

The Society of Dyers & Colourists (SDC)

Annual Report &

Financial Statements

For the Year ended 31st December 2021

Charity Number 212331

Royal Charter Number RC000567



A Chartered Society
since 1963

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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.

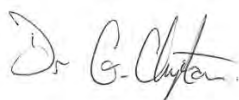
The Current Environment Mitigation Working Party was then renamed to the Future World Working Party and in 2021 put in a colossal amount of work looking at how to be sustainable for the future and what the future would be like. The latter work continues into 2022 and in 2021 this Working Party met online 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.

- 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 31st 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 31st December 2021 (£605,192 on 31st 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 31st, 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 7th 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.

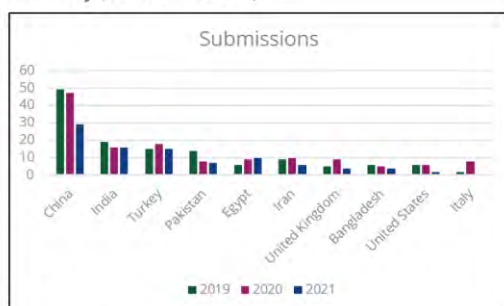


Submissions 2019-2021 YTD*

Total Submissions 2021 YTD*: **131**

Top 3 countries:

- China (29 submissions)
- India (16 submissions)
- Turkey (15 submissions)



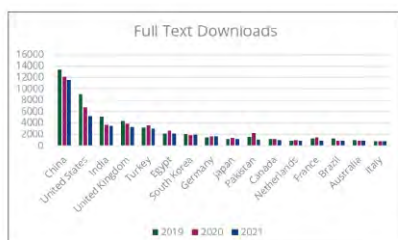
*All 2021 YTD data is through 9/27/21

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

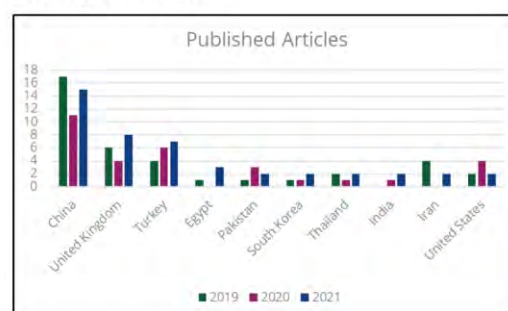


Articles published 2019-2021 YTD*

Articles published 2021 YTD*: **55**

Top 3 countries:

- China (15 articles)
- UK (8 articles)
- Turkey (7 articles)



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 has been 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 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.

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.

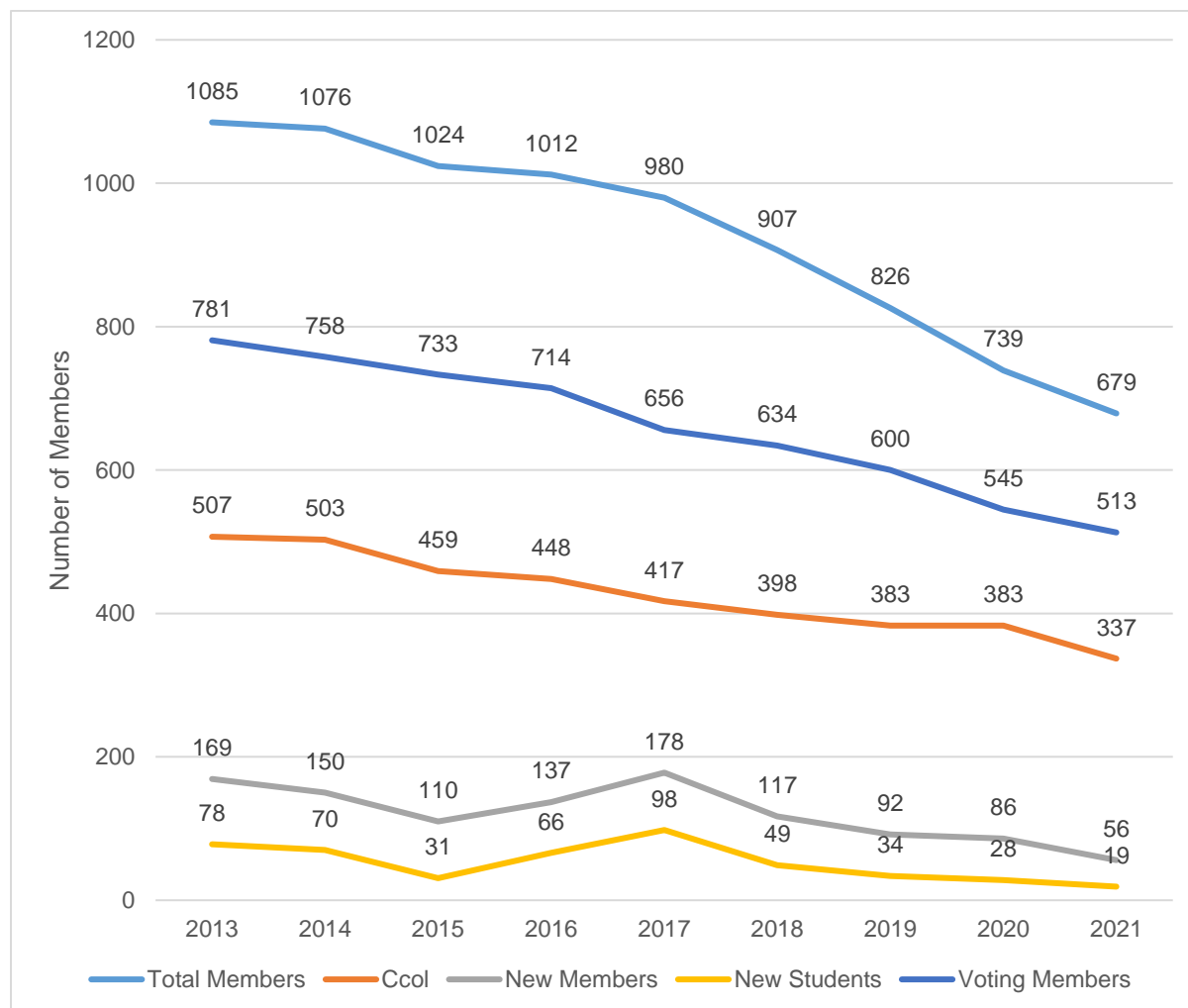
- *The Colourist* member magazine was re-launched in 2021 as an electronic only publication (thus addressing production costs but also environmental impacts of paper production and international postage, a task made all the more difficult and costly by the pandemic and Brexit). *The Colourist* features 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

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

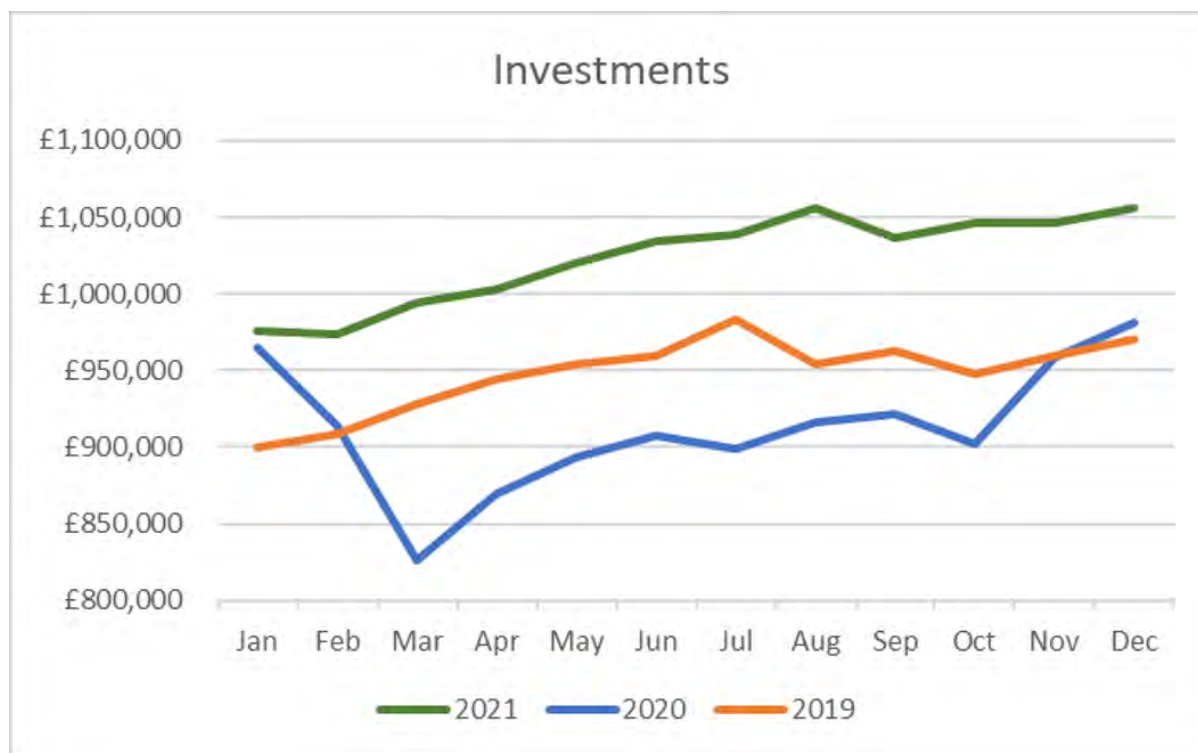
The SDC Charitable Objectives from the Royal Charter includes *"To co-operate with other scientific organisations and bodies in relation to colour and its application and use"*. To this end the SDC is an active member of The Science Council and The Parliamentary and Scientific Committee. Other active 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).

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 1st 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.

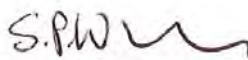
This report was approved by the Society's Board on 9th May 2022 and signed on its behalf by:



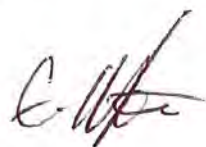
G Thatcher
Chair of Society's Board



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 of detail on the balance sheet 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. 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

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 £
Income From:							
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
Total income		5,941,243	16,000	-	-	5,957,243	4,947,852
Expenditure on:							
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
Total Expenditure		5,016,482	7,062	-	-	5,023,544	4,500,829
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
Net income for the year		1,008,648	8,938	-	(15,417)	1,002,169	676,515
Transfers between funds	25	-	-	-	-	-	-
Net Movement in funds		1,008,648	8,938	-	(15,417)	1,002,169	676,515
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
		£	£	£	£	£	£
Income From:							
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
Total income		634,031	16,000	-	-	650,031	1,053,942
Expenditure on:							
Raising funds	8	40,156	-	-	-	40,156	24,110
Charitable activities	9	753,611	7,062	-	-	760,673	869,854
Total Expenditure		793,767	7,062	-	-	800,829	893,964
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
Net income for the year		(75,849)	8,938	-	(15,417)	(82,328)	540,015
Transfers between funds	25	-	-	-	-	-	-
Net Movement in funds		(75,849)	8,938	-	(15,417)	(82,328)	540,015
Reconciliation of funds:							
Total funds brought forward at 1 January	25	2,837,144	40,931	17,501	320,502	3,216,078	2,676,063
Total funds carried forward at 31 December	25	2,761,295	49,869	17,501	305,085	3,133,750	3,216,078

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 £
Fixed Assets					
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		1,744,808		1,746,500
			<u>4,064,578</u>		<u>3,985,465</u>
Current Assets					
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>	
		6,298,257		5,361,924	
Liabilities					
Creditors: amounts falling due within one year	21	<u>(862,826)</u>		<u>(667,441)</u>	
Net current assets			5,435,431		4,694,483
Total assets less current liabilities			<u>9,500,009</u>		<u>8,679,948</u>
Creditors: amounts falling due after more than one year	22		(747,883)		(817,300)
Provisions for liabilities					
Deferred tax	24		(72,000)		(63,000)
Total Assets			<u>8,680,126</u>		<u>7,799,648</u>
The funds of the charity:					
Unrestricted funds					
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>
Total unrestricted funds			8,612,756		7,741,216
Restricted funds			49,869		40,931
Permanent endowment funds			<u>17,501</u>		<u>17,501</u>
			66,370		58,432
Total Charity Funds			<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

Chair of Society's Board

M Catterall

Honorary Treasurer

S Wilkinson

Honorary Secretary

G Clayton

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 £
Fixed Assets					
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>
Current Assets					
Debtors	20	210,761		215,516	
Cash at bank and in hand		<u>450,699</u>		<u>605,192</u>	
		661,460		820,708	
Liabilities					
Creditors: amounts falling due within one year	21	<u>(93,748)</u>		<u>(132,759)</u>	
Net current assets			567,712		687,949
Net Assets			<u>3,133,750</u>		<u>3,216,078</u>
The funds of the charity:	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>
Total unrestricted funds			<u>3,066,380</u>		<u>3,157,646</u>
Restricted funds			49,869		40,931
Permanent endowment funds			<u>17,501</u>		<u>17,501</u>
			<u>67,370</u>		<u>58,432</u>
Total Charity Funds			<u>3,133,750</u>		<u>3,216,078</u>

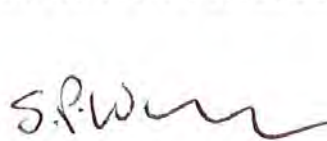
The financial statements were authorised for issue and signed on behalf of the Society's Board on 9th May 2022.



G Thatcher
Chair of Society's Board



M Catterall
Honorary Treasurer



S Wilkinson
Honorary Secretary



G Clayton
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
Consolidated Statement of Cash Flows for the year ended 31 December 2021

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)
Net cash provided (used in) operating activities	1,215,385	843,366
Cash flows from investing activities:		
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
Net cash provided by (used in) investing activities	(134,744)	(74,878)
Cash flows from financing activities:		
New loan/ (repayments)	(61,611)	(89,521)
Net cash provided by (used in) financing activities	(61,611)	(89,521)
Change in cash and cash equivalents in the reporting period	1,019,030	678,967
Cash and cash equivalents at the beginning of the reporting period	2,449,738	1,770,771
Cash and cash equivalents at the end of the reporting period	3,468,768	2,449,738

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 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). 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 an 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

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
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
	760,673	869,854	760,673	869,854

£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
	£	£	£	£
Corporation tax				
Current tax on profits for the year	213,800	105,000	-	-
Adjustments in respect of previous periods	(397)	(3,288)	-	-
Deferred tax				
Origination and reversal of timing differences	9,000	5,000	-	-
Adjustments in respect of prior periods	-	-	-	-
Taxation	222,403	106,712	-	-

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
	£	£	£	£
Profit on taxable activities before tax	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	-	-
Effects of:				
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)	-	-
Total tax charge for the year	222,403	106,712	-	-

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
	66,795	122,927	85,562	122,927

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 £
Cost			
At 1 January 2021	209,000	-	209,000
Additions	-	30,000	30,000
As at 31 December 2021	209,000	30,000	239,000
Amortisation			
At 1 January 2021	205,517	-	205,517
Charge for the year	3,483	-	3,483
As at 31 December 2021	209,000	-	209,000
Net book value			
As at 31 December 2021	-	30,000	30,000
As at 31 December 2020	3,483	-	3,483

16 Tangible fixed assets

	Leasehold improvements £	Freehold property £	Furnishings and equipment £	Total £
Group cost or revaluation				
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	158,483	770,000	483,251	1,411,734
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	138,063	-	39,609	177,672
Net book value at 31 December 2021	20,420	770,000	443,642	1,234,062
Net book value at 31 December 2020	19,122	803,500	431,773	1,254,395

16 Tangible fixed assets (continued)

	Leasehold improvements £	Freehold property £	Furnishings and equipment £	Total £
Charity cost or revaluation				
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	45,439	670,000	109,181	824,620
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	45,439	-	74,550	119,989
Net book value at 31 December 2021	-	670,000	34,631	704,631
Net book value at 31 December 2020	1,823	703,500	49,508	754,831

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
	981,100	183,067	(192,346)	83,887	1,055,708
Investment in subsidiary					
SDC Enterprises Limited	445,600	-	-	-	445,600
SDC International Limited	99	-	-	-	99
	445,699	-	-	-	445,699
Quoted investments at cost	796,298				836,892

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.

The Society of Dyers & Colourists (SDC)
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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:

	SDC Enterprises Limited		Sam Weller Limited		SDC International Ltd	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
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	1,002,894	322,144	114,967	(104,059)	(14,450)	(15,312)
Transfers	-	-	-	-	(21)	-
Reserves movement	1,002,894	322,144	114,967	(104,059)	(14,471)	(15,312)
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	5,363,282	4,360,388	1,963,413	1,871,371	(64,758)	(50,287)

18 Investment Property

Group	Freehold Investment Property £
Valuation	
At 1 January 2021	1,746,500
Additions at cost	15,400
Revaluations	(17,092)
At 31 December 2021	1,744,808
Charity	Freehold investment property £
Valuation	
At 1 January 2021	346,500
Additions at cost	592
Revaluations	(17,092)
At 31 December 2021	330,000

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>	<u>-</u>	<u>-</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
	£	£	£	£
Amounts falling within one year				
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
	£	£	£	£
Amounts falling within one year				
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>	<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.

23 Loans

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans:				
Amounts falling due within one year	62,903	61,601	-	-
Amounts falling due 2-5 years	745,185	808,098	-	-
	<u>808,088</u>	<u>869,699</u>	<u>-</u>	<u>-</u>

24 Deferred tax

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
At beginning of year	63,000	58,000	-	-
(Released)/charged during year	9,000	5,000	-	-
At end of year	<u>72,000</u>	<u>63,000</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Accelerated capital allowances	75,000	67,000	-	-
Other timing differences	(1,000)	(4,000)	-	-
Losses c/fwd	(2,000)	-	-	-
Total	<u>72,000</u>	<u>63,000</u>	<u>-</u>	<u>-</u>

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25 Funds	Fund balance 01/01/2021 £	Income £	Expenditure £	Transfers £	Gains and Losses £	Net movement In funds £	Fund balance 31/12/2021 £
Unrestricted funds							
Accumulated funds	2,386,777	634,031	(773,845)	30,000	83,887	(25,927)	2,360,850
Designated funds							
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
Total designated funds	450,367	-	(10,502)	-	-	(49,922)	400,445
Funds retained in trading subsidiaries	4,461,879	5,307,212	(4,222,715)	-	-	1,084,497	5,546,376
	7,299,023	5,941,243	(5,016,482)	-	83,887	1,008,648	8,307,671
Restricted funds							
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
	40,931	16,000	(7,062)	-	-	8,938	49,869
Permanent endowment funds							
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
Revaluation Reserve	320,502	-	-	-	(15,417)	(15,417)	305,085
Total funds – Group	7,677,957	5,957,243	(5,023,544)	-	68,470	1,002,169	8,680,126
Deduct funds retained in trading subsidiaries	(4,461,879)	(5,307,212)	4,222,715	-	-	(1,084,497)	(5,546,376)
Total funds – Charity	3,216,078	650,031	(800,829)	-	68,470	(82,328)	3,133,750

The Society of Dyers & Colourists (SDC)
Year ended 31 December 2021
Notes to the Financial Statements (continued)

25 Funds – previous year	Fund balance 01/01/2020 £	Income £	Expenditure £	Transfers £	Gains and Losses £	Net movement In funds £	Fund balance 31/12/2020 £
Unrestricted funds							
Accumulated funds	2,304,771	998,942	(874,153)	(102,318)	59,535	82,006	2,386,777
Designated funds							
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
Total designated funds	342,367	-	(10,502)	118,502	-	108,000	450,367
Funds retained in trading subsidiaries	4,325,379	3,990,575	(3,854,075)			136,500	4,461,879
	6,972,517	4,989,517	(4,738,730)	16,184	59,535	326,506	7,299,023
Restricted funds							
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)	-	-	-
	11,424	55,000	(9,309)	(16,184)	-	29,507	40,931
Permanent endowment funds							
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
Revaluation Reserve	-	-	-	-	320,502	320,502	320,502
Total funds – Group	7,001,442	5,044,517	(4,748,039)	-	380,037	676,515	7,677,957
Deduct funds retained in trading subsidiaries	(4,325,379)	(3,990,575)	3,854,075	-	-	(136,500)	(4,461,879)
Total funds – Charity	2,676,063	1,053,942	(893,964)	-	380,037	540,015	3,216,078

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 £
At 31 December 2021					
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 £
At 31 December 2020					
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 £
Financial assets		
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
	£	£	£	£
Not later than 1 year	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
	529,879	634,027	75,398	98,486

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
	£	£	£	£
Not later than 1 year	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	-	-	-
	678,111	8,250	21,736	8,250

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

