessary to reduce costs through a redundancy programme, accounting for 19% of staff numbers.

The sharp fall in net profits, down 76% on 2019, and the additional uncertainty surrounding future profits has led, as for many organisations, to a review of strategy and future plans. Whilst the exact details are now under review, the Board of SDCE have agreed that, to secure a long-term future of the company and hence the Society's ongoing return on investment, re-investment is more necessary than ever. To fund this re-investment, provide sufficient liquidity for re-growth, and retain the potential to seize any acquisitive opportunities market circumstances may provide, retention of the reduced 2020 profits will be required. This has meant, for the first time in 18 years, SDCE took the difficult decision to provide the Society with no Gift Aid.

Disruption to trade is expected to continue until at least the 3rd quarter 2021 and matching up any growing demand with re-instating production capacity, and costs, will be a difficult balance to judge. Whilst specific actions may have to be deferred SDCEG will continue to seek to implement its agreed long-term strategy of investment securing both the company's future and delivering a healthy, yet realistic, return to the Society on its investment.

Mark Yare  
April 2021

### SDC International Ltd

The SDC wholly owned company, SDC International Ltd has Directors appointed by The Society's Board who are the post holders of the roles of Honorary Treasurer, CEO and ASEAN Region Manager.

SDC International Ltd started activity in late 2016. The subsidiary has a UK Bank account with the NatWest Bank plc. The Indian authorities now recognize SDC International India Pvt Ltd as a legal entity with an Indian bank account and taxation registration. SDC membership payments in India are now made to the SDC, with an option of payment through SDC International. SDC International activity was severely curtailed in 2020 due to the pandemic and activity was principally online with training courses and support to the Indian region.

### Charity Financial Activity

The Society's Board monitored monthly the financial activities of the charity in 2020 via the Finance Committee Management Accounts. These reports compare actual results with the approved budget and prior year. The Finance Committee and Board take appropriate action as necessary.

Over the year 2020 the Charity's net movement in funds was substantial, primarily due to an audit requirement for the annual revaluation of the Perkin House asset, the outcome of which is based on market prices. However, the year did start and end with the same Perkin House asset irrespective of its value.

The Charity net movement of funds was up by £540,015 overall, whilst the consolidated balance sheet saw a net movement of funds upwards by £676,515. For the consolidated Group, incoming resources for 2020 dipped by over £1.4 million (22% of total 2019 income) whilst expenditure dipped by a lesser amount of £766,525 (15% of 2019 expenditure levels). At a Charity only level, expenditure dropped by 6% (ie £57,324) whilst income rose 6% (ie £63,247). Charity finance investments, managed by Brewin Dolphin, that saw losses of £87,540 in 2018 turned to gains of £101,294 in 2019, but 2020 was a turbulent year. The end of Q1 2020 saw huge investment losses as stock markets fell around the world as the Covid pandemic spread, but by the end of 2020 the investment portfolio was in showing a growth of £10,877. The revaluation of the SDC property also resulted in an accounting in-year net gain of £102,752 in investment property for the Charity alone.

The investments managed by Brewin Dolphin come under their specific charity team and the SDC portfolio will typically have 55% exposed to equities, 26.5% to fixed interest, 14% to alternative investments and 4.5% to cash. A portfolio which is managed at Risk Category 5 is likely to have moderate market volatility. The Charity's investment assets are invested in line with its aims. The Investment Managers are aware the Trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Charity's purpose. The outlook for investments in 2021 is positive although with dividends expected to be lower than recent years. The investment objective of the SDC with Brewin Dolphin managed funds remains unchanged however:

*"The trustees view the portfolio over the long-term and see the portfolio as providing a 'safety net' against any unforeseen costs. With that in mind the trustees are concerned with growing the invested assets ahead of inflation so that they retain their real buying power. The trustees would also like the portfolio to produce an income to assist in the smoothing of the charities annual cash flow."*

The SDC utilises Sage 50C Professional accounting, a software tool the SDC ensures is updated with new releases to enhance functionality and ensure data security. From early 2020 the Management accounts production undertaken by the Honorary Treasurer has also been moved in-house, streamlining the production and lessening the burden on demanding voluntary posts.

Perkin House rental income rose from mid-2015, with rental income to the SDC rising to £55,657 in 2019. The effect of the Corona virus pandemic on small businesses and charities had little impact on rental income in 2020 with income via this route rising by a further 12% to £62,161.

Membership income was effectively static in 2017 after several years of gradual decline, but with annual price rises agreed three years ahead of implementation, in 2018 membership income rose 7% to £41,156; in 2019 membership income rose by almost 10% to £45,042; and in 2020 it rose but just by 2% to £46,039.

Academic books sales were down 70% to just £755 in 2019 and 2020 was a similar year with just £1,065 of SDC book sale income. The aged book stock is now a very small income stream to the SDC, and the new titles are all produced and sold via Wiley Publishing (see the Publications section of this report).

Malcolm the Weaver titles bounced back in 2018 when sales income just over doubled year on year to £16,255. 2019 saw another fall though to just £946 of income from sponsorships. The Corona virus pandemic was expected to have a large impact in this area of optional sponsorship spend by companies and 2020 ended with just £1,095 of income. However, no new stock or titles were added in year.

In 2019 operational costs rose by some £38,000 which was attributable to a total repainting of wooden framed windows in Perkin House and long overdue replacement of two very large rotted wooden framed windows in stairwells, hence several metres in height each. In 2020 operational costs fell back from 2019 by £42,377, hence by slightly more than the one-off expenditures in 2019.

The total salary costs of the charity (including social security costs and pensions) rose by 6% in 2020. Pension costs were slightly lower compared to the prior year for the charity and for the group. Overall group total salary costs reduced by 9% as staff numbers reduced by 3.

The SDC Finance Committee undertook a periodical review of investment strategy with the SDC investment managers Brewin Dolphin in April 2019. The investment market performance in 2019 was positive with an in-year growth of £94,190. Quarter 1 of 2020 saw massive 6-figure reductions in the SDC investment portfolio, but by the end of 2020 the huge losses had turned into a modest (£10,877) growth. Communications with Brewin Dolphin have in 2020-21 increased due to pandemic related changes in the investment market. The SDC continues to manage its investments through Brewin Dolphin with a focus on long term investment strategies.

SDC Enterprises Ltd performed well in 2019 raising gift aid to the charity of £275,000 whilst also retaining profits for ensuring future company strength and return to the SDC parent body, especially given its acquisition of Sam Weller Ltd in early 2016 and the purchase of a new site in 2018 which it intended to develop in 2021. In 2020 however the global pandemic hit SDC Enterprises Group Ltd sales, particularly in the Sam Weller & Sons Ltd area with a 43% reduction in Sam Weller income, whilst SDC Enterprises Ltd income was down 14% in 2020.

## Reserves Policy

The SDC Finance Committee reviews the Reserves Policy detail at regular intervals, in line with the SDC strategy and financial compendium. The SDC aims to hold between 12 and 15 months of budgeted total costs in its free Reserves. In accordance with Charity Commission guidance this is to: protect and safeguard the assets of their charity; permit the Society's Board to act with reasonable care and skill; and ensure the charity is accountable.

In establishing this Reserves Policy, the SDC Finance Committee assessed: why reserves might be needed for the charity to be effective and how much was needed in Reserves. An impact and risk assessment were undertaken to arrive at the Reserves Policy for the SDC in its current form. This approach has meant that as the Society exits a tough 2020 into a challenging 2021 with no Gift Aid arising from SDC Enterprises Group Ltd, the Society has strong reserves which may be needed for a time just as this.

The Group reserves are represented by the Group funds of £7,677,957 (2019 - £7,001,442). Group cash at bank and in hand, on 31st December 2020, amounted to £2,449,738 (2019 - £1,770,771) whilst the cash at bank and in hand for the Charity alone was £605,192 on 31st December 2020 (£266,754 on 31st December 2019). Total resources expended by the charity alone in 2020 were down 6% at £893,964 (2019 £951,288). The SDC had free cash at bank and in hand (not designated for current or future PEG Projects), plus Brewin Dolphin managed investments, on December 31st, 2020, that amounted to 17.1 months of 2021 expenditure (up from 13.6 months the previous year) and thus sufficient cover in line with the policy above.

Where funds held are restricted these are shown in the Annual Accounts (See Note 25 Funds) where permanent endowment funds are also detailed. A substantial amount is held in the Unfunded Projects Reserve which is actively managed by the Project Evaluation Group that in turn reports to the Society's Board regularly. Some of the Unfunded Projects Reserve has no allocated project as yet and in 2020 efforts were made to discuss potential projects with the SDC Committees and staff. The Board are confident these funds will be allocated to specific detailed projects but are also being cautious given the financial impacts of the Corona virus pandemic. In 2021 there will be a through re-write of the SDC main website (including Governance and Blog sub-sites) to bring the site up to date to ensure data security and enable up to date functionality including key developments of the Members area Continuing Professional Development capabilities and a Digital Archive section.

## Project development 2020

It became possible in late 2017 / early 2018 to consider and evaluate specific SDC development projects. Following a strategy set out in prior years for such events, the Society's Board identified a Project Evaluation Group (PEG), chaired by SDC Vice President (Projects) Trevor Larkins, which has assessed development projects and prioritized them. The Board have identified and designated total funds for these projects to ensure they can be concluded. It also became apparent that The Associateship of the Society of Dyers and Colourists, (ASDC) online development would benefit from the same approach and so, a year on from initial development work, this was also brought into the PEG remit. The projects are key to SDC impact and delivery over the future years, ensuring delivery of charitable objectives and growth in sustainable income.

ASDC development has been the main priority, due to its flagship nature, and also due to students taking the course as development occurred. The complete appraisal and re-write of the ASDC syllabus and the content for online delivery has now been fully completed. The initial module of the Design Coloration Certificate has been completed and this will be available in 2021. The web-based learning platform can be accessed at Colour.Network and includes free-to-access as well as pay-to-access material. This includes the 2020 SDC webinars which can be viewed as recordings also.

The PEG Group are aware that substantial monies are residing in the Unfunded Projects Reserve Fund that are not yet allocated to any project. Given the impact of the international pandemic at the start of 2020 projects will be prudently initiated as the Unfunded Project Reserve may be temporarily called up on to ensure the Society maintains its' necessary cash flow in 2021 and beyond. Cash internally 'loaned' from the Unfunded Project Reserve will be repaid for project use as the Society is able to do so.

## Review of Activities

### Bursaries

The SDC Bursary scheme has two funding streams:

- a) Main Bursary (Up to £500) For undergraduate and postgraduate students on a relevant course (e.g. Colour Chemistry, Fashion & Design, Textiles)
- b) ASDC Bursary (Up to £250) For students registered for the ASDC examinations.

The SDC Bursary scheme is managed overall by the SDC Education, Qualification and Accreditation Board (EQAB). In 2020 £3,006 was awarded as 9 (8 in 2019) bursaries. These bursaries are seen as supporting colour science education of the recipients and the sharing of their activity and reports at events and through The Colourist magazine ensures that several of the Royal Charter Objectives are addressed more widely, especially the dissemination of knowledge about colour.

### Training

SDC Training courses continue to be delivered by external partner companies. Six individuals in Shanghai received Colour Fastness training whilst four received Colour Management training in Hong Kong, plus a further four received Colour Fastness training in Pakistan.

Due to the pandemic 2020 was a particularly difficult year for face-to-face training courses around the world and such many training events were not possible.

The SDC development of the virtual learning environment (VLE) Colour.Network allows many more courses to be delivered online and plans for courses, under the short course program, are key to the long term success of Colour.Network. These commenced in 2018, although later than planned due to staff changes and technology challenges. In 2020 due to the pandemic effects on physical meetings the Society started a Webinar programme in April 2020 with the first live webinar airing in May 2020.

Below is a list of the eleven webinars held in 2020 along with the speaker and live webinar attendee number (more individuals always register for the event than actually attend the live event). The number registering was typically from around the globe with up to 30 countries represented, making this a remarkable reach in a venture driven primarily by global changes due to the pandemic.

- Contemporary Colour Theory, Prof Stephen Westland (University of Leeds), 128 attendees
- Colour Communication – A review, Prof Stephen Westland (University of Leeds), 137 attendees
- Chemicals Compliance Webinar, Dr Siva Pariti (Sustainable Textiles Solutions), 85 attendees
- A history of dyes: from ancient Egypt to modern times, Dr Christine Holdstock (Independent Consultant), 181 attendees
- A history of pigments: from cave painting to the modern day, Dr Christine Holdstock (Independent Consultant), 175 attendees
- Dyeing with GOTS – an organic perspective, Mr Sumit Gupta (Global Organic Textile Standards), 129 attendees
- There is more to colour measurement than just CIE L\*a\*b\*, Mr Matt Russell (Tintometer Ltd), 103 attendees
- SDC London Region's How did I Get here? Speakers of Eimear Nooran (H&M), Laura Aldous (Unique Style Platform) & Erika Benz (Adidas), 112 attendees
- Colour Management for print designers and printer, Mr Duncan Ross (AVACAD/CAM Group), 133 attendees
- The Crutchley Archive – A colourful textile history, Dr Anita Quye (University of Glasgow), 183 attendees
- Textile care labelling: what the symbols mean and how they relate to colour fastness testing, Mrs Susan Bolton (Bolton Consulting), 80 attendees

These webinars were all recorded and are available on Colour.Network for SDC Members (free of charge) and non-members (chargeable).

### Foundation Textile Coloration Certificate (FTCC) & Textile Coloration Certificate (TCC)

On the FTCC during 2020: 5 students from 3 companies received colour education through this route, which covered 45 teaching hours and 1 residential, plus 90 hours of personal study per student. For the TCC during 2020: 5 students from 5 companies received colour education through this route, which covered 60 teaching hours and 1 residential plus 120 hours of personal study per student. Personal tuition was provided to each student in addition, as required.

These courses have now seen a total of 25 students on the FTCC course, with 25 successfully completing the course. The TCC has now seen in total 33 students with 24 of them going on to successful completion and with some continuing the 2-year TCC course into 2021. Twelve students have completed both FTCC and TCC courses within that number.

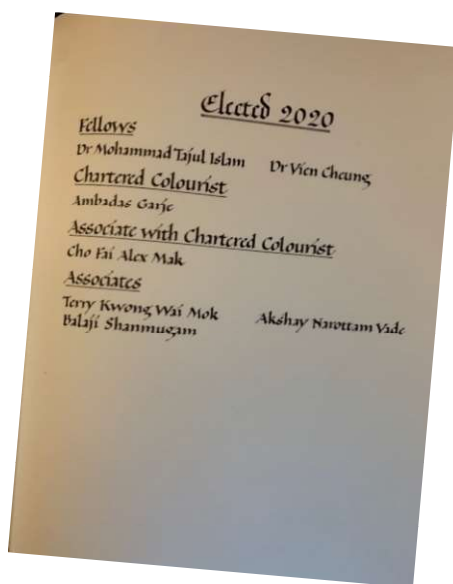
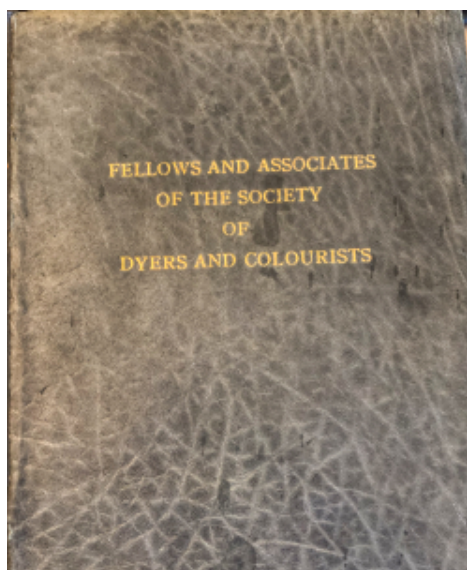
Details are available on [Colour.Network](#) for those interested in taking these courses.

### LSDC\ASDC\CCol\FSDC Qualifications

The ASDC is a three-year course leading to a degree level qualification, having received the NARIC assessment that ASDC is a Level 6 qualification (equivalent to a good honours degree). Ultimately gaining this qualification allows students to then apply to be a Chartered Colourist (CCol). The online course covers the fundamental textile coloration principles and processes and is made up of 6 modules that are designed to meet the needs of the students and their chosen industry.

In 2020 new ASDC courses were written, recorded, and uploaded onto [Colour.Network](#) (which also details the module development programme). In the 2020 exam year (which runs from October 2019 to May 2020) seven students from 6 companies took 3 modules online (1 taking a single module and 6 taking two modules). Twelve examinations 12 passes were recorded. With each module taking 60 hours of guided online learning, supplemented by 120 hours per module per student of independent learning, a total of 2,340 hours of ASDC study were undertaken during the period covered by the 2020 examinations. Preparation work for future modules continued unabated also with a completely new module being produced for the up-coming 2020-21 period and assessment for learning improved within the online platform in some areas through different test and assessment formats.

Qualifications awarded in 2020 were: 4 ASDC's, 2 Chartered Colourists (CCol) and 2 FSDC's.



New ASDC module titles, structure and the timetable for delivery was agreed by EQAB. Funding has been generously made available through two bodies, the Worshipful Company of Dyers (£15,000 per year for 3 years) and the Cotton Industry War Memorial Trust (£15,000 per year for 3 years), for which the SDC is very grateful, and which came to a conclusion in 2020. The Worshipful Company of Dyers has already supplied a further £15,000 for 2020 ASDC development to ensure this high-level qualification receives the high-quality delivery it deserves.

### Design Coloration Certificate

A Working Group of stakeholders (including Universities, retailers and industry) met, and a syllabus was agreed upon for this qualification. Expectations and time frame for delivery are much longer than for FTCC/TCC and ASDC as these remained the top SDC priority in qualification development. The DCC saw, in 2019 the syllabus move forward and the whole DCC syllabus was finalised. To ensure appropriate material and content the initial module content production was outsourced by the SDC for generation and was delivered to the SDC in late 2019 for beta testing and subsequent modifications. A great deal of positive feedback was received, and adjustments made, in 2020 for which we very much thank our beta testers. After some delays due to furlough working (of both beta testers and SDC staff) the 'Colour in the Design and Textile Supply Chain' module is now available on Colour.Network and is about to be marketed to specific College/University SDC Members during 2021.

## Publications

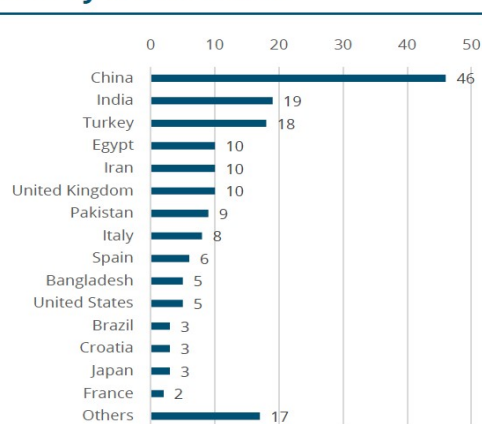
Four issues of *The Colourist*, an SDC member benefit, were produced in 2020 and these include the annual Chartered Colourist listing and details of new members. Back issues of these are available to SDC members in the Members area of the SDC website. The members area is being development in the SDC [ProejetesProjects](#) and so please be aware the location of *The Colourist* may change slightly with time since this Report was produced. Availability of *The Colourist* is communicated to members via email and so the SDC has measures of the open rates and click through activity to *The Colourist* and it is encouraging to see some growth in interest in this publication. Members are also provided with free access in the Members area of the website to *International Dyer and Science in Parliament*, both of which receive a great deal of interest.

*Coloration Technology*, the SDC academic journal published in conjunction with Wiley, covers many aspects of coloration with a detailed overview available on the [Wiley's website](#) for the journal.

Submission numbers were up by 7.4% in 2020, although remaining lower than the high of 2016 (see graph). Submissions analysed by key territories (see graph below) showed that China continued to be the dominant source of submissions to *Coloration Technology*.

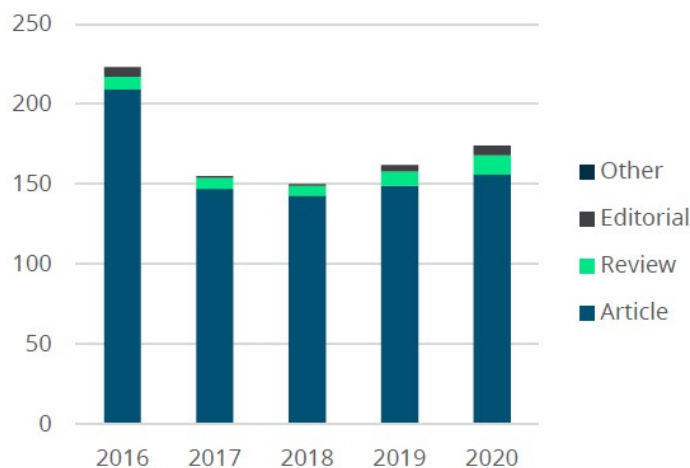


## Country of submission



This chart shows the top 15 countries ranked by the number of submissions to the journal. All submissions counted were submitted in 2020. The remaining countries are grouped into "Others."

## New submissions by type



The total number of submissions in 2020 increased by 7.4% compared with 2019. This compares with an increase of 0.1% across all Wiley journals in the CHEMISTRY subject area.

## Quantity and speed of reviews

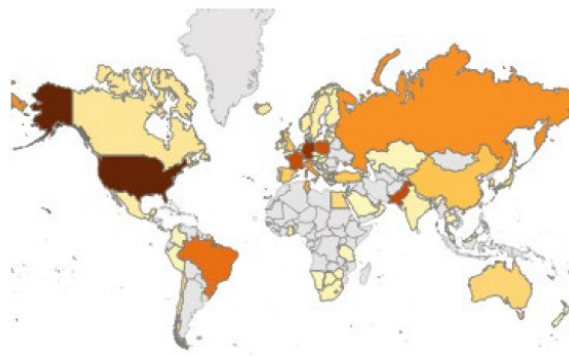
	2016	2017	2018	2019	2020
Number of review invitations sent	1,143	878	748	752	842
Number of reviews invitations accepted	647	489	422	392	466
Number of reviews completed	606	442	390	376	426
Median days to review completion	15	10	10	8	9

This chart shows review data for original submissions only for the past five years. Additionally, 197 reviews were claimed on Publons in 2020 by 64 reviewers, a 42.1% uptake.

The speed of the review process is of huge importance to submitting authors and also in publishing new scientific reports. The table above shows how Wileys and the Coloration Technology editorial team have reduced the median days to review completion by 40% over the past 4 years.

In 2014 it was announced that the Coloration Technology Impact Factor was 1.173 and since then the Impact Factor has indicated that competition is strong but the SDC publication through Wiley's was keeping up the competitive advantage battle. This was confirmed in the Impact Factor now reaching 1.614 for 2020 as reported in mid-2021, a 37% rise from the original IF data. This coverage shows how the Coloration Technology peer reviewed publication continues its sustained growth in influence worldwide. Indeed, the map below demonstrates the global reach of the publication.

## Global reach

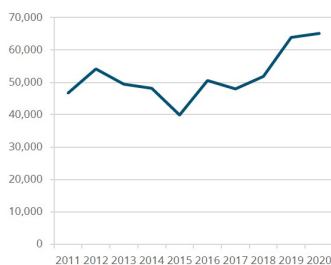


In 2020, 6,869 institutions offered access to the latest content in your journal via either a Wiley license or a traditional (title-by-title) subscription. On this map, darker shading shows where circulation is highest. Countries shaded in gray may be covered by philanthropic initiatives.

The graphs and map below show the readership of Coloration Technology which continues to see growth in article downloads primarily from China, the USA, and UK (35% across the three territories) although the wide reach of the publication is seen in the 36% of 'other countries' downloading articles.

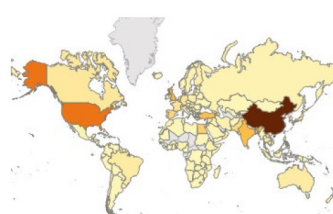
## Readership

Article downloads trend



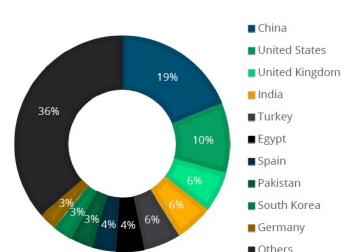
This chart shows the increase in the number of full-text article downloads for your journal in the period 2011 to 2020. The total includes usage on Wiley Online Library, EBSCO, and other third-party databases. Downloads via Wiley Online Library increased by 2.2% in 2020. This compares with an increase of 4.3% across all Wiley journals in the Chemistry subject area.

Article downloads by country



The global reach of your journal is reflected in its readership, as displayed by this chart showing the origin of full-text downloads of your journal on Wiley Online Library. The darkest shading shows countries where readership of your journal is highest.

Top 10 downloading countries



This chart shows the top 10 countries from which articles in your journal were downloaded via Wiley Online Library in 2020, and the percentage each country contributed to total usage. All other countries are combined under "Others."

The SDC is very grateful to Wiley for its assistance in terms of both resources and expertise. Wiley has a marketing plan in place for Coloration Technology and the textbooks they produce and the SDC can supply more detail on request of the publications impact.

### Colour Index™

The Colour Index™ is known worldwide and is used by many companies, research institutes, universities and government bodies. Many Colour Index™ users are, significantly, outside the traditional textile manufacturing and dye houses SDC sectors.

The decision was taken in late 2018, by the Society's Board, to transfer the Colour Index™ sales and marketing to SDC Enterprises Ltd. This took some time to complete for several reasons, including appropriate HR consultations and processes, but the transfer took place from 1st June 2019. The Colour Index Pigment and Solvent Dyes Board continues to meet under the auspices of the Society to maintain independence from the marketing and sales function.

### Standards

SDC's active involvement with BSI standards ensured their continued relevance, accuracy and usability, based on sound scientific knowledge for the benefit of the supply chain. The areas covered chemical, physical and flammability testing of textiles, textile cleansing and care labelling, and apparel and interior textile (product specification). The SDC provided the Secretariat to the BSI technical committee TCI 81 for colour fastness of textiles and colour communication thus supporting all UK industries for colour and textiles.

The SDC, as required by our contract with ISO, has the secretariat of TC38 SC1 Coloured textiles and Colorants, with partners in China. Brian Woolley continues as secretary to this committee. The UK passed on the secretariat to our Chinese partners and their representative Mr Xueqian Zhao in 2019.

The next plenary meetings of ISO TC38 SC1 will take place virtually in October 2021.

The SDC's Technical Director is the secretary for TCI 81 as stated above and representation on the following committees is as indicated:

- TCI/066/0-/08 Burning behaviour A Filarowski
- TCI/080 Chemical testing of textiles A Filarowski
- TCI/082 Textiles care labelling, dry cleaning, domestic laundering and drying A Filarowski
- TCI/100 Co-ordination of activities in textiles and clothing A Filarowski
- British Standards Institution Technical Committees – A Filarowski as SDC representative
- STI/14 Colour Measurement & Schedules M R Luo
- TCI/24 Physical Testing of Textiles Vacant
- TCI/80 Chemical Testing of Textiles A Filarowski & S Bolton
- TCI/81 Colour Fastness & Colour Measurement of Textiles J Foister
- TCI/82 Textile Care Labelling A Filarowski
- CW/15 Safety of Toys S Bolton
- The SDC would like to thank all the above individuals for all their work on behalf of the SDC on these committees.

## Events

The SDC events showcase research and best practice in coloration. They provide education, inspiration and networking opportunities. SDC events are regional, national and international, with wide ranging topics and diverse audiences. Many are free to attend, with a strong focus on supporting students and young professionals. The SDC also jointly organizes events and participates in events organized by others, thereby spreading SDC's educational reach and profile. Such events very much align with the Objects of the SDC Royal Charter also. That Governing document describes events in a language of its time to "hold meetings for the reading of papers and giving of lectures on coloration and colouring matters and for discussion of the same". In 2020 this Object in the Royal Charter was very much delivered online via SDC Webinars which are listed in the Training section of this Annual Report.

In addition, the SDC has used online meetings as a way of keeping in contact with the SDC Regions as travel has been curtailed both by the pandemic and by budgetary constraints. This has been a positive move in that the SDC President, for example, has been able to engage with more individuals across different countries than simple travel would have permitted. This benefit has been so marked that it is the intention of the SDC President and the organisation to continue such member engagement events in the future.

Details of all SDC events can be found on the SDC website and many have featured reports after the event in editions of *The Colourist* which SDC Members can access via the SDC website Members area.

## Membership

The SDC membership has continued its decrease as prior Annual Reports have shown. The SDC gained 86 (92 in 2019) new individual SDC Members in 2020. The total number of individual Members over time can be seen in the plot below. The Chartered status individuals have also fallen in number, although numbers are stable or only slowly declining in recent years. In recent years the case for taking up SDC membership has arguably been weak and work has been put into strengthening that offer. A SDC Membership Committee was proposed in late 2020 and came into being in 2021, many years after such last existed. This committee was informed by a number of focus group meetings held by the SDC in the second half of 2020 and has much important work to do over the coming few years.

Recruitment of new members and indeed new students is low and must be increased. The complete re-write of the ASDC Syllabus, together with students on the FTCC and TCC courses, was hoped to stabilise membership numbers but it has been found that many of the FTCC and TCC students do not remain in membership once they have gained their qualifications.

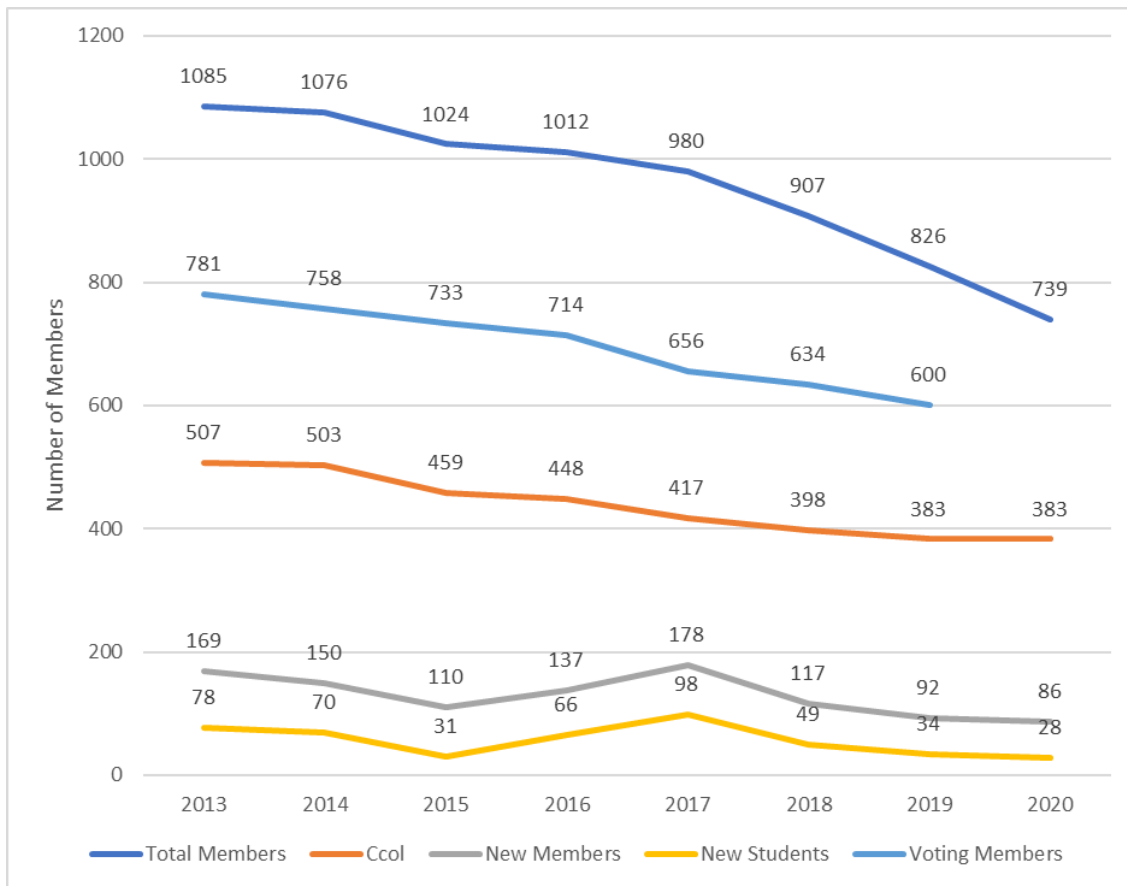
## Membership value for money

Going forward more will be made of the membership benefits and their value for money, as evidence exists to demonstrate these are ill-understood by members and prospective members alike.

- *The Colourist* member magazine is being re-launched in 2021 as an electronic only publication (thus addressing production costs but also environmental impacts of paper production and international postage, a task made all the more difficult and costly by the pandemic and Brexit). *The Colourist* will feature more company member news and profiles and be produced by outsourced marketing specialists at the same cost as in recent years (ca £13k pa). It also includes a survey for members to input into what they wish to see in *The Colourist* in future
- Many members also welcome the free access to SDC webinars (usually charged at £20 per Webinar for non-members) including access to recordings of past webinars via Colour.Network
- *International Dyer* magazine is supplied electronically via the SDC members area of the website free of charge to SDC members and this alone usually costs multiples of the full SDC membership annual subscription
- *The Science in Parliament* publication, also available in the members area of the SDC website, is a more wide-ranging publication available as part of the SDC membership subscription
- Members also receive generous discounts on: SDC books; *Coloration Technology* subscriptions; and SDC short courses
- From time-to-time SDC Membership also entitles access to webinars and events of other organisation free of charge or at reduced cost
- Members often have opportunity to provide presentations via the SDC Webinar series, of which the marketing and promotional value of their company and personal brand far exceeds annual membership subscription rates.

Before the discounts above are taken into consideration, the cost of individual membership to the SDC is £25 pa before any staff time at all is taken into consideration. Student membership costs less than this, so many members support our student members through their membership subscriptions and once staff time is added the cost of membership exceeds the subscription price. SDC member subscriptions do deliver value for money when the features and benefits are considered and, like all memberships, the more one engages with the organisation, the greater your value for money from your SDC membership.

Company memberships numbered 20 at the end of 2020 and College / University memberships also numbered 20 at the end of 2020. These memberships are more prone to impact from economic downturns, such as brought about by the pandemic and the SDC has seen a number of companies and college / universities not renew memberships. New memberships are being taken up also though and profiles in the new Colourist, opportunities to present webinars as well as access webinars, plus online courses specifically being promoted to universities are planned to stem this trend. The new SDC Membership Committee also has representatives from industry and universities in order to gain feedback on revised approaches and activities.



In last year's Annual Report it was stated that the SDC is addressing the long-term decline in CCol numbers through the colour education pathway and ASDC course provision. This is starting to bear fruit with CCol applications now arising. A proposal of a change in the SDC Rules through the SDC Education, Qualifications and Accreditation Board will also open up direct applications for Chartered status in addition to following gaining the ASDC qualification.

### Sponsorship

The Worshipful Company of Dyers have generously sponsored development of the ASDC course, both for online delivery and in updating the content, over the recent years. This demonstrates the ongoing commitment of both organisations to the skills development in the coloration sector and the SDC is very grateful and encouraged by their generous support. It should also be added that their keen interest in the developments is very much expressed and as welcome as their funding. In 2020 the Worshipful Company also supported the SDC in setting up the 'Future Dyers Fund' to help financially anyone from England applying for our FTCC and TCC courses. This was an excellent initiative that turned into an even better one as the pandemic impacted individuals and through the Fund the SDC can ensure students continue their studies and skills development to assist them in securing future employment also.

### Partner and Affiliate organisations

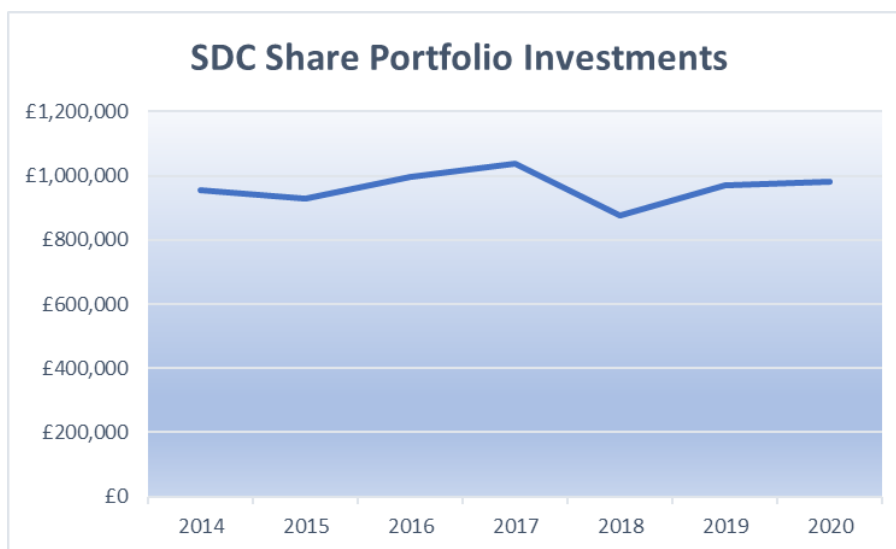
The SDC Charitable Objectives from the Royal Charter includes "To co-operate with other scientific organisations and bodies in relation to colour and its application and use". To this end the SDC is an active member of The Science Council and The Parliamentary and Scientific Committee. Other active network links to partner organisations include the AATCC, ASBCI, several universities, Huddersfield Textile Centre of Excellence and The Society of Leather Technologists and Chemists.

The SDC also has long-standing affiliate relationships with the Society of Dyers and Colourists of Australia and New Zealand (see <http://www.sdcanz.com>) and The South African Dyers' and Finishers' Association (SADFA) (see [www.sadfa.org.za](http://www.sadfa.org.za)).

### Investment Policy

The SDC funds consist of equities held in a managed portfolio at medium risk and cash held on term deposit accounts not required for current activities. Equities are held in fixed interest, ordinary shares and government stocks. The portfolio market value and cash deposits on 1st January 2020 were £946,779 and £23,444 respectively. During 2018 the Society's Board approved the transfer of £100,000 during the year into the SDC current accounts to support cash flow which is why the amount in investments dips in 2018 in the chart below.

The SDC investments are intended for the long term and long-term stock performance remained good at the end of 2019. In the first part of 2020 however, there has been a huge impact internationally on investments as a result of the Corona virus pandemic. The SDC Finance Committee and Society's Board are in regular contact with the investment managers and expected it to be many months before markets slowly recover. The huge market falls by the end of Q1 2020 had been recovered by the end of the year with a small (£10,877) growth year on year.



### Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable is presented in our accounts as "voluntary income" and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Society's Board.

The charity is not bound by any undertaking or bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds, we do not have to particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

## **Risk Assessment**

The risk situation is reviewed by the Society's Board who judge that over the next three years the SDC has a low to medium risk that charitable activities may be less because of a reduction of available funds. Insurances are held wherever possible to cover for external events and internal management is used to minimise potential occurrence and impact. The pandemic in 2020 has affected the Gift Aid usually received from the trading subsidiary. The effects of this have been mitigated in 2021 through reductions in staff costs whilst outsourcing marketing provision in particular to maintain delivery and reduce impact.

## **Human Resources and Equality, Diversity and Discrimination Policy**

The SDC is an equal opportunities employer and encourages diversity. It is non-discriminatory on age, disability, ethnicity, gender reassignment, marriage and civil partnership, race and religion, sex and sexual orientation in all operations and in all membership matters.

In 2016 improvements were made in human resource management, in part as a consequence of financial reporting standards requirements. The SDC now has to account each year in financial terms to our Auditors for the annual leave and flexitime carried forward. Hence, through a time management system linked to the Building Security System, the SDC can now manage the staff time delivery. In 2020 staff delivered 22% (2017 19%, 2018 37%, 2019 16%) more hours than their combined contracted hours.

HR management was expanded in 2016 and is provided by an external HR company. This includes remote and on-site support for staff and managers, as well as a web based secure HR portal for HR records, and holiday and sick leave monitoring.

## **Data security**

Data security has been, and will continue to be, a very important issue and the SDC will ensure that user information is protected and IT systems secure. In addition to protecting such information the SDC does not supply any individual's information to others unless it is for a specific SDC purpose (e.g. the print / mailing house for fulfilment of The Colourist printing and mailings). The SDC has also made available to staff and committee/Board members training on Cyber-security awareness. No issues arose from breaches of data security in the year.

## **GDPR**

The EU General Data Protection Regulations (GDPR) came into force in May 2018 and applies to everyone processing data of EU individuals or offering services to EU subjects, regardless of where that processing location is. The SDC prepared for this new data regulation for many months. From an already good starting point GDPR still required some additional changes and clarity within the SDC for staff, Society Board members, committee members and volunteers. GDPR has been specifically a training item and continues to do so.

## **Health and Safety**

The Health & Safety policy of the SDC is to ensure as far as reasonably practical public, staff and the environment are protected and that all legal requirements are met. Each year the SDC has two risk assessment reports produced by external experts on Perkin House Health and Safety and Perkin House Fire Risk. These reports highlight a number of actions to be taken based on Low-Medium-High risk prioritization. In 2016 this resulted in a renewed asbestos survey of the building, which established small amounts of asbestos has been used but were in little used areas and in safe condition. Fire safety notices and several other risk areas have also been improved as a consequence. The 2017 assessment produced further recommendations which have been implemented, including all staff fire awareness training. The 2018 report demonstrated the progress made, plus further, less urgent actions to be made, with similar performance in the 2019 report. The appointment of a new Building Manager for Perkin House in late 2019 has ensured health and safety have been improved further with regular checks and action. During 2020 a programme of emergency lighting replacement took place as testing had demonstrated their operation is not maintained for the required duration.

## UK Pension Auto-enrolment

The UK Government has also phased in auto-enrolment for employee pension schemes. This has been a topic of discussion in the SDC Charity annual pension review each year for several years now. The SDC had a Staging Date of February 2017, when it must comply, and actively managed this with its pension agent in order that it fully complied at the start of 2017. No issues were noted, with the vast majority of the SDC staff members in the SDC Pension scheme. Good pension scheme performance via The Peoples Pension has resulted in lower scheme charges in 2019. The second phase of auto-enrolment is now being entered with staff who had opted out of the scheme having to opt out once again after a specific time period has passed.

## Remuneration Policy

The salaries of all SDC staff are set based on a Finance Committee and Society Board approved overall budget based on itemized lines including staff salaries. The SDC utilises a Remuneration Committee to approve all staff salary rises. The SDC Remuneration Committee is comprised of the Honorary Treasurer, Honorary Secretary, Chair of the Society's Board and the SDC CEO. Pay rises in recent years have been zero and this was the case in both 2020 and at the start of 2021.

## Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Society's Board on 9 August 2021 and signed on its behalf by:



G Thatcher  
Chair of Society's Board



D Bamford  
Honorary Treasurer



S Wilkinson  
Honorary Secretary



G Clayton  
CEO

## Opinion

We have audited the financial statements of The Society of Dyers & Colourists (SDC) (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2020, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 group and parent charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **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:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity'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 group or the parent charity 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 as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 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.

In planning and designing our audit tests, we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override.

Following this assessment we considered the opportunities and incentives that may exist within the group for fraud and identified the greatest potential for fraud in evaluating the stock and cash balances.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, through discussions with directors, trustees and other management, and from our commercial knowledge and experience of the sector in which the company operates, to enable us to identify the key laws and regulations applicable to the company. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Charities Act 2011, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We then performed audit procedures after consideration of the above risks which included the following:

- assessing the validity of valuation method of stock;
- obtaining a detailed understanding of the methodology adopted by management and the key assumptions underpinning the calculation of the variable and fixed overhead applied in the valuation of stock;
- performing a retrospective review of the previous year's stock for obsolete or slow moving stock;
- Documenting and assessing the internal controls over cash and bank balances
- performing tests if detail on the balance sand reconciliations
- enquiring of management concerning actual and potential litigation and claims;
- reviewing correspondence with HMRC, and the company's legal advisors;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

All engagement team members were informed of the relevant laws and regulations and potential fraud risks at the planning stage and reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify such items.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

### **Use of our report**

This report is made solely to the charity'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 charity's 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Watson Buckle Limited, Statutory Auditor  
Bradford  
United Kingdom

10 September 2021

The Society of Dyers & Colourists (SDC)

Year ended 31 December 2020

Consolidated Statement of Financial Activities for the year ended 31 December 2020  
(including Income and Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Revaluation reserve £	2020 Total Funds £	2019 Total Funds £
<b>Income From:</b>							
Donations	3	30	55,000	-	-	55,030	30,000
Charitable activities	4	156,195	-	-	-	156,195	252,972
Other trading activities	5	4,549,550	-	-	-	4,549,550	5,966,343
Investments	6	138,104	-	-	-	138,104	114,470
Other income	7	48,973	-	-	-	48,973	6,504
<b>Total income</b>		<b>4,892,852</b>	<b>55,000</b>	<b>-</b>	<b>-</b>	<b>4,947,852</b>	<b>6,370,289</b>
<b>Expenditure on:</b>							
Raising funds	8	3,488,263	-	-	-	3,488,263	4,070,123
Charitable activities	9	860,545	9,309	-	-	869,854	938,879
Taxation	11	142,712	-	-	-	142,712	258,352
<b>Total Expenditure</b>		<b>4,491,520</b>	<b>9,309</b>	<b>-</b>	<b>-</b>	<b>4,500,829</b>	<b>5,267,354</b>
Net gains/losses on investments	12	20,175	-	-	102,752	122,927	(237,361)
Gains/Losses on revaluation of fixed assets	16/18	39,360	-	-	67,205	106,565	(403,513)
<b>Net income for the year</b>		<b>460,867</b>	<b>45,691</b>	<b>-</b>	<b>169,957</b>	<b>676,515</b>	<b>462,061</b>
<b>Transfers between funds</b>	25	16,184	(16,184)	-	-	-	-
<b>Net Movement in funds</b>		<b>477,051</b>	<b>29,507</b>	<b>-</b>	<b>169,957</b>	<b>676,515</b>	<b>462,061</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward at 1 January	25	6,972,517	11,424	17,501	-	7,001,442	6,539,381
<b>Total funds carried forward at 31 December</b>	25	<b>7,449,568</b>	<b>40,931</b>	<b>17,501</b>	<b>169,957</b>	<b>7,677,957</b>	<b>7,001,442</b>

All amounts relate to continuing operations. The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 46 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2020  
Charity Statement of Financial Activities for the year ended 31 December 2020  
(including Income and Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Revaluation reserve £	2020 Total Funds £	2019 Total Funds £
<b>Income From:</b>							
Donations	3	400,030	55,000	-	-	455,030	305,000
Charitable activities	4	156,195	-	-	-	156,195	252,972
Investments	6	85,920	-	-	-	85,920	82,723
Other income	7	356,797	-	-	-	356,797	350,000
<b>Total income</b>		<b>998,942</b>	<b>55,000</b>	<b>-</b>	<b>-</b>	<b>1,053,942</b>	<b>990,695</b>
<b>Expenditure on:</b>							
Raising funds	8	24,110	-	-	-	24,110	12,409
Charitable activities	9	860,545	9,309	-	-	869,854	938,879
<b>Total Expenditure</b>		<b>884,655</b>	<b>9,309</b>	<b>-</b>	<b>-</b>	<b>893,964</b>	<b>951,288</b>
Net gains/losses on investments	12	20,175	-	-	102,752	122,927	(237,361)
Gains/Losses on revaluation of fixed assets	16/ 18	39,360	-	-	217,750	257,110	(403,513)
<b>Net income for the year</b>		<b>173,822</b>	<b>45,691</b>	<b>-</b>	<b>320,502</b>	<b>540,015</b>	<b>(601,467)</b>
<b>Transfers between funds</b>	25	16,184	(16,184)	-	-	-	-
<b>Net Movement in funds</b>		<b>190,006</b>	<b>29,507</b>	<b>-</b>	<b>320,502</b>	<b>540,015</b>	<b>(601,467)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward at 1 January	25	2,647,138	11,424	17,501	-	2,676,063	3,277,530
<b>Total funds carried forward at 31 December</b>	25	<b>2,837,144</b>	<b>40,931</b>	<b>17,501</b>	<b>320,502</b>	<b>3,216,078</b>	<b>2,676,063</b>

All amounts relate to continuing operations. The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 46 form part of these financial statements.

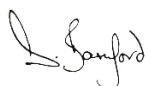
The Society of Dyers & Colourists (SDC)  
Year ended 31 December 2020  
Consolidated Balance Sheet as at 31 December 2020

	Notes	£	2020 £	£	2019 £
<b>Fixed Assets</b>					
Intangible Assets	15		3,483		45,283
Tangible Assets	16		1,254,382		1,055,601
Investments	17		981,100		970,223
Investment Property	18		1,746,500		1,780,345
			<u>3,985,465</u>		<u>3,851,452</u>
<b>Current Assets</b>					
Stock	19	1,985,320		2,030,803	
Debtors	20	931,866		1,234,423	
Cash at bank and in hand		2,449,738		1,770,771	
		<u>5,366,924</u>		<u>5,035,997</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	21	(794,132)		(938,492)	
<b>Net current assets</b>			<u>4,572,792</u>		<u>4,097,505</u>
<b>Total assets less current liabilities</b>			<u>8,558,257</u>		<u>7,948,957</u>
Creditors: amounts falling due after more than one year	22		(817,300)		(889,515)
<b>Provisions for liabilities</b>					
Deferred tax	24		(63,000)		(58,000)
<b>Total Assets</b>			<u>7,677,957</u>		<u>7,001,442</u>
<b>The funds of the charity:</b>					
<b>25</b>					
Unrestricted funds					
Accumulated fund			2,386,777		2,304,771
Funds retained in SDC Enterprises Group			4,461,879		4,325,379
Designated funds			450,367		342,367
Revaluation reserve			320,502		-
<b>Total unrestricted funds</b>			<u>7,619,525</u>		<u>6,972,517</u>
Restricted funds			40,931		11,424
Permanent endowment funds			17,501		17,501
			<u>58,432</u>		<u>28,925</u>
<b>Total Charity Funds</b>			<u>7,677,957</u>		<u>7,001,442</u>

The financial statements were authorised for issue and signed on behalf of the Society's Board on 9 August 2021.



G Thatcher  
**Chair of Society's Board**



D Bamford  
**Honorary Treasurer**



S.P. Wilkinson  
**Honorary Secretary**



G Clayton  
**CEO**

The notes on pages 27 to 46 form part of these financial statements.

The Society of Dyers & Colourists (SDC)  
 Year ended 31 December 2020  
 Charity Balance Sheet as at 31 December 2020

	Notes	£	2020 £	£	2019 £
<b>Fixed Assets</b>					
Tangible Assets	16		754,830		545,876
Investments	17		1,426,799		1,415,922
Investment Property	18		346,500		239,250
			<u>2,528,129</u>		<u>2,201,048</u>
<b>Current Assets</b>					
Debtors	20	215,516		326,984	
Cash at bank and in hand		<u>605,192</u>		<u>266,754</u>	
		820,708		593,738	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	21	<u>(132,759)</u>		<u>(118,723)</u>	
<b>Net current assets</b>			687,949		475,015
<b>Net Assets</b>			<u>3,216,078</u>		<u>2,676,063</u>
<b>The funds of the charity:</b>					
<b>25</b>					
Unrestricted funds					
Accumulated fund			2,386,777		2,304,771
Designated funds			450,367		342,367
Revaluation reserve			<u>320,502</u>		<u>-</u>
<b>Total unrestricted funds</b>			<u>3,157,646</u>		<u>2,647,138</u>
Restricted funds			40,931		11,424
Permanent endowment funds			<u>17,501</u>		<u>17,501</u>
			<u>58,432</u>		<u>28,925</u>
<b>Total Charity Funds</b>			<u>3,216,078</u>		<u>2,676,063</u>

The financial statements were authorised for issue and signed on behalf of the society's board on 9 August 2021.



G Thatcher  
**Chair of Society's Board**



D Bamford  
**Honorary Treasurer**



S Wilkinson  
**Honorary Secretary**



G Clayton  
**CEO**

The notes on pages 27 to 46 form part of these financial statements.

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

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>Total funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period (as per the statement of financial activities)	676,515	462,061
Adjustments for:		
Revaluation of fixed assets	(257,110)	403,513
Revaluation of investment property	47,793	338,655
Gains(losses) on investments	(20,175)	(101,294)
(Profit)/Loss on disposal of fixed assets	-	(38)
Tax expense	142,712	258,352
Tax paid	(275,697)	(288,994)
Amortisation	41,800	41,800
Depreciation charge	128,557	150,791
Decrease/(Increase) in stocks	45,483	(373,559)
Decrease/(Increase) in debtors	329,557	(139,348)
Decrease in creditors	(16,069)	(173,677)
<b>Net cash provided (used in) operating activities</b>	<b>843,366</b>	<b>578,262</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(70,228)	(35,568)
Proceeds from the sale of investments	341,650	183,470
Proceeds from the sale of fixed asset	-	300
Purchase of investments	(345,452)	(181,001)
Purchase of investment property	(13,948)	(81,026)
Cash outflow on acquisition of subsidiary	-	-
Movement in cash held within investments	13,100	4,635
<b>Net cash provided by (used in) investing activities</b>	<b>(74,878)</b>	<b>(109,190)</b>
<b>Cash flows from financing activities:</b>		
New loan/ (repayments)	(89,521)	(236,687)
<b>Net cash provided by (used in) financing activities</b>	<b>(89,521)</b>	<b>(236,687)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>678,967</b>	<b>232,385</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>1,770,771</b>	<b>1,538,386</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,449,738</b>	<b>1,770,771</b>

The notes on pages 27 to 46 form part of these financial statements.

## 1 General Information

The Society of Dyers & Colourist is a charitable body, incorporated by Royal Charter (RC000576) with the governing documents being the Royal Charter (1963), with Amendments, By-laws (2009) and Rules (2012, 2014, 2015, 2017, 2018 and 2019 as amended). The address of the registered office is shown in the Trustees' Annual Report. The nature of the group's operations and its principal activities are outlined in the Trustees' Annual Report. The presentational currency is sterling and amounts are rounded to the nearest whole £.

## 2 Accounting Policies

### Basis of preparation

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction values unless otherwise stated in the relevant note to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity as defined by FRS 102.

The trustees consider that there are not material uncertainties about the charity's ability to continue as a going concern.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies.

The following principal accounting policies have been applied:

### Basis of consolidation

The group financial statements consolidate the accounts of the Society of Dyers and Colourists and its subsidiary's accounts on a line by line basis. Transactions between the group companies are eliminated on consolidation.

The consolidated financial statements include the financial statements of the charity and its subsidiary undertakings made up to 31 December 2020. The acquisitions method of accounting has been adopted. Under this method the group net incoming resources include the results of subsidiaries from the date of acquisition and to the date of sale outside the group in case of disposals and subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition

### Going concern

The Trustees have reviewed the budgets and cash flow forecasts for the period at least 12 months from the approval of these financial statements and consider that there are no material uncertainties about the group and charity's ability to continue as a going concern.

### Fund accounting

The fund held by the charity are:

- Unrestricted funds – these are general funds which can be used in accordance with the charitable objectives at the discretion of the trustees. Included in unrestricted funds are certain designated funds set aside by the trustees for specific purposes.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Permanent endowment funds – these represent the fixed asset investments which must be held permanently by the charity.

The objectives of the various designated, restricted and permanent endowment funds are set out in note 25.

### Income

All income from membership subscriptions, donations, charitable activities, income from other trading activities, investment income, government and capital grants, are included in the Statement of Financial Activities when the SDC is entitled to the income and the amount can be quantified with reasonable accuracy.

Investment income and gains/(losses) are allocated to the appropriate funds.

Income from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Gift aid income

Taxable profits transferred from the subsidiaries are recognised as donations when the subsidiary has made an irrevocable commitment to the charity to pay the Gift Aid donation.

During the year the charity has received Gift Aid from subsidiaries of £400,000 (2019 - £275,000).

### Expenditure

- Raising funds: The following activities – trading costs of the subsidiary, car park lease, cost of managing investments and general marketing – are for the purpose of raising funds.
- Charitable activities: The following activities – colour experience, membership and qualifications, publications, technical, the day to day running of the SDC consisting of staff and administration costs – are of charitable nature and are provided for the benefit of members and the general public.
- Governance Costs include the day to day governance running of the SDC consisting of administration costs including audit and other professional costs, trustee travel, training, meetings and excludes any costs running funds.

All resources expended are on an accrual basis.

Grants payable are charged in the year when the offer is conveyed to the recipient.

Support costs and overheads are allocated in line with the relevant percentage of income receivable for that related activity.

Trading expenses are those of the charity's wholly owned subsidiary and do not include any of the charity's overheads. Support costs are those of managing and administering the SDC and represent expenses incurred attributable to the management of the charity's assets.

### Tangible fixed assets and depreciation – held at cost less depreciation.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all the fixed assets except freehold land, over their expected useful lives. It is calculated on the following rates:

Freehold property	- 5% straight line
Furnishing and general equipment	- 15-25% straight line
Computer equipment	- 33.3% straight line
Leasehold improvements	- over the term of the lease

### Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually. Valuations are based on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the income and expenditure account.

### **Building revaluation – Investment Property and Freehold Property**

The basis of building revaluation was Market Value with vacant possession and existing use. Revaluation is performed in accordance with the RICS Valuation – Professional Standards January 2014 Edition (the “Red Book”), where applicable having due regard to the Practice Statements and Guidance Notes therein for valuations of this nature.

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

### **Fixed asset investments**

Listed investments are stated at Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

The investment in the SDC’s trading subsidiary, SDC Enterprises Limited, is stated at cost, less provision for impairment.

### **Intangible assets**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer’s interest in the fair value of the group’s share of its identifiable assets and liabilities of the acquiree at the date of the acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the consolidated statement of comprehensive income over its useful economic life (UEL). Directors have assessed the UEL of goodwill to be 5 years.

### **Debtors**

Debtors are recognised initially when they become due at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the debtors.

### **Creditors**

Creditors are obligations to pay for goods and services that have been acquired by the charity. Creditors are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **Pension costs**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to income and expenditure account on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the income and expenditure account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

### **Foreign currencies**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

### **Research and developments**

Research and development costs are written off to the profit and loss account when incurred.

### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

### **Deferred tax**

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

### **Key sources of estimation uncertainty**

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset. The carrying amount is £1,254,382 (2019-£1,055,601).

**Stock provision**

The group makes an estimate of the recoverability of the cost of stock. When calculating the stock provision, management consider the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods. The carrying amount is £2,985,320 (2019 - £2,030,803).

**Impairment of debtors**

The group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors management considers factors which include the current credit rating of the debtor, the ageing profile of debtors an historical experience. The carrying amount is £608,500 (2019 - £1,050,524).

**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 measure at their settlement value.

**Stock**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. Work in progress and finished goods include labour and attributable overheads.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

**Mixed use**

A judgement has been made to split the property value between investment property and freehold property based upon the used by the Group compared to the area rented externally.

**3 Income from donations**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Gifts and donations	55,030	30,000	455,030	305,000

Included within gifts and donations is £55,000 (£30,000) of restricted income.

#### 4 Income from charitable activities

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Day of Celebration	171	3,548	171	3,548
Seminars and conferences	1,063	-	1,063	-
Books and publications:				
Academic books	1,065	755	1,065	755
Malcolm the Weaver books	1,095	946	1,095	946
Coloration Technology	41,000	42,854	41,000	42,854
Colour Index	-	39,916	-	39,916
Training	58,273	56,557	58,273	56,557
Membership subscriptions	46,039	45,042	46,039	45,042
Qualifications	360	617	360	617
Other	7,129	62,737	7,129	62,737
	<u>156,195</u>	<u>252,972</u>	<u>156,195</u>	<u>252,972</u>

All income from charitable activities was unrestricted in the current preceding year.

#### 5 Income from other trading activities

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trading income from subsidiaries	<u>4,549,550</u>	<u>5,966,343</u>	-	-

All income from other trading activities was unrestricted in the current and preceding year.

#### 6 Income from investments

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Rental Income	112,290	85,801	62,161	55,657
Interest received	3,084	3,236	1,029	1,633
Dividends from listed investments	22,730	25,433	22,730	25,433
	<u>138,104</u>	<u>114,470</u>	<u>85,920</u>	<u>82,723</u>

All income from investments was unrestricted in the current and preceding year.

#### 7 Other income

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
License fee received from subsidiary	-	-	350,000	350,000
Government grants	48,973	6,504	6,797	-
	<u>48,973</u>	<u>6,504</u>	<u>356,797</u>	<u>350,000</u>

Group Government grants includes Job Retention Scheme income of £42,469 (2019 £Nil) and Charity Government grants includes Job Retention Scheme income of £6,797 (2019 £Nil).

All other income was unrestricted in the current and preceding year.

### 8 Expenditure on raising funds

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
General marketing	12,094	2	12,094	2
Bradford Council car park lease	4,667	4,617	4,667	4,617
Broker fees	7,349	7,790	7,349	7,790
Trading by subsidiaries	3,464,153	4,057,714	-	-
	<b>3,488,263</b>	<b>4,070,123</b>	<b>24,110</b>	<b>12,409</b>

All expenditure on raising funds was unrestricted in the current and preceding year.

### 9 Expenditure on charitable activities

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Books – Academic	67	34	67	34
Books – Malcolm the Weaver	3,116	4,573	3,116	4,573
Coloration Technology	27,840	26,683	27,840	26,683
Colour Index (AATCC Share)	-	7,201	-	7,201
The Colourist	13,181	12,919	13,181	12,919
Qualifications costs	3,460	5,706	3,460	5,706
Training costs	16,237	1,018	16,237	1,018
Salary costs (including redundancy costs)	489,643	474,973	489,643	474,973
Travel and subsistence	16,216	41,025	16,216	41,025
Operational costs	139,758	182,135	139,758	182,135
Depreciation	53,599	79,566	53,599	79,566
(Profit) on disposal of tangible fixed assets	-	(38)	-	(38)
(Profit) on reclassification to investment properties	-	(42,406)	-	(42,406)
Bad debts	(2,088)	4,290	(2,088)	4,290
Governance costs (Note 10)	41,982	55,546	41,982	55,546
Engaging with Colour	-	1,680	-	1,680
Bursaries / Awards	14,799	6,244	14,799	6,244
Seminar and conference costs	500	5,561	500	5,561
Colour Education	5,151	-	5,151	-
Day of Celebration	755	21,780	755	21,780
Other SDC committees	2,631	3,445	2,631	3,445
Outsourced service costs:				
- External accountancy and consultancy fees	5,083	4,662	5,083	4,662
- CI consultant fees	-	988	-	988
- HR helpline services	10,318	9,787	10,318	9,787
- Bookkeeping services	27,606	31,507	27,606	31,507
	<b>869,854</b>	<b>938,879</b>	<b>869,854</b>	<b>938,879</b>

£9,309 (2019 £Nil) expenditure on charitable activities was restricted in the current and preceding year.

## 9 Expenditure on charitable activities

### Analysis of expenditure by activity:

#### Group and Charity – current year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Education	18,332	187,136	96,741	16,045	318,254
Membership and Qualifications	35,751	144,860	74,886	12,420	267,917
Publications	31,023	135,299	69,943	11,601	247,866
Administrative costs	-	22,348	11,553	1,916	35,817
	<u>85,106</u>	<u>489,643</u>	<u>253,123</u>	<u>41,982</u>	<u>869,854</u>

#### Group and Charity – prior year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Education	21,800	275,009	120,881	21,319	439,009
Membership and Qualifications	40,309	24,699	60,497	10,669	136,174
Publications	31,290	129,668	55,473	9,783	226,214
Administrative costs	-	45,597	78,110	13,775	137,482
	<u>93,399</u>	<u>474,973</u>	<u>314,961</u>	<u>55,546</u>	<u>938,879</u>

Total expenditure on charitable activities was £869,854 (2019: £938,879) of which £9,309 (2019: £Nil) was restricted and £860,545 (2019: £938,879) was unrestricted.

## 10 Governance costs

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Committee meetings	3,504	8,137	3,504	8,137
Miscellaneous governance costs	1,903	2,481	1,903	2,481
Legal fees and trademark protection	10,957	15,293	10,957	15,293
Trustees liability insurance	1,748	1,505	1,748	1,505
Trustees training	899	914	899	914
Audit fees	13,938	12,306	13,938	12,306
Bank charges	2,575	3,670	2,575	3,670
PayPal charges	17	158	17	158
Subscriptions & licences (inc data protection)	4,020	3,444	4,020	3,444
Grants in support of SDC regions	1,032	5,631	1,032	5,631
Medals & plaques	1,389	2,007	1,389	2,007
	<u>41,982</u>	<u>55,546</u>	<u>41,982</u>	<u>55,546</u>

## 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
<b>Corporation tax</b>				
Current tax on profits for the year	141,000	269,000	-	-
Adjustments in respect of previous periods	(3,288)	96	-	-
<b>Deferred tax</b>				
Origination and reversal of timing differences	5,000	(10,744)	-	-
Adjustments in respect of prior periods	-	-	-	-
<b>Taxation</b>	<b>142,712</b>	<b>258,352</b>	<b>-</b>	<b>-</b>

### Factors affecting tax charge for the year

The tax assessed for the year is lower (2019 – lower than) the standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are explained below:

	2020		2019	
	£	£	£	£
<b>Profit on taxable activities before tax</b>	737,872	1,567,669	-	-
Profit on taxable activities multiplied by standard rate of corporation tax in the UK of 19% (2019-19%)	140,196	297,857	-	-
<b>Effects of:</b>				
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	29,282	2,099	-	-
Capital allowances for year in excess of depreciation	-	-	-	-
Effect of tax rate charges	645	8,087	-	-
Adjustments to tax charge in respect of prior periods	(3,288)	96	-	-
Other timing differences leading to an increase (decrease) in taxation	(373)	2,463	-	-
Distribution to parent made in Gift Aid	(23,750)	(52,250)	-	-
<b>Total tax charge for the year</b>	<b>142,712</b>	<b>258,352</b>	<b>-</b>	<b>-</b>

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £6,600.

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

## 12 Net losses on Investments

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Realised (losses)/gains	(26,118)	3,164	(26,118)	3,164
Unrealised gains	46,293	98,130	46,293	98,130
Loss on revaluation of investment property	102,752	(338,655)	102,752	(338,655)
	<b>122,927</b>	<b>(237,361)</b>	<b>122,927</b>	<b>(237,361)</b>

### 13 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Salaries and wages	1,278,026	1,407,682	413,712	388,036
Social security costs	133,358	144,127	38,514	37,023
Pension costs	130,513	132,878	37,417	37,895
Redundancy costs	-	5,386	-	5,386
	<u>1,541,897</u>	<u>1,690,073</u>	<u>489,643</u>	<u>468,340</u>

The group paid £4,163 (2019: £2,208) in respect of employer's life assurance contributions and £8,120 (2019: £7,936) in respect of employer's private medical contributions during the year. The charity paid £4,163 (2019: £2,208) in respect of employer's life assurance contributions and £4,231 (2019: £3,092) in respect of employer's private medical contributions during the year.

There were 4 employees of the group with employment benefits in excess of £60,000 (2019: 3).

Bands:	Group		Charity	
	2020	2019	2020	2019
	No.	No.	No.	No.
£210,001 - £220,000	1	1	-	-
£110,001 - £120,000	1	-	1	-
£100,001 - £110,000	-	1	-	1
£70,001 - £80,000	1	-	1	-
£60,000 - £70,000	1	1	1	1
	<u>4</u>	<u>3</u>	<u>3</u>	<u>2</u>

The number of staff who received in excess of £60,000 to whom retirement benefits are accruing under defined contributions schemes was 4 (2019: 3)

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Employer's pension contributions to defined contribution schemes in respect of the employees receiving in excess of £60,000	58,371	51,598	20,364	8,750
	<u>58,371</u>	<u>51,598</u>	<u>20,364</u>	<u>8,750</u>

The key management personnel of the group comprise the trustees and the CEO of the charity and the directors of SDC Enterprises Limited. The total employee benefits of this group was £330,943 (2019 - £355,473).

None of the Trustees (2019: None) have been paid any remuneration or received any other benefits from the Charity. During the year 2 Trustees were reimbursed for general expenses incurred on behalf of the Charity to the sum of £135 (2019: £2,500 – 5 Trustees).

### 14 Staff numbers

	2020	2019	2020	2019
	No.	No.	No.	No.
Charitable activities	8	9	8	9
Management administration	35	37	4	4
	<u>43</u>	<u>46</u>	<u>12</u>	<u>13</u>

**15 Intangible assets**

<b>Group</b>	<b>Goodwill £</b>
<b>Cost</b>	
At 1 January 2020	209,000
As at 31 December 2020	<u>209,000</u>
<b>Amortisation</b>	
At 1 January 2020	163,717
Charge for the year	41,800
As at 31 December 2020	<u>205,517</u>
<b>Net book value</b>	
As at 31 December 2020	<u>3,483</u>
As at 31 December 2019	<u>45,283</u>

**16 Tangible fixed assets**

	<b>Leasehold improvements £</b>	<b>Freehold property £</b>	<b>Furnishings and equipment £</b>	<b>Total £</b>
<b>Group cost or revaluation</b>				
Cost at 1 January 2020	151,594	585,750	1,066,613	1,803,957
Additions	-	-	70,228	70,228
Revaluation	-	217,750	-	217,750
Disposals	-	-	(661,191)	(661,191)
Cost at 31 December 2020	<u>151,594</u>	<u>803,500</u>	<u>475,650</u>	<u>1,430,744</u>
Depreciation at 1 January 2020	127,258	-	621,098	748,356
Charge for the year	5,214	39,360	83,983	128,557
Eliminated on revaluation	-	(39,360)	-	(39,360)
Depreciation on disposal	-	-	(661,191)	(661,191)
Depreciation at 31 December 2020	<u>132,472</u>	<u>-</u>	<u>43,890</u>	<u>176,362</u>
Net book value at 31 December 2020	<u>19,122</u>	<u>803,500</u>	<u>431,760</u>	<u>1,254,382</u>
Net book value at 31 December 2019	<u>24,336</u>	<u>585,750</u>	<u>445,515</u>	<u>1,055,601</u>

**16 Tangible fixed assets (continued)**

	Leasehold improvements £	Freehold property £	Furnishings and equipment £	Total £
<b>Charity cost or revaluation</b>				
Cost at 1 January 2020	45,439	485,750	106,291	637,480
Additions	-	-	5,441	5,441
Revaluation	-	217,750	-	217,750
Cost at 31 December 2020	45,439	703,500	111,732	860,671
Depreciation at 1 January 2020	41,798	-	49,806	91,604
Charge for the year	1,818	39,360	12,419	53,597
Eliminated on revaluation	-	(39,360)	-	(39,360)
Depreciation at 31 December 2020	43,616	-	62,225	105,841
Net book value at 31 December 2020	1,823	703,500	49,507	754,830
Net book value at 31 December 2019	3,641	458,750	56,485	545,876

Freehold property was revalued in September 2020 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2.

The historical cost of the freehold property above at 31 December 2020 was £864,674 (2019 - £860,176).

**17 Investments**

	At 1 January 2020 £	Additions £	Disposals £	Realised/ Unrealised gains £	At 31 December 2020 £
Quoted investments at market value	946,779	345,452	(341,650)	20,175	970,756
Cash	23,444	-	(13,100)	-	10,344
	970,223	345,452	(354,750)	20,175	981,100
Investment in subsidiary					
SDC Enterprises Limited	445,600	-	-	-	445,600
SDC International Limited	99	-	-	-	99
	445,699	-	-	-	445,699
Quoted investments at cost	768,714				796,298

A detailed listing of investments will be available at the AGM and is available to Members on request. The investments are held primarily to provide an investment return.

### Investments in subsidiaries

SDC owns 100% of the £1 ordinary shares issued in SDC Enterprises Limited, the investment is £445,600 (2019 – £445,600). SDC Enterprises Limited (Company number 00433197) owns 100% of the £1 ordinary shares issued in Sam Weller & Sons Limited (Company number 00433197), the results of both companies are consolidated in these financial statements.

The SDC's investment in SDC International (Company number – 04309970) represents £99 (2019 - £99) ordinary shares of £1 each which is wholly owned.

All subsidiaries are incorporated and registered in England and Wales.

The results of the trading subsidiaries for the financial period were as follows:

	SDC Enterprises Limited		Sam Weller & Sons Limited	
	2020	2019	2020	2019
	£	£	£	£
Turnover	3,295,580	3,835,130	1,350,635	2,387,770
Expenditure	2,973,436	2,750,100	1,477,619	2,162,943
Profit for the year	<u>322,144</u>	<u>1,085,030</u>	<u>(126,984)</u>	<u>224,827</u>
Assets	5,760,709	5,560,986	2,083,888	2,429,533
Liabilities	(1,400,321)	(1,522,742)	(235,442)	(454,103)
Net assets	<u>4,360,388</u>	<u>4,038,244</u>	<u>1,848,446</u>	<u>1,975,430</u>

### 18 Investment Property

Group	Freehold Investment Property £
<b>Valuation</b>	
At 1 January 2020	1,780,345
Additions at cost	13,948
Revaluations	(47,793)
<b>At 31 December 2020</b>	<u>1,746,500</u>
<b>Charity</b>	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 January 2020	239,250
Additions at cost	4,498
Revaluations	102,752
<b>At 31 December 2020</b>	<u>346,500</u>

### Group and Charity

Investment properties were revalued in September 2020 and October 2020 by an external valuer. This was conducted by Walker Singleton Chartered Surveyors, at open market value in accordance with RICS Valuation Practice Statements of the latest edition of the RICS Valuation Professional Standards. Valuations are carried out on the basis of Market Value as defined in Valuation Practice Statements VPS 4.1.2.

The historical cost of the freehold property above at 31 December 2020 was £2,415,219 (2019 - £2,401,271).

## 19 Stock

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Raw materials and consumables	497,528	468,528	-	-
Work in progress	179,921	175,632	-	-
Finished goods for resale	1,307,871	1,386,643	-	-
	<u>1,985,320</u>	<u>2,030,803</u>	<u>-</u>	<u>-</u>

Stock recognised in cost of sales during the year as an expense was £1,747,432 (2019 - £2,206,980).

Total carrying amount of stocks pledged as security for liabilities was £874,519 (2019 - £1,070,030).

## 20 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
<b>Amounts falling within one year</b>				
Trade debtors	608,467	1,050,524	27,914	32,657
Amounts owed by group undertakings	-	-	116,306	223,569
Other debtors	113,168	104,148	29,484	39,823
Prepayments	210,231	79,751	41,812	30,935
	<u>931,866</u>	<u>1,234,423</u>	<u>215,516</u>	<u>326,984</u>

A specific bad debt provision, amounting to £40,052 (2019: £42,694), has been raised in respect of amounts due from SDC EC. The bad debt recognised within the Statement of Financial Activity for the year was £ (2,088) (2019: £44,193).

## 21 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
<b>Amounts falling within one year</b>				
Bank loans	61,601	85,411	-	-
Trade creditors	220,238	253,725	24,252	17,337
Taxes and Social Security	185,896	261,218	36,255	13,830
Accruals and deferred income	310,500	325,695	56,375	60,203
Other creditors	15,897	12,443	15,877	27,353
	<u>794,132</u>	<u>938,492</u>	<u>132,759</u>	<u>118,723</u>

Deferred income relates to income received for subscription and member fees which is not relatable to the year end 31 December 2020.

## 22 Creditors: amounts falling due after more than one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	808,098	873,809	-	-
Deferred income	9,202	15,706	-	-
	<u>817,300</u>	<u>889,515</u>	<u>-</u>	<u>-</u>

A debenture is in place which includes a charge over all assets both present and future of the subsidiary SDC Enterprises Limited dated 9 February 2016, in respect of the bank loans held by the Group.

The bank loan above is secured on the property to which it relates to.

**23 Loans**

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
<b>Bank loans:</b>				
Amounts falling due within one year	61,601	85,411	-	-
Amounts falling due 2-5 years	808,098	873,809	-	-
	<u>869,699</u>	<u>959,220</u>	<u>-</u>	<u>-</u>

**24 Deferred tax**

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
At beginning of year	58,000	68,744	-	-
(Released)/charged during year	5,000	(10,744)	-	-
At end of year	<u>63,000</u>	<u>58,000</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Accelerated capital allowances	67,000	68,300	-	-
Other timing differences	(4,000)	(10,300)	-	-
Total	<u>63,000</u>	<u>58,000</u>	<u>-</u>	<u>-</u>

The Society of Dyers & Colourists (SDC)  
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Notes to the Financial Statements (continued)

25 Funds	Fund balance 01/01/2020 £	Income £	Expenditure £	Transfers £	Gains and Losses £	Net movement In funds £	Fund balance 31/12/2020 £
<b>Unrestricted funds</b>							
Accumulated funds	2,304,771	998,942	(874,153)	(102,318)	59,535	82,006	2,386,777
<b>Designated funds</b>							
Colour experience	7,200	-	(7,387)	187	-	(7,200)	-
Centenary educational trust	72,113	-	(3,115)	-	-	(3,115)	68,998
Tordoff memorial	96,385	-	-	-	-	-	96,385
Unfunded projects reserve	166,669	-	-	118,315	-	118,315	284,984
<b>Total designated funds</b>	<b>342,367</b>	<b>-</b>	<b>(10,502)</b>	<b>118,502</b>	<b>-</b>	<b>108,000</b>	<b>450,367</b>
Funds retained in trading subsidiaries	4,325,379	3,990,575	(3,854,075)	-	-	136,500	4,461,879
	<b>6,972,517</b>	<b>4,989,517</b>	<b>(4,738,730)</b>	<b>16,184</b>	<b>59,535</b>	<b>326,506</b>	<b>7,299,023</b>
<b>Restricted funds</b>							
George Douglas Lecture	2,300	-	-	(570)	-	(570)	1,730
Turner Scholefield award	8,509	-	-	1	-	1	8,510
Veronica Bell award	615	-	-	(615)	-	(615)	-
Future Textile Dyers fund	-	40,000	(9,309)	-	-	30,691	30,691
Dyers Co. Charitable Trust	-	15,000	-	(15,000)	-	-	-
	<b>11,424</b>	<b>55,000</b>	<b>(9,309)</b>	<b>(16,184)</b>	<b>-</b>	<b>29,507</b>	<b>40,931</b>
<b>Permanent endowment funds</b>							
George Douglas Lecture	2,128	-	-	-	-	-	2,128
Turner Scholefield Award	2,497	-	-	-	-	-	2,497
Veronica Bell Award	12,876	-	-	-	-	-	12,876
	<b>17,501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,501</b>
<b>Revaluation Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320,502</b>	<b>320,502</b>	<b>320,502</b>
<b>Total funds – Group</b>	<b>7,001,442</b>	<b>5,044,517</b>	<b>(4,748,039)</b>	<b>-</b>	<b>380,037</b>	<b>676,515</b>	<b>7,677,957</b>
Deduct funds retained in trading subsidiaries	(4,325,379)	(3,990,575)	3,854,075	-	-	(136,500)	(4,461,879)
<b>Total funds – Charity</b>	<b>2,676,063</b>	<b>1,053,942</b>	<b>(893,964)</b>	<b>-</b>	<b>380,037</b>	<b>540,015</b>	<b>3,216,078</b>

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Notes to the Financial Statements (continued)

<b>25 Funds – previous year</b>	<b>Fund balance 01/01/2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Gains and Losses £</b>	<b>Net movement In funds £</b>	<b>Fund balance 31/12/2019 £</b>
<b>Unrestricted funds</b>							
Accumulated funds	2,453,463	960,695	(819,932)	37,759	(327,214)	(148,692)	2,304,771
<b>Designated funds</b>							
Colour experience	12,234	-	(5,034)	-	-	(5,034)	7,200
Centenary educational trust	76,789	-	(4,676)	-	-	(4,676)	72,113
Tordoff memorial	96,385	-	-	-	-	-	96,385
Unfunded projects reserve	219,555	-	(121,646)	68,760	-	(52,886)	166,669
<b>Total designated funds</b>	<b>404,963</b>	<b>-</b>	<b>(131,356)</b>	<b>68,760</b>	<b>-</b>	<b>(62,596)</b>	<b>342,367</b>
Funds retained in trading subsidiaries	3,241,820	5,357,070	(4,273,511)	-	-	1,083,559	4,325,379
	<b>6,100,246</b>	<b>6,317,765</b>	<b>(5,224,799)</b>	<b>106,519</b>	<b>(327,214)</b>	<b>872,271</b>	<b>6,972,517</b>
<b>Restricted funds</b>							
Fixed asset fund	37,759	-	-	(37,759)	-	(37,759)	-
George Douglas Lecture	2,300	-	-	-	-	-	2,300
Turner Scholefield award	8,509	-	-	-	-	-	8,509
Veronica Bell award	615	-	-	-	-	-	615
Cotton Industry War Memorial fund	23,760	15,000	-	(38,760)	-	(23,760)	-
Dyers Co. Charitable Trust	15,000	15,000	-	(30,000)	-	(15,000)	-
	<b>87,943</b>	<b>30,000</b>	<b>-</b>	<b>(106,519)</b>	<b>-</b>	<b>(76,519)</b>	<b>11,424</b>
<b>Permanent endowment funds</b>							
George Douglas Lecture	2,128	-	-	-	-	-	2,128
Turner Scholefield Award	2,497	-	-	-	-	-	2,497
Veronica Bell Award	12,876	-	-	-	-	-	12,876
	<b>17,501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,501</b>
<b>Revaluation Reserve</b>	<b>313,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(313,660)</b>	<b>(313,660)</b>	<b>-</b>
<b>Total funds – Group</b>	<b>6,519,350</b>	<b>6,347,765</b>	<b>(5,224,799)</b>	<b>-</b>	<b>(640,874)</b>	<b>482,092</b>	<b>7,001,442</b>
Deduct funds retained in SDC Enterprises Ltd	(3,241,820)	(5,357,070)	4,273,511	-	-	(1,083,559)	(4,325,379)
<b>Total funds – Charity</b>	<b>3,277,530</b>	<b>990,695</b>	<b>(951,288)</b>	<b>-</b>	<b>(640,874)</b>	<b>(601,467)</b>	<b>2,676,063</b>

## 25 Funds (continued)

The specific purpose for which the funds are to be applied are as follows:

### Designated Funds:

#### ***Colour experience***

The Colour Experience combines an interactive gallery, hands on demonstrations and workshops designed to meet the STEM requirements of students across the age range from nursery to university.

#### ***Centenary Educational Trust Fund***

Established in the SDC's centenary year (1984) to provide finance to stimulate the recruitment of highly talented and well-motivated young people onto full-time courses in colour science and technology.

#### ***Tordoff Memorial Fund***

Established in 1992 in memory of the late Dr Maurice Tordoff, former Chief Executive and General Secretary of the SDC. To provide finance to support students undertaking part-time education in colour science and technology.

### Restricted Funds:

#### ***Future Textile Dyers***

To support the apprenticeship program FTCC TCC, this money has been received from Worshipful Company of Dyers.

#### ***Dyers Co. Charitable Trust Fund***

As restricted fund from the Worshipful Company of Dyers specifically in relation to support of the ASDC scheme.

#### ***George Douglas Lecture***

Represents income arising from the George Douglas Lecture permanent endowment fund and the use of that income.

#### ***Turner Scholefield Award***

Represents income arising from the Turner Scholefield Award permanent endowment fund and the use of that income.

#### ***Veronica Bell Award***

Represents income arising from the Veronica Bell Award permanent endowment fund and the use of that income.

#### ***Cotton Industry War Memorial Fund***

A designated fund for support from the Cotton Industry War Memorial Trust specifically in relation to transport for the Colour Experience and development of the VLE for the SDC Qualifications.

### Permanent Endowment Funds:

#### ***George Douglas Lecture***

The Lecture was started in 1948 with a fund established by the Bradford Dyers' Association Ltd to finance a biennial memorial lecture. The lecture to be on a subject related to the dyeing and finishing of textiles. The fund now allows for promoting education in colour science and technology by the holding of public lectures.

#### ***Turner Scholefield Award***

A medal, awarded annually, to an Associate of the SDC, under the age of 33 who has made the most notable contribution to the science and technology of colouring matters and their application.

#### ***Veronica Bell Award***

Presented to the winner of the student International Design Competition in memory of the SDC's first lady president, Veronica Bell.

### Revaluation reserve

To record any gains from revaluations of freehold property and investment property.

**26 Analysis of net assets by funds – Group**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Permanent Endowment Funds</b>	<b>Revaluation Reserve Funds</b>	<b>Total Funds</b>
	£	£	£	£	£
<b>At 31 December 2020</b>					
Intangible fixed assets	3,483	-	-	-	3,483
Tangible fixed assets	1,254,382	-	-	-	1,254,382
Investments	981,100	-	-	-	981,100
Investment property	1,746,500	-	-	-	1,746,500
Current assets	5,308,492	40,931	17,501	-	5,366,924
Current liabilities	(794,132)	-	-	-	(794,132)
Long term liabilities	(817,300)	-	-	-	(817,300)
Provisions for liabilities	(63,000)	-	-	-	(63,000)
	<u>7,619,525</u>	<u>40,931</u>	<u>17,501</u>	<u>-</u>	<u>7,677,957</u>

**Analysis of net assets by funds – Group – previous year**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Permanent Endowment Funds</b>	<b>Revaluation Reserve Funds</b>	<b>Total Funds</b>
	£	£	£	£	£
<b>At 31 December 2019</b>					
Intangible fixed assets	45,283	-	-	-	45,283
Tangible fixed assets	1,055,601	-	-	-	1,055,601
Investments	970,223	-	-	-	970,223
Investment property	1,780,345	-	-	-	1,780,345
Current assets	5,007,072	11,424	17,501	-	5,035,997
Current liabilities	(938,492)	-	-	-	(938,492)
Long term liabilities	(889,515)	-	-	-	(889,515)
Provisions for liabilities	(58,000)	-	-	-	(58,000)
	<u>6,972,517</u>	<u>11,424</u>	<u>17,501</u>	<u>-</u>	<u>7,001,442</u>

**27 financial instruments**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through SOFA	970,756	946,799
Financial assets measured at amortised cost	<u>3,177,183</u>	<u>2,948,887</u>
	<u>4,147,939</u>	<u>3,895,686</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>1,459,145</u>	<u>1,796,872</u>
	<u>1,459,145</u>	<u>1,796,872</u>

## 28 Commitments under operating leases – lessee

At 31 December 2020 the group and the charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
<b>Not later than 1 year</b>	128,191	124,303	21,816	19,803
Later than 1 year and not later than 5 years	482,878	582,694	53,712	49,028
Later than five years	22,958	5,353	22,958	5,353
	<b>634,027</b>	<b>712,350</b>	<b>98,486</b>	<b>74,184</b>

The amount of non-cancellable operating lease payments recognised as an expense during the year was Group £130,433 (31 December 2019 - £125,611) and Charity £24,058 (31 December 2019 £21,111).

## Commitments under operating leases – lessor

At 31 December 2020 the group and the charity had future minimum lease payments receivable under non-cancellable operating leases as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
<b>Not later than 1 year</b>	8,250	37,110	8,250	37,110
Later than 1 year and not later than 5 years	-	8,250	-	8,250
Later than five years	-	-	-	-
	<b>8,250</b>	<b>45,360</b>	<b>8,250</b>	<b>45,360</b>

The amount of contingent rents recognised as income during the year was £62,161 (31 December 2019 - £55,657).

Capital commitments £Nil (2019: £15,866)

## 29 Related party transactions

During the year the Charity entered into the following transactions with related parties:

### Company

Other than transactions disclosed above, the company's other related transactions were wholly owned subsidiaries and so have not been disclosed.

## 30 Ultimate Control

The society of Dyers & Colourists is a Charitable body. SDC Voting Members elect the Trustees to be voting members of the Society's Board, and the trustees ultimately control the charity.

**Members of the Society's Committees as at end August 2021**

**Audit Committee**

- Stuart Wilkinson – HonSec & Chair
- John Hansford – President
- Susan Bolton – Imm. Past President
- Ullhas Nimkar – President-elect
- Debbie Bamford – HonTreas
- Mick Catterall – HonTreas Designate
- Vien Cheung
- Peter Duffield
- Paul Santokhi

**Finance Committee**

- Debbie Bamford – HonTreas & Chair
- John Hansford – President
- Susan Bolton – Imm. Past President
- Trevor Larkins – Vice President (Projects)
- Stuart Wilkinson – HonSec
- Mick Catterall – HonTreas Designate
- Chris Carr – Trustee
- Vien Cheung
- John Easton
- Mark Yare - MD SDC Enterprises
- Kathryn Hampshire – SDC Enterprises

**Medals Committee**

- Stuart Wilkinson – HonSec & Chair
- All members of both the Audit Committee & Nominations Committee

**Projects Evaluation Group (PEG)**

- Trevor Larkins – Vice President (Projects) & Chair
- Chris Carr – Trustee
- Ian Lewis – Trustee
- Kate Wells – Trustee

**Nominations Committee**

- Stuart Wilkinson – HonSec & Chair
- John Hansford – President
- Nilkaneth Desai
- Peter Duffield

**Education, Qualifications & Accreditation Board (EQAB)**

- Stephen Westland – Chair
- Parikshit Goswami - Trustee
- Ian Lewis – Trustee
- Marina Bloj
- Christine Holdstock
- Jinshong Shen
- Kevin Tapley
- Roger Wardman

**Membership Committee**

- Stuart Wilkinson – HonSec
- Ullhas Nimkar – President-elect
- Kathy Dickinson
- Sarah Gotheridge
- Sarah Moses
- Alexandra Palmer
- Vicky Price
- Chelsea Sullivan
- Fiona White
- Georgie Worker

**Future World Working Party of the Society's Board**

- John Hansford – President & Chair
- Ullhas Nimkar – President-elect
- Stuart Wilkinson - HonSec
- Debbie Bamford – HonTreas
- Mick Catterall – HonTreas Designate
- Gavin Thatcher – Trustee & Chair of Board
- Chris Carr – Trustee
- Paul Hamilton – Trustee

### **Publications Committee**

- Roger Wardman – Chair
- Andy Towns – Editor in Chief
- Richard Blackburn – Review Editor
- Adrian Able
- Vien Cheung
- Robert Christie
- John Easton
- Laura Franklin
- David Lewis
- James Nobbs
- Muriel Rigout
- Stephen Westland
- Laura Wood
- Jenny Cosham - Wileys
- Anna Smart – Wileys
- Sarah Watson – Wileys

### **Colour Index Pigment & Solvent Dyes Board**

- Adrian Able – Chair
- Stuart Wilkinson – HonSec
- Debbie Bamford – HonTreas
- Terry Detrie
- Georg Doering
- Harold Freeman
- Caroline Germain
- Ingrid Gesing
- Geoffrey Hallas
- Ana Lacoma
- Tatiana Letcheva
- Xiang Ma
- Fary Strassell
- Mark Vallely
- David Wawer – CPMA
- Diana Wyman – AATCC
- Karen Skorski – SDC Enterprises
- Chris Waring – SDC Enterprises

### **Publications Awards Committee**

- Kelvin Tapley - Chair
- Roger Wardman
- Andy Towns – Editor in Chief
- John Easton
- Ram Sabnis
- David Lewis
- Peter Rhodes
- Mike Bartle
- Jinsong Shen
- Stephen Westland
- John Provost
- David Hinks
- Martin Ferus-Comelo