

The Society of Dyers & Colourists (SDC)

Annual Report &

Financial Statements

For the Year ended 31st December 2022

Charity Number 212331

Royal Charter Number RC000567



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Foreword by SDC Chief Executive Officer

The impact of the Covid pandemic remains with everyone and has changed many things forever. Other global events also are impacting everyone, not least the conflict in Ukraine and associated global rises in prices and inflation on many items. However, 2022 was a year in which activity slowly resumed and the 'new normal' that had been talked about started to arrive. This will continue into 2023 also – the SDC will be back to the 'new normal plus' and we can resume our developments that were not possible under the recent huge uncertainties.

The Governance of the Society in 2022 continued to address this new world in pandemic learned style. Our committees are now typically hybrid and indeed most attend remotely, even if geographically close by. Our webinar programme continues due to great interest and demand. The number of available webinar recordings now exceed 30 and continues to grow.

The finances of the Society are also more stable, although international uncertainty still impacts SDC investments. That impacts much less on day-to-day activity given the Society does not rely on investment income for its day to day operations.

Whilst the Annual Report covers a specific year it also looks ahead to where the organisation is heading. The Future World Working Party did a questionnaire in 2021 and the work of delivering the outcomes of that continued into 2022, with foci being environmental issues, sustainability issues and design. In 2023 plans have been put in place already to hold an International Conference in Manchester mid-year 2024.

The SDC website was also completely re-written and launched at the end of 2022. This provides updated software for the website, but what makes the site useful is the content and this now includes improved member profiles and linkages to our emails – see more detail in the Report below.

In November 2022 our Annual Awards and Celebration Dinner returned in York after a break of three and a half years! The event being held in November as opposed to May had the dramatic impact of lessening the organisation burden. Holding this event alongside the Annual General Meeting was a huge load and separating the two means the AGM can also be held in Perkin House as a hybrid meeting. The latter has been requested for some years prior to Covid. We therefore intend to continue to May AGM and November Day of Celebration cycle of these events.

We look forward to engaging much more with our members online and in person as suits your needs and also the nature of those events. We also are now actively looking to grow our membership once again and for that we also need members to talk about the SDC to non-members and encourage them to take up SDC membership. I look forward to your participation with the SDC in many ways in 2023 and beyond and particularly in growing our membership community.



Dr Graham Clayton, Chief Executive Officer.

Society of Dyers and Colourists Annual Report

The Society's Board is comprised of nine elected trustees from amongst its Voting Member population, SDC Honorary Officers and the Chief Executive Officer, together with any co-opted Board members, who present their report together with the financial statements of the charity for the year ended 31 December 2022. The Board are of the view that the funds and assets have been prudently managed and effectively applied during the year, solely in furtherance of the objectives described in the SDC Governance documents and reproduced below, with financial performance continually under review against these, with monthly management accounts produced and evaluated. The Board are satisfied that the financial policies and plans presently being applied are relevant, appropriate, and adequate to support and sustain the charitable activities of the SDC.

Honorary Officers

President	John Hansford (to AGM 2022)
President	Ullhas Nimkar (appointed AGM 2022)
Immediate Past President	John Hansford (from AGM 2022)
President Designate	Chris Carr (appointed AGM 2022)
Honorary Secretary	Stuart Wilkinson (appointed AGM 2018 until AGM 2021 and re-appointed AGM 2021 until AGM 2024)
Honorary Treasurer	Michael Catterall (appointed AGM's 2021 through 2024)

Trustees during 2022

Chris Carr – appointed at the AGM 2018 and re-appointed AGM 2021 until AGM 2024*
 Ela Dedhia – appointed at the AGM 2022 and retires AGM 2025*
 Eamon Furey – appointed at the AGM 2022 and retires AGM 2025*
 Parik Goswami – appointed at the AGM 2020 and retires AGM 2023*
 Paul Hamilton - retired by rotation AGM 2019 and re-appointed until AGM 2022
 Ian Lewis - retired by rotation AGM 2020 and re-appointed until AGM 2023*
 Spike Ngai - retired by rotation AGM 2019 and re-appointed until AGM 2022
 Siva Pariti – appointed at the AGM 2022 and retires AGM 2025*
 Adam Pursell – appointed at the AGM 2019 and retired AGM 2022
 Paul Santohki – appointed at the AGM 2022 and retires AGM 2025*
 Gavin Thatcher – appointed at the AGM 2018 and re-appointed AGM 2021 until AGM 2024*
 Katherine Wells – appointed at the AGM 2020 and retires AGM 2023*

*Denotes the nine trustees on the Society's Board post AGM 2022

Co-opted Board Members

Paul Hamilton was appointed Vice-President (Projects) at the AGM 2022, taking over the position from Trevor Larkins who had served the maximum of three terms in that position.

Chief Executive Officer

Graham Clayton

Principal Office

Perkin House, Longlands Street, Bradford, BD1 2LU

Auditors

Watson Buckle Limited, York House, Cottingley Business Park, Bradford, BD16 1PE

Bankers

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

Investment Managers

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

Governance

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

Charitable Objectives

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

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

Structure and Governance

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

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

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

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

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

The Society's Board are advised of their responsibilities under charity and company law, the requirements of the Royal Charter, By-laws and SDC Rules. Formal training of the Board members, Audit Committee, Nominations Committee, and those standing for election is made available at least annually, with attendance recorded. This training is delivered by experts in their field who also have wide experience in the charity sector. In 2020 the move was made to make this available via the SDC's own Virtual Learning platform [Colour.Network](#) so Board and Committee members can access this training at any time and progress at their own rate and in their own available time. In late 2022 the SDC website was fully updated and in time Colour.Network will be merged into the main SDC website. The training is now available on the SDC main website therefore and 3 new Governance training sessions have been held in 2023, with the recordings available for members of the Board, Audit and Finance Committees online.

The following committees comprise the SDC Governance bodies:

- The Board – Chair Gavin Thatcher. In 2022 the Society's Board met on 7 occasions.
- Audit Committee – Chair Stuart Wilkinson. In 2022 the Audit Committee met on 4 occasions plus a joint meeting with the Finance Committee to review the Annual Accounts.
- Finance Committee – Chair Michael Catterall. In 2022 the Finance Committee met on 5 occasions plus a joint meeting with the Audit Committee to review the Annual Accounts.
- Nominations Committee – Chair Stuart Wilkinson. In 2022 the Nominations Committee met on 1 occasion.
- Medals Committee – Chair Stuart Wilkinson. In 2022 the Medals committee met on 1 occasion.
- Examinations, Qualifications and Accreditation Board – Chair Prof Stephen Westland. In 2022 EQAB met on 3 occasions plus an examination board meeting.
- Publications Committee – Chair John Easton. In 2022 the Publications Committee met on 3 occasions.
- Publications Award Committee – Chaired at their single 2022 meeting by David Lewis. This committee reviews all papers published in the year by *Coloration Technology* resulting in a single meeting with a huge amount of preparation in reading every paper published that year.

- Colour Index Pigment and Solvent Dyes Technical Board. Chair Adrian Abel. In 2022 the CIPSDTB met 3 occasions.

It is very much appreciated, and here recognised, that these committees operate due to the substantial input of volunteers, and of course due to the Covid pandemic, this required them to adapt and learn new online meeting skills. The number of committee meetings above conceals the duration of the volunteer input with preparation as well as the meetings themselves.

All SDC Committees, with the exception of Regional Committees and one Working Party of Audit Committee, meet within Microsoft Teams. This means there is a single committee meeting place and depository of Agendas, meeting papers and Minutes for each meeting and future reference.

There are several measures that could be used to report volunteer input to the Society, but which all generalise the volunteer input to some extent. The number of volunteers on committees alone conceals the fact that more than a few volunteers are on several different committees. The new SDC website lists all SDC Staff and SDC Committee members (77 in total in 2022) as one Team (with the ability to filter by committee for example) which is appropriate, as it is the whole Team of staff and volunteers who deliver the Society's activity and impact.

This narrative on volunteer input has also thus far erroneously focused on the main SDC Governance Committees and coverage here would not be complete without also including the regional volunteers who manage their Region and arrange and deliver regional events. Such volunteers are typically exceedingly rich in experience whilst also extremely welcoming of new and early career volunteers.

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

Regional AGMs

The Society's Rule 55 states that: *"Regions, or Student Section, where it has no parent Region, shall submit a statement of accounts to the Chief Executive Officer at least one week before the Society's Annual General Meeting. These will be presented to the Society's Board at the first meeting after the Annual General Meeting."* This has not been adhered to for many years, but the Governance of the Society is making progress on getting this schedule reinstated. Regions have held their own AGMs and provided a Statement of Accounts but at different times across the year. Effort made in 2020 to deliver a much more in line with the Society's Rules response was thwarted by the international Corona virus pandemic. In 2022 the UK regions will all have held their AGMs ahead of the main SDC AGM, as will have many international regions.

SDC Performance

Mission

Educating the world in the science of colour.

Objectives

The objectives of the SDC for 2022 were to:

- 1) To *Educate* in the field of colour and the science of coloration

- 2) To *Focus* the SDC activity on a *Colour Education Pathway* for SDC members and the wider colour community, whilst developing the *SDC Communities* strand of the long-term strategy
- 3) To *Include* all staff, members, collaborators and interested parties as appropriate in the SDC *Colour Education Pathway* and *SDC Communities*
- 4) To *Increase* the reach of the SDC to deliver its' services to a wide *Colour Education Pathway* and *SDC Community* globally
- 5) To *Build* and deliver a sustainable business model – growing in a focused and efficient manner – that ensures the future availability of SDC resources.

The Objectives of the Society are reviewed annually. Informed by ongoing Governance Training, the Society Objectives for the year are kept in agreement with the Royal Charter Objectives. With systems and staff now re-aligned post pandemic 2022 saw delivery of SDC activity once again, including the shaping of the SDC Future World focus and associated objectives.

Public benefit

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

- The [SDC website](#) and associated Knowledge Vault, plus the SDC Virtual Learning Platform [Colour.Network](#). In late 2022 there was a move of the archive material to the online Digital Archive. The amount of material there was expanded and this will progress further in 2023.
- Bursaries and grants have been promoted to foster a return to applicants as movement is now much more possible post pandemic.
- Lectures, seminars / webinars and conference presentations on colour. The SDC now has a [list of all webinar recordings available online](#) which number over 30. These are available free of charge to members and at a nominal charge to non-members
- Colour training courses – a few of these courses did take place internationally delivered by SDC staff and agreed partners
- Colour products such as the [STEM \(Science, Technology, Engineering & Mathematics\) Dyes kit](#). Due to increased export controls this is now only available to UK customers due to the administration involved in overseas shipment of chemicals.
- Provision of the Secretariat to the BSI (British Standards Institution) Technical Committee, TCI 81, for Colour fastness and colour measurement of textiles, thus supporting all industries for colour and textiles.
- Supporting the provision of the Secretariat for the International Standards Organisation Technical Committee, ISO TC 38 SC1, for Coloured textiles and Colorants, for global standardisation.
- The SDC also has representation on a number of other international technical committees relating to colour.

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

SDC Enterprises Group Ltd

The consolidated results of SDC Enterprises Group (incorporating SDCE Enterprises Limited (SDCE) and Sam Weller & Sons Limited (SW)) show continued growth in revenue, close to a 10% increase. Despite rising material and energy costs, pre-tax profitability was also improved, through efficiency improvements and productivity gains.

The strong financial performance will allow the budgeted Gift Aid payments to be made to the Society, along with licence payments, SDCE typically contributes 70% of the Society's income.

Thanks to the reserves SDCE has established, investment in increased production capacity took place during 2022, contributing to the strong results. Further investments are already planned, for commissioning in 2023, to increase capacity and provide growth potential. In addition to these investments SDCE is committing its reserves for the development of its new manufacturing facility. As build costs have risen by more than 40%, since 2019 estimates, and contractor availability remains an issue, SDCE have revised the project accordingly. Work will begin in 2023 renovating some of the existing buildings, for SDCE's use, prior to commencing the new build in 2024/25.

The Society's total equity in SDCE Group remains very strong, with shareholder funds standing at £7,125,000 versus the Society's investment of £445,600.

Accelerated investment in buildings and plant will reduce SDCE's liquid reserves from 2023. As gearing should remain relatively low, and trade continues to be highly cash generative, the Directors are confident that both short-term success and strategic goals can be successfully delivered.

Mark Yare
April 2023

SDC International Ltd

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

SDC International activity was severely curtailed in 2020 due to the pandemic and activity was principally online with training courses and support to the Indian region. In 2021 there were conferences and exhibition activity planned and arranged, but again cancelled due to the pandemic. 2022 saw further cancellations and postponements but activity did finally get underway. This ensured SDC International was evident at large Indian exhibitions and conferences and SDC necessary financial support started to reduce. A plan through to 2024 now exists for further exhibitions and conferences that will result in payment of the monies owed to the Society by SDC International and also further contributions to the work of the Society over and above that.

Charity Financial Activity

The Society's Board monitored monthly the financial activities of the charity in 2022 via the Finance Committee Management Accounts. The Finance Committee and Society's Board take appropriate action as necessary.

Over the year 2022 the Charity's net movement in funds was not insignificant, but mostly as a consequence of investment value falls due to international uncertainty. Net losses on investments were £139,087 in 2022. The Charity income was actually up £97,678 year on year, although expenditure also rose by £39,379. Over a third of that rise in expenditure was an exceptional irrecoverable VAT cost of £14,417. This relates to 4 years of past under-payment of VAT to HMRC identified following the external audit of 2022 accounts. After the impact of large investment value declines and some smaller gains on investments, the net movement on Charity funds was downwards by £207,298 whilst the consolidated funds available rose by £883,272.

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

"The trustees view the portfolio over the long-term and see the portfolio as providing a 'safety net' against any unforeseen costs. With that in mind the trustees are concerned with growing the invested assets ahead of inflation so that they retain their real buying power. The trustees would also like the portfolio to produce an income to assist in the smoothing of the charities annual cash flow."

In early 2022 the exposure of the investment portfolio to Russia was examined. SDC investments were only exposed to Russian investment via one fund, the Fidelity Emerging Markets Fund. This only had a 3.06% exposure to Russia making the SDC investment ca 0.05% of the total invested exposed to Russia.

The audit requirement for the annual revaluation of the Perkin House asset, the outcome of which is based on market prices, produced little change this past year. Nevertheless, the year did start and end with the same Perkin House asset irrespective of its value.

Auditors examining 2022 accounts have also recommended a VAT review. The SDC moved some years ago, at HMRC behest, to partial exemption of VAT. The calculations of such are not simple and a regular review is recommended and now being undertaken with support of Watson Buckle VAT experts.

Perkin House rental income has risen from mid-2015, with rental income to the SDC rising to £72,723 in 2022. This was up from the 2021 income of £67,513 although lower than the budget figure of £80,000. This was due to some tenants closing their business once pandemic furlough support was no longer in place and incomes could not be regained, plus one tenant relocating to more suitable premises.

Membership income was effectively static in 2017 after several years of gradual decline. Partly due to membership subscription prices rises, membership income was £41,156 in 2018 and in 2019 £45,042. In 2020 it rose marginally to £46,039 but in 2021 membership income fell to £39,706, largely due to companies not renewing memberships. The Society's Board also made the price for Individual Non-Voting and Individual Voting membership identical to encourage members to upgrade at no additional cost. This was thought to mean a further reduction in membership income in 2022 although it would increase the number of Voting members. Ultimately however membership income in 2022 amounted to £39,637 so effectively unchanged. Membership renewals are now enabled via the SDC website and members can pay by debit or with credit card and set payments to auto-renew. Each membership

subscription also has monthly, annual and every three-year options for payment. It has been very promising to see that the majority of members are renewing with auto-renewal enabled.

Academic books sales were similar year on year with £1,841 of SDC book sale income. The aged book stock is now a very small income stream to the SDC, and the new titles are all produced and sold via Wiley Publishing. In late 2022 many SDC books were made available via the SDC website as eBooks, reducing the price for them (and reduced further for current SDC Members) and also permitting immediate access to the eBook. Malcolm the Weaver titles bounced back in 2022 when £4,300 of sponsorship was realised.

The total staff costs of the charity (including social security costs and pensions) reduced in 2021, specifically as a result of the staff restructure, by 10% of 2020. The majority of this staff cost reduction was in the second half of 2021, so 2022 saw the full impact of such direct staff cost reductions to the Society. In 2022 the total staff costs amounted to £369,673, a reduction of £52,700 compared to 2021 full costs.

In 2020 the global pandemic hit SDC Enterprises Group Ltd sales, particularly in the Sam Weller & Sons Ltd area with a 43% reduction in Sam Weller income, whilst SDC Enterprises Ltd income was down 14% in 2020. Consequently, the parent charity received zero Gift Aid in 2021. In 2022 the trading activities of the SDC Enterprises Group Ltd rose income by half a million to £6,148,251. Associated costs also rose of course by £414,649.

Reserves Policy

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

In establishing this Reserves Policy, the SDC Finance Committee assessed: why reserves might be needed for the charity to be effective and how much was needed in Reserves. An impact and risk assessment were undertaken to arrive at the Reserves Policy for the SDC in its current form. This approach has meant that as the Society exited a tough 2020 into a very challenging 2021 with no Gift Aid arising from SDC Enterprises Group Ltd, the Society had strong reserves. Very close financial management and a staff restructure within the charity during 2021 changed a forecast depletion of cash reserves held in day-to-day banking into a sustainable way forward.

The Group reserves are represented by the Group funds of £9,564,319 (2021 - £8,681,047). Group cash at bank and in hand, on 31st December 2022, amounted to £3,750,454 (2021 - £3,648,768) whilst the cash at bank and in hand for the Charity alone was £353,492 on 31st December 2022 (£450,699 on 31st December 2021). Total resources expended by the charity alone in 2022 were up 3% at £840,208 (2021 - £800,829). The SDC had free cash at bank and in hand (not designated for current or future PEG Projects), plus Brewin Dolphin managed investments, on December 31st, 2022, that amounted to 14 months of 2021 expenditure and thus sufficient cover in line with the policy above.

Where funds held are restricted these are shown in the Annual Accounts (See Note 26 Funds) where permanent endowment funds are also detailed. A substantial amount is held in the Unfunded Projects Reserve which is actively managed by the Project Evaluation Group that in turn reports to the Society's Board regularly. The Unfunded Projects Reserve had no allocated project in 2022 as caution was exercised in case these funds were needed to ensure sustainability of the organisation. In 2023

however several new projects have been agreed and this fund will once again start to be accessed to develop the Society's activity and resources.

Project development

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

In 2022 a thorough re-write of the SDC websites (including Governance and Blog sub-sites) was concluded after some delays to bring the sites up to date to ensure data security and enable up to date functionality including key developments of the Members area Continuing Professional Development capabilities and a Digital Archive section. This went live in late 2022 and incorporated also linkages to MailChimp to effectively replace the membership database, thus reducing costs and increasing functionality simultaneously.

The PEG Group are aware that substantial monies are residing in the Unfunded Projects Reserve Fund that were not yet allocated to any project. Cash internally 'loaned' from the Unfunded Project Reserve was fully repaid for project use as the Society by the end of 2022.

In 2023 the PEG Group have agreed to progress several projects to enhance SDC Membership, Early Career Mentoring, the SDC Archive and an International Conference in mid-2024. A further project is to examine the potential and interest in further development of the Design Coloration Certificate course. Hence, in 2023 PEG activity has already resumed and members will see activity reaching into 2024 at least.

Review of Activities

Bursaries

The SDC Bursary scheme has two funding streams:

A. Main Bursary (Up to £500) For undergraduate and postgraduate students on a relevant course (e.g. Colour Chemistry, Fashion & Design, Textiles)

B. ASDC Bursary (Up to £250) For students registered for the ASDC examinations.

The SDC Bursary scheme is managed overall by the SDC Education, Qualification and Accreditation Board (EQAB). In 2021 no bursaries were awarded as the pandemic prevented activity by applicants – indeed one bursary was refunded to the Society due to the recipient not being able to undertake the planned activity. In 2022 there was an increase but still only 3 bursaries were awarded as activity once again resumed. These bursaries are seen as supporting colour science education of the recipients and the sharing of their activity and reports at events and through *The Colourist* magazine and Blogs on the SDC website ensures that several of the Royal Charter Objectives are addressed more widely, especially the dissemination of knowledge about colour.

Training

SDC Training courses continue to be delivered by external partner companies. Two individuals in Shanghai received Competency in Colour Management training whilst five received Colour Fastness training in Pakistan.

Due to the pandemic 2021 was a particularly difficult year for face-to-face training courses around the world and such many training events were not possible.

The SDC development of the virtual learning environment (VLE) [Colour.Network](#) allows many more courses to be delivered online. These commenced in 2018. In 2020 due to the pandemic effects on physical meetings the Society started a Webinar programme in April 2020 with the first live webinar airing in May 2020. Furlough in 2021 placed a hiatus on the webinar programme but the programme restarted in September 2021.

Building on the five webinars held in 2021, 2022 saw a further eleven webinars delivered. Each was recorded and is available via the SDC website (free of charge to current SDC Members).

- [Imogo Webinar](#) SDC-W20 by Per Stenflo
- [There's nothing small about embroidery](#) SDC-W21 by Dr Susan Kay-Williams
- [Colour Lifecycle Management webinar](#) SDC-W22 by Andrea Roth
- [Hohenstein Webinar](#) SDC-W23 by John Murphy
- [Ecofoot Webinar](#) SDC-W24 by Jamie Gomes
- [Sustainability Series Webinar One](#) SDC-W25 by Meriel Chamberlin, Anna Bateman & Phil Patterson [NB this recording is free of charge to all].
- [Sustainability and circularity – a manufacturer's view](#) SDC-W26 by Leonie Vaas, Tim Clark & Jane Middleton Smith and chaired by Dr Claire Lerpiniere
- [Webinar Series Dyeing and Finishing – a safe and sustainable process?](#) SDC-W27 by Rob Andrews, Prasad Plant Lee Howarth & John Murphy and chaired by SDC President Ullhas Nimkar
- [Sustainability webinar series – Dyeing and Finishing, the innovation](#) SDC-W28 by Jana van Den Bergen, Jim Ajioka & Nikita Jayasuriya and chaired by Anjani Prasad
- [Sustainability webinar series Localisation in the textile market – socio economic impact](#) SDC-W29 by Rashmi Bharti, Sam Erahapola, Nawshin Khair and Chaired by Afsana Ferdousi
- [Natural Dyes / Alternative Dyes](#) SDC-W30 by Jackie Andrews, Jessica Gianotti and Chaired by Dr Mohsin CCoI ASDC

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

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

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

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

ASDC Qualification

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

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

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

Five students graduated from the ASDC Course in 2021 which reduced to two students graduating in 2022 (one with ASDC and one with LSDC). These graduates of the ASDC Course all have more senior roles within their companies. Currently just one student is enrolled on the ASDC Course.

Marketing of the course has been increased with several Blogs by graduates of the course, promoted on social media and accessible on the SDC Website Blogs. In 2023 there will also be a series of UK events to recruit company members and some of their employees on to the ASDC course.

Publications

Normally four issues of *The Colourist*, an SDC member benefit, were produced per year. Production is now outsourced to an external marketing company for the slightly lower cost it took to print externally, after internal production, before (£11,898 in 2022 cf £13,000 plus staff time in previous years). The external team work closely with all SDC staff in the content collation and even undertake interviews and photography on behalf of the SDC in order to make production happen.

Availability of *The Colourist* is communicated to members via email and so the SDC has measures of the open rates and click through activity to *The Colourist* and it was encouraging to see some growth in interest in this publication on its return in September 2021. Members are also provided with free access in the Members area of the website to *International Dyer* and *Science in Parliament*, both of which receive a great deal of interest.

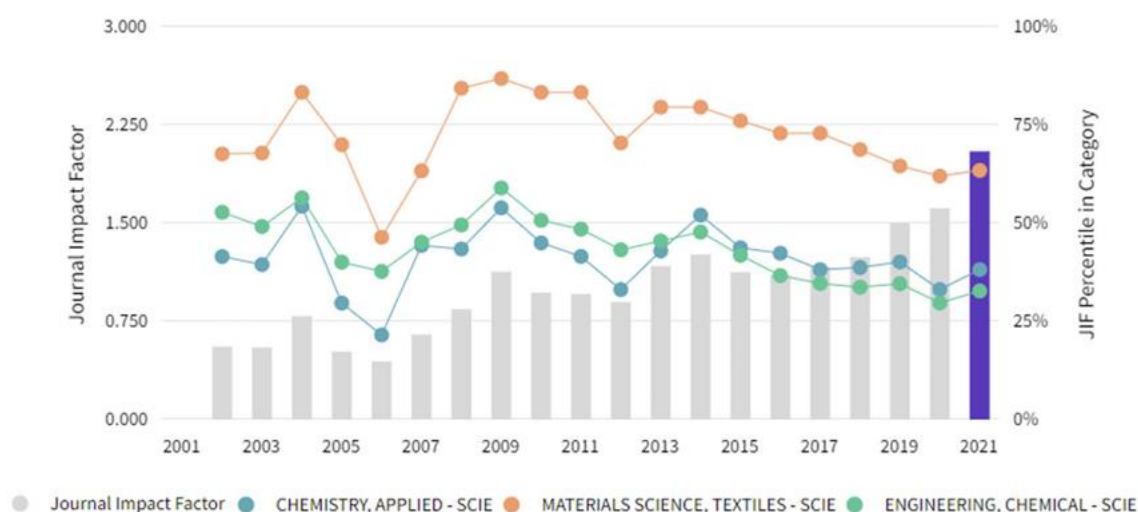
Coloration Technology, the SDC academic journal published in conjunction with Wiley, covers many aspects of coloration with a detailed overview available on the [Wiley's website](#) for the journal. The Wiley's goals for *Coloration Technology* have been: to grow readership of the journal, ensure the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



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

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

The Coloration Technology Impact Factor is an important publishing metric and one that has seen positive growth over the years. In 2021 (latest data) the Impact Factor achieved a new high and the chart below shows how this growth compares with other similar benchmarked publications.

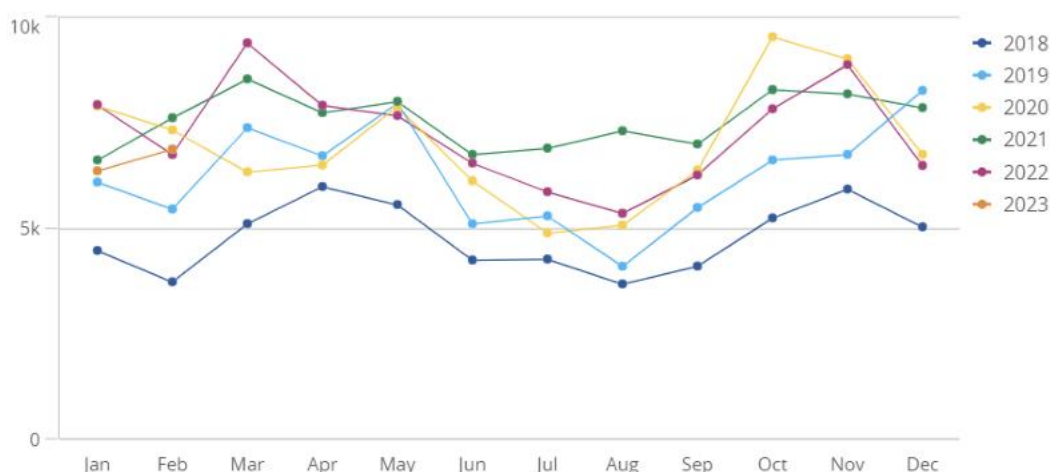


SUBMISSIONS

Total 2021 = 167
Total 2022 = 164
Total 2023 = 40 (YTD)

The number of submissions to Coloration Technology also remains strong, with 164-167 in 2021/22. As at quarter 1 of 2023 this level of submissions continues with 40 received.

MONTHLY TREND OF DOWNLOADS



The monthly trend of downloads of Coloration Technology articles continues as can be seen in the chart above. Over time the numbers are growing although performance can vary by month.

The SDC is very grateful to Wiley for its assistance in terms of both resources and expertise. Wiley has a marketing plan in place for Coloration Technology and the textbooks they produce and the SDC can supply more detail on request of the publications impact.

Colour Index™

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

The decision was taken in late 2018, by the Society's Board, to transfer the Colour Index™ sales and marketing to SDC Enterprises Ltd. This took some time to complete for several reasons, including appropriate HR consultations and processes, but the transfer took place from 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 continued as secretary to this committee although has now retired at the end of 2022.

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

- TCI/066/0-/08 Burning behaviour A Filarowski
- TCI/080 Chemical testing of textiles A Filarowski
- TCI/082 Textiles care labelling, dry cleaning, domestic laundering and drying A Filarowski
- TCI/100 Co-ordination of activities in textiles and clothing A Filarowski
- British Standards Institution Technical Committees – A Filarowski as SDC representative
- STI/14 Colour Measurement & Schedules M R Luo
- TCI/24 Physical Testing of Textiles Vacant
- TCI/80 Chemical Testing of Textiles A Filarowski & S Bolton
- TCI/81 Colour Fastness & Colour Measurement of Textiles A SDC Enterprises Ltd employee
- TCI/82 Textile Care Labelling A Filarowski
- CW/15 Safety of Toys S Bolton

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

Events

The SDC events showcase research and best practice in coloration. They provide education, inspiration and networking opportunities. SDC events are regional, national and international, with wide ranging topics and diverse audiences. Many are free to attend, especially for members, with a strong focus on supporting students and young professionals. The SDC also jointly organises events and participates in events organised by others, thereby spreading SDC's educational reach and profile. Such events very much align with the Objects of the SDC Royal Charter also. That Governing document describes events in a language of its time to "*hold meetings for the reading of papers and giving of lectures on coloration and colouring matters and for discussion of the same*". In 2022 this Object in the Royal Charter was very much delivered online via SDC Webinars which are listed in the above in this Annual Report.

In addition, the SDC has used online meetings as a way of keeping in contact with the SDC Regions as travel that had been curtailed both by the pandemic and by budgetary constraints was further impacted by inflation and industrial action. This has been a positive move in that the SDC President, for example, has been able to engage with more individuals across different countries than simple travel would have permitted.

Details of all SDC events can be found on the SDC website and many have featured reports after the event in editions of The Colourist which SDC Members can access via the SDC website Members area. In 2023 onwards there will be a number of SDC connected events reaching a peak with an International Conference in Manchester, UK in mid-2024. This will be the first International conference of its kind arranged by the SDC for many years. Other SDC involved events in 2023 will and have included regional meetings and visits, a one-day conference at ITMA Milan, Italy as well as SDC presence throughout the ITMA exhibition, sponsorship of the July Colour 2023 conference at the University of Leeds and the Hong Kong Fashion Summit 2023 on 11 & 12 October.

Membership

The SDC membership has continued its decrease, as prior Annual Reports have shown, albeit with some signs in the data of a plateau in numbers and certainly activity to address the decline in place. The SDC gained 88 (56 in 2021) new individual SDC Members in 2022 as the pandemic lifted. The total number of individual Members over time can be seen in the plot below – over 50 members decline

per year. The Chartered status individuals have also fallen in number, at a rate of over 18 per year in the last decade, but a slight growth in 2022.

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

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

Membership value for money

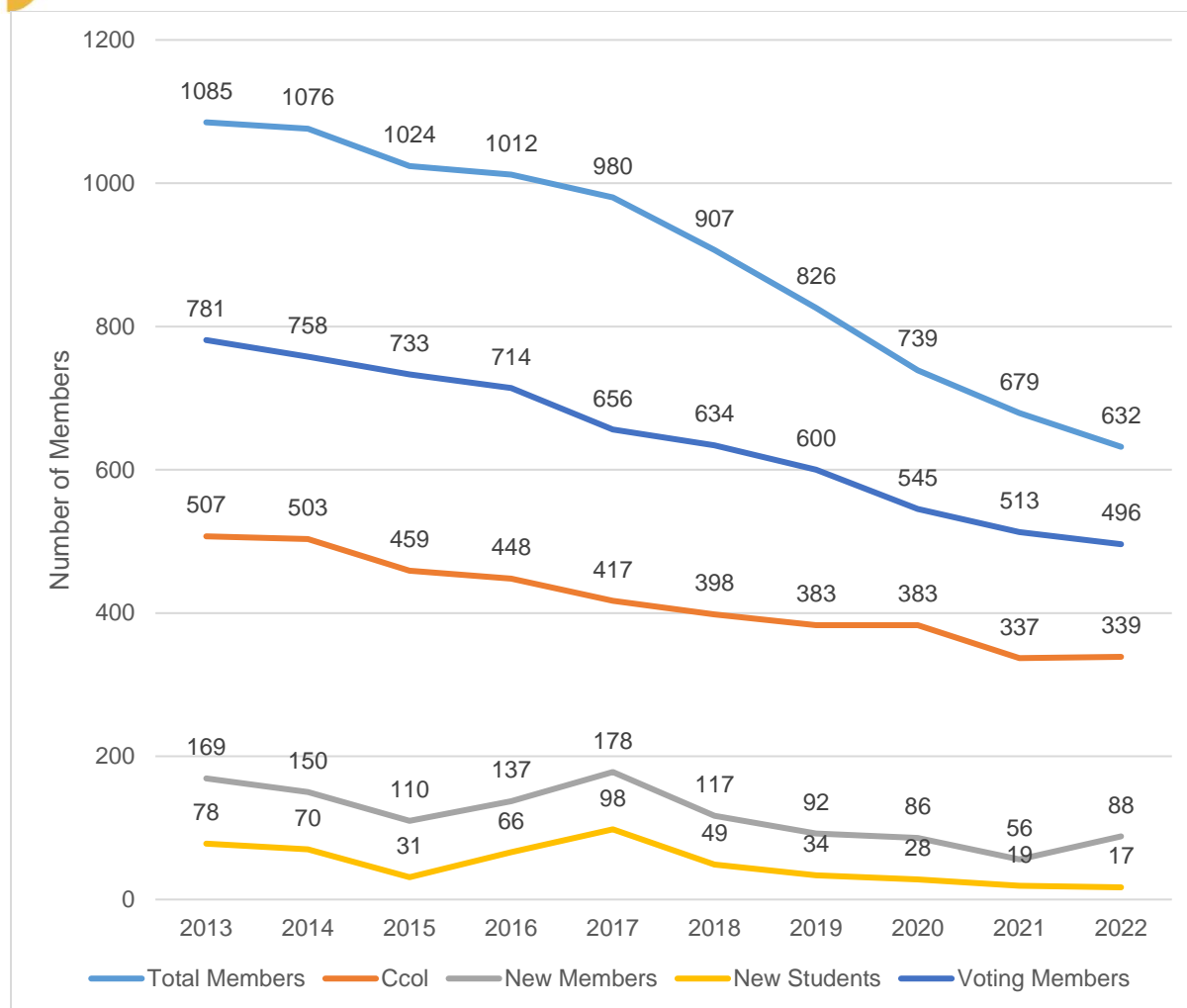
Going forward more is being made of the membership benefits and their value for money, as evidence exists to demonstrate these are ill-understood by members and prospective members alike.

- *The Colourist* member magazine was re-launched in 2021 as an electronic only publication (thus addressing production costs but also environmental impacts of paper production and international postage, a task made all the more difficult and costly by the pandemic and Brexit). *The Colourist* features more company member news and profiles and is being produced by outsourced marketing specialists at the same cost as in recent years (ca £13k pa). Members have also been surveyed for input into what they wish to see in *The Colourist* in future.
- Many members also welcome the free access to SDC webinars (usually charged at £20 per Webinar for non-members) including access to recordings of past webinars. In 2022 a new SDC website was launched, and this enabled members to register and access numbers of webinars based on membership category and without the need for discount codes, which were previously different for each webinar and recording.
- *International Dyer* magazine is supplied electronically via the SDC members area of the website free of charge to SDC members and this alone usually costs multiples of the full SDC membership annual subscription.
- The *Science in Parliament* publication, also available in the members area of the SDC website, is a more wide-ranging publication available free of charge as part of the SDC membership subscription
- Members also receive generous discounts on: SDC books; *Coloration Technology* subscriptions; and SDC short courses. The new website has made book purchases much easier and members will see discount offers on SDC books in their new members area.

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

Before the discounts above are taken into consideration, the cost of individual membership to the SDC is £30 pa before any staff time at all is taken into consideration. Student membership is priced at less than this, so many members support our student members through their membership subscriptions. For all other membership types, once staff time is added, the cost of membership exceeds the subscription price. SDC member subscriptions do deliver value for money when the features and benefits are considered and, like all memberships, the more one engages with the organisation, the greater your value for money from your SDC membership.

Company memberships numbered 25 at the end of 2022 (24 at end of 2021) and Educational Provider (College / University) memberships numbered 15 (17 at the end of 2021). The movements in these memberships was notable in that companies were the first not to renew during the pandemic and the first to start to re-join or join as the pandemic lifted. The Educational Provider memberships were slower to not-renew and are only just starting to come back. The latter may also be influenced by a need for Educational Providers to be SDC Members in order to submit entries to the International Design Competition.



Sponsorship

The Worshipful Company of Dyers have generously sponsored the Society over many years. This demonstrates the ongoing commitment of both organisations to the skills development in the coloration sector and the SDC is very grateful and encouraged by their generous support. It should also be added that their keen interest in the developments is very much expressed and is as welcome as their funding. In 2020 the Worshipful Company also supported the SDC in setting up the 'Future Dyers Fund' to help financially anyone from England applying for our FTCC and TCC courses. This was an excellent initiative that turned into an even better one as the pandemic impacted individuals and through the Fund the SDC can ensure students continue their studies and skills development to assist them in securing future employment also. Six such students were supported in 2021 and the fund now sits at £27,752 (down from £39,629 in 2021 but still with sufficient resource to support UK based applicants). Applicants living in England can receive up to 60% of their fees paid and in the case of those unemployed have all their fees paid.

Partner and Affiliate organisations

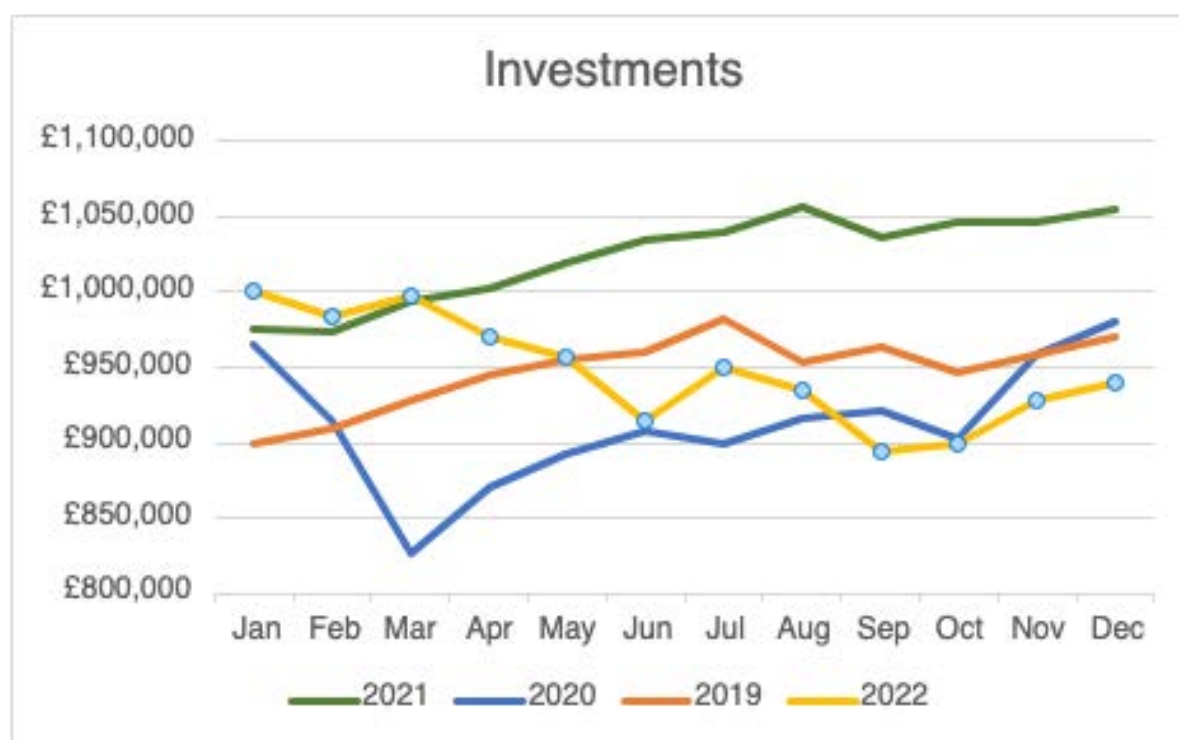
The SDC Charitable Objectives from the Royal Charter includes *"To co-operate with other scientific organisations and bodies in relation to colour and its application and use"*. To this end the SDC is an active member of The Science Council and The Parliamentary and Scientific Committee. Other active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

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

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 £1,055,708 and by the end of 2021 this had dropped to £940,637.

The SDC investments are intended for the long term and long-term stock performance remained good at the end of 2019. In the first part of 2020 however, there was a huge impact internationally on investments because of the Corona virus pandemic. By the end of 2020 the end position of 2019 was realised. Growth in 2021 was much more consistent and steadier with the portfolio reaching £1,055,708 by the year end. In 2022 however there was huge international turmoil with the Ukraine invasion and rapid rises in inflation, such that the SDC Investments fell across the year before a Q4 slight improvement.



Fundraising

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

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management

of all income generation is delegated to the executive team, who are accountable to the Society's Board.

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

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

Risk Assessment

The risk situation is reviewed by the Society's Board who judge that over the next three years the SDC has a low to medium risk that charitable activities may be less because of a reduction of available funds. Insurances are held wherever possible to cover for external events and internal management is used to minimise potential occurrence and impact. The pandemic in 2020 affected the Gift Aid usually received from the trading subsidiary. The effects of this were mitigated in 2021 through reductions in staff costs whilst outsourcing marketing provision in particular to maintain delivery and reduce impact. In 2022 Gift Aid was received and this assisted in smoothening the SDC finances and lowering risk once again, although the UK and international economies were not without financial pressures and turbulence.

Human Resources and Equality, Diversity and Discrimination Policy

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

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

HR management was expanded in 2016 and is provided by an external HR company. This includes remote and on-site support for staff and managers, as well as a web based secure HR portal for HR records, and holiday and sick leave monitoring. Outsourced HR management was particularly called upon in 2021 for the necessary staff restructure to enable future sustainability and the SDC is very grateful to Joanna Charles of HR Dept for that ongoing support and advice.

Data security

Data security has been, and will continue to be, a very important issue and the SDC will ensure that user information is protected and IT systems secure. In addition to protecting such information the SDC does not supply any individual's information to others unless it is for a specific SDC purpose (e.g. the print / mailing house for fulfilment of *The Colourist* printing and mailings). The SDC has also made available to staff and committee/Board members training on Cyber-security awareness. No issues arose from breaches of data security in the year.

GDPR

The EU General Data Protection Regulations (GDPR) came into force in May 2018 and applies to everyone processing data of EU individuals or offering services to EU subjects, regardless of where that processing location is. The SDC prepared for this new data regulation for many months. From an already good starting point GDPR still required some additional changes and clarity within the SDC for staff, Society Board members, committee members and volunteers. GDPR has been specifically a training item and continues to do so.

Health and Safety

The Health & Safety policy of the SDC is to ensure as far as reasonably practical public, staff and the environment are protected and that all legal requirements are met. Each year the SDC has two risk assessment reports produced by external experts on Perkin House Health and Safety and Perkin House Fire Risk. These reports highlight a number of actions to be taken based on Low-Medium-High risk prioritisation. In 2016 this resulted in a renewed asbestos survey of the building, which established small amounts of asbestos has been used but were in little used areas and in safe condition. Fire safety notices and several other risk areas have also been improved as a consequence. The 2017 assessment produced further recommendations which have been implemented, including all staff fire awareness training. The 2018 report demonstrated the progress made, plus further, less urgent actions to be made, with similar performance in the 2019 report. The appointment of a new Building Manager for Perkin House in late 2019 has ensured health and safety have been improved further with regular checks and action. During 2020 a programme of emergency lighting replacement took place as testing had demonstrated their operation is not maintained for the required duration. 2021 saw the Building Manager take up another post closer to home and Facilities Management was outsourced to Entire FM, still with a Building Manager present in Perkin House Monday-Thursday mornings. Due to the pandemic and remote working the fire steward training was overdue but has now been completed in 2022, with tenants also invited to attend.

UK Pension Auto-enrolment

The UK Government phased in auto-enrolment for employee pension schemes over some years. The SDC had a Staging Date of February 2017, when it must comply, and actively managed this with its pension agent in order that it fully complied at the start of 2017. No issues were noted, with all of the SDC staff members in the SDC Pension scheme. Good pension scheme performance via The Peoples Pension resulted in lower scheme charges in 2019. As of 2022 no SDC staff are now opted out of the SDC Pension Scheme which is operated and managed by The Peoples Pension.

Remuneration Policy

The salaries of all SDC staff are set based on a Finance Committee and Society Board approved overall budget based on itemised lines including staff salaries. The SDC utilises a Remuneration Committee to approve all staff salary rises. The SDC Remuneration Committee is comprised of the Honorary Treasurer, Honorary Secretary, Chair of the Society's Board and the SDC CEO. Pay rises in recent years have been zero and this was the case in both 2020 and at the start of 2021. In 2022, against an environment of inflation and rises wage settlements, a pay benchmarking report was commissioned by Croner. This has informed the Remuneration Committee of pay positioning of SDC staff (overall at median pay levels) and lead to a 5% pay rise awarded in 2022.

The Society of Dyers & Colourists (SDC)
Year ended 31 December 2022
Statement of Trustees' Responsibilities

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

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

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

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

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

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

This report was approved by the Society's Board on 27 April 2023 and signed on its behalf by:



G Thatcher

Chair of Society's Board



M Catterall

Honorary Treasurer



S Wilkinson

Honorary Secretary



G Clayton

CEO

Opinion

We have audited the financial statements of The Society of Dyers & Colourists (SDC) (the 'parent charity and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 24), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1513 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

In planning and designing our audit tests, we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override.

Following this assessment we considered the opportunities and incentives that may exist within the group for fraud and identified the greatest potential for fraud in evaluating the stock and cash balances.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, through discussions with directors, trustees and other management, and from our commercial knowledge and experience of the sector in which the charitable company operates, to enable us to identify the key laws and regulations applicable to the charitable company. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We then performed audit procedures after consideration of the above risks which included the following:

- assessing the validity of valuation method of stock;
- obtaining a detailed understanding of the methodology adopted by management and the key assumptions underpinning the calculation of the variable and fixed overhead applied in the valuation of stock;
- performing a retrospective review of the previous year's stock for obsolete or slow moving stock;
- documenting and assessing the internal controls over cash and bank balances;
- performing tests of detail on the balances and reconciliations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims;
- reviewing correspondence with HMRC, and the group's legal advisors;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

All engagement team members were informed of the relevant laws and regulations and potential fraud risks at the planning stage and reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify such items.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Watson Buckle Limited

.....
Watson Buckle Limited, Statutory Auditor
Bradford
United Kingdom

27 April 2023

The Society of Dyers & Colourists (SDC)

Year ended 31 December 2022

Consolidated Statement of Financial Activities for the year ended 31 December 2022

(including Income and Expenditure Account)

	Notes	Unrestricted funds	Restricted funds	Permanent endowment funds	Revaluation reserve	2022 Total Funds	2021 Total Funds (as restated)
		£	£	£	£	£	£
Income From:							
Donations	3	20,164	-	-	-	20,164	16,068
Charitable activities	4	128,085	-	-	-	128,085	124,322
Other trading activities	5	6,148,251	-	-	-	6,148,251	5,596,643
Investments	6	195,647	-	-	-	195,647	137,031
Other income	7	34,332	-	-	-	34,332	83,179
Total income		6,526,479	-	-	-	6,526,479	5,957,243
Expenditure on:							
Raising funds	8	4,413,276	-	-	-	4,413,276	4,038,713
Charitable activities	9	779,081	11,877	-	-	790,958	760,673
Taxation	11	324,174	-	-	-	324,174	222,403
Total Expenditure		5,516,531	11,877	-	-	5,528,408	5,021,789
Net gains/losses on investments	12	2,470	-	-	(141,557)	(139,087)	66,795
Gains/Losses on revaluation of fixed assets	16	24,288	-	-	-	24,288	1,675
Net income for the year		1,036,706	(11,877)	-	(141,557)	883,272	1,003,924
Transfers between funds	26	(12,809)	-	-	12,809	-	-
Net Movement in funds		1,023,897	(11,877)	-	(128,748)	883,272	1,003,924
Reconciliation of funds:							
Total funds brought forward at 1 January	26	8,308,592	49,869	17,501	305,085	8,681,047	7,677,123
Total funds carried forward at 31 December	26	9,332,489	37,992	17,501	176,337	9,564,319	8,681,047

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

The notes on pages 33 to 54 form part of these financial statements.

The Society of Dyers & Colourists (SDC)

Year ended 31 December 2022

Charity Statement of Financial Activities for the year ended 31 December 2022

(including Income and Expenditure Account)

	Notes	Unrestricted funds	Restricted funds	Permanent endowment funds	Revaluation reserve	2022 Total Funds	2021 Total Funds (as restated)
		£	£	£	£	£	£
Income From:							
Donations	3	170,164	-	-	-	170,164	16,068
Charitable activities	4	128,085	-	-	-	128,085	124,322
Investments	6	99,460	-	-	-	99,460	89,866
Other income	7	350,000	-	-	-	350,000	419,755
Total income		747,709	-	-	-	747,709	650,031
Expenditure on:							
Raising funds	8	49,250	-	-	-	45,250	40,156
Charitable activities	9	779,081	11,877	-	-	790,958	760,673
Total Expenditure		828,331	11,877	-	-	840,208	800,829
Net gains/losses on investments	12	2,470	-	-	(141,557)	(139,087)	66,795
Gains/Losses on revaluation of fixed assets	16	24,288	-	-	-	24,288	1,675
Net income for the year		(53,864)	(11,877)	-	(141,557)	(207,298)	(82,328)
Transfers between funds	26	(12,809)	-	-	12,809	-	-
Net Movement in funds		(66,673)	(11,877)	-	(128,748)	(207,298)	(82,328)
Reconciliation of funds:							
Total funds brought forward at 1 January	26	2,796,795	49,869	17,501	305,085	3,169,250	3,251,578
Total funds carried forward at 31 December	26	2,730,122	37,992	17,501	176,337	2,961,952	3,169,250





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

The notes on pages 33 to 54 form part of these financial statements.

The Society of Dyers & Colourists (SDC)
Year ended 31 December 2022
Consolidated Balance Sheet as at 31 December 2022

	Notes	£	2022 £	£	(as restated) 2021 £
Fixed Assets					
Intangible Assets	15		30,083		30,000
Tangible Assets	16		1,430,021		1,234,062
Heritage Assets	17		35,500		35,500
Investments	18		940,637		1,055,708
Investment Property	19		1,811,243		1,744,808
			<u>4,247,484</u>		<u>4,100,078</u>
Current Assets					
Stock	20	1,958,599		1,650,049	
Debtors	21	1,329,368		1,144,861	
Cash at bank and in hand		3,750,454		3,468,768	
		<u>7,038,421</u>		<u>6,263,678</u>	
Liabilities					
Creditors: amounts falling due within one year	22	(878,732)		(862,826)	
Net current assets			6,159,689		5,400,852
Total assets less current liabilities			<u>10,407,173</u>		<u>9,500,930</u>
Creditors: amounts falling due after more than one year	23		(686,854)		(747,883)
Provisions for liabilities					
Deferred tax	25		(156,000)		(72,000)
Total Assets			<u>9,564,319</u>		<u>8,681,047</u>
The funds of the charity:					
26					
Unrestricted funds					
Accumulated fund			2,315,275		2,396,350
Funds retained in SDC Enterprises Group			6,602,367		5,511,797
Designated funds			414,847		400,445
Revaluation reserve			176,337		305,085
Total unrestricted funds			<u>9,508,826</u>		<u>8,613,677</u>
Restricted funds			37,992		49,869
Permanent endowment funds			17,501		17,501
			<u>55,493</u>		<u>67,370</u>
Total Charity Funds			<u>9,564,319</u>		<u>8,681,047</u>

The financial statements were authorised for issue and signed on behalf of the Society's Board on 27 April 2023.





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

The notes on pages 33 to 54 form part of these financial statements.

The Society of Dyers & Colourists (SDC)
Year ended 31 December 2022
Charity Balance Sheet as at 31 December 2022

			2022	(as restated)
	Notes	£	£	2021
				£
Fixed Assets				
Intangible Assets	15		30,083	30,000
Tangible Assets	16		668,855	704,631
Heritage Assets	17		35,500	35,500
Investments	18		1,386,336	1,501,407
Investment Property	19		360,000	330,000
			<u>2,480,774</u>	<u>2,601,538</u>
Current Assets				
Stock	20	10,068		-
Debtors	21	222,599		210,761
Cash at bank and in hand		<u>353,492</u>		<u>450,699</u>
		586,159		661,460
Liabilities				
Creditors: amounts falling due within one year	22	(104,981)		(93,748)
Net current assets			481,178	567,712
Net Assets			<u>2,961,952</u>	<u>3,169,250</u>
The funds of the charity:	26			
Unrestricted funds				
Accumulated fund			2,315,275	2,380,933
Designated funds			414,847	400,445
Revaluation reserve			<u>176,337</u>	<u>320,502</u>
Total unrestricted funds			<u>2,906,459</u>	<u>3,101,880</u>
Restricted funds			37,992	49,869
Permanent endowment funds			<u>17,501</u>	<u>17,501</u>
			55,493	67,370
Total Charity Funds			<u>2,961,952</u>	<u>3,169,250</u>

The financial statements were authorised for issue and signed on behalf of the Society's Board on 27 April 2023.

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

The notes on pages 33 to 54 form part of these financial statements.

Reconciliation of net income to net cash flow from operating activities

	Group	
	2022	2021
	Total funds	Total Funds
	£	(as restated)
	£	£
Net income for the reporting period (as per the statement of financial activities)	883,272	1,003,924
Adjustments for:		
Revaluation of fixed assets	(24,288)	33,500
Revaluation of investment property	8,606	17,092
Gains(losses) on investments	130,481	(83,887)
(Profit)/Loss on disposal of fixed assets	(850)	1,983
Finance income	(10,330)	-
Tax expense	324,174	276,903
Tax paid	(161,458)	(283,616)
Amortisation	-	3,483
Depreciation charge	100,218	83,472
Decrease/(Increase) in stocks	(308,550)	298,937
Decrease/(Increase) in debtors	(193,220)	(231,282)
(Decrease)/increase in creditors	(52,805)	94,778
Net cash provided (used in) operating activities	695,250	1,215,385
Cash flows from investing activities:		
Purchase of property, plant and equipment	(301,941)	(98,622)
Purchase of intangible assets	(83)	(30,000)
Proceeds from the sale of investments	74,894	196,008
Proceeds from the sale of fixed assets	850	-
Purchase of investments	(90,421)	(183,067)
Purchase of investment property	(45,041)	(15,400)
Interest received	10,330	-
Movement in cash held within investments	(117)	(3,663)
Net cash provided by (used in) investing activities	(351,529)	(134,744)
Cash flows from financing activities:		
Repayments of loans	(62,035)	(61,611)
Net cash provided by (used in) financing activities	(62,035)	(61,611)
Change in cash and cash equivalents in the reporting period	281,686	1,019,030
Cash and cash equivalents at the beginning of the reporting period	3,468,768	2,449,738
Cash and cash equivalents at the end of the reporting period	3,750,454	3,468,768

The notes on pages 33 to 54 form part of these financial statements.

1. General Information

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

2. Accounting Policies

Basis of preparation

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

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

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

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

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

Basis of consolidation

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

The consolidated financial statements include the financial statements of the charity and its subsidiary undertakings made up to 31 December 2022. The acquisitions method of accounting has been adopted. Under this method the group net incoming resources include the results of subsidiaries from the date of acquisition and to the date of sale outside the group in case of disposals and subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Fund accounting

The fund held by the charity are:

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

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

Prior period errors

A prior period error was identified during the current year relating to Heritage assets held by the charity not previously recognised on the balance sheet. A prior period error was also identified relating to the unrealised profits in closing stock. The adjustments above affect unrestricted funds only.

	Relating to current period disclosed in these financial statements	Relating to the prior period disclosed in these financial statements	Relating to earlier periods disclosed in these financial statements
Heritage assets	-	35,500	35,500
Stock	-	(36,334)	-
Unrestricted funds b/fwd	-	834	(35,500)
Unrealised profits	-	1,755	-
Movement in funds	-	(1,755)	-

The Society of Dyers & Colourists (SDC)
Year ended 31 December 2022
Notes to the Financial Statements (continued)

Income

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

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

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

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

Gift aid income

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

During the year the charity has received Gift Aid from subsidiaries of £150,000 (2021 - £Nil).

Expenditure

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

All resources expended are on an accrual basis.

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

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

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

Tangible fixed assets and depreciation – held at cost less depreciation.

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

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

Investment property

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

Building revaluation – Investment Property and Freehold Property

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

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

Mixed use

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

Heritage assets

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

Fixed asset investments

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

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

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

Stock

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

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

Debtors and creditors receivable / payable within one year

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

Intangible assets

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

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

Website Development	- £Nil as asset not in use
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Loans and borrowings

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

Provisions

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

Leases

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

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

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

Foreign currency

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

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

Pension costs

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

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

Research and developments

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

Tax – Charity

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

Tax – Trading subsidiaries

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

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

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

Going concern

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

Key sources of estimation uncertainty

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset. The carrying amount is £1,430,021 (2021-£1,234,062).

Stock provision

The group makes an estimate of the recoverability of the cost of stock. When calculating the stock provision, management consider the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods. The carrying amount is £1,958,599 (2021 - £1,650,049).

Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors management considers factors which include the current credit rating of the debtor, the ageing profile of debtors and historical experience. The carrying amount is £1,329,368 (2021 - £1,144,861).

Business combinations

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

Financial Instruments

Financial assets

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

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

reversal is recognised in profit or loss.

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

Financial liabilities

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

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

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

3. Income from donations

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Gifts and donations	20,164	16,068	170,164	16,068

Included within gifts and donations is £Nil (2021 - £16,000) of restricted income.

4. Income from charitable activities

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Day of Celebration	3,200	145	3,200	145
Seminars and conferences	1,054	1,840	1,054	1,840
Books and publications:				
Academic books	1,841	1,985	1,841	1,985
Malcolm the Weaver books	4,019	1,515	4,019	1,515
Coloration Technology	35,543	38,117	35,543	38,117
Training	32,778	21,545	32,778	21,545
Membership subscriptions	39,639	39,706	39,639	39,706
UK Government grants	9,504	3,000	9,504	3,000
Qualifications	100	-	100	-
Other	407	16,496	407	16,469
	128,085	124,322	128,085	124,322

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

5. Income from other trading activities

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trading income from subsidiaries	6,148,251	5,596,643	-	-

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

6. Income from investments

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Rental Income	160,032	113,860	72,723	67,588
Interest received	8,991	662	1,452	452
Other interest receivable	1,339	683	-	-
Dividends from listed investments	25,285	21,826	25,285	21,826
	195,647	137,031	99,460	89,866

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

7. Other income

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
License fee received from subsidiary	-	-	350,000	350,000
Government grants	27,432	6,504	-	-
Government Job Retention Scheme	-	76,675	-	69,775
Other income from subsidiaries	6,900	-	-	-
	34,332	83,179	350,000	419,775

Group Government grants includes Job Retention Scheme income of £Nil (2021 - £76,675) and Charity Government grants includes Job Retention Scheme income of £Nil (2021 - £69,775).

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

8. Expenditure on raising funds

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Outsourced general marketing	38,905	28,547	38,905	28,547
Bradford Council car park lease	4,539	4,733	4,539	4,733
Broker fees	5,806	6,876	5,806	6,876
Trading by subsidiaries	4,364,026	3,998,557	-	-
	4,413,276	4,038,713	49,250	40,156

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

9. Expenditure on charitable activities

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Books – Colour Experience	13,174	1,116	13,174	1,116
Coloration Technology	31,672	26,293	31,672	26,293
Qualifications costs	9,785	400	9,785	400
Training costs	4,699	4,695	4,699	4,695
Salary costs (including redundancy costs)	377,073	441,152	377,073	441,152
Travel and subsistence	14,318	1,538	14,318	1,538
Operational costs	146,485	134,644	146,485	134,644
Depreciation	34,161	49,951	34,161	49,951
(Profit) on disposal of tangible fixed assets	(450)	1,923	(450)	1,923
Bad debts	-	566	-	566
Governance costs (Note 10)	28,798	24,678	28,798	24,678
Bursaries / Awards	16,254	8,205	16,254	8,205
Seminar and conference costs	1,793	3,225	1,793	3,225
Day of Celebration	22,548	-	22,548	-
Other SDC committees	1,317	2,256	1,317	2,256
Irrecoverable input VAT	14,417	-	14,417	-
Outsourced service costs:				
- Facilities management services	19,149	8,000	19,149	8,000
- External accountancy and consultancy fees	3,018	7,406	3,018	7,406
- General admin support	2,958	-	2,958	-
- HR helpline services	5,609	10,958	5,609	10,958
- Bookkeeping services	32,282	27,517	32,282	27,517
- The Colourist	11,898	6,150	11,898	6,150
	790,958	760,673	790,958	760,673

£11,877 (2021 - £7,062) expenditure on charitable activities was restricted in the current and preceding year.

9 Expenditure on charitable activities

Analysis of expenditure by activity:

Group and Charity – current year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Education	11,898	99,893	72,393	7,629	191,813
Membership and Qualifications	55,079	126,115	91,395	9,632	282,221
Publications	44,846	121,887	88,332	9,309	264,374
Administrative costs	-	29,177	21,145	2,228	52,550
	<u>111,823</u>	<u>377,073</u>	<u>273,264</u>	<u>28,798</u>	<u>790,958</u>

Group and Charity – prior year

	Direct costs	Staff costs	Shared costs	Support costs (Governance)	Total
	£	£	£	£	£
Education	6,150	82,981	96,741	4,642	139,812
Membership and Qualifications	16,525	141,410	74,886	7,910	244,302
Publications	27,409	147,676	69,943	8,261	265,280
Administrative costs	-	69,085	11,553	3,865	111,279
	<u>50,084</u>	<u>441,152</u>	<u>253,123</u>	<u>24,678</u>	<u>760,673</u>

Total expenditure on charitable activities was £795,118 (2021 - £760,673) of which £11,877 (2021 - £7,062) was restricted and £783,241 (2021 £753,611) was unrestricted.

10. Governance costs

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Committee meetings	2,705	2,158	2,705	2,158
Miscellaneous governance costs	2,207	139	2,207	139
Legal fees and trademark protection	4,744	1,136	4,744	1,136
Trustees liability insurance	1,707	1,611	1,707	1,611
Trustees training	-	-	-	-
Audit fees	14,267	10,589	14,267	10,589
Bank charges	2,249	1,750	2,249	1,750
PayPal charges	17	11	17	11
Subscriptions & licences (inc data protection)	2,476	3,451	2,476	3,451
Grants in support of SDC regions	1,703	(220)	1,703	(220)
Medals & plaques	(3,277)	4,053	(3,277)	4,053
	<u>28,798</u>	<u>24,678</u>	<u>28,798</u>	<u>24,678</u>

11. Taxation

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Corporation tax				
Current tax on profits for the year	240,400	213,800	-	-
Adjustments in respect of previous periods	(226)	(397)	-	-
Deferred tax				
Origination and reversal of timing differences	84,000	9,000	-	-
Adjustments in respect of prior periods	-	-	-	-
Taxation	324,174	222,403	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax (2021 – lower than) in the UK of 19% (2021 – 19%). The differences are explained below:

	2022	2021	2022	2021
	£	£	£	£
Profit on taxable activities before tax	1,589,933	1,340,264	-	-
Profit on taxable activities multiplied by standard rate of corporation tax in the UK of 19% (2021-19%)	302,087	254,650	-	-
Effects of:				
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	887	(2,075)	-	-
Difference in accelerated CA's due to non qual dep'n	645	-	-	-
Effect of tax rate charges	37,439	-	-	-
Under/(over) provision in prior year	(226)	(397)	-	-
Other timing differences leading to an increase (decrease) in taxation	-	773	-	-
Super deduction difference	(16,881)	(2,048)	-	-
Rounding	222	-	-	-
Distribution to parent made in Gift Aid	-	(28,500)	-	-
Total tax charge for the year	324,174	222,403	-	-

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £10,000.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Net losses on Investments

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Realised gains/(losses)	2,470	15,768	2,470	15,768
Unrealised gains/(losses)	(132,951)	68,119	(132,951)	68,119
Gain/(loss) on revaluation of investment property	(8,606)	1,675	(8,606)	1,675
	(139,087)	85,562	(139,087)	85,562

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Salaries and wages	1,334,933	1,238,739	307,396	353,220
Social security costs	141,750	131,599	34,450	35,264
Pension costs	126,778	119,169	27,827	33,889
Redundancy costs	-	18,779	-	18,779
	<u>1,603,461</u>	<u>1,508,286</u>	<u>369,673</u>	<u>441,152</u>

The group paid £3,691 (2021 - £3,814) in respect of employer's life assurance contributions and £5,545 (2021 - £6,232) in respect of employer's private medical contributions during the year. The charity paid £3,691 (2021 - £3,814) in respect of employer's life assurance contributions and £2,330 (2021 £3,218) in respect of employer's private medical contributions during the year.

There were 3 employees of the group with employment benefits in excess of £60,000 (2021 - 3).

	Group		Charity	
	2022	2021	2022	2021
	No.	No.	No.	No.
Bands:				
£220,001 - £230,000	1	-	-	-
£210,001 - £220,000	-	1	-	-
£110,001 - £120,000	1	1	1	1
£70,001 - £80,000	1	1	1	1
	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>

The number of staff who received in excess of £60,000 to whom retirement benefits are accruing under defined contributions schemes was 3 (2021 - 3)

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Employer's pension contributions to defined contribution schemes in respect of the employees receiving in excess of £60,000	50,267	46,936	15,328	14,953
	<u>50,267</u>	<u>46,936</u>	<u>15,328</u>	<u>14,953</u>

The key management personnel of the group comprise the trustees, CEO, and deputy CEO of the charity and the directors of SDC Enterprises Limited. The total employee benefits of this group was £416,076 (2021 - £327,316).

None of the Trustees (2021 - None) have been paid any remuneration or received any other benefits from the Charity. During the year 1 Trustee (2021 - None) was reimbursed for expenses incurred on behalf of the Charity to the sum of £1,213 (2021 - £Nil). During the year 11 Trustees (2021 - 6) were invoiced for subscriptions totalling £1,081 (2021: £580). At the year end there was £Nil due from Trustees, at the previous year end £63 was due from one trustee.

14. Average staff numbers

	Group		Charity	
	2022	2021	2022	2021
	No.	No.	No.	No.
Charitable activities	6	6	6	6
Management administration	33	33	2	3
	<u>39</u>	<u>39</u>	<u>8</u>	<u>9</u>

15. Intangible assets

Group	Goodwill £	Website Development £	Total
Cost			
At 1 January 2022	209,000	30,000	239,000
Additions	-	83	83
As at 31 December 2022	209,000	30,083	239,083
Amortisation			
At 1 January 2022	209,000	-	209,000
Charge for the year	-	-	-
As at 31 December 2022	209,000	-	209,000
Net book value			
As at 31 December 2022	-	30,083	30,083
As at 31 December 2021	-	30,000	30,000
Charity		Website Development	
Cost			
At 1 January 2022		30,000	
Additions		83	
As at 31 December 2022		30,083	
Amortisation			
At 1 January 2022		-	
Charge for the year		-	
As at 31 December 2022		-	
Net book value			
As at 31 December 2022		30,083	
As at 31 December 2021		30,000	

16. Tangible fixed assets

	Leasehold improvements £	Freehold property £	Plant, machinery and equipment £	Total £
Group cost or revaluation				
Cost at 1 January 2022	80,229	770,000	2,272,560	3,122,789
Additions	1,696	-	300,245	301,941
Disposals	-	-	(66,129)	(66,129)
Transfers to investment property	-	(30,000)	-	(30,000)
Cost at 31 December 2022	81,925	740,000	2,506,676	3,328,601
Depreciation at 1 January 2022	59,809	-	1,828,920	1,888,729
Charge for the year	5,377	24,288	70,553	100,218
Eliminated on revaluation	-	(24,288)	-	(24,288)
Depreciation on disposal	-	-	(66,079)	(66,079)
Depreciation at 31 December 2022	65,186	-	1,833,394	1,898,580
Net book value at 31 December 2022	16,739	740,000	673,282	1,430,021
Net book value at 31 December 2021	20,420	770,000	443,640	1,234,060

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

The historical cost of the freehold property above at 31 December 2022 was £653,996 (2021 - £679,511).

	Leasehold improvements £	Freehold property £	Furnishings and equipment £	Total £
Charity cost or revaluation				
Cost at 1 January 2022	45,439	670,000	109,181	824,620
Additions	-	-	4,097	4,097
Transfer to investment property	-	(30,000)	-	(30,000)
Cost at 31 December 2022	45,439	640,000	113,278	798,717
Depreciation at 1 January 2022	45,439	-	74,550	119,989
Charge for the year	-	24,288	9,873	34,161
Eliminated on revaluation	-	(24,288)	-	(24,288)
Depreciation at 31 December 2022	45,439	-	84,423	129,862
Net book value at 31 December 2022	-	640,000	28,855	668,855
Net book value at 31 December 2021	-	670,000	34,631	704,631

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

The historical cost of the freehold property above at 31 December 2022 was £653,996 (2021 - £679,511).

17. Heritage assets – Group and charity

	Heritage Assets £
Brought forward as 1 January 2022 (as restated)	
Additions	35,500
Disposals	-
Revaluation	-
Carried forward 31 December 2022	<u>35,500</u>

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

Heritage assets not been recognised in the balance sheet

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

18. Investments

	At 1 January 2022	Additions	Disposals	Realised/ Unrealised gains	At 31 December 2022
	£	£	£	£	£
Quoted investments at market value	1,049,027	90,421	(74,894)	(130,481)	934,073
Cash	6,681	-	(117)	-	6,564
	<u>1,055,708</u>	<u>90,421</u>	<u>(75,011)</u>	<u>(130,481)</u>	<u>940,637</u>
Investment in subsidiaries					
SDC Enterprises Limited	445,600	-	-	-	445,600
SDC International Limited	99	-	-	-	99
	<u>445,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,699</u>
Quoted investments at cost	<u>836,892</u>				<u>854,889</u>

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

Investments in subsidiaries

SDC owns 100% of the £1 ordinary shares issued in SDC Enterprises Limited, the investment is £445,600 (2021 – £445,600). SDC Enterprises Limited (Company number 00433197) owns 100% of the £1 ordinary shares issued in Sam Weller Limited (Company number 00433197), the results of both companies are consolidated in these financial statements.

The SDC's investment in SDC International (Company number – 04309970) represents £99 (2021 - £99) ordinary shares of £1 each which is wholly owned.

All subsidiaries are incorporated and registered in England and Wales.

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

	2022 £	2021 £
Turnover	6,148,251	5,596,643
Expenditure	(4,895,158)	(4,480,509)
Profit for the year	<u>1,253,093</u>	<u>1,116,134</u>
Assets	8,807,075	7,539,838
Liabilities	(1,681,727)	(1,517,583)
Net assets	<u>7,125,348</u>	<u>6,022,255</u>

19. Investment Property

Group	Freehold Investment Property £
Valuation	
At 1 January 2022	1,744,808
Additions at cost	45,040
Revaluations	(8,606)
Transfers (to)/from freehold property	30,000
At 31 December 2022	<u>1,811,243</u>
Charity	Freehold investment property £
Valuation	
At 1 January 2022	330,000
Additions at cost	8,606
Revaluations	(8,606)
Transfers (to)/from freehold property	30,000
At 31 December 2022	<u>360,000</u>

Group and Charity

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

The historical cost of the freehold investment property above at 31 December 2022 was £1,950,638 (2021 - £1,880,083).

20. Stock

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
		(restated)		
Raw materials and consumables	660,121	523,073	-	-
Work in progress	187,240	141,359	-	-
Finished goods for resale	1,111,238	985,617	10,068	-
	<u>1,958,599</u>	<u>1,650,049</u>	<u>10,068</u>	<u>-</u>

Stock recognised in cost of sales during the year as an expense was £1,691,358 (2021 - £1,481,170).

Total carrying amount of stocks pledged as security for liabilities was £1,948,531 (2021 - £1,650,050).

21. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling within one year				
Trade debtors	1,079,072	818,160	12,206	11,530
Amounts owed by group undertakings	-	-	143,097	130,636
Other debtors	154,688	113,566	44,175	45,200
Prepayments	95,608	213,135	23,121	23,395
	1,329,368	1,144,861	222,599	210,761

A specific bad debt provision, amounting to £40,052 (2021 - £40,052), has been raised in respect of amounts due from SDC EC. The bad debt recognised within the Statement of Financial Activity for the year was £Nil (2021 - £566).

22. Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling within one year				
Bank loans	59,199	62,903	-	-
Trade creditors	330,224	280,484	33,173	13,237
Taxes and Social Security	196,922	123,770	28,653	19,252
Accruals and deferred income	273,132	374,652	27,686	43,721
Other creditors	19,255	21,007	15,469	17,538
	878,732	862,816	104,981	93,748

Deferred income relates to income received for subscription and member fees which is not relatable to the year end 31 December 2022.

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	686,854	745,185	-	-
Deferred income	-	2,698	-	-
	686,854	747,883	-	-

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

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

24. Loans

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans:				
Amounts falling due within one year	59,199	62,903	-	-
Amounts falling due 2-5 years	686,854	745,185	-	-
	746,053	808,088	-	-

25. Deferred tax

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
At beginning of year	72,000	63,000	-	-
(Released)/charged during year	84,000	9,000	-	-
At end of year	156,000	72,000	-	-

The provision for deferred taxation is made up as follows:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	159,000	75,000	-	-
Other timing differences	(2,000)	(1,000)	-	-
Losses c/fwd	(1,000)	(2,000)	-	-
Total	156,000	72,000	-	-

26. Funds	Fund balance 01/01/2022 (restated) £	Income £	Expenditure £	Transfers £	Gains and Losses £	Net movement In funds £	Fund balance 31/12/2022 (restated) £
Unrestricted funds							
Accumulated funds	2,396,350	747,709	(823,954)	(31,588)	26,758	(81,075)	2,315,275
Designated funds							
Centenary educational trust	67,855	-	(4,377)	-	-	(4,377)	63,478
Tordoff memorial	96,385	-	-	-	-	-	96,385
Unfunded projects reserve	226,205	-	-	18,779	-	18,779	254,984
Total designated funds	400,445	-	(4,377)	18,779	-	14,402	414,847
Revaluation Reserve	305,085	-	-	12,809	(141,557)	(128,748)	176,337
Total unrestricted funds - Charity	3,101,880	747,709	(828,331)	-	(139,087)	(195,421)	2,906,459
Restricted funds							
George Douglas Lecture	1,730	-	-	-	-	-	1,730
Turner Scholefield Award	8,510	-	-	-	-	-	8,510
Future Textile Dyers Fund	39,629	-	(11,877)	-	-	(11,877)	27,752
Permanent endowment funds	49,869	-	(11,877)	-	-	(11,877)	37,992
George Douglas Lecture	2,128	-	-	-	-	-	2,128
Turner Scholefield Award	2,497	-	-	-	-	-	2,497
Veronica Bell Award	12,876	-	-	-	-	-	12,876
	17,501	-	-	-	-	-	17,501
Total funds – Charity	3,169,250	747,709	(840,208)	-	(139,087)	(207,298)	2,961,952
Funds retained in trading subsidiaries	5,511,797	5,778,770	(4,688,200)	-	-	1,090,570	6,602,367
Total funds – Group	8,681,047	6,526,479	(5,528,408)	-	(139,087)	883,272	9,564,319

The Society of Dyers & Colourists (SDC)
Year ended 31 December 2022
Notes to the Financial Statements (continued)

26.	Funds – previous year	Fund balance 01/01/2021 (restated) £	Income £	Expenditure £	Transfers £	Gains and Losses £	Net movement In funds £	Fund balance 31/12/2021 (restated) £
	Unrestricted funds							
	Accumulated funds	2,422,277	634,031	(773,845)	30,000	83,887	(25,927)	2,396,350
	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	-	(19,992)	-	-	(49,922)	400,445
	Revaluation Reserve	320,502	-	-	-	(15,417)	(15,417)	305,085
	Total unrestricted income funds	3,193,146	634,031	(793,767)	-	68,470	(91,266)	3,101,880
	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
	Permanent endowment funds	40,931	16,000	(7,062)	-	-	8,938	49,869
	George Douglas Lecture	2,128	-	-	-	-	-	2,128
	Turner Scholefield Award	2,497	-	-	-	-	-	2,497
	Veronica Bell Award	12,876	-	-	-	-	-	12,876
		17,501	-	-	-	-	-	17,501
	Total funds – Charity	3,251,578	650,031	(800,829)	-	68,470	(82,328)	3,169,250
	Funds retained in trading subsidiaries	4,425,545	5,307,212	(4,220,960)	-	-	1,086,252	5,511,797
	Total funds – Group	7,677,123	5,957,243	(5,021,789)	-	68,470	1,003,924	8,681,047

26 Funds (continued)

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

Designated Funds:

Centenary Educational Trust Fund

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

Tordoff Memorial Fund

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

Restricted Funds:

George Douglas Lecture

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

Turner Scholefield Award

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

Future Textile Dyers Fund

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

Permanent Endowment Funds:

George Douglas Lecture

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

Turner Scholefield Award

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

Veronica Bell Award

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

Revaluation reserve

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

27. Analysis of net assets by funds – Group

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Revaluation Reserve Funds £	Total Funds £
At 31 December 2022					
Intangible fixed assets	30,083	-	-	-	30,083
Heritage assets	35,500	-	-	-	35,500
Tangible fixed assets	1,430,021	-	-	-	1,430,021
Investments	940,637	-	-	-	940,637
Investment property	1,811,243	-	-	-	1,811,243
Current assets	6,982,928	37,992	17,501	-	7,038,421
Current liabilities	(878,732)	-	-	-	(878,732)
Long term liabilities	(686,854)	-	-	-	(686,854)
Provisions for liabilities	(156,000)	-	-	-	(156,000)
	9,508,826	37,992	17,501	-	9,564,319

Analysis of net assets by funds – Group – previous year

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Revaluation Reserve Funds £	Total Funds £
At 31 December 2021					
Intangible fixed assets	30,000	-	-	-	30,000
Heritage assets	35,500	-	-	-	35,500
Tangible fixed assets	1,234,062	-	-	-	1,234,062
Investments	1,055,708	-	-	-	1,055,708
Investment property	1,744,808	-	-	-	1,744,808
Current assets	6,196,308	49,869	17,501	-	6,263,678
Current liabilities	(862,826)	-	-	-	(862,826)
Long term liabilities	(747,883)	-	-	-	(747,883)
Provisions for liabilities	(72,000)	-	-	-	(72,000)
	8,613,677	49,869	17,501	-	8,681,047

28. Analysis of changes in net debt

	Net debt at 1 January 2022	Cash flow	Net debt 31 December 2022
Long term borrowings	745,185	(58,331)	686,854
Short term borrowings	62,903	(3,704)	59,199
	808,088	(62,035)	746,053

29. Financial instruments

	Group 2022 £	2021 £
Financial assets		
Financial assets measured at fair value through SOFA	3,385,316	3,463,835
	3,385,316	3,463,835

30. Commitments under operating leases – lessee

At 31 December 2022 the group and the charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	127,873	130,221	12,523	14,872
Later than 1 year and not later than 5 years	120,639	389,222	12,523	50,090
Later than five years	151,146	10,436	35,480	10,436
	399,658	529,879	60,526	75,398

The amount of non-cancellable operating lease payments recognised as an expense during the year was Group £134,393 (2021 - £133,650) and Charity £19,043 (2021 - £21,013).

Commitments under operating leases – lessor

At 31 December 2022 the group and the charity had future minimum lease payments receivable under non-cancellable operating leases as follows:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	79,607	81,316	15,232	16,941
Later than 1 year and not later than 5 years	261,405	251,945	21,155	4,795
Later than five years	287,375	344,850	-	-
	628,387	678,111	36,387	21,736

The amount of contingent rents recognised as income during the year was £104,167 (2021 - £131,234).

Capital commitments £Nil (2021 - £201,991)

31. Related party transactions

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

Charity

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

32. Ultimate Control

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